BBA 6326

Human Resource Management

Study Module

স্কুল অব বিজনেস

SCHOOL OF BUSINESS

বাংলাদেশ উন্মুক্ত বিশ্ববিদ্যালয়

BANGLADESH OPEN UNIVERSITY

স্কুল অব বিজনেস

SCHOOL OF BUSINESS

বাংলাদেশ উন্মুক্ত বিশ্ববিদ্যালয়

BBA 6326

Human Resource Management

Course Development Team

Writer
Professor Dr. M. Ekramul Hoque
International Standard University
Dhaka

Editor & Style Editor
Professor Dr. Md. Mayenul Islam
School of Business
Bangladesh Open University

Coordinator
Dean
School of Business
Bangladesh Open University

This book has been published after being refereed for the students of School of Business, Bangladesh Open University

BBA 6326

Human Resource Development

Study Module

Date of Publication: June, 2025

Cover Design : Md. Monirul Islam
Computer Compose : Md. Abdul Matin

Published by : Publishing, Printing and Distribution Division
Bangladesh Open University, Gazipur-1705

Printed at : Paper Procecing & Packaging Ltd.
30-31 Dilkusha, C/A
BCIC Bhaban (3rd Floor), Dhaka-1000

Preface

This self-learning material entitled Human Resource Management (HRM) is designed and developed for the students of the BBA Program of the School of Business, Bangladesh Open University. It is written in modular form for easy of understanding of different theories and techniques of HRM for our BBA Program. This SLM has 10 units, consist of 21 lessons.

I do not claim the learning material to be my own contribution. This is simply a composition of ideas taken from different books written by prominent authors and scholars of HRM. I am grateful to them. My objective is to present each lesson in a simple way so that they can comprehend different concepts of HRM easily. It is not a substitute for original books on HRM but a supplement to the original text books prescribed for our students, mostly for the disadvantaged group of the society. Buying or selling of this learning material is strictly prohibited.

I am grateful to Prof. Dr. A B M Obaidul Islam, honourable Vice Chancellor of Bangladesh Open University for his inspiration to write the learning material. My thanks are also due to Prof. Dr. Md. Mayenul Islam, School of Business for the edit of the learning material and the valuable suggestions he has given to improve the material.

I shall feel rewarded for my endeavour if the self-learners find this learning material worthwhile and useful.

Prof. Dr. M. Ekramul Hoque
School of Business
Bangladesh Open University

Contents

Introduction to Human Resource Management

1

Unit Highlights

- Meaning, Functions, and Nature of Human Resoureces Management;
- Approaches, Objectives and the Needs for Human Resoureces Management;
- Strategic Challenges of Environment on Human Resource Management.

Technologies Used for Content Delivery

- BOUTUBE
- BOU LMS
- WebTV
- Web Radio
- Mobile Technology with MicroSD Card
- LP+ Office 365
- BTV Program
- Bangladesh Betar Program

LESSON 1: MEANING, FUNCTIONS, NATURE, APPROACHES, OBJECTIVES AND THE NEEDS FOR HUMAN RESOURECES MANAGEMENT

Lesson Objectives:

Upon completion of this lesson you will be able to:

- define human resource management;
- explain the functions of human resource management;
- discuss the nature of human resource management;
- explain the approaches of human resource management;
- describe the objectives and the need for human resource management.

Introduction

One of the most important resources of an organisation is people. Organisations depend on people to make them operate. It is the people who can differentiate between an effective and an ineffective organisation. With the increasing complexities in business environment, the management of people at work have become more complex. The business organisations need to manage people more efficiently, so that they can get maximuum utilization of human resources. The effective management of people at work is Human Resource Management.

Meaning of Human Resource Management

Human resource management (HRM) has emerged as a major function in all types of organisations. It deals with the "people" element in management. Since every organization is made up of people, acquiring their services, developing their skills, motivating them to higher levels of performance, and ensuring that they continue to maintain their commitment to the organization are essential to achieving organizational objectives. This is true regardless of the type of organization- profit or non-profit, public or private. Human Resources are the people an organization employs to carry out various jobs, tasks, and functions in exchange for wages, salaries, and other rewards. From this viewpoint, human resource management is the comprehensive set of managerial activities and tasks concerned with attracting, developing and maintaining a qualified workforce – human resources – in ways that contribute to organizational effectiveness. In short, Human resource management is a proeess consisting of staffing, development, motivation, and maintenance of human resources in an organization.

Major Functions of Human Resource Management

Human resource management consists of four functions – staffing, development, motivation, and maintenance – of human resources in an organization. Let us discuss each of the four functions:

Staffing: The ***staffing*** function initiates with human resource planning. It makes sure that the organization has the right number and kinds of people at the right place at the right time.

With regard to human resource requirements, we need to know where we are going and how we are going to get there. This includes estimating demands and supplies of labor and matching them. Staffing also includes the recruitment, selection, and socialization of employees. Recruitment is concerned with identifying and attracting potential applicant to apply for the current and future vacancies in the organization. Recruitment provides a list of potential employees. From this list HRM chooses (selection) the most suitable candidates for the current or future vacancies in the organization. Socialization is the process of adaptation. It takes place as individuals attempt to learn the values and norms of work roles.

Development: *The development* function can be viewed along three dimensions. The first is employee training, which emphasizes skill development and the changing of attitudes among workers.

The second is management development, which concerns itself primarily with gaining knowledge and enhancing conceptual abilities of an executive.

The third is career development, which is the series of activities or the lifelong process of developing one's career. It involves training on new skills, moving to position of higher responsibility, making a career change within the same organization, moving to a different organization or starting one's own business. It ensures that the organization gets people with proper qualification and experience when needed and the people get advancement in their work lives.

Motivation: *Motivation* is the internal state of mind that induces people to put forth efforts willingly and enthusiastically towards the achievement of organizational goals. Motivation function in HRM is concerned with helping employees exert at high energy level. Motivation function begins with the recognition that individuals are unique and that motivation techniques must reflect the needs of each individual. Within the motivation function, behavioral and structural techniques, performance appraisal, linking rewards to performance and employee benefits are applied to stimulating worker performance.

Maintenance: The final function is *maintenance*. In contrast to the motivation function, which attempts to simulate performance, the maintenance function is concerned with providing those working conditions that employees believe are necessary in order to maintain their commitment and loyalty to the organization.

HRM must ensure a safe and healthy working condition, care for employee wellbeing, assist employees in dealing with problems they faces in their personal life and keep them well-informed of what is happening in the organization and knowledgeable of policies and procedures affecting them to ensure their commitment and loyalty to the organization.

Nature of Human Resource Management

- HRM consist of people related functions as hiring, training and development, performance evaluation, compensation, safety and health, welfare, industrial relation and the like. These are typically the functions of 'personnel management' and are administrative and supportive in nature.
- More important functions of HRM are the building of human capital (stock of employee skills, knowledge, and capabilities and other intangible assets of individual) which lends competitive advantage to a firm. These two types of activities of HRM are interdependent.
- HRM necessitates alignment of HR policies and practices with the organization's strategies both corporate and functional.
- HRM involves the application of management principles and function to the management of people.
- HRM assumes that it is the people who make difference. They alone are capable of generating value and adding to the competitive advantage to organizations.
- HR activities are not the sole responsibilities of the HR specialists. Line managers are equally responsible for carrying out the activities.
- HR functions are not confined to business establishments only. They are applicable to non-business organizations too.

Objectives of Human Resource Management

The primary objective of HRM is to ensure the availability of a competent and willing work force to an organization. Werther and Davis and Ivancevich have mentioned specific objectives of HRM:

1. **Organisational Objectives:** The pivotal objective of human resource management (HRM) is to serve organisational objectives to perform effectively and to sustain in competitive environment with competent and efficient workforce. Human resource management will help all departmental managers to resolve their human resource problems. It is only a means of assisting managers with their human resource issues to conduct their jobs well.
2. **Functional Objectives:** Human resource management maintain the contribution to the level appropriate with organization need. It is entrusted with human resource planning, job analysis, training and development, performance appraisal, compensation management, employee

benefits and incentives and industrial relations. These are done effectively to meet appropriate organisational needs on time.

3. **Strategic objectives:** Strategic objectives of human resource management are achieving integrated resourcing, quality of work life, compatible human resource for change management and adaptability, ethical human resource and culture which will serve long term sustainability of the organisation with quality and committed workforce.
4. **Personal Objectives:** People in the organisation have their own personal objectives to achieve, the fulfilment of which will enable organisation to maintain, retain, and to motivate people to work for the organisation efficiently and comfortably. Employees will have goals related to financial, psychological, benefits, incentives, working conditions, job structure, and autonomy. These individual goals have to be considered and satisfied with utmost good faith and mutually satisfying manner to keep workforce motivated. HR assist employees in achieving their personal goals.
5. **Societal Objectives:** Society wants ethical and socially responsive behaviour from the organisational people in terms of products and services, employee selection, treatment to employees, just and fair pay, social responsibility, and other activities meeting the needs and challenges of society. Thus, human resource management sets its objective to prepare employees so that they can take action in socially desirable manner.

Approaches to Human Resource Management

Approaches to Human Resource Management include:

- Instrumental approaches
- Humanistic approaches

Instrumental Approaches: These approaches view HRM as something which is driven by and derived directly from corporate, divisional or business level strategy and geared almost exclusively to enhancing competitive advantage. They firmly emphasize strategy in human resource management. This is often referred to as the hard version to HRM.

From this perspective HRM is concerned with the integration of human resource issues into business planning. In other words, all decisions about the acquisition, processing and management of human resources must, like any other organizational input, be tailored to increase or restore competitive advantage. The key question must be: '*What HRM strategy will maximize competitive advantage, optimize control and minimize unit and labour replacement costs?'*

Humanistic Approaches: These approaches utilize 'process' theory to emphasize the reciprocal nature of the relationship between strategic management and HRM and the latter's role in ensuring that competitive advantage is achieved through people, but not necessarily at their expense. These approaches are closely associated with what has become known as the Harvard School' of HRM. Here the emphasis is on the softer aspects of HRM associated with organizational culture and employee commitment.

Need for Human Resource Management

Prior to 1960s personnel departments in organizations were often perceived as the 'Health and happiness' crews. Their primary job activities involved planning company picnic, scheduling vacations, enrolling workers for health-care coverage, and planning retirement parties. That has changed during the past three decades.

- State laws have placed on employers many new requirements concerning hiring and employment practices.
- Jobs have also changed. They have become more technical and require employees with greater skills.
- Job boundaries are becoming blurred.
- Global competition has increased the importance of improving workforce productivity and looking globally for the best-qualified workers.

Thus, organizations need HRM specialist trained in psychology, sociology, organization and work design, and law. Someone must ensure that these activities (staffing, development, motivation and maintenance) are done properly. The 'someones' we refer to, those primarily responsible for carrying out these activities, are human resource professionals. Professionals in human resources are important elements in the success of any organization.

Review Questions

1. What do you mean by Human Resource Management (HRM)? Explain the nature of Human Resource Management.
2. Discuss the major functions of Human Resource Management.
3. State the objectives of Human Resource Management.
4. Distinguish between Instrumental Approaches and Humanistic approaches to HRM.
5. Why is HRM important in business organisations?

LESSON 2: STRATEGIC HUMAN RESOURCE MANAGEMENT

Lesson Objectives:

Upon completion of this lesson you will be able to:

- *understand* the meaning and nature of Strategic Human Resource Management;
- *differentiate* Strategic Human Resource Management from traditional Human Resource Management;
- *explain* the importance and benefits of Strategic Human Resource Management;
- *discuss the barriers to strategic approach to Human Resource Management.*

Meaning and Nature of Strategic Human Resource Management (SHRM)

Employees today are central to achieving competitive advantage. This reality has led to the emergence of the field known as strategic human resource management. One definition of SHRM is 'the linking of HRM with strategic goals and objectives in order to improve business performance and develop organisational cultures that foster innovation and flexibility.' In other words, it is the practice of attracting, developing, rewarding, and retaining employees for the benefit of both the employees as individuals and the organization as a whole. HR departments that practice strategic human resource management do not work independently within a silo; they interact with other departments within an organization in order to understand their goals and then create strategies that align with those objectives, as well as those of the organization. As a result, the goals of a human resource department reflect and support the goals of the rest of the organization. Strategic HRM is seen as a partner in organizational success, as opposed to a necessity for legal compliance or compensation. Strategic HRM utilizes the talent and opportunity within the human resources department to make other departments stronger and more effective. So, Strategic HRM involves:

1. Integration of Human Resource Management with the strategy and the strategic needs of the organisation;
2. Coherence of Human Resource policies with both across policy areas and across hierarchies;
3. Resulting in firm's above-average financial performance by Human Resource Architecture of the firm. Human Resource architecture is composed of the systems, practices, competencies and employee performance behaviours that reflect the development and management of the firm's human resource; and
4. Adjustment, acceptance, and uses of human resource practices by line managers and employees as part of their everyday work.

Strategic HRM versus Traditional HRM

In traditional HRM the responsibility of people management lies with the HR specialists in an organization. But in strategic HRM, the responsibilities of managing people rests with the line managers-who interact with people. In essence, strategic HRM would argue that any manger in a firm who has responsibility for managing people is an HR manger, no matter in which functional area he or she works. Similarly, the focus in traditional HRM is on employee relations, ensuring the employees are motivated and become productive and that the firm is in compliance with the necessary employment regulations. In the strategic perspective, HRM goes beyond and focusses on partnership with internal and external constituent groups. Likewise in other dimensions such as role of HRM, initiatives, job design and the like, there is contrast between the traditional HRM and strategic HRM.

Strategic HRM versus Traditional HRM

	Traditional HRM	**Strategic HRM**
Responsibilities of HRM	Staff Specialists	Line managers
Focus	Employee relations	Partnerships with internal and external customers
Role of HR	Transactional, Change follower and respondent	Transformational, change leader, and initiator
Initiatives	Slow, reactive, fragmented	Fast, proactive, integrated
Time horizon	Short term	Short, medium, long (as necessary)
Control	Bureaucratic-roles, policies, procedures	Organic-flexible, whatever is necessary to succeed
Job design	Tight division of labor, independence, specialization	Broad, flexible, cross training, teams
Key investments	Capital, products	People, knowledge
Accountability	Cost center	Investment center

(Source: Jeffrey A. Mello, Strategic Human Resource Management, Thomson, 2003, p. 102)

Importance of Strategic HRM

When a human resource department strategically develops its plans for recruitment, training, and compensation based on the goals of the organization, it is ensuring a greater chance of organizational success.

You could look at strategic HRM as the team captain or coach, as his or her responsibilities are a little bit different from those of the other players. Human resources departments are charged with analyzing the changes that need to occur with each 'player' or department and assisting them in strengthening any weaknesses. **Strategic human resource management** then is the process of using HR techniques, like training, recruitment, compensation, and employee relations to create a stronger organization, one employee at a time.

Strategic human resource management is designed to help organizations best meet their needs that focus on employees as well as to promote organizational goals. It deals with any aspect of a business that affects employees, such as hiring, firing, payrolls, benefits, training and general administration. Strategic human resource management is the proactive management of people. It requires a lot of thinking ahead and planning ways for an organization to better meet the needs of their employees as well as the business itself. It reflects on the way businesses traditionally work and improves everything from traditional hiring practices to employee training programs to employee evaluation techniques.

Strategic human resource management is the process of linking human resources with the strategic goals of the organization thereby improving the performance and fostering innovation, flexibility and gaining a competitive advantage. The benefits of Strategic HRM is summarized below:

Benefits of SHRM

1. It provides a clear business strategy and a vision for the future.
2. It helps the human resources department supply competitive intelligence that may be useful in the strategic planning process.
3. It impacts the entire process of recruiting, retaining and motivating employees.
4. It helps identify the external opportunities and threats that may be critical to the company’s success.
5. Helps develop and retain highly competitive people.
6. Helps address people development issues systematically.
7. It helps supply information regarding the company’s internal strengths and weaknesses.
8. It also helps meet the customer’s expectations effectively.
9. Ensures efficiency and greater productivity.

Barriers to SHRM

Though Strategic HRM seems convincing and essential, several barriers operate in the way of organization taking to strategic orientation of their HR functions:

1. The main barriers to SHRM are the inability of HR Executives to think strategically. They are unable to go beyond their area of operation.
2. Sometimes there is high resistance to changes and lack of cooperation too from existing people and processes.
3. Lack of Commitment of the management team.
4. Status quo approach is the greatest hindrance. People who love status quo would not be best suited for such a change or transformation to take place.
5. Many times diverse workforce is considered as a barrier – which is not actually the case- regardless of the workforce SHRM can be implemented.
6. The leaders may lack vision for the future and fail to include strategic human resource management into the core of the organization.
7. Finally, most organizations adopt a short-term mentality and focus on current performance. Both the stockholders and the employees expect quick rewards.

Review Questions

1. What do you mean by Strategic Human Resource Management? State the nature of SHRM.
2. Discuss the importance of Strategic Human Resource Management.
3. Differentiate Strategic Human Resource Management from traditional HRM.
4. What are the benefits of Strategic Human Resource Management?
5. Explain the major barriers to Strategic Human Resource Management.

LESSON 3: STRATEGIC CHALLENGES OF ENVIRONMENT ON HUMAN RESOURCE MANAGEMENT

Lesson Objectives:

Upon completion of this lesson you will be able to:

- *describe* the environmental challenges faced by human resource managers;
- *explain* how the environmental forces affect human resource management practices;
- *discuss* how human resource managers deal with these challenges posed by the changing HR environment.

Environment and Challenge for HR Management

The environment of business organizations, particularly HRM environment is changing rapidly. Human resource management must be prepared to deal with the effects of the changes in the environment. HR managers need to understand the implications of globalizations, technological changes, workforce diversity, contingent workforce, continuous improvement initiatives, decentralized work sites and employee involvement.

Globalization

One of the most important and broad-based challenges HR managers face is the globalization of business. Globalization is the propensity of business organizations to outspread their sales, ownership, and/or manufacturing to new markets abroad. Many organizations like Coca-Cola, P&G, General Electric, Nokia etc. operate outside national boundaries. In this process managers' job is changing. In case of foreign assignments managers have to manage a workforce that is likely to be very different in needs, aspirations, and attitudes from those they were used back home. Even in their own country they are going to find themselves working with bosses, peers, and other employees who were born and raised in different cultures.

To be effective in these boundless world, organizational members need to adjust to cultures, systems and techniques different from their own. The rise of multinational corporations places new requirements on human resource managers. For instance, human resource managers must ensure that employees with the appropriate mix of knowledge, skills and cultural adaptability are available to manage global assignment. Flexibility and adaptability are key components for employees going abroad. To make this a reality, human resource managers must have a thorough understanding of the culture of the areas around the globe in which they may send employees. HRM must also develop mechanisms that will help multicultural individuals work together. As background, language, customs or age differ, employee conflicts are likely to increase. HRM must make every effort to adjust different groups to each other, finding way to build team and thus reduce conflict.

Cultural Implications for HRM

Most HRM theories and practices have been developed by Americans using American employees within American organizations. Not all HRM theories and practices, therefore, are universally applicable to managing human resources around the world. This is especially true in countries where work values differ significantly from those in the United States. Again, human resource managers must take cultural values into account when trying to understand the behavior of people from different countries as well as those in different countries.

Workforce Diversity

Another critical challenge currently facing organizations is adapting to people who are different. This challenge is called workforce diversity. While globalization focuses on differences between people from different countries, workforce diversity addresses differences among people within a given country.

Workforce diversity means that organizations are becoming a more dissimilar mix of people in terms of gender, age, race, and ethnicity. A diverse workforce, for instance, includes male and female, white and black, physically disable, senior citizens, Asian, Hispanic, African, Native

American etc. Managing this diversity has become a global concern. Managers recognize that employees don't set aside their cultural values, lifestyle preferences, and differences when they come to work. The challenge for organizations, therefore, is to make themselves more accepting to diverse groups of people by addressing their different lifestyles, family needs, and work styles.

Effects of Diversity on HRM

As firms become more heterogeneous, employers have been adjusting their human resource practices to reflect those changes.

Workforce diversity requires employers to be more attentive to the differences that each group brings to the work setting. For instance, employers may have to shift their philosophy from treating every one alike to recognizing individual differences and responding to those differences in ways that will ensure employee retention and greater productivity. They must recognize and deal with the different values, needs, interests and expectations of employees. They must avoid any practice or action that can be interpreted as being sexist, racist, or offensive to any particular group and of course must not illegally discriminate against any employee.

Balance Work/Life Conflicts: Employees are increasingly complaining that the line between work and non-work time has become blurred, creating personal conflicts and stress. This makes it increasingly difficult for married employee to find the time to fulfill commitments to home, spouse, children, parents, and friends.

Employees are increasingly recognizing that work is squeezing out personal lives, and they're not happy about it. Organizations that don't help their people achieve work/life balance will find it increasingly hard to attract and retain the most capable and motivated employees.

Technology

Many of the improvements that make firms world class involve technology. Technology includes any equipment, tools or operating methods designed to make works more efficient. Technological advances make the organizations more productive and help them create and maintain a competitive advantage. Technology has had a positive effect on internal operations for organizations but it also has changed the way human resource mangers work.

Technology is having a major impact on HRM. It's giving all employees instant access to information and changing the skill requirements of employees. Technological changes have required HRM to address or change its practices when it deals with such activities as recruiting and selecting employees, motivating and paying individuals, training and developing employees and in legal and ethical matters. It helps mangers better facilitate human resource plans, make decisions faster, more clearly define jobs, and strengthen communications with both the external community and employees.

Today, HR faces the challenge of quickly applying technology to the task of improving its own operations.

Contingent Workforce

Thousands of organizations in the global village have decided they could save money and increase their flexibility by converting many jobs into temporary or part-time positions, referred to as the **contingent workforce**. Today temporary workers can be found in almost all sorts of positions. Organizations facing a rapidly changing environment must be ready to adjust rapidly. Having too many permanent full-time employees limits management's ability to react.

Temporaries and the flexibility they foster present special challenges for human resource managers. Each contingent worker may need to be treated differently in terms of practice and policies. Human resource managers must also make sure that contingent workers do not perceive themselves as second-class workers. Because they often do not receive many of the amenities – such as health and paid leave benefits – that full time core workers do, contingent workers may tend to view their work as not critically important. Accordingly, they may be less loyal, committed to the organization, or motivated on the job than are permanent workers. Today's human resource managers must recognize their responsibility to motivate their entire workforce – full time and temporary employees and to build their commitment to doing good work.

Continuous Improvement Programs

Today, almost every industry suffers from excess supply. Excess capacity leads to increased competition. And increased competition is forcing mangers to reduce cost while, at the same time, improving their organization's productivity and the quality of the products and services they offer. To achieve these ends, mangers are implementing programs such as quality management or continuous improvement and process reengineering.

Quality Management is driven by the constant attainment of customer satisfaction through the continuous improvement of all organizational processes. Instead of merely making incremental changes in processes, reengineering involves evaluating every process in terms of its contribution to the organization's goals. Inefficient processes are thrown out and entire new systems are introduced. Importantly reengineering typically redefines jobs and requires most employees to undergo training to learn new skills.

HRM must prepare individuals for the change. This requires clear and extensive communication of why the change will occur, what is expected, and its effects on employees. Improvement effort may change work patterns, operations, and even reporting relationships. HRM must be ready to help affected employees overcome barriers that may result in resistance to change. Looking for better ways of working often results in new ways of doing things. Consequently, HRM must be prepared to train employees in these new processes and help them attain new skills levels that may be associated with the "new, improved" operations.

Employee Involvement

Quality management and process reengineering require extensive employee involvement. There is an increasing trend in some organizations to empower employees. They are putting employee in charge of what they do. And in so doing, mangers have to learn how to give up control, and employees have to learn how to take responsibility for their work and make appropriate decisions. Empowerment is changing leadership styles, power relationships, the way work is designed, and the way organizations are structured. Additionally, employees need training, and that's where human resource management can make a valuable contribution.

Improving Ethical Behavior

Ethics commonly refer to a set of rules or principles that define right and wrong conduct. Members of organizations are increasingly finding themselves facing ethical dilemmas, situations in which they are required to define right and wrong conduct. For example, should they disclose if they uncover illegal activities taking place in their company? Should they follow orders with which they don't personally agree? Do they give an inflated performance evaluation to an employee whom they like? Do they allow themselves to play politics in the organization if it helps their career advancement?

Today's manger needs to create an ethically healthy climate for his or her employees, where they can do their work productively and confront a minimal degree to vagueness regarding what constitutes right and wrong behaviors.

Review Questions

1. Distinguish between globalisation and workforce diversity.
2. State the effects of culture on HRM.
3. How workforce diversity affects MRM? Explain.
4. What is contingent workforce? How it affects HRM? Explain.
5. Distinguish between continuous improvement and reengineering. What roles HR managers are required to play to implement quality management in organisations?
6. What is empowerment? What HR managers are required to do to empower employees?
7. What is ethics? How managers deal with ethical issues in business? Explain.

Human Resource Planning

2

Unit Highlights

- Meaning, and Reasons for Human Resource Planning.
- Process of Human Resource Planning.
- Meaning and Techniques of Human Resources Demand Forecasting.

Technologies Used for Content Delivery

- BOUTUBE
- BOU LMS
- WebTV
- Web Radio
- Mobile Technology with MicroSD Card
- LP+ Office 365
- BTV Program
- Bangladesh Betar Program

LESSON 1: MEANING, REASONS, AND PROCESS OF HUMAN RESOURCE PLANNING

Lesson Objectives:

Upon completion of this lesson you will be able to:

- *define* human resource planning;
- *explain* the reasons for human resource planning;
- *discuss* the process of human resource planning.

Introduction

Human Resource management initiates with human resource planning. It is one of the most important elements in successful HRM. All other functions of HRM like recruitment, selection, training and development, compensation etc., depend on human resource planning. It attempts to reconcile an organization's need for human resources with the available supply of labour in the local and national labour market. Human resource planning ensures that an organization has adequate human resources to achieve future organizational objectives.

Meaning of Human Resource Planning (HRP)

Human resource planning is the process that attempts to provide adequate human resources to achieve future organizational objectives. It includes forecasting future needs for employees of various types, comparing these needs with the present workforce and determining the numbers and types of employees to be recruited or phases out of the organization's employment group. Simply, it is the process of deciding what positions the firm will have to fill, and how to fill them. Human Resource Planning then converts the organization's objectives and plans into the number of workers needed to meet those objectives.

Human Resource Planning makes sure that an organization has the right number and kinds of people, at the right places, at the right time, capable of effectively and efficiently completing those tasks that will help the organization achieve its overall objectives. The purpose of human resource planning is to assess where the organization is, where it is going, and what implications these assessments have on future supplies of and demands for human resources. Attempts must then be made to match supplies and demands, making them compatible with the achievement of the organization's future needs.

Reasons for Human Resource Planning (HRP)

The importance of human resource panning lies with the contribution it could make to reducing uncertainties within the employment patterns of large organizations. To ensure that people are available to provide the continued smooth development of an organization, organizations engage in human resource planning. HR planning is a critical managerial function because it provides management with information on resource flows that is used to calculate, amongst other things, recruitment needs and succession and development plans. All organizations perform HR planning formally or informally. The major reasons for formal HR planning are to achieve:

More effective and efficient use of people at work: HR planning precedes all other HR activities. Careful analysis of all HR activities shows that their effectiveness and efficiency depend on HR planning.

More satisfied and more developed employees: Employees who work for enterprises that use good HR planning have a better chance to participate in planning their own careers and to share in training and development experiences. Thus they are likely to feel their talents are important to the employer, and they have a better chance to use their talents in the kinds of job that use these talents. This often leads to greater employee satisfaction and its consequences, such as lower absenteeism, lower turnover, fewer accidents, and higher quality of work.

More effective equal employment opportunity planning: All governments have increased their demands for equal employment opportunity. To complete the government reports and satisfactorily respond to EEO demands, enterprises must develop HR Information systems and use them to formally plan their employment distribution.

Process of Human Resource Planning

Human Resource Planning involves four stages:

1. Organizational Objectives and Policies
2. Human Resources Demand Forecasting
3. Human Resources Supply Forecasting
4. Matching Demand and Supply

Organizational Objectives and Policies

HR plans need to be based on organizational objectives. Specific requirements in terms of number and quality of employees should be derived from the organizational objectives.

Based on organizational objectives HR department must specify its objectives with regard to availability and utilization of human resources. In developing these objectives, specific policies need to be formulated

Demand Forecasting

Demand forecasting is the process of estimating the future quantity and quality of people required. The basis for the forecast must be the annual budget and long-term corporate plan, translated into activity levels for each function and department. In a manufacturing company, the sales budget would be translated into a production plan giving the number and type of products to be produced in each period. From this information, the number of hours to be worked by each skill category to make the quota for each period, would be computed. Once the hours are available, the quality and quantity of personnel will be determined.

HR Supply Analysis

Supply analysis determines whether the HR department will be able to hire the required number of personnel and sources for such hire. This information is provided by supply forecasting. Supply forecasting measures the number of people likely to be available from within and outside an organization, after making allowance for absenteeism, internal movements and promotions, wastage and changes in hours, and other conditions of work. Supply analysis covers:

1. Analysis of existing human resources
2. Analysis of internal sources of supply and
3. Analysis of external sources of supply

Analysis of Existing Human Resources

Analysis of present employees is greatly facilitated by HR audits. HR audits summaries each employee's skills and abilities. The audits of non-mangers are called *skills inventories* and those of the management are called *management inventories.* Human resource inventory is a list of names education, training, prior employment, current position, performance ratings salary level, languages spoken, capabilities, and specialized skills for every employee in the organization. The inputs to this report would be derived from forms completed by employees and then checked by supervisors and the personnel department. This input is valuable in determining what skills are currently available in the organization.

HR Information System (HRIS)

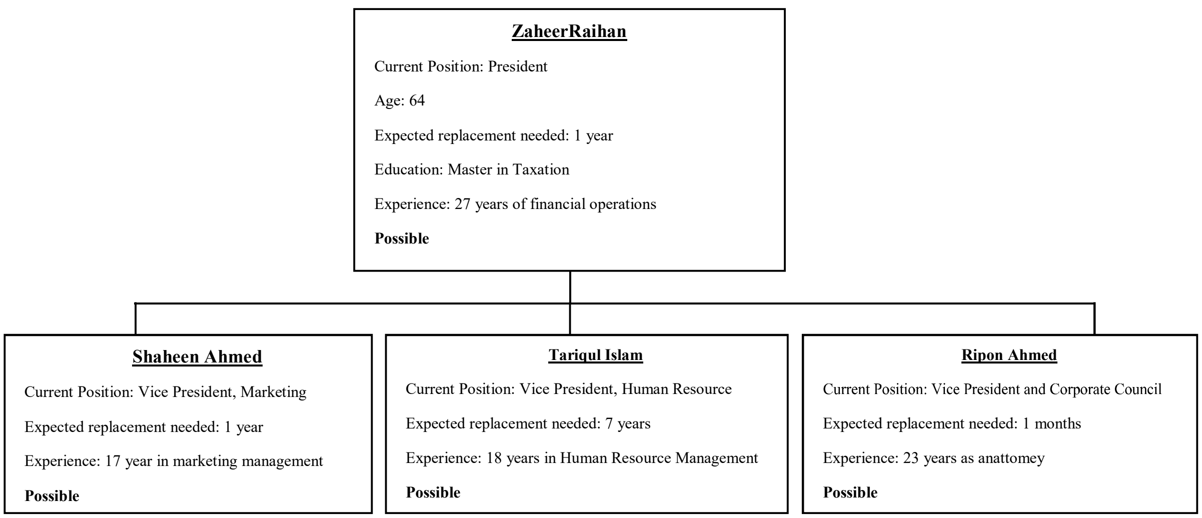
One of the newer devices for providing skills inventory information is the human Resource Information System (HRIS). This system is designed to quickly fulfill the personnel informational needs of the organization with almost no additional expenditure of resources. Its highly technical features permit an organization to track most information about an employee and about jobs and retrieve that information when it is needed.

HRIS has been useful for storing employment, training, and compensation information on each employee.

Management Inventories

This report, typically called a replacement chart, covers individuals in middle management and top-executive positions. In an effort to facilitate succession planning – ensuring that another individual is ready to move into a position of higher responsibility – the replacement chart highlights those positions that may become vacant in the near future due to retirements, promotions, transfers, resignations or death of the incumbent. Against this list of positions is placed the individual manager's skills inventory to determine if there is sufficient managerial talent to cover potential future vacancies.
This "readiness" chart gives management an indication of time frames for succession, as well as helping to spot any skill shortages.

Exhibit-1: Sample Replacement Chart



Source: David A. Decenzo& Stephan P. Robbins. (2009). Fundamentals of Human Resource Management. New Delhi: Wiley India (P.) Ltd.

Analysis of Internal Sources of Supply

After analysis of existing human resources, planners can proceed with the analysis of internal supply. The simplest way to forecast internal supply is the inflows and outflows method.

- An inflows (gains) in the supply of any unit's human resources can come from a combination of three sources: new hires, transfers-in, or individuals returning from leaves.
- Outflows (losses) in the internal supply can come about through retirements, dismissals, transfers-out of the unit, layoffs, voluntary quits, sabbaticals, prolonged illness, or deaths.

Total losses are then subtracted from the current personnel level and total gains are added to determine the expected level of personnel at the end of the planning period.
This figure must, then, be viewed in conjunction with the anticipated demand for employees, in order to determine whether or not adjustments will be necessary and to ensure that the supply will equal the demand.

Analysis of External Sources of Supply

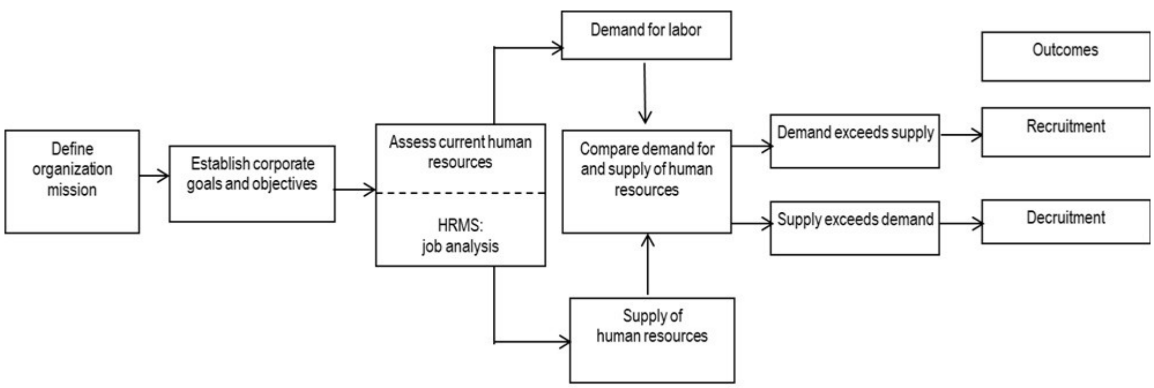
In addition to internal supply, the organization needs to look out for prospective employees from external source.
External sources are important for specific reasons: (i) new blood and new experience will be available, (ii) organization needs to replenish lost personnel, and (iii) organizational growth and

diversification create the needs to use external sources to obtain additional number and type of employees.
Source of external supply vary from industry to industry, organization to organization, and also from one geographical location to another.
Some organizations have found that their best source of future employees are colleges and universities, while others achieve excellent results from consultants, competitors or unsolicited applications.

Matching Demand and Supply

The objective of human resource planning is to bring together the forecast of future demand and supply. The result of this effort will be to pinpoint shortages both in number and in kind; to highlight areas where overstaffing may exist (now or in the future); and to keep abreast of the opportunities that exist in the labor market to hire good people, either to satisfy current needs or to stockpile for the future.
Obviously, the most important concern must be given to the determination of shortages. Should an organization find that the demand of human resources will be increasing in the future, then it will have to hire additional staff or transfer people within the organization, or both, to balance the numbers, skills, mix, and quality of its human resources.

Exhibit-2: Employment Planning and Strategic Planning Process



Human Resource Planning Process

Source: David A. Decenzo& Stephan P. Robbins.(2009). Fundamentals of Human Resource Management. New Delhi: Wiley India (P.) Ltd.

Review Questions

1. What do you mean by human resource plnning? Why is human resource planning conducted? Explain.
2. Discuss the steps involved in human resource planning.
3. Distinguish between human resource inventory and human resource information system.
4. What is a replacement chart? Explain with a diagram.
5. What is human resource supply analysis? Discuss the areas covered by human resource supply analysis.

LESSON 2: HR DEMAND FORECASTING TECHNIQUES

Lesson Objectives:

Upon completion of this lesson you will be able to:

- *define* demand forecasting;
- *explain* different techniques of forecasting demand for human resources.

Meaning of Demand Forecasting

Demand forecasting is the process of estimating the future quantity and quality of people required. Forecasting techniques vary from simple to sophisticated ones. Before describing each technique, it may be stated that organizations generally follow more than one technique.

Demand forecasting Techniques

Some of the more common demand forecasting techniques include following:

1. Managerial judgment
2. Ratio-trend analysis
3. Regression analysis
4. Work study techniques
5. Delphi Technique
6. New Venture analysis

Managerial Judgment: This technique is very simple. In this, managers sit together, discuss and arrive at a figure which would be the future demand for labor. The technique may involve a bottom-up or a top-down approach. In the bottom up approach, line managers submit their departmental proposals to top managers who arrive at the company forecast In the top-down approach, top managers prepare company and departmental forecasts. These forecasts are reviewed with departmental heads and agreed upon. In the bottom-up and top-down approaches, departmental heads are provided with broad guidelines. With such guidelines and in consultation with the HRP section in the HRM department, managers can prepare forecasts for their respective departments. Simultaneously, top HR mangers prepare company forecasts. A committee comprising departmental mangers and HR mangers prepare company forecasts. This committee will review the two sets of forecasts, and arrive at unanimity, which is then presented to top managers for their approval.

Ratio-trend Analysis: This is the quickest forecasting technique. The technique involves studying past ratios, say, between the number of workers and sales in an organization and forecasting future ratios, making some allowance for changes in the organization or its methods. Table below shows how past ratios between volume of sales and number workers help in determining the future ratios between sales and workers. Based on the future ratios we can forecast the number of workers for different volumes of sales.

Exhibit-3: Demand Forecast – Sales Workers

				Ratio
	Year	Sales	Workers	Sales : Workers
Actual	-3	1500	150	10 : 1
	-2	1800	180	10 : 1
	Last year	2000	180	11 : 1
Forecast	Next year	2200	200	11 : 1
	+2	2500	210	12 : 1
	+3	2750	230	12 : 1

Regression Analysis: This is similar to ratio-trend analysis in that forecast is based on the relationship between sales volume and employee size. However, regression analysis is more statistically sophisticated. A firm first draws a diagram depicting the relationship between sales and workforce size. It then calculates regression line – a line that cuts right through the center of the points on the diagram. By observing the regression line, one can find out number of employees required at each volume of sales

Work-study Techniques: Work-study techniques can be used when it is possible to apply work measurement to calculate the length of operations and the amount of labor required. The stating point in a manufacturing company is the production budget, prepared in terms of volumes of saleable products for the company as a whole, or volumes of output for individual departments. The budgets of productive hours are then compiled using standard hours for direct labor. The standard hour per unit of output are then multiplied by the planned volume of units to be produced to give the total number of planned hours for the period. This is then divided by the number of actual working hours for an individual operator to show the number of operators required. Allowance will have to be made for absenteeism and idle time. Work-study techniques for direct workers can be combined with ratio-trend analysis to forecast for indirect workers, establishing ratio between the two categories. The same logic can be extended to any other category of employees.

Following is a highly simplified example of this procedure:

Exhibit-4: Work-study Technique

1. Planned output for next year	40,000 units
2. Standard hours per unit	5
3. Planned hours for the year	2,00,000
4. Productive hours per man/year (allowing normal overtime, absenteeism and idle time)	2,000
5. Number of direct workers required	100

Source: Aswathappa K. (2011). Human Resource Management, New Delhi:Tata McGraw Hill Education Private Limited.

Delphi Technique: Delphi technique is a method of forecasting personnel needs. It solicits estimates of personnel needs from a group of experts, usually managers. The HRP experts act as intermediaries summarize the various responses and report the findings back to the experts. The experts are surveyed again after they receive this feedback. Summaries and surveys are repeated until the experts' opinions begin to agree. The agreement reached is the forecast of the personnel needs. The distinguishing feature of the Delphi technique is the absence of interaction among experts.

New Venture Analysis: New venture analysis will be useful when new ventures contemplate employment planning. This technique requires planners to estimate HR needs in line with companies that perform similar operations. For example, a petroleum company that plans to open a coal mine can estimate its future employment needs by determining employment levels of other coal mines.

Review Questions

1. What is meant by human resource demand forecasting? Discuss the managerial judgment techniques of forecasting demand for human resources in an organization.
2. Distinguish between ratio trend analysis and regression analysis of demand forecasting for human resources.
3. Explain with an example the work study technique of forecasting demand for human resources.
4. Discuss the Delphi technique of forecasting demand for human resources in an organization.

Job Analysis

3

Unit Highlights

- Meaning, Process, Uses and Benefits of Job Analysis;
- Approaches of Job Analysis, Techniques of Collecting Job Analysis Information;
- Criteria for Judging Job Analysis Information.

Technologies Used for Content Delivery

- BOUTUBE
- BOU LMS
- WebTV
- Web Radio
- Mobile Technology with MicroSD Card
- LP+ Office 365
- BTV Program
- Bangladesh Betar Program

LESSON 1: INTRODUCTION TO JOB ANALYSIS AND JOB ANALYSIS PROCESS

Lesson Objectives:

Upon completion of this unit you will be able to:

- define Job Analysis;
- explain the steps involve in job analysis;
- discuss the uses of job analysis information;
- discussthe benefits of job analysis.

Introduction

Job analysis is the aspect of human resource planning which is concerned with the study of the jobs in an enterprise. Information related to job is very essential in planning and decision making related to employee recruitment, selection, training and development, and compensation. Job analysis is a systematic process of collecting information that identifies similarities and differences in the work.

Meaning of Job Analysis

Gatewod and Field defined job analysis as 'a purposeful, systematic process for collecting information on the important work-related aspects of a job.' Job analysis is a systematic process for collecting, analyzing and interpreting job-related information. It is a technical procedure used to define a job's duties, responsibilities, and accountabilities. In particular, job analysis and the resultant job descriptions and specifications clarify the following aspects of each job: the work activities; the tools, equipment, and work aids used; job-related tangibles and intangibles (materials used, products made, services rendered); work performance; job context (working conditions); and candidate requirements (such as knowledge, skills, experience and personal attributes).

Job Analysis Terms

Job analysis usually collects information about specific tasks or behaviors. The smallest unit of job analysis, a specific statement of what a person does; e.g., ***answers the telephone*** makes up a ***Task.*** A group of tasks performed by one person makes up **a*position.*** Identical positions make***a job*,** and broadly similar jobs combine into***a job family.***

Steps in Job Analysis

There are six steps in doing a job analysis. Let's look at each of them.

1. Decide how you'll use the information, since this will determine the data you collect and how you collect them. Some data collection techniques like interviewing the employee and asking what the job entails – are good for writing job descriptions and selecting employees for the job. Other techniques like the position analysis questionnaire do not provide qualitative information for job descriptions. Instead, they provide numerical ratings for each job; these can be used to compare jobs for compensation purposes.
2. Review relevant background information such as organization charts, process charts, and job descriptions. Organization charts show the organization wide division of work, how the job in question relates to other jobs, and where the job fits in the overall organization. The chart should show the title of each position and, by means of interconnecting lines, who reports to whom and with whom the incumbent communicates. A process chart provides a more detailed picture of the work flow. In its simplest form a process chart show the flow of inputs to and outputs from the job you're analyzing. Finally, the existing job description, if there is one, usually provides a starting point for building the revised job description.

3. Select representative positions. There may be too many similar jobs to analyze. For example, it is usually unnecessary to analyze the jobs of 200 assembly workers when a sample of 10 jobs will do.
4. Actually analyze the job – by collecting data on job activities, required employee behaviors, working conditions, and human traits and abilities needed to perform the job. For this step, use one or more of the job analysis methods.
5. Verify the job analysis information with the worker performing the job and with his or her immediate supervisor. This will help confirm that the information is factually correct and complete. This review can also help gain the employee's acceptance of the job analysis data and conclusions by giving that person a chance to review and modify your description of the job activities.
6. Develop a job description and job specification. These are two tangible products of the job analysis. The job description is a written statement that describes the activities and responsibilities of the job, as well as its important features, such as working conditions and safety hazards. The job specification summarizes the personal qualities, traits, skills, and background required for getting the job done. It may be a separate document or in the same document as the job description.

Uses of Job Analysis Information

Job analysis serves the following purposes:

1. **Job Descriptions:** A job description is a written statement that describes the activities and responsibilities of the job, as well as its important features, such as working conditions and safety hazards. A common format for a job description includes the job title, the duties to be performed, the distinguishing characteristic of the job and the authority and responsibilities of the jobholder. When we discuss employee recruitment, selection, and appraisal we will find that the job description acts as an important resource for (1) describing the job (either verbally by recruiters and interviewers or in written advertisements) to potential candidates, (2) guiding newly hired employees in what they are specifically expected to do, and providing a point of comparison in appraising whether the actual activities of a job incumbent align with the stated duties.
2. **Job Specifications:** The job specification states the minimum acceptable qualifications that the incumbent must possess to perform the job successfully. Based on the information acquired through job analysis, the job specification identifies the knowledge, skills and abilities needed to do the job effectively. The job specification is an important tool in the selection process, for it keeps the selector's attention on the list of qualifications necessary for an incumbent to perform the job and assists in determining whether candidates are qualified.
3. **Job Evaluations:** In addition to providing data for job descriptions and specifications, job analysis is also valuable in providing the information that makes comparison of job possible. If an organization is to have an equitable compensation program, jobs that have similar demands in terms of skills, education, and other personal characteristics should be placed in common compensation groups. Job evaluation contributes toward that end by specifying the relative value of each job in the organization. Job evaluation is made possible by the data generated from job analysis.
4. **Job Design:** An organization can use job analysis information to design or redesign jobs. Job design is the personnel or engineering activity of specifying the contents of the job, the tools and techniques to be used, the surroundings of the work, and the relationship of one

job to another jobs. The aim of the HRM specialists is to design jobs that attempt to meet the needs of both employers and employees. Efficient job design allows organizations to take full advantage of technological breakthroughs without alienating the workers affected by change.

5. **Performance Appraisal:** Lastly, information generated form job analysis is used to prepare instruments for performance appraisal which are used to evaluate employee performance. Job analysis identifies what activities should be assessed, what knowledge should be appraised, what organizational issues (tardiness, absenteeism) should be evaluated. Job analysis information can then determine the weights assigned to particular aspects of the job in order of importance.

Exhibit-5: Job Description

JOB TITLE: Record Clerk	Occupational Code No. 3221
REPORTS TO: Record Supervisor	Job No. 01
SUPERVISES: None	Grade Level 20
	Date: 5/6/2010

FUNCTIONS: Originate, process, and maintain comprehensive records; implement required controls; collect and summarize data as requested.

DUTIES AND RESPONSIBLITIES: Review a variety of documents, listings, summaries, etc., for completeness and accuracy.

Check records against other current sources such as reports or summaries; investigate differences and take required action to ensure that records are accurate and up to date; compile and summarize data into report format as required.

Implement controls for obtaining, preserving, and supplying a variety of information.

Prepare simple requisitions, forms, and other routine memoranda.

Furnish information upon request to interested personnel by selecting required data from records, reports, source documents, and similar papers.

Provide functional guidance to lower-level personnel as required.

May use a calculating machine, typewriter, or key punch machine to compile, type, or key punch information.

JOB CHARACTERISTIES: Skilled operation of typewriter, calculating machine, or key punch machine is not necessarily a requirement of this job.

Source: David A. Decezo and Stephen P. Robin (1999). Personnel/ Human Resource Management, New Delhi: Prentice Hall of India Private Limited.

Exhibit-6: Job Specification

JOB TITLE: Record Clerk

EDUCATION: Minimum number of years of formal schooling: 12. Type of education: General with emphasis on business. Special subjects required: Some background and familiarity with accounting, office procedures, office machines, and the telecommunications industry.

PHYSICAL AND HEALTH: Good health; emotional stability.

APPEARANCE: Neat and clean.

MENTAL ABILITIES: Good with figures.

SPECIAL ABILITIES: Ability to work with others, manual dexterity.

PREVIOUS WORK EXPERIENCE: Minimum of one year, preferably in an industrial organization.

SPECIAL KNOWLEDGE OR SKILLS: Skilled in filing documents, checking records, compiling data, and initiating reports.

MATURITY: Must be capable of assuming increased responsibility within two years.

OTHER: Expect that incumbent would be ready for promotion (normally to the position of record supervisor or analyst) within 24 months.

Source: David A. Decezo and Stephen P. Robin (1999). Personnel/ Human Resource Management, New Delhi: Prentice Hall of India Private Limited.

Benefits of Job Analysis

As much as there are benefits towards management, especially towards line management, there are also benefits to individuals from job analysis. These are:

- The individual job holder obtains a clear idea of his main responsibilities
- It provides the individual with a basis for arguing for changes or improvements in his job (e.g., job design)
- It provides the individual with relevant information in respect of any appraisal he or she may have.
- It may provide the individual with an opportunity to participate in setting his own short-term targets or objectives.

Review Questions

1. What is job analysis? Explain the terms tasks, duty, position and job.
2. Discuss the process of conducting job analysis.
3. State the major uses of job analysis information in HRM.
4. How individual job incumbents will be benefited from job analysis? Explain.
5. What is job description? Give example of job description.
6. What is job specification? Give example of job specification.

LESSON 2: APPROACHES OF JOB ANALYSIS, METHODS OF COLLECTING JOB ANALYSIS INFORMATION AND CRITERIA FOR JUDGING JOB ANALYSIS INFORMATION

Lesson Objectives:

Upon completion of this lesson you will be able to:

- discuss the methods of collecting job analysis information;
- explain the techniques of job analysis;
- explain criteria for judging job analysis information.

Approaches to Job Analysis

There are three approaches of job analysis by which systematically and quantitatively we can analyze job. These include:

1. Functional Job Analysis (FJA)

Functional Job Analysis uses standardized statements and terminology to describe the nature of jobs and to prepare job descriptions and job specifications. It produces a description of a job in terms of data, people and things. Functional job analysis is based on the following key assumptions:

- Jobs are concerned with data, people and things.
- A distinction must be made between what gets done and what employees do to get things done.
- Mental resources are used to describe data; interpersonal resources are used with people; and physical resources are applied to people.
- Each duty performed on a job draws on a range of employee talents and skills.

Byars and Rue believe that functional job analysis has the advantages of being intuitively appealing, relatively easy to learn and based on a standardized format, but it has been criticized for being labor-intensive, subjective and difficult to use.

2. Position Analysis Questionnaire (PAQ)

This technique of job analysis is developed by Purdue University, USA. Position Analysis Questionnaire (PAQ) is a structured questionnaire for quantitatively assessing jobs. It contains 194 questions divided into six major categories:

- **Information input.** Where and how does the employee get the information needed to perform the job?
- **Mental processes.** What reasoning, decision-making, planning and information –processing activities are involved in performing the job?
- **Physical activities.** What physical activities does the employee perform and what tools or devices are used?
- **Relationship with other people.** What relationships with other people are required in the job?
- **Job context.** In what physical or social contexts is the work performed?
- **Other job characteristics.** What activities, conditions or characteristics, other than those described above, are relevant to the job?

The big advantage of the Position Analysis Questionnaire (PAQ) is that it can be used to analyse almost any type of job. In addition, it has been widely used and researched and appears to be both valid and reliable (McCormick, Nisi and Shaw, 1979)

3. Management Position Description Questionnaire (MPDQ)

It is a quantitative technique to analyze job. It contains 197 items which are behaviorally oriented, structured questionnaire for describing, comparing, classifying and evaluating management positions (Tornow and Pinto, 1976). The latest version of the Management Position Description Questionnaire (MPDQ) is divided into ten sections: general information; decision making; planning and organizing; supervising and controlling; consulting and involving; contacts; monitoring business indicators; overall ratings; know-how; and an organization chart (Cascio,1991:136-138). It is useful for selecting managerial employee, planning careers, diagnosing training needs and evaluating jobs (Tornow and Pinto, 1976).

Methods of Collecting Job Analysis Information

The basic methods by which HRM can determine job elements and the essential knowledge, skills, and abilities for successful performance include the following:

1. ***Observation Method:*** Using the observation method, a job analyst watches employees directly or reviews films of workers on the job. Although the observation method provides first-hand information, workers rarely function most efficiently when they are being watched, and thus distortion in the job analysis can occur. This method also requires that the entire range of activities be observable, which is possible with some jobs, but impossible for many, for example, most managerial jobs.
2. ***Individual Interview Method:*** The individual interview method assembles a team of job incumbents for extensive individual interviews. The results of these interviews are combined into a single job analysis. This method is effective for assessing what a job entails. Involving employees in the job analysis is essential.
3. ***Group Interview Method:*** Group interview method is similar to the individual interview method except that job incumbents are interviewed simultaneously. Accuracy is increased in assessing jobs, but group dynamics may hinder its effectiveness.
4. ***Structured Questionnaire Method:*** The structured questionnaire method gives workers a specific designed questionnaire on which they check or rate items they perform in their job from a long list of possible task items. This technique is excellent for gathering information about jobs. However, exceptions to a job may be overlooked and opportunity may be lacking to ask follow-up questions or to clarify the information received.
5. ***Technical Conference Method:*** The technical conference method uses supervisors with extensive knowledge of the job. Here, specifies job characteristics are obtained from the experts. Although a good data-gathering method, it often overlooks the incumbent workers' perceptions about what they do on their job.
6. ***Diary Method:*** The diary method requires job incumbents to record their daily activities. This is the most time consuming of the job analysis methods and may extend over long periods of time – all adding to its cost.

These six methods are not mutually exclusive; nor is one method universally superior. Even obtaining job information from incumbents can create a problem, especially if these individuals describe what they think they should be doing rather than what they actually do. The best results then are usually achieved with some combination of methods – with information provided by individual employees, their immediate supervisors, a professional analyst, or an unobtrusive source such as filmed observations.

Criteria for Judging Job Analysis

For satisfying both employees and employers, there are several ways to judge job analysis:

Reliability: If you measure something tomorrow and get the same results today, or if you measure and get the same results you did, the measurement is considered to be reliable. This doesn't mean it is right – only that repeated measures give the same result. Reliability is a measure of the consistency of results among various analysts, various methods, and various sources of date, or over time.

Validity: Does the analysis create an accurate portrait of the work? There is almost no way of showing statistically the extent to which an analysis is accurate, particularly for complex jobs. No gold standard exists. Consequently, **v*alidity*** examines the convergence of results among sources of data and methods. If several job incumbents, supervisors, and peers respond in similar ways to questionnaires, then it more likely that the information is valid.

Acceptability:

If jobholders and managers are dissatisfied with the initial data collected and the process, they are not likely to buy into the resulting job structure or the pay rates attached to that structure. An analyst collecting information through one-on-one interviews or observation is not always accepted because of the potential for subjectivity and favoritism.

Usefulness:

Usefulness refers to the practicality of the information collected. For pay purposes, job analysis provides work-related information to help determine how much to pay for a job – it helps determine whether the job is similar or different from other jobs. If job analysis does this in a reliable, valid, and acceptable way and can be used to make pay decisions, then it is useful.

Review Questions

1. Discuss the process of conducting job analysis.
2. Describe different methods of collecting job analysis information.
3. Distinguish between work-oriented approach and worker-oriented approaches to job analysis.
4. What are the assumptions of Functional Job Analysis techniques?
5. Describe the different categories of information that are collected through Position Analysis Questionnaire.
6. Explain the criteria for judging job analysis information.

Recruitment

4

Unit Highlights

- Meaning, and goals of recruitment;
- Sources of recruitment with merits and demerits;
- Major barriers to successful recruitment;
- Approaches to recruitment for international positions.

Technologies Used for Content Delivery

- BOUTUBE
- BOU LMS
- WebTV
- Web Radio
- Mobile Technology with MicroSD Card
- LP+ Office 365
- BTV Program
- Bangladesh Betar Program

LESSON 1: MEANING, GOALS, AND SOURCES OF RECRUITMENT

Lesson Objectives:

Upon completion of this lesson you will be able to:

- explain the meaning of recruitment;
- state the goals of recruitment;
- discuss the sources of recruitment with their merits and demerits.

Introduction

We discussed in Human Resource Planning unit that recruitment takes place when an organization believes additional people are required to get the work done. HRM must identify the right person for the right job for organizational effectiveness. Recruitment involves identifying and attracting potential candidates for actual or anticipated vacancies in an organization.

Meaning of Recruitment

Recruitment involves identifying and attracting viable job candidates. It is the process of searching prospective employees and attracting them to apply for current or future vacancies in the organization. According to Flippo, 'Recruitment is the process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organization.' A firm suffers heavily in combating competition and bringing innovation if proper recruitment is not done and the right kind of manpower is no deployed in the organization. Recruitment is a linkage activity bringing together the job seekers and job providers. Recruitment is a positive process as it encourages people to apply for jobs in the organization.

Dual Goals of Recruitment

The objectives of recruitment are (i) to create a large pool of qualified applicants, and (ii) to provide enough information so that unqualified applicants can self-select themselves out of job candidacy. Meeting this dual objective will minimize the cost of processing unqualified candidates.

Sources of Recruitment

The Internal Search: Many large organizations attempt to develop their own low-level employees for higher positions. These promotions can occur through an internal search of current employees who have bid for the job, been identified through the organization's human resource management system, or even been referred by a fellow employee. The promote-from-within-wherever-possible policy has advantages:

1. It builds morale.
2. It encourages good individuals who are ambitious.
3. It improves the probability of a good selection, because information on the individual's performance is readily available.
4. It is less costly than going outside to recruit.
5. Those chosen internally already know the organization.
6. When carefully planned, promoting from within can also act as a training device for developing middle- and top-level managers.

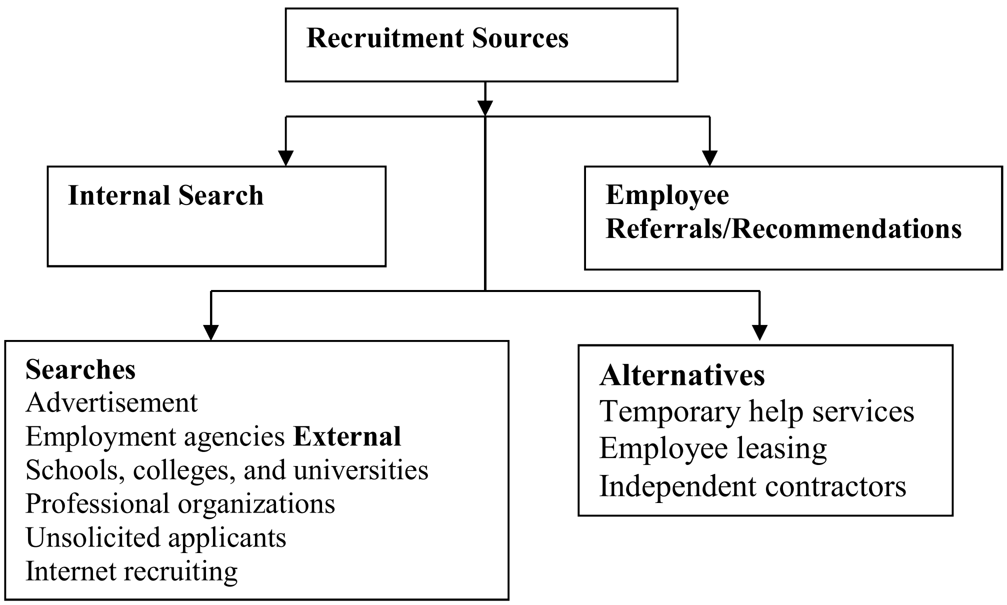
There can be distinct disadvantages, however, of using internal sources:

1. They could be dysfunctional if the organization uses less-qualified internal sources only because they are there, when excellent candidates are available on the outside.

2. Internal search also may generate infighting among rival candidates for promotion and decrease morale levels of those not selected.
3. Internal search may again obstruct new blood to broaden current ideas, knowledge, and enthusiasm to the organization.

In many organizations, it is standard procedure to post any new job openings and to allow any current employee to apply for the position. This positing notification can be communicated on a central 'position open' bulletin board in the plant or offices, in weekly or monthly organization newsletter or, in some cases, in a specially prepared posting sheet from human resources outlining those positions currently available.

Exhibit-7: Sources of Recruitment



Employee Referrals and Recommendations: One of the better sources for individuals who will perform effectively on the job is a recommendation from a current employee. Employees rarely recommend someone unless they believe the individual can perform adequately. The recommender often gives the applicant more realistic information about the job than could be conveyed through emplacement agencies or newspaper advertisements. This information reduces unrealistic expectations and increase job survival. Additionally, employee referrals are an excellent means of locating potential employees in the hard-to-fill positions.

There are of course, some potentially negative features of employee referral. For one, recommenders may confuse friendship with job performance competence. A current employee may recommend a friend for a position without unbiased consideration to the friend's job-related competence.

Employee referrals may also lead to nepotism, that is, hiring individuals related to persons already employed by the organization. Finally, employee referrals may also minimize an organization's desire to add diversity to the workplace.

External Searches

Advertisement: Advertisement is one of the most popular methods for an organization when it wishes to tell the public it has a vacancy, The type of job often determines where the advertisement is placed. The higher the position in the organization, the more specialized the skills or the shorter the supply of that resource in the labor force, the more widely dispersed the advertisement is likely to be. The search for a top executive might include advertisements in national publications or be posted on executive search from web sites. On the other hand, advertisements of lower-level jobs usually appear in local daily newspapers, regional trade journals, or on broad-based Internet job sites.

Employment Agencies: There are three forms of employment agencies: public or state agencies, private employment agencies, and management consulting firms. The major difference between them is the type of clientele served. Most state agency tends to attract and list individuals who are unskilled or have had minimum training. Private agencies are believed to offer positions and applicants of a higher caliber. Private agencies may also provide a more complete line of services. They may advertise the position, screen applicants against the criteria; pacified by the employer, and provide a guarantee covering six months or a year as protection to the employer should the applicant nor perform satisfactorily. The private employment agency's fee can be totally absorbed by either the employer or the employee, or it can be split.

The third agency source consists of **management consulting**, **executive search, or 'headhunter' firms**. They are actually specialized private employment agencies. They specialize in middle-level and top-level executive placement, as well as hard-to-fill positions. In addition to the level at which they recruit, the features that distinguish executive search agencies from most private employment agencies are their fees, their nationwide contacts, and the thoroughness of their investigations.

Schools, Colleges, and Universities: Educational institutions at all levels offer opportunities for recruiting recent graduates. Many educational institutions operate placement services where prospective employers can review credentials and interview graduates. Most also allow employers to see a prospective employee's performance through cooperative arrangements and internships. Whether the job requires a high-school diploma, specific vocational training, or a bachelor's, master's, or doctoral degree, educational institutions are an excellent source of potential employees.

Professional Organizations: Many professional organizations, including labor unions, operate placement services for the benefit of their members. Professional organizations serving such varied occupations as industrial engineering, psychology, accounting, legal and academics publish rosters of job vacancies and distribute these lists to members. It is also common practice to provide placement facilities at regional and national meeting where individuals looking for employment and companies looking for employees can find each other – building a network for employment opportunities. Professional organizations, however, can also apply sanctions to control the labor supply in their discipline.

Unsolicited Applicants: Unsolicited applications, whether they reach the employer by letter, e-mail, telephone, or in person, constitute a source of prospective applicants. This source does provide an excellent supply of stockpiled applicants. Even if the company has no current openings, the application can be kept on file for later needs.

Cyberspace Recruiting: Nearly four out of five companies currently use the Internet to recruit new employees by adding a recruitment section to their web site. Large organizations or those planning to do a lot of Internet recruiting often develop dedicated sites specifically designed to recruitment. They have the typical information you might find in an employment advertisement, qualifications sought, experience required, benefits provided, but they also showcase the organization's products, services, corporate philosophy, and mission statement. They also include an online response form, which the applicant fills in a resume page and hit the "submit" button.

Aggressive job candidates are also using the Internet. They set up their own web pages- frequently called "websumes"- to 'sell' their job candidacy. When they learn of a possible job opening, they encourage potential employers to "check me out at my web site." There, applicants have standard resume information, supporting documentation, and sometimes a video where they introduce themselves to potential employers.

Recruitment Alternatives

Much of the previous discussion on recruiting sources implies that these efforts are designed to locate and hire full-time, permanent employees. Many companies today are hiring temporary help, leasing employees, and using independent contractors.

Temporary Help Services: Some organizations are increasingly providing temporary help services to organizations by supplying contingent workers to meet short-term fluctuations in HRM needs. Although traditionally developed in office administration, temporary staffing services have expanded to a broad range of skills. It is now possible, for example, to hire temporary nurses, computer programmers, accountants, librarians, drafting technicians, administrative assistants' even CEOs.

Employee Leasing: Whereas temporary employees come into an organization for specific short-term project, leased employees typically remain with an organization for longer times. Under a leasing arrangement, individuals work for the leasing firm. When an organization needs specific employee skills, it contracts with the leasing firm to provide trained employees.

One reason for leasing's popularity is cost. The acquiring organization pays a flat fee for the employees. The company is not directly responsible for the benefits or other costs, such as social security payments. Furthermore, when the project is over, employees return to the leasing company, thus eliminating any cost associated with layoffs or discharge. Leased employees are well trained. They are screened by the leasing firm, trained appropriately, and often go to organizations with an unconditional guarantee. Thus, if an individual doesn't work out, the company receives a new employee or makes arrangements to have its fee returned. There are also benefits from the employee's point of view. Some of today's workers prefer more flexibility in their lives. Working with a leasing company and being sent out at various time allow these workers to workers to work when they want, for the length of time they desire.

Independent Contractors: Another means of recruiting is the use of independent contractors. Often referred to as consultants, independent contractors are taking on a new meaning. Companies may hire independent contractors to do specific work at a location on or off the company's premises. For instance, claims processing, or medical and legal transcription activities can easily be done at home and routinely forward to the employer.

Independent contractor arrangements benefit both the organization and the individual. Because the worker is not an employee, the company saves costs associated with full or part-time personnel. It allows individuals to work at home, on his or her time leading to a win-win solution to the problem.

Review Questions

1. What is recruitment? What are the duel objectives of recruitment?
2. State the advantages and disadvantages of recruitment from within the organization.
3. What is employee referral? What are the merits and demerits of employee referral?
4. Discuss different external sources of recruitment.
5. Differentiate among temporary help services, employee leasing and independent contractors.

LESSON 2: BARRIERS TO SUCCESSFUL RECRUITMENT AND APPROACHES TO RECRUITMENT FOR INTERNATIONAL POSITIONS

Lesson Objectives:

Upon completion of this lesson you will be able to:

- explain different barriers to successful recruitment;
- discuss different approaches to recruitment for international positions.

Barriers to Recruiting Success

Some constraints on recruiting efforts as under, may hinder managers' freedom to recruit and select a candidate of their choice.

Image of the organization: The image of an organization can be a potential constraint. A poor image of an organization may limit its attraction to applicants. Firms which are engaged in practices that result in a polluted environment, poor-quality products and unsafe and uncongenial working conditions; or indifferent to employees' needs create negative or, more specifically, pessimistic image of the organization among graduates.

Attractiveness of job: If the position to be filled is an unattractive job, recruiting a large and qualified pool of applicants will be difficult. Job viewed as boring, hazardous, anxiety creating, low paying, or lacking in promotion potential seldom attract a qualified pool of applicants.

Internal/Organizational policies: Internal organizational policies, such as ***'promotion from within wherever possible,"*** may give priority to individuals inside the organization. Such policies, when followed, typically ensure that all positions, other than the lowest-level entry positions, will be filled from within the ranks. Such policy may reduce the number of applications.

Government influence: Government's influence in the recruiting process should not be overlooked. An employer can no longer seek out preferred individuals based on non-job-related factors such as physical appearance, sex, or religious background. An airline that wants to hire only attractive females for flight attendant positions will find itself breaking the law if comparable qualified male candidates are rejected on the basis of gender – or female candidates are rejected on the basis of age.

Recruiting Costs: The last constraint, but certainly not lowest in priority, centers on recruiting costs. Recruiting efforts are expensive. Sometimes budget restrictions put a time limit on searches.

Recruiting from a Global Perspective

The first step in recruiting for overseas positions, as always, is to define the relevant labor market. For international positions, however, that market is the whole world. Organizations must decide if they want to send a home-country national, recruit in the host country, or ignore nationality and do a global search for the best person available.

The basic decision depends partly on the type of occupation and its requirements as well as the state of national and cultural development of the overseas operations. Although production, office, and clerical occupations are rarely filed beyond a local market, executive and sometimes scientific, engineering, or professional managerial candidates may be sought in national or international markets. For international positions organizations adopt three approaches of staffing – ethnocentric, polycentric and geocentric.

Ethnocentric: In this approach, all key managerial positions are held by home-country-nationals. If the organization is searching for someone with extensive company experience to launch a technical product in a new target country, it will probably want a home-country-national. This approach often serves when a new foreign subsidiary is being established and headquarters wants to control all strategic decisions, but the plan requires technical expertise and experience. It is also appropriate where there is a lack of qualified host-country nationals in the workforce.

Polycentric: The polycentric staffing requires host-country-nationals to be hired to manage subsidiaries, while home-country-nationals occupy key positions at corporate headquarters. In some countries local laws control how many expatriates a corporation can send. The law may establish ratios, such as that 20 host-country nationals must be employed for every expatriates granted working papers. Granting HCNs eliminates language problems and avoids problems of expatriate adjustment and the high cost of training and relocating an expatriate with a family. In countries with tense political environments, an HCN is less visible and can somewhat insulate the international firms from hostilities and possible terrorism.

The Geocentric: This staffing approach seeks the best people for key jobs throughout the organization, regardless of nationality. This approach develops an international executive cadre with a truly global perspective. On a large scale, this type of recruiting may reduce managers' national identification with particular organizational units.

Review Questions

1. Explain different barriers to successful recruitment.
2. Discuss different approaches to recruitment for international positions in an organization.
3. State the situation where home country nationals are preferred.
4. What are the merits of recruitment of host country nationals?

Selection

5

Unit Highlights

- Meaning, types, and the process of selection of employees;
- Different types of selection tests and interviews;
- Key elements in successful predictions.

Technologies Used for Content Delivery

- BOUTUBE
- BOU LMS
- WebTV
- Web Radio
- Mobile Technology with MicroSD Card
- LP+ Office 365
- BTV Program
- Bangladesh Betar Program

LESSON 1: MEANING, TYPES AND PROCESS OF SELECTION

Lesson Objectives:

Upon completion of this lesson you will be able to:

- explain the meaning of selection;
- state different types of selection process;
- describe the process of selection.

Introduction

Recruitment provides a list of potential employees. HRM takes necessary steps to choose (select) the most suitable person from the list of applicants/candidates for the current or future vacant positions in the organization. In choosing the right persons, HRM uses different tests and interviews.

Meaning of Selection

After the receipt of sufficient number of applicants through various sources of recruitment, the selection process begins. Selection involves screening the applications and choosing the most suitable candidate/candidates out of many through various tests and interviews. Selection is the process of choosing from among candidates, from within the organization or from the outside, the most suitable person for the current position or for future position in the organization. The primary purpose of selection activities is to predict which job applicant will be successful if hired.

Types of Selection process

1. Discrete Selection Process and
2. Comprehensive Selection Process

Discrete Selection Process: In discrete selection process, an unsuccessful performance at any stage of the selection process results in rejection of an applicant.

Comprehensive Selection Process: In comprehensive selection process an applicant goes through every step in the selection process and the final decision is based on a comprehensive evaluation of the results of each stage.

Selection Process: Selection process involves:

1. Initial screening interview
2. Completion of the application form
3. Employment test
4. Comprehensive interview
5. Background investigation
6. Physical examination
7. Final employment decision

Initial Screening Interview: Initial screening is a two-step procedure.

Screening inquiries: HRM eliminates some of the applicants who lack adequate or appropriate education or experience based on the job description and job specification.

Screening interview: It is a face to face contact between the applicants and the HRM executives to describe the job in enough detail so that the candidates can consider if they are really serious about applying. It encourages unqualified or marginally qualified to voluntarily withdraw from candidacy.

Completing the Application Form: Once the initial screening is completed, applicants are asked to complete the organization's application form. Application furnishes information the company wants. Completing the application also serves as another hurdle that is, if the job requires following directions and the individual fails to do so on the application that is a job-related reason to rejection.

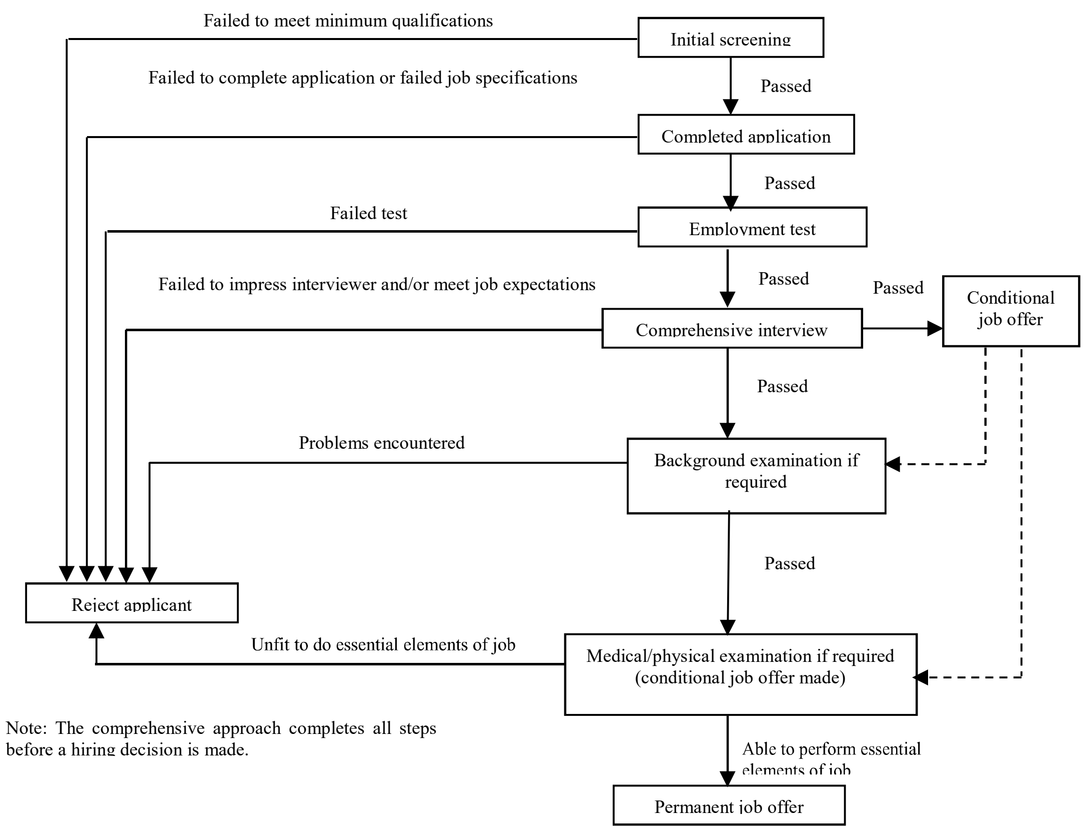
Lastly, applications require a signature attesting to the truthfulness of the information given and giving permission to check references.

Employment Test: Organizations historically relied to a considerable extent on intelligence, aptitude, ability and interest tests to provide major input to the selection process. Even handwriting (graphology) analysis and honesty tests have been used in an attempt to learn more about the candidate – information supposedly leads to more effective selection. Literally, hundreds of tests can serve as selection tools. They can measure intellect, spatial ability, perception skill, mechanical comprehension, motor ability, or personality traits.

Comprehensive Interview: Applicants who pass the initial screening, application from, and required tests specifically receive a comprehensive interview. The applicants may be interviewed by HRM interviewers, senior managers within the organization, a potential supervisor, potential colleagues, or all of these.

The comprehensive interview is designed to probe areas not easily addressed by the application form or tests, such as assessing one's motivation, values, ability to work under pressure, and ability to 'fit in' with the organization.

Exhibit-8: Selection Process



Source: David A. Decenzo & Stephan P. Robbins. (2009). Fundamentals of Human Resource Management. New Delhi: Wiley India (P.) Ltd.

Background Investigation: Background investigations or reference checks are intended to verify that information on the application form is correct and accurate information.

Conditional Job Offer: The conditional job offer implies that if everything checks out – such as passing medical test the conditional nature of the job offer will be removed and the offer will be permanent.

Medical/Physical Examination: The next-to-last step in the selection process may consist of having the applicant take a medical/physical examination to determine an applicant's physical fitness for essential job performance.

Final Employment Decision: Individuals who perform successfully in the preceding steps are now considered eligible to receive the employment offer.

Review Questions

1. What do you mean by selection?
2. Distinguish between comprehensive selection process and discrete selection process.
3. Explain the two steps in initial screening.
4. Discuss the process of selection of employees in an organization.

LESSON 2: TEST AND INTERVIEWS

Lesson Objectives:

Upon completion of this lesson you will be able to:

- discuss different types of tests;
- describe interviews used in the selection of employees;
- explain ways to make interviews effective;
- explain the key elements for successful prediction.

Types of Test

We can classify tests according to whether they measure cognitive (mental) abilities, motor and physical abilities, personality and interests or achievement.

Tests of Cognitive Abilities

Cognitive tests: If includes tests of general reasoning ability (intelligence) and tests of specific mental abilities like memory and inductive reasoning.

Intelligence tests: Intelligence tests are tests of general intellectual abilities. They measure not a single trait but rather a range of abilities, including memory, vocabulary, verbal fluency, and numerical ability.

Specific cognitive abilities: There are also measures of specific mental abilities, such as inductive and deductive reasoning, verbal comprehension, memory, and numerical ability.

Test of Motor and Physical Abilities: Organizations may want to measure motor abilities, such as finger dexterity, manual dexterity, and reaction time. Tests of physical abilities may also be required. These include static strength (such as lifting weights), dynamic strength (like pull-ups), body coordination (as in jumping rope), and stamina.

Achievement Tests: Achievement tests measure what a person has learned. Most of the tests you take in school are achievement tests. They measure your "Job knowledge" in areas like economics, marketing, or personnel.

Work Samples and Simulation Tests: These tests require the applicant to engage in specific behaviors necessary for doing the job successfully.

Work Sampling: It creates a miniature replica of a job. Work sampling is a selection device requiring applicants to actually perform a small segment of the job.

Assessment Centers: An assessment centre is not a physical location but an approach to selecting managers based on measuring and evaluating their ability to perform critical tasks. An assessment center is a two-to-three-day simulation in which 10 to 12 candidates perform realistic management tasks (like making presentations) under the observation of experts who appraise each candidate's leadership potential. The center itself may be a plain conference room, but it is often a special room with a one-way mirror to facilitate observation. Typical simulated exercises include: The in-basket, leaderless group discussion, management games, individual presentations, objective tests, and the interview.

- **The in-basket**: These exercises confront the candidate with an accumulation of reports, memos, notes of incoming phone calls, letters and other materials and their actions.
- **Leaderless group discussion:** Trainers give a leaderless group a discussion question and tell members to arrive at a group decision.

- **Management games:** Participants solve realistic problems as members of simulated companies competing in a market place.
- **Individual presentations:** Trainers evaluate each participant's communication skills and persuasiveness by having each make an assigned oral presentation
- **Objective tests:** It typically includes tests of personality, mental ability, interest and achievements.
- **The interview:** Most require an interview between at least one trainer and each participant, to assess the latter's interest, past performance, and motivation.

Interview

An interview is a procedure designed to solicit information from a person's oral responses to oral inquiries (Gary Dessler 2000:217). The selection interview is a formal, in-depth conversation conducted for the purpose of assessing a candidate's knowledge, skills, and abilities, as well as providing information to the candidate about the organization and potential jobs. (William B. Werther and Keith Davis 1989)

Thus, the interview offers a chance for the managers to fill in gaps in the information provided by application forms and tests. It may lead to completely new types of information as well. In particular, interviews are used to assess intangible enthusiasm that can't be shown on an application form. Selection interviews are most widely used selection technique.

Benefits of Interview

1. Discover Hidden Characteristics of Candidates: There are matters like oral communication skill, gesture, posture, etiquette, manner and many other characteristics of a candidate can be understood from the interview. Here, face-to-face conversation and physical appearance give that opportunity to the organizational members to know about those which are not generally disclosed or understood from documentations or tests.

2. Flexibility: The popularity of interviews stems from their flexibility. They can be used for the selection of unskilled, skilled, semi-skilled managerial and staff employees.

3. Two-way Communication: Interview allows for two-way exchange of information: interviewees learn about the applicant, and the applicant learns about the employer. It helps taking right employment decision to both parties.

Types of Interview

However, recent studies indicate that the key to an interview's usefulness is the manner in which it is administered. There are many ways of taking interview. They are discussed below:

1. One-to-One Interview: One-to-one interview between the applicant and the interviewer is the most common interview. Here, one person takes interview of one job applicant at a time.

2. Panel Interview: In panel interview, one candidate meets with a panel of two or more representatives of the firm or interviewers. It allows all interviewers to evaluate the applicant on the same questions and answers at one time. One of the panelists may act as a chairperson, but each of the interviewers takes part in the questioning and discussion. It is also widely used. It overcomes any idiosyncratic biases that individual interviewers might have.

3. Group Interview: Group interview is a method in which a number of applicants interact in the presence of one or more interviewers. Generally, interviewees are allowed to discuss job related matters among themselves and interviewers listen and observe applicants individual performance and rate them on their performance. This gives scope to evaluate and compare the answers and interactions of different applicants immediately. This type of interview intends to understand a candidate's personality, attitudes, and social and communication skills and intellectual capacity. This type of interview is usually considered most appropriate in the selection of managers.

4. Video-interactive Interview: This type of interview uses Skype or web camera to conduct direct conversation between interviewer and interviewee while both parties can see one another and exchange views with the help of computer or mobile phone. By this method, interviewer can take interview of interviewees sitting in two different geographically distant places of the world. This method is becoming popular day by day.

5. Computer Screening: It uses computers to screen applicants via résumé scanning and to conduct preliminary screening interviews and online testing. The typical computer-aided interview has about 100 questions and can be completed in less than 20 minutes.

Interviewing Techniques

The most common interviewing techniques are the structured interview, the unstructured interview and the situational-problem interview. These techniques are stated below:

1. Structured Interview: In the structured interview, the interviewers have a predetermined standardized list of questions to ask all applicants. The technique produces uniformity of data and guarantees that all applicants are treated in the same way.

2. Unstructured Interview: Unstructured interview does not have any predetermined set of questions or script to ask the interviewees. Interviewers ask questions as they individually feel relevant and important. It enables the interviewer to pursue, in depth, the applicant's responses. There is no similarity among questions asked to the candidates. There are strong evidences in support of the view that structured interviews are more valuable than unstructured interview.

3. Behavioral Interview: Situational-problem interview offers the candidate a specific problem to solve or a project to complete (French, 1996). This interview seeks to identify whether an applicant possesses relevant job knowledge and motivation, quality of ideas, leadership capacity and the ability to work with others. Sometimes, hypothetical questions or situations, which they might encounter in future, are asked or given.

4. Mixed Interview: It is a combination of structured and unstructured questions. Here, a set of structured questions are set and circulated among the members to ask besides allowing members to ask questions on their own that they feel compatible with what is usually done in practice and relevant to dig out hidden qualities of the applicant. A realistic approach is used to yield comparable answers plus in-depth insights.

5. Stress Interview: Stress interview attempts to learn how the applicant will respond to job pressures. This interview uses a series of harsh, rapid-fire questions intended to upset the applicant to understand the capacity of a person to withstand stressful situations in stressful jobs.

6. Nondirective Interview: In this interview, the interviewer's questions are held to a minimum, and they are open-ended. Rather than asking about specific details of the candidate's last job, the interviewer may say, "Tell me about your work in this field." The aim is to follow the applicant's own lead, to let him or her express thoughts and feelings that might be relevant to the job. The nondirective technique can reveal information that would never have come up in a structured interview.

Realistic Job Previews: It allows job candidates to learn negative as well as positive information about the job with a view to reducing voluntary turnover and its costs. A realistic job preview may include brochures, films, plant tours, work sampling, or merely a short script made up of realistic statements that accurately portray the job.

Guidelines for Effective Interviews

All interviews should be well planned. It is essential that interviewers plan the sequence as well as the content of events. There is a vast body of research and knowledge regarding do's and don'ts in interviewing. Some of the more important ones are presented below:

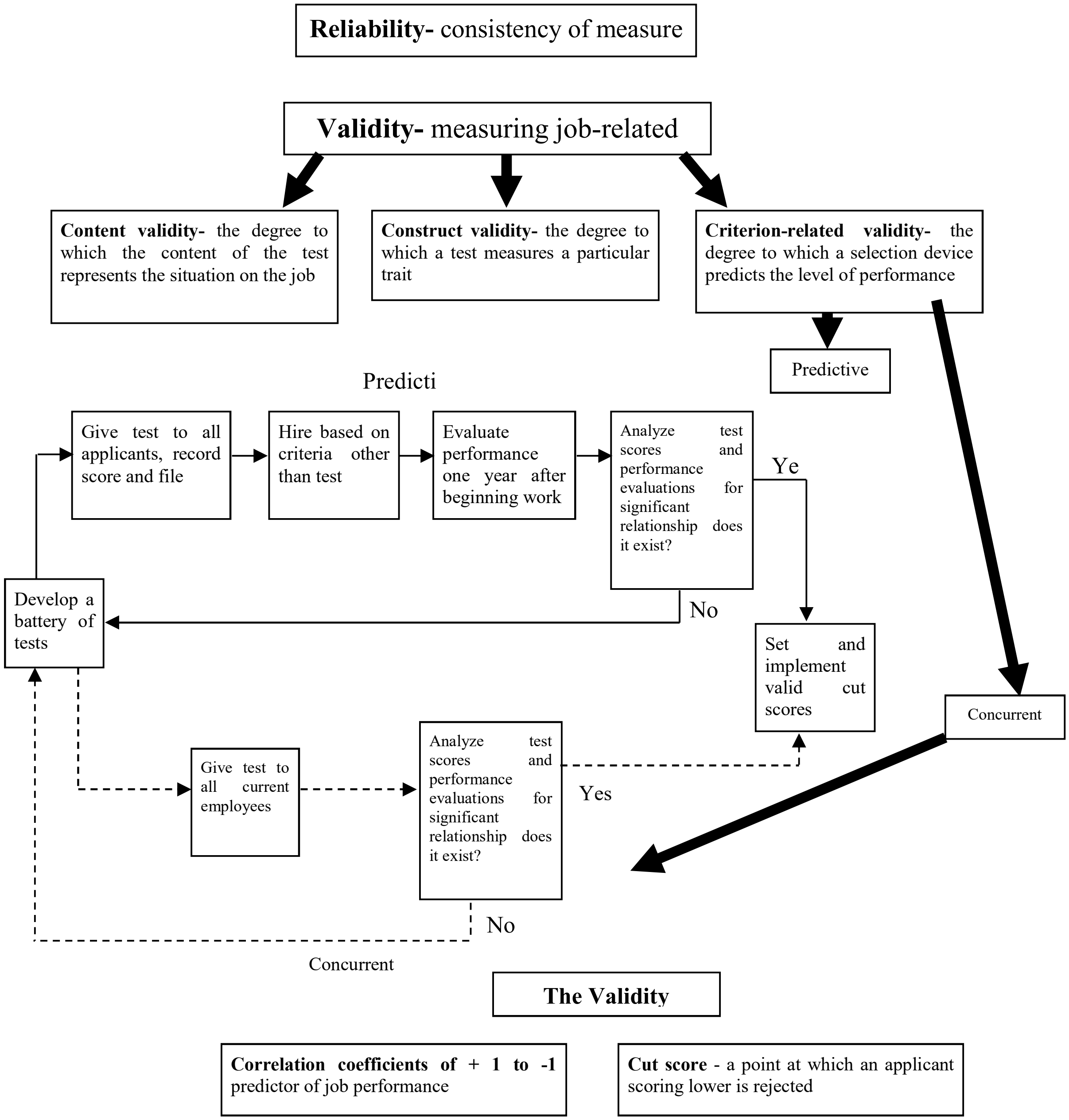
- The interviewer should limit his/her talking to approximately 20% of the time thus allowing the interviewee to talk for 80% of the interview.
- Limit the use of closed questions; open questions are preferred by candidates and generally elicit more information from them.
- Avoid premature closure on a decision about the candidate. It has been estimated that the interviewer usually makes a decision within the first 4-9 minutes and then seeks evidence to support the decision.
- Be aware that interviewers recognize and like a candidate similar to them (e.g. same social background, school etc.). Good practice requires that such factors be neutralised as much as possible.
- Be aware that interviewers are affected by contrast so that an average performer seen after an exceptionally weak one will be rated highly. Also the last candidate tends to be remembered more clearly than the others.
- Be aware that there is a tendency to place more emphasis on negative rather than positive information.
- Have a basic structure to the interview that carries consistently from candidate to candidate. The success of an unstructured interview for selection is only slightly better than chance.

Key Elements in Successful Predictions

Reliability: The applicant's performance on any given selection device should produce consistent score each time the device is used. If the test is reliable, any single individual's scores should remain fairly stable over time, assuming that the characteristic it is measuring remains stable.

Validity: High reliability may mean little if the selection device has low validity; that is, if the measures obtained are not related to some relevant criterion such as job performance. Whether the device used in the selection process measures what it intends to measures is called validity of the device.

Exhibit-9: Key Elements in Successful Predictions



Source: David A. Decenzo & Stephan P. Robbins. (2009). Fundamentals of Human Resource Management. New Delhi: Wiley India (P.) Ltd.

In employment testing, there are three main ways to demonstrate a test's validity:

Content validity: It is the degree to which a test constitutes a fairly sample of the contents of the job. A data entry test used to hire a data entry clerk is an example.

Construct validity: It is the degree to which a test measure a particular trait (e.g., intelligence) related to successful performance on the job.

Criterion Validity: Demonstrating criterion validity means demonstrating that those who do well on the test also do well on the job, and that those who do poorly on the test do poorly on the job.

Review Questions

1. Discuss different types of test used in the selection of employees.
2. What is interview? State the benefits of interview.
3. Explain different types of interviews used in the selection of employees.
4. Describe different techniques of interviews.
5. Discuss the ways to make interviews effective.

Socialization, Orientation and Development of Employees

6

Unit Highlights

- Meaning, basic assumptions and stages of socialization;
- Meaning, benefits, contents and problems of orientation;
- Distinction between training and development;
- Methods of assessing training needs;
- Methods of on-the-job and off-the-job training and development;
- Different methods of evaluating effectiveness of training.

Technologies Used for Content Delivery

- BOUTUBE
- BOU LMS
- WebTV
- Web Radio
- Mobile Technology with MicroSD Card
- LP+ Office 365
- BTV Program
- Bangladesh Betar Program

LESSON 1: SOCIALIZATION AND ORIENTATION

Lesson Objectives:

Upon completion of this lesson you will be able to:

- *distinguish* between socialization and orientation;
- *explain* the basic assumptions of socialization;
- *discuss* the stages of socialization;
- *describe* the benefits, contents and problems of orientation.

Introduction

When an employee begins a new job, accept a lateral transfer, or are promoted, he or she must make adjustments. Employees adapt to a new environment- different work activity, a new boss, a different and most likely diverse group of co-workers, and probably a different set of standards for what constitutes successful performance. Again, the employee needs to be acquainted with the new work environment and the work values. Furthermore, they need to be trained enough to acquire the new skills needed to perform the new assignment.

Meaning of Socializing

Socialization is the ongoing process through which an employee begins to understand and accept the values, norms and beliefs held by others in the organization. The socialization process helps the organization meet its need for productive employees while enabling new employees to meet their needs (Werther and Davis, 1996). Socialization is a process of adaption that takes place as individuals attempt to learn the values and norms of work roles. Organizations can assist in the adjustment process if a few matters are understood. We'll call these the assumptions of employee socialization.

Assumptions of Employee Socialization

Socialization strongly influences employee performance: Employees' work performance depends to a considerable extent on knowing what he/she should or should not do, understanding the right way to do a job, how well he/she fit into the organization, get along with the coworkers, accepted work habits, right attitude and proper behavior.

Organizational stability also increases through socialization: High employee performance ensures organizational stability.

New members suffer from anxiety: The anxiety state has at least two implications. First, new employees need special attention to put them at ease. Second, tension can be positive in that it often motivates individuals to learn the values and norms of their newly assumed role as quickly as possible.

Socialization does not occur in a vacuum: Learning associated with socialization goes beyond comprehending the job description and the expectations of HRM people or managers. Socialization is influenced by the subtle and less subtle statements or behaviors offered by colleagues, management, employees, clients, and other people with whom new members come in contact.

Individuals adjust to new situations in remarkably similar ways: This is true even though the content and type of adjustments may vary.

Socialization Process

Socialization can be conceptualized as a process made up of three stages:

Pre-arrival: This socialization process stage recognizes that individuals arrive in an organization with a set of organizational values, attitudes, and expectations. These may cover both the work to be done and the organization. Pre-arrival socialization, however, goes beyond the specific job.

Encounter: In the second stage, the new employee gains clearer understanding of the organization and deals with the realization that the expectations and reality may differ. Here, the individuals confront the possible dichotomy between their expectations about jobs, coworkers, supervisors, and the organization in general and reality.

Metamorphosis: At this stage employees make necessary changes (hence called metamorphosis stage) to reconcile encounter–stage differences. The new employees internalize coworkers and organization norms, and they understand and accept these norms. They feel competent to complete their jobs successfully.

New Employee Orientation

Socialization and a new employee's initial orientation on the job are not the same. As a matter of fact, orientation is only a small part of the overall socialization of a new organizational member. The orientation is acquainting with the existing situation or environment (Sloane, 1983). Orientation is a procedure for providing new employees with basic background information about the firm (Gary Dessler, 2000). Orientation is a program designed to help new employees get acquainted with the company and make a productive beginning on the job (Wendell French, 1997).

It covers the activities involved in introducing a new employee to the organization and to his or her work unit. It is well recognized that orientation helps reduce the new employees' first-day jitters and the reality shock.

Orientation programs may range from brief informal introduction to lengthy formal programs. Systematic orientation program may last only a few hours or may extend over several weeks. Information may be given through interviews, group meetings and discussions, handbooks, videotapes, tours or combinations of these or other methods as well as informal lecture by the supervisor or HRM manager or chief executive. Sometimes, a follow up program is included into the orientation program.

Contents and Stages of an Orientation Program

An orientation program should familiarize the new member with the organization's objectives, history, philosophy, procedures, and rules; communicate relevant HRM policies such as work hours, pay procedures, overtime requirement, and company benefits; review the specific duties and responsibilities of the new member's job; provide a tour of the organization's physical facilities; and introduce the employee to his or manager coworkers. In most small firms, new employees received their entire orientation from their supervisors. In many small organizations, orientation may mean that the new member reports to his /her supervisor, who then assigns the new member to another employee who will introduce him/her to those persons with whom he/she will be closely working. This may be followed by a 'quick' tour of the facilities, after which the new employee is shown to her desk and work begins. However, a typical orientation program in medium or large organizations involves the following stages:

1. New employees sign up. New employees will be received by an assigned person of the organization and welcome them to the organization. The new employees will put their signature to the attendance register and will enter into the orientation venue.

2. Refreshment tea. The new employees will be offered refreshment tea and be introduced with other new employees as well as company incumbents.

3. Orientation information session. It includes address of the key executives, supply of information handbook, leaflets etc., exhibiting video / movie show, and question –answer session. New employees are free to ask any question about the company, pay, incentives, benefits, promotion, disciplinary codes or any other matter. Executives give answer with information to make new employees satisfied with the company and to build up a good image of the company into the minds of them.

4. Complimentary lunch. During the break, all attending employees, new and old, will have lunch. Generally, this lunch is offered in the name of the chief executive.

5. Home office tour. Under this program, new employees are taken and introduced with all the departments and existing employees of each department to make them familiar with the office environment.

6. Factory site tour. If the company is a manufacturing concern, then new employees are taken to the factory site or sites. It may be within the country or in foreign country. It may take days or months, but it is undertaken to make new employees complacent with the organizational activities and to orient them with the production mechanism, products, quality and environment of the factory so that they can feel themselves a part of the organizational image.

7. Orientation interview. It is taken at the end of a certain period to know the opinion of the employees about the orientation program and its various facets. The aim is to improve the orientation program by making desirable changes to make it more effective.

8. Follow-up. The human resource manager will make necessary improvement of the existing orientation program with the findings of the interview and other observations.

Benefits of Orientation

1. A typical orientation provides new employees information about benefits, compensations, securities facilities, vacations, working hours, office time, daily routine tour, organizations and operations, personnel policies, promotion methods, safety measures and regulations .
2. Well-oriented newcomers need less attention from coworkers and supervisors, perform better and are less likely to quit.

Problems of Orientation Program

1. Too much or too little information may overwhelm or annoyed the newcomers.
2. Non-cooperation of supervisors by not releasing employees for the program, or not conveying information to new employees.
3. Lack of support from the key executives. It key executives do not take orientation program seriously, then they will not provide necessary support for successful operation of the program.

Review Questions

1. Distinguish between socialization and orientation.
2. What are the assumptions of socialization? Explain the stages of the socialization process.
3. What do you mean by employee orientation? State the benefits of employee orientation.
4. Discuss the contents of a typical orientation program.
5. State the problems of orientation program.

LESSON 2: TRAINING AND DEVELOPMENT

Lesson Objectives:

Upon completion of this lesson you will be able to:

- *distinguish* between training and development;
- *discuss* different methods of assessing training needs;
- *explain* different methods of training and management development;
- *discuss* different methods of evaluating effectiveness of training.

Training and Development

Training involves the changing of skills, knowledge, attitudes, or behavior of employees. Although training is similar to development in the methods used to affect learning, they differ in time frame and the types of skilled to be learned. Training usually refers to teaching operational and technical employees how to do the job for which they were hired. Training is a learning experience in that it seeks a relatively permanent change in an individual that will improve his or her ability to perform on the job. We typically say, training can involve the changing of skills, knowledge, attitudes or social behavior. It may mean changing what employees know, how they work, their attitudes toward their work or their interactions with their coworkers or their supervisor.

In contrast to employee training, development is more future oriented and concerned with enhancing knowledge and conceptual skills. Management development expenditures may be for purposes other than those immediately apparent. In certain instances, development programs may be used to motivate managers or maintain their commitment.

Methods for Assessment of Training Needs

The following four methods can be used by managers to determine the training needs of the employees in their organisation or department:

1. ***Performance appraisal*: ** Performance of each employee is measured against the performance standards or objectives established for his or her job.
2. ***Analysis of job requirements*: ** The skills or knowledge specified in the job descriptions are examined and the employees lacking necessary skills or knowledge specified therein are selected for a training programme.
3. ***Organisational analysis*: ** The effectiveness of the organisation and its success in meeting its goals are analysed for determining and identifying the area and kind of training required. For example, members of a department with a high turnover rate or low performance record might require additional training.
4. ***Employee survey*: ** Opinions of managers and non-managers are sought about the problems they experience in their work and what actions they deem necessary for solving the problem.

Training methods:

i. On-the job training:

a) **Apprenticeships Program:** Apprenticeship programs put the trainee under the guidance of a master worker. They become skilled workers through a combination of classroom instruction and on-the job training by experienced supervisor, managers or other in-house experts. Assistantship and internships are similar to apprenticeship because they use high levels of participation by the trainee and have high transferability to the job. Successful completion of training would make employees permanent. This training is popular in crafts, trades and in technical areas.

b) **Job Instruction Training:** Preparing the trainees by telling them about the job and overcoming their uncertainties, presenting the instruction, giving essential information in a clear manner, having the trainees try out the job to demonstrate their understanding, and placing the workers into the job, on their own with a designated resource person to call upon should they need assistance.

c) **Job Rotation:** Lateral transfers allow employees to work at different jobs. Provides good exposure to a variety of tasks.

ii. Off-the-job training:

a) **Classroom Lecture:** The lecture or conference approach is well adapted to conveying specific information – rules, procedures, or methods.

b) **Films and videos:** Motion pictures can be useful as a training technique. Media productions explicitly demonstrate technical skills not easily presented by other training methods.

c) **Simulation Exercises:** Any training activity that explicitly places the trainee in an artificial environment that closely mirrors actual working conditions can be considered a simulation. It refers to learning a job by actually performing the work (or its simulation). It may include case analyses, experiential exercises, role playing, and group interaction.

d) **Vestibule training:** Learning tasks on the same equipment that one actually will use on the job but in a simulated work environment.

Management Development Techniques

1. On-the-job management development techniques include:

a) **Coaching:** When a manager takes an active role in guiding another manager, we refer to this activity as coaching.

b) **Understudy assignments:** By understudy assignments we mean potential managers are given the opportunity to relieve an experienced manager of his or her job and act as his or her substitute during the vacation period.

c) **Job rotation:** Job rotation can be either horizontal or vertical. Vertical rotation is nothing more than promoting a worker into a new position. Horizontal dimension of job rotation means lateral transfer to broaden employees and increases their experience.

d) **Committee assignments:** Assignment to a committee can provide an opportunity for the employee to share in managerial decision making, to learn by watching others and to investigate specific organizational problems.

2. Off-the-job management development techniques include

1. **Lecture courses:** Formal lecture courses offer an opportunity for managers or potential managers to acquire knowledge and develop their conceptual and analytical abilities.
2. **Sensitivity training:** It is a method of changing behavior through group processes. Members are brought together in a free and open environment in which participants discuss themselves and their interactive processes, loosely facilitated by a professional behavioral scientist. This professional then creates the opportunity for the participants to express their ideas, beliefs, and attitudes.
3. **Simulation exercises:** In simulation exercises attempt is made to create an environment similar to real situations the managers incur. The widely used simulation exercises include case study, decision game, and role plays.

i. **Case study:** Real or fictitious cases or incidents are discussed in small groups for improving decision-making abilities within the constraints of limited information.

ii. **Decision game:** Decision games which are frequently played on an electronic computer that has been programmed for the particular game, provide opportunities for individuals to make decisions and to consider the implications of a decision on other segments of the organization, with no adverse effect should the decision be a poor one.

iii. **Role-playing:** It allows the participants to act out problems and to deal with real people. Participants are assigned roles and are asked to react to one another as they would have to do in their managerial jobs.

Methods of Evaluating Training Effectiveness

There are three popular methods of evaluating training programs. These are post-training performance method, the pre-post–training performance method, and the pre-post training performance with control group method.

Post-Training Performance Method: Participants' performance is measured after attending a training program to determine if behavioral changes have been made.

Pre-Post–Training Performance Method: In this method, each participant is evaluated prior to training and rated on actual job performance. After instruction – of which the evaluator has been kept unaware – is completed, the employee is reevaluated. As with the post training performance method, the increase is assumed to be attributable to the instruction. However, in contrast to the post training performance method, the pre-post performance method deals directly with job behavior.

Pre-Post Training Performance With Control Group Method: The most sophisticated evaluative approach is the pre-post-training performance with control group method. Two groups are established and evaluated on actual job performance. Members of the control group work on the job but do not undergo instruction but the experimental group does. At the conclusion of training, the two groups are reevaluated. If the training is really effective, the experimental group's performance will have improved and will perform substantially better than the control group.

Review Questions

1. Distinguish between training and development.
2. Discuss different methods of assessing training needs.
3. Explain different methods of on-the-job training and management development.
4. Explain different methods of off-the-job management development.
5. Discuss different methods of evaluating effectiveness of training.

Career Development

7

Unit Highlights

- Meaning of career and career development;
- Stages of career development;
- Responsibilities for career development;

Technologies Used for Content Delivery

- BOUTUBE
- BOU LMS
- WebTV
- Web Radio
- Mobile Technology with MicroSD Card
- LP+ Office 365
- BTV Program
- Bangladesh Betar Program

LESSON 1: CAREER DEVELOPMENT AND STAGES OF CAREER DEVELOPMENT

Lesson Objectives:

Upon completion of this lesson you will be able to:

- *explain* the terms career and career development;
- *distinguish* between career development and employee development;
- *identify* traditional stages of career development;
- *explain* different stages of career development;

Introduction

The individual employee has to update his/her skills to keep pace with the rapidly changing environment particularly, technology; otherwise he/she would face retrenchment. So, in order to avoid career disruption or stagnation, every employee should engage in career development. Realistic career development forces employees to be proactive and to anticipate problems and opportunities.

What is Career?

The term career has a number of meanings. In popular usage it can mean a profession ('she has chosen a career in medicine') or lifelong sequence of jobs ('his career has included fifteen jobs in six different organizations'). Different writers have defined career in different ways. Gary Dessler defined career as the "Occupational positions a person has held over many years."

Donald E. Super and Douglas T. Hall thinks career is a sequence of positions occupied by a person during the course of a lifetime.

It is observed from these definitions that career is understood as work-related activities done and positions held by a person over his/her work life. But a person's non-work life and roles also have a significant part in his/her career. It could be noted that career is a sequence of jobs that may or may not be in the same organization but in other organizations too. Thus, a career is work and non-work related positions held, jobs done and experiences gathered by a person over lifetime.

Meaning of Career Development

Career development is the series of activities or the lifelong process of developing one's career. It refers to managing one's career in an intra-organizational or inter organizational scenario. It involves training on new skills, moving to position of higher responsibility, making a career change within the same organization, moving to a different organization or starting one's own business. Human resource management should take actions to help employees to help themselves in order to uplift their talents, skills and knowledge to sustain in changing capacity demands of the organization. It aligns the interests and skills of employees with the needs of the organization. It is a mechanism to assist employees to develop realistic career goals and to provide opportunities to realize them.

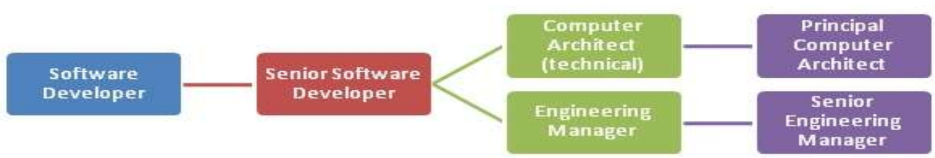
Exhibit-10: Career Development Process

Career development is directly linked to the goals and objectives set by an individual. It starts with self-actualization and self-assessment of one's interest and capabilities. The interest are then match with the available options. The individual needs to train himself to acquire the skills needed for the option or career path chosen by him. Finally, after acquiring the desired competency, he has to perform to achieve the goals and targets set by him.

Most successful companies chalk out a career path/career ladder for the employees in order to provide them with a realistic picture of their position in the coming years in order to retain them. Having a clear idea about future positions and job responsibilities, the employee and the company can work to identify areas where relevant training is required for the employee to build his competencies to fulfill future job requirements.

Career path refers to the growth of the employee in an organization. It refers to the various positions an employee moves to as he grows in an organization. The employee may move vertically most of the time but also move laterally or cross functionally to move to a different type of job role.

Exhibit-11: An example of a career path



Career Development versus **Employee Development**

Career development looks at the long-term career effectiveness and success of organizational personnel.

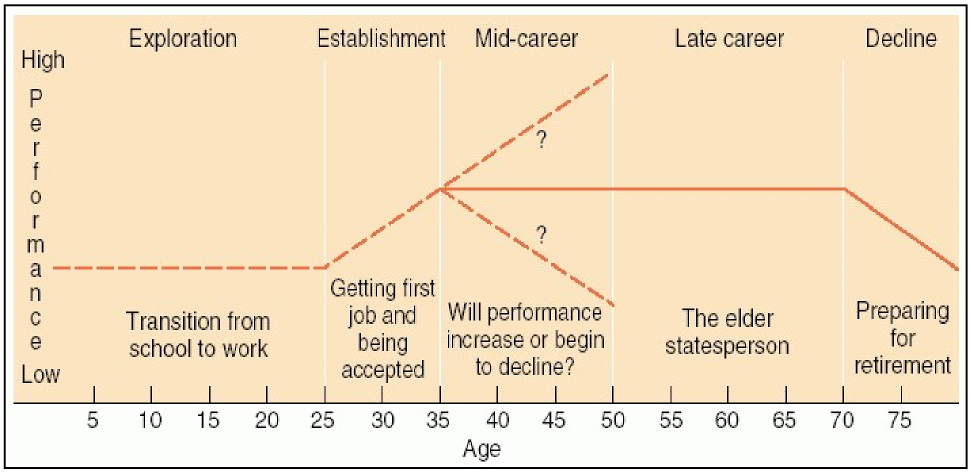
Employee development that is, employee training and development focuses on performance in the immediate or intermediate time frames.

These two concepts are closely linked; employee training and development should be compatible with an individual's career development in the organization. But a successful career program, in attempting to match individual abilities and aspirations with the needs of the organization, should develop people for the long-term needs of the organization and address the dynamic changes that will take place over time.

Traditional Career Stages

We can identify five career stages typical for most adults, regardless of occupation: exploration, establishment, mid-career, late career and decline.

Exhibit-12: Traditional Career Stages



Source: David A. Decenzo & Stephan P. Robbins. (2009). Fundamentals of Human Resource Management. New Delhi: Wiley India (P.) Ltd.

Exploration

We make many critical choices about our careers before we enter the workforce for pay. What we hear from our relatives, teacher, and friends; what we see on television, in the movies, or on the internet helps us narrow our career choices, led us in certain directions. Certainly, family careers, interests, and aspirations and our financial resources are heavy factors in determining our perception of what careers are available or what schools, colleges, or universities we might consider.

The exploration period ends for most of us as we make the transition from formal education programs to work. This stage has the least relevance to organizations because it occurs prior to employment. It is, of course, not irrelevant. During the exploration period we develop many expectations about our career, many of them unrealistic. Such expectations may lie dormant for years and then pop up later to frustrate both employee and employer.

It includes school and early work experiences, such as internships. In exploration stage we form our attitudes toward work (doing home-work, meeting deadlines, taking or avoiding shortcuts, attendance) and our dominant social relationship patterns (easygoing, domineering, indifferent, likable, obnoxious). Therefore, exploration is preparation for work.

Establishment

The establishment period begins with the search for work and includes accepting you first job, being accepted by your peers, learning the job, and gaining the first tangible evidence of success or failure in the real world. It begins with uncertainties and anxieties, and is indeed, dominated by two problems: finding a niche (right job) and making your mark (making mistakes, learning from those mistakes and assuming increased responsibilities). Individuals in this stage have yet to reach their peak productivity, though, and they rarely receive work assignments that carry great power or high status. The career takes a lot of time and energy, and often engender a sense of growth, of expectation, or anticipation.

Mid-Career

Most people do not face their first severe career dilemmas until they reach the mid-career stage. This is the time where individuals may continue their prior improvements in performance, level off performance, or begin to deteriorate. Therefore, remaining productive at work after you're seasoned is a major challenge in this stage. Some employees reach their early goals and go on to even greater heights. Continued growth and high performance are not the only successful outcomes at this stage. Maintenance, or holding onto what you have, is another possible outcome of the mid-career stage. These employees are plateaued, not failed. Plateaued mid-career employees can be highly productive. They are technically competent – even though some may not be as ambitious and aggressive as the climbers. They may be satisfied to contribute a sufficient amount of time and energy to the organization to meet production commitments; they also may be easier to manger than someone who wants more. The third option for mid-career deals with the employee whose performance begins to deteriorate. This stage for this kind of employee is characterized by loss of both interest and productivity at work. For them, it may be a time of reassessment, job changes, adjustment of priorities, or the pursuits of alternative life styles.

Late Career

Those who continue to grow through the mid-career stage often experience the late-career stage as a pleasant time with the luxury to relax a bit and enjoy playing the part of elder statesperson, rest on one's laurels, and bask in the respect of less experienced employees. During the late career stage individuals are no longer learning about their jobs nor expected to outdo levels of performance from previous years. Their values to the organization typically lies heavily in their judgment, built up over many years and through varied experiences. They can teach others based on the knowledge they have gained. It is a time when individuals recognize that they have decreased work mobility and may be locked into their current job. One begins to look forward to retirement and the opportunities of doing something different.

Decline

The final stage in one's career is difficult for everyone but, ironically, is probably hardest on those who have had continued successes in the earlier stages. After several decades of continued achievements and high levels of performance, the time has come for retirement. These individuals are forced to step out of the limelight and give up a major component of their identity. For the modest performers or those who have seen their performance deteriorate over the years, it may be a pleasant time. The frustrations that have been associated with work will be left behind. Adjustment will have to be made regardless of whether one is leaving a sparkling career or a dismal career. Responsibilities will be fewer and life will be less structured.

Review Questions

1. Explain the terms career and career development.
2. Distinguish between career development and employee development;
3. State in brief the different stages of career development.
4. "Exploration stage has the least relevance, of course, not irrelevant." Explain the statement.
5. Discuss the establishment stage of career development.
6. Explain the three outcomes of mature stage of career development.
7. Distinguish between late career and decline stage of employee career.

LESSON 2: RESPONSIBILITIES FOR CAREER DEVELOPMENT, CAREER DEVELOPMENT INITIATIVES AND VALUE FOR CAREER DEVELOPMENT PROGRAMS

Lesson Objectives:

Upon completion of this lesson you will be able to:

- *discuss* the role of an organisation in developing employee career;
- *explain* the responsibilities of an individual in developing his/her career;
- *describe* different career development initiatives;
- *state* the values for career development programs.

Organizations' Roles in Career Development

The organization's responsibility is to build employee self-reliance and to help employees maintain their marketability through continual learning. The essence of a contemporary career development program is providing support so that employees can continually add to their skills, abilities, and knowledge. This support includes:

Communicating clearly the organization's goals and future strategies: When people know where the organization is headed, they're better able to develop a personal plan to share in that future.

Mentoring and Sponsoring: Employees will have quick development if mentors or sponsors help their career development by offering advice, giving instruction and opening up new opportunities. A mentor is someone who offers informal career advice. He/she is generally an older experienced senior manager. On the other hand, a sponsor is someone in the organization who can create career development opportunities. Organizations may formally take sponsorship to develop career of employees or there may be informal sponsors. But all forms of sponsor help employees in promoting their careers.

Creating growth opportunities: Employees should have opportunities for new, interesting, and professionally challenging work experiences.

Offering financial assistance: The organization should offer tuition reimbursement to help employees keep current.

Providing the time for employees to learn: Organizations should be generous in providing paid time off from work for off-the-job training. Additionally, workloads should not be so demanding that they preclude employees from having the time to develop new skills, abilities, and knowledge.

Individual's Responsibilities for Career development

The individual holds primary responsibility for his/her career. Individual employees must accept responsibility for their own career development, failure of which will prevent smooth and optimal career development. The successful career requires individuals to maintain flexibility and keep skills and knowledge up to date.

The following suggestions are consistent with the view that you and only you hold primary responsibility for your career.

Performance: Performance is the foundation of career success. Good and ethical job performance will expand the organization's expectations of you and then you will get scope to exceed them to justify your excellence and talent which will make you indispensable to the organization. It also needs full understanding of manager's expectations and perform the job accordingly. Any misunderstanding will cause career meltdown.

Know yourself: Know your strength and weaknesses. What talents can you bring to an employer?

Manage your reputation: Career success vastly depends on and furthered by exposure. Exposure means becoming known by those who decide on promotion, transfers, and other career opportunities. Even good performers can miss out on important career opportunities if they lack exposure. Without appearing as an egoist, let others both inside and outside your current organization know about your successes. Make yourself and your accomplishment visible.

Build and maintain network contacts: It is extremely important for employees to build a network of contacts who are likely to be useful for the employees' career development. Networking is using informal contacts inside and outside an organization to keep one visible. Join national and local professional associations, attend conferences, and network at social gatherings. As a student you may want to participate in an internship.

Keep current: Develop specific skills and abilities in high demand. Avoid learning organization-specific skills that don't quickly transfer to other employers.

Balance your specialist and generalist competencies: Stay current within your technical specialty, but also develop general competencies that give you the versatility to react to an ever changing work environment. Overemphasis in a single functional area or even in a narrow industry can limit you mobility.

Document your achievement: Employers are increasingly looking to what you've accomplished rather that the titles you have held. Seek jobs and assignment that provide increasing challenges and offer objective evidence of your competencies.

Keep your options open: Always have contingency plans prepared that you can call on when needed. You never know when your group will be eliminated, your department downsized, your project canceled, or your company acquired in a takeover. "Hope for the best but prepared for the worst" may be cliché, but it's still not bad advice.

Organizational loyalty: Career development is affected by the organizational loyalty that is exhibited in long-term service to the same organization. It is regarded as faithful, committed and dedicated service and gets high priority by the human resource management for giving career development opportunities.

Career Development Initiatives

Organisations devise and implement several initiativeas in order to develop their employees's careers. More significant of them are career planning workshops, career counselling, mentoring sabbaticals, personal development plans, and career workbooks.

Career Planning Workshops: Structured workshops are available to guide employees individually through systematic self-assessment of values, interest, abililties, goals and personal developoment plans. During workshops, empoyees are made to define and match their specific career objectives with the needs of the company. Generally, these workshops are designed to guide individuals to figure out their strengths and weaknesses, job and career opportunities, and neceessary steps for reaching their goals. Suggested steps help organisations initiate appropriate action plans.

Career Counselling: Career counselling helps employees discuss their career goals in one-to-one counselling sessions. Along with goals other variables identified are capabilities, interests, and current job activitiers and performance. While some firms make counselling a part of the periodic performance appraisal, career coounselling is usually voluntary. Career counselling may be provided by the HR staff, mangers, supervisors, or consultants.

Mentoring: Mentoring involves coaching, advising, and encouraging employees of usually lessor ranks. Mentors is an important aid in the development of an employee or protégé such as greater job satisfaction, organisational commitment and attainment of higher salary and career progress. Mentoring is also valuable for improving the job involvement and satisfaction of the mentor.

Sabbaticals: These are temporary leaves of absence from an organisation, usually at a reduced amount of pay. Periodic leaves or sabbaticals help employees in terms of refreshing their learning and rejuvenating their energies.

Personal Development Plans (PDPs): Here, employees write their own personal development plans. Such development plans include development needs and action plans to achieve them. A PDP could be the necleus of a wider career plan such as setting out alternative long-term strategies, identifying one's long-term needs and setting out a plan of self-developoment.

Career Workbooks: These consist of questions and exercises designed to guide individuals to figure out their strengths and weaknesses, job and career opportunities, necessary steps for reaching their goals. Many workbooks are tailor-made for a particular firm and can be completed in several sessions. Workbooks generally contain organisation's career policy, career options available in the organisation, organisation structure, and job satisfactions along the career ladders.

Value for Career Development Program

Career Development Program increases the organization's effectiveness in managing its human resources. More specifically, several positive results can accrue from a well-designed career development program. There are:

1. Ensures that needed talent will be available.
2. Improves the organization's ability to attract and retain talented employees.
3. Ensures that minorities and women get opportunities for growth and development.
4. Reduces employee frustration.
5. Enhances cultural diversity.

Review Questions

1. State the roles of organisations in developing employee career.
2. Explain the responsibilities of an individual employee in developing his/her career.
3. Discuss different initiatives taken by organisations to develop empolyee career.
4. Explain the benefits of career development programs.

Performance Appraisal System

8

Unit Highlights

- Meaning, difficulties and objectives of performance appraisal;
- Process of performance appraisal;
- Approaches of performance appraisal;
- Factors that can distort performance appraisal;
- Ways to make performance appraisal effective.

Technologies Used for Content Delivery

- BOUTUBE
- BOU LMS
- WebTV
- Web Radio
- Mobile Technology with MicroSD Card
- LP+ Office 365
- BTV Program
- Bangladesh Betar Program

LESSON 1: MEANING, DIFFICULTIES, OBJECTIVES AND PROCESS OF PERFORMANCE APPRAISAL

Lesson Objectives:

Upon completion of this lesson you will be able to:

- *define* performance appraisal;
- *explain* the difficulties in performance appraisal;
- *state* the objectives of performance appraisal;
- *discuss* the process of performance appraisal;
- *discuss* who will do the performance appraisal.

Introduction

Performance appraisal constitutes an essential part of the human resource management process and is a factor in determining the crucially important dimensions of employee and organization effectiveness for success. Performance appraisal can be linked to the career development of the employee. It is undertaken to discover how productive the employee is and whether the employee can continue to perform in future to help achieve the organization's goals.

Meaning

Performance appraisal can be defined as a formal and structured system by which management measures, evaluates and assesses an employee's job-related attributes, behaviors and outcomes. Performance appraisal is the process of evaluating the behavior of employees in the workplace, normally including both the quantitative and qualitative aspects of job performance. It is an objective way of evaluating work-related behavior of employees.

Difficulties in Performance Management Systems

Focus on the individual**:** Discussions of performance may elicit strong emotions and may generate conflicts when subordinates and supervisors do not agree.

Focus on the process: Company policies and procedures may present barriers to a properly functioning appraisal process.

Untrained appraisers: Additionally, appraisers may be poorly trained or untrained.

Objectives of Performance Appraisal

Earlier, performance evaluations were designed primarily to tell employees how they had done over a period of time and to let them know what pay rise they would receive. But today, performance evaluations should also address development and documentation concerns.

Feedback: Performance appraisals convey to employees how well they have performed on established goals over a period a time.

Promotion, pay raise etc.: Performance appraisal can serve as a useful basis for promotion, pay raise etc. If relevant work aspects are measured properly, it helps in minimizing feeling of frustration of those who do not get promotion or pay raise.

Development: It informs employees about their progress, weakness or deficiencies and tells them what skills they need to improve their present performance and go up the organizational ladder.

Documentation: A performance evaluation system must concern itself with the legal aspects of employee performance. Job-related measures must be performance-supported when an HRM decision affects current employees. For instance, suppose a supervisor has decided to terminate an employee. Although the supervisor cites performance matters as the reason for the discharge, a review of this employee's recent performance appraisals indicates that performance was evaluated as satisfactory for the past two review periods. Accordingly, unless the employee's performance significantly decreased, personnel records do not support the supervisor's decision.

The Performance Appraisal Process

The purposes of the performance appraisal are best achieved if the system generates accurate and reliable data and this would only be achieved when a systematic process of performance appraisal is designed, executed and faithfully followed.

The first step in appraisal process is the establishment of performance standards in accordance with the organization's strategic goals. These should evolve out of the company's strategic direction – and, more specifically, the job analysis and the job description. These performance standards should also be clear and objective enough to be understood and measured. Too often, standards are articulated in ambiguous phrases that tell us little, such as "a full day's work" or "a good job." A supervisor's expectations of employee work performance must be clear enough in her mind so that she will be able to, at some later date, communicate these expectations to her employees, mutually agree to specific job performance measures, and appraise their performance against these establish standards.

Once performance standards are established, it is necessary to communicate these expectations; employees should not have to guess what is expected of them. Too many jobs have vague performance standards, and the problem is compounded these standards are set in isolation and without employee input.

Third step in the appraisal is performance measurement. To determine what actual performance is, we need information about it. Four common sources of information frequently used by managers include personal observation, statistical reports, oral reports, and written reports. A combination of them increases both the number of input sources and the probability of receiving reliable information. The criteria we measure must represent performance as it was mutually set in the first two steps of the appraisal process.

The fourth step in the appraisal process is the comparison of actual performance with standards. This step notes deviations between standard performance and actual performance.

The fifth step is discussing the appraisal with the employee. One of the most challenging tasks facing appraisers is to present an accurate assessment to the employee. The impression that employees received about their assessment has a strong impact on their self-esteem and, importantly, on their subsequently performance. Of course, conveying good news is considerably easier for both the appraiser and the employee than conveying bad news. In this context the appraisal discussion can have negative as well as positive motivational consequences.

The final step in the appraisal is the identification of corrective action where necessary. Corrective action can be of two types: one is immediate and deals predominantly with symptoms, and the other is basic and deals into causes. Immediate corrective action is often described as "putting out fires," whereas basic corrective action touches the sources of deviation and seeks to adjust the difference permanently.

Who will do Performance Appraisal?

Establishment of performance evaluation policies will deal first with selecting person/persons to evaluate employee performance. Variety of people may appraise individual performance. They include:

Immediate Supervisor (line manager) Appraisal

Appraisals by the employee's immediate supervisor are the most common (French 1997, Torrington and Hall, 1995). Immediate supervisor of the employee evaluates the performance of his subordinates on the basis of his/her observation over a stipulated period which is generally one year. Here, the performance appraisal form is filled in and comments are noted in the form by the supervisor on his /her judgment and measure about the criteria of assessment mentioned in the appraisal form. Ivancevich and Dessler opine that this system is relatively easy and makes a great deal of sense.

Peer Appraisal

Peer or co-worker of an employee appraises the performance of his/her colleagues by filling up and making comments on the criteria mentioned in the appraisal form. Colleagues work together and associated with both formal and informal manner very closely. Thus, they have very clear knowledge about the performance, behaviour, shortcomings, personal traits, beliefs, values, norms and potentials of other co-workers.

Self-Appraisal

Self-evaluation or appraisal is a system where employee evaluates herself/himself with the techniques used by other evaluators (Ivancevich, 2001). This is particularly so in organizations that aim to promote a less authoritarian culture and encourage employee participation and self-development. Self-appraisal is relatively new and not heavily used at present.

Committee Appraisal

Group/committee appraisal is made by a group of supervisors who have a close contact with the employees. A committee is constituted with supervisors from different departments/units of work in which the concerned employee /employees worked. This committee appraises the performance of the employee by mentioning their comments and filling appropriate places in the appraisal form. This approach has the advantage of off-setting bias on the part of a superior and adding additional information to the evaluation (Pray, 19872 and Ivancevich, 2001).

Subordinate Appraisal

Subordinates of an employee give their assessment about the performance of their superior. It is an upward appraisal. It is not widely used like peer appraisal. The justification is that subordinates are in excellent position to appraise a manager's leadership skills and ongoing performance. Subordinate evaluations are therefore a powerful indicator of how well the organization's managers are perceived to be managing others. This appraisal is especially valuable for developmental rather than evaluative purposes. Its use is restricted to people-oriented issues that are less easily observed aspects of the manager's performance (Grote, 2000).

Customer Appraisal

In this method, customers are involved in appraisal process. Here, customers or clientele who frequently interact with the employee for having service from the organization are given the appraisal form to fill in and to give comments on their own perception, understanding and judgement about the quality of the performance of the employee. It is regarded as useful source of appraisal information. Customer may be from internal and external sources.

360-Degree Performance Appraisal

It uses multiple appraisers, including supervisors, subordinates, and peers of the target person. 360-degree appraisal is a combination of approaches i.e. peer, supervisor, and subordinate appraisal, client, and self. In some cases, it also includes self-appraisals. This is a growing appraisal system to have information about a person in full circular fashion. It gives a total picture of the performance of the employee. So, assessment would be correct and valid.

Review Questions

1. What do you mean by performance appraisal?
2. Enumerate the difficulties in performance appraisal.
3. Explain the objectives of performance appraisal.
4. Discuss who will do the performance appraisal.
5. Discuss the process of performance appraisal.

LESSON 2: APPROACHES OF PERFORMANCE APPRAISAL, FACTORS THAT CAN DISTORT PERFORMANCE APPRAISAL, AND EFFECTIVE PERFORMANCE APPRAISAL

Lesson Objectives:

Upon completion of this lesson you will be able to:

- *discuss* the three basis approaches of performance appraisal;
- *explain* the factors that can distort performance appraisal;
- *discuss* the ways to make performance appraisal effective.

Approaches for Evaluating Performance

Three approaches exist for doing appraisal: employees can be appraised against (i) Absolute standards, (ii) Relative standards or (iii) Outcomes.

Absolute Standards: First group of appraisal methods uses absolute standards. This means that an employee's performance is measured against established standards and the evaluation is independent of any other employee in a work group. This process assesses employee job traits and \or behaviors. Included in this group are critical incident appraisal, the checklist, the adjective rating scale, force choice, and behaviorally anchored rating scales.

Essay Appraisal: Under this method, the rater is asked to write the strong as well as weak points of the employee's behavior. While preparing the essay on the employee, the rater usually elaborates the following points: (i) job knowledge, (ii) understanding of the company's policies, programs, objectives, etc, (iii) relations with co-workers and supervisors, (iv) attitudes and perceptions of the employees and (v) controlling abilities and potentials etc.

Critical Incident Appraisal: Critical incident appraisal focuses the rater's attention on critical or key behaviors that make the difference between doing a job effective or doing it ineffective. The appraiser writes down anecdotes describing employee actions that were especially effective or ineffective. Critical incidents, with their focus on behaviors, judge performance rather than personalities.

Checklist Appraisal: In the checklist appraisal, the evaluator uses a list of behavioral descriptions and checks off behaviors that apply to the employee. Exhibit -1 illustrates the evaluator merely goes down the list and checks off "yes" or "no" to each question.

- Are supervisor's orders usually followed?
- Does the individual approach customers promptly?
- Does the individual suggest additional merchandise to customers?
- Does the individual lose his or her temper in public?
- Does the individual volunteer to help other employees?

Once the checklist is complete, it is usually evaluated by the HRM staff, not the appraiser completing the checklist. Therefore, the rater does not actually evaluate the employee's performance; he or she merely records it. An HRM analyst scores the checklist, often weighting the factors in relations to their importance to that specific job.

Adjective Rating Scale Appraisal: Appraiser rates employees on a number of job-related factors such as quality, quantity, knowledge, cooperation, loyalty, dependability, attendance, honesty, integrity, attitudes, and initiative. The assessor goes down the list of factors and notes the point along the scale or continuum that best describe the employee. There are typically five to ten points on the scale.

Performance factors	Unsatisfactory	Fair	Satisfactory	Good	Outstanding
Quality of work: accuracy, skill, and completeness					
Quantity of work: volume of work					
Job knowledge					
Dependability					
Attitude					
Cooperation					

Forced-Choice Appraisal: The forced-choice appraisal is a special type of checklist where the rater must choose between two or more statements. Each statement may be favorable or unfavorable. The appraiser's job is to identify which statement is most (or in some cases least) descriptive of the individual being evaluated.

1.	Least		Most
	A	Does not anticipate difficulties	
	B	Grasps explanation easily and quickly	
	C	Does not waste time	
	D	Very easy to talk to	
2.	Least		Most
	A	Can be a leader	
	B	Wastes time on unproductive things	
	C	At all times, cool and calm	
	D	Smart worker	

The favorable qualities earn a plus credit and the unfavorable ones earn the reverse. The worker gets over plus when the positive factors override the negative ones or when one of the negative phrases is checked as being insignificantly rated.

Behaviorally Anchored Rating Scales (BARS): It is a combination of the rating scale and critical incident technique of employee performance evaluation. Appraiser rates employee on factors which are defined by behavioral descriptions illustrating various dimensions along each rating scale. The following chart represents an example of a trainee salesman's competence and a behaviorally anchored rating scale.

Performance	Points	Behavior
Extremely good	7	Make valuable suggestion for increased sales and to have positive relationships with customers.
Good	6	Initiate creative ideas for improved sales.
Above average	5	Keep in touch with the customers throughout the year
Average	4	Manage with difficulty, to deliver the goods in time.
Below average	3	Unload the trucks when asked by the supervisor.
Poor	2	Inform only a part of the customer.
Extremely poor	1	Take extended coffee breaks and roam around purposelessly.

Steps in Behaviorally Anchored Rating Scale

Step-1: Identifying critical incidents: People with knowledge of the job to be probed, such as job holders and supervisors, describe specific example of effective and ineffective behavior related to job performance.

Step-2: Selecting performance dimensions: The people, assigned with the task of developing the instrument, cluster the incidents into a small set of key performance dimensions. Generally five to ten dimensions account for most of the performance. Examples of performance dimensions include technical competence, relationships with customers, handling of paper work and meeting day to day deadlines. While developing varying levels of performance for each dimension (anchors), specific examples of behavior should be used, which could later be scaled in terms of good, average or below average performance.

Step-3: Assigning scale values to the incidents: Each incident is then rated on a one-to-seven or one-to-nine scales with respect to how well it represents performance on the appropriate dimension. A rating on one represents ineffective performance; the top scale value indicates very effective performance. The second group of participants usually assigns the scale values. Means ad standard deviations are then calculated to the scale values assigned to each incident.

Step-4: Producing the final instrument: About six to seven incidents for each performance dimension will be used as behavioral anchors. The final BARS instrument consists of a series of vertical scales (one for each dimension) anchored or (measured) by the final incidents. Each incident is positioned on the scale according to its mean value.

Relative Standards: Employees are evaluated by comparing their performance to the performance of other employees.

Group Order Ranking: Employees are placed in a classification reflecting their relative performance, such as "top one-fifth."

Individual Ranking: Employees are ranked from highest to lowest.

Paired Comparison: Each individual is compared to every other. Final ranking is based on number of times the individual is preferred member in a pair.

Management by Objectives (MBO): MBO represents a modern method of evaluating the performance of employees. It includes mutual objective setting and evaluation based on the attainment of the specific objectives. MBO can be described as "a process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individuals' major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contributions of each of its members.

Factors that can Distort Appraisals

Leniency error: Each evaluator has his/her own value system. Some evaluate high (positive leniency) and others, low (negative leniency).

Halo error: Evaluator lets an assessment of an individual on one trait influence evaluation on all traits.

Similarity error: Evaluator rates others in the same way that the evaluator perceives him or herself.

Low appraiser motivation: Evaluators may be reluctant to be accurate if important rewards for the employee depend on the results.

Central tendency**:** The reluctance to use the extremes of a rating scale and to adequately distinguish among employees being rated.

Inflationary pressures: Pressures for equality and fear of retribution for low ratings leads to less differentiation among rated employees.

Inappropriate substitutes for performance: Effort, enthusiasm, appearance, etc. are less relevant for some jobs than others.

Attribution theory**:** Evaluations are affected based on whether someone's performance is due to: internal factors they can control, external factors which they cannot. If poor performance is attributed to internal control, the judgment is harsher than when it is attributed to external control.

Impression management: If employee positively influences the relationship with the supervisor, he/she is likely to receive a higher rating.

Creating More Effective Performance Management Systems

Use Behavior-Based Measures: Measures based on specific descriptions of behavior are more job-related and elicit more inter-rater agreement than traits, such as "loyalty" or "friendliness".

Combine Absolute and Relative Standards: Absolute standards tend to be positively lenient; relative standards suffer when there is little variability. Combining the standards tends to offset the weaknesses of each.

Provide Ongoing Feedback: Expectations and disappointments should be shared with employees on a frequent basis.

Use Multiple Raters: Increasing the number of raters leads to more reliable and valid ratings.

Use peer Evaluations: Coworkers offer constructive insights and more specific evaluations.

Upward Appraisals allow employees to give their managers feedback.

360-Degree Appraisals: Supervisors, peers, employees, team members, customers and others with relevant information evaluate the employee.

Rate Selectively: Appraisers only evaluate in those areas about which they have sufficient knowledge. Appraisers should be organizationally as close as possible to the individual being evaluated. More effective raters are asked to do the appraisals.

Train Appraisers: Untrained appraisers who do poor appraisals can demoralize employees and increase legal liabilities.

Review Questions

1. Discuss the three basic approaches of performance appraisal.
2. Enumerate Essay Appraisal and Critical Incident Appraisal methods.
3. Discuss with an example the Adjective Rating Scale Appraisal.
4. Explain different methods of performance appraisal under relative standards.
5. Explain the factors that can distort performance appraisal.
6. Discuss the ways to make performance appraisal effective.

Compensation Administration

9

Unit Highlights

- Meaning of compensation, and compensation administration;
- Components of compensation;
- Meaning, criteria, and the basic methods of job evaluation.
- Different incentives to motivate employees;
- Benefits and services required to attract and retain competent employees in organizations.

Technologies Used for Content Delivery

- BOUTUBE
- BOU LMS
- WebTV
- Web Radio
- Mobile Technology with MicroSD Card
- LP+ Office 365
- BTV Program
- Bangladesh Betar Program

LESSON 1: COMPENSATION AND JOB EVALUATION

Lesson Objectives:

Upon completion of this lesson you will be able to:

- *explain* the meaning of compensation, and compensation administration;
- *discuss* different components of compensation;
- *understand* what is job evaluation and the criteria of job evaluation;
- *explain* the basic methods of job evaluation.

Introduction

Compensation occupies an important place in the life of an employee. His or her standard of living, status in the society, motivation, loyalty, and productivity depend upon the compensation he or she receives.

For the employer too, employee compensation is significant because of its contribution to the cost of production. Besides, many battles (in the form of strikes and lockouts) are fought between the employer and the employees on issues relating to wages or bonus.

For HRM too, employee remuneration is a major function. The HR specialist has a difficult task of fixing wage and wage differentials acceptable to employees and their leaders.

Meaning of compensation

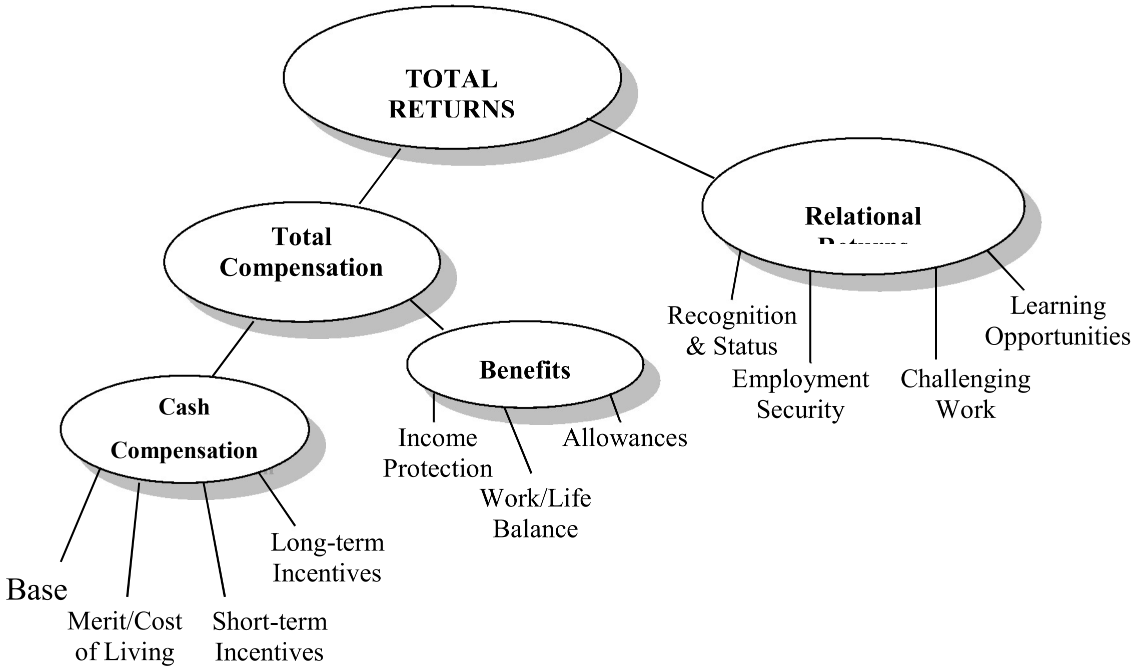
Compensation is the remuneration an employee receives in return for his or her contribution to the organization. In English, “compensation” means something that counterbalance, offsets, or makes up for something else. However, if we look at the origin of the word in different languages, we get a sense of the richness of the meaning, which combines entitlement, return, and reward.

Employees may see compensation as a return in an exchange between their employer and themselves, as an entitlement for being an employee of the organization, or as a reward for a job well done. Compensation can be all of these things. Now we can define compensation as all forms of financial returns and services and benefits employees receive as part of an employment relationship.

Component of Compensation

Exhibit-9 shows the variety of returns people receive from work. They are categorized as total compensation and relational returns. The relational returns (learning opportunities, status, challenging work, and so on) are psychological. Total compensation returns are more transactional. They include pay received directly as cash (e.g., base, merit, incentives, cost-of-living adjustments) and indirectly as benefits (e.g., pensions, medical insurance, programs to help balance work and life demands, brightly colored uniforms). So, pay comes in different forms and programs to pay people can be designed in a wide variety of ways.

Exhibit-13: Total Returns for Work



Source: George T. Milkovich and Jerry M. Newman & C.S. VenkataRatnam (2011), Compensation, New Delhi: Tata McGraw Hill Education Private Limited.

Base Pay (wage/salary):

Base Pay is the cash compensation that an employer pays for the work performed. Base pay tends to reflect the value of the work or skills and generally ignore differences attributable to individual employees. For example, the base wage for machine operators may be Tk. 75 per hour.

Merit Pay/ Cost-of-Living adjustments:

Periodic adjustments to base pay may be made on the basis of changes in what other employers are paying for the same work, changes in the overall cost of living, or changes in experience or skill.

Merit pays are given as increments to the base pay in recognition of past work behavior. In contrast to merit pay, cost of living adjustments i.e. dearness allowance give the same increases to everyone, regardless of performance.

Incentives:

Incentives tie pay increase directly to performance. However, incentives differ from merit adjustments. First, incentives do not increase the base wage, and so must be re-earned each pay period. Second, the potential size of the incentive payment will generally be known beforehand. Whereas merit pay programs evaluate past performance of an individual and then decide on the size of the increase, what must happen in order to receive the incentive payment is called out very specifically ahead of time.

Because incentives are one-time payments, they do not have a permanent effect on labor costs. When performance declines, incentive pay automatically declines, too. Consequently, incentives are frequently referred to as variable pay.

Benefits: Income Protection

Benefits, including income protection, work/life services, and allowances, are also part of total compensation.

Medical insurance, retirement programs, life insurance, and saving plans are common benefits. They help protect employees from the financial risks inherent in daily life. Often companies can provide these protections to employees cheaper than employees can obtain them for themselves.

Work/Life Balance

Programs that help employees better integrate their work and life responsibilities include time away from work (vacations, jury duty) access to services to meet needs (drug counseling, financial planning, referrals for child and elder care), and flexible work arrangements (telecommuting, nontraditional schedules, non-paid time off). Responding to the changing demographics of the workforce (two-income families or single parents who need work-schedule flexibility so that family obligations can be met), many U.S. employers are giving a higher priority to these benefits forms.

Allowances

Allowances like house, transportation, medical, education and other allowance are paid to employees by companies to attract and retain employees.

Perquisites: These are normally provided to managerial personnel either to facilitate their job performance or to retain them in the organization. Such perquisites include company car, club membership, free residential accommodation, paid holiday trips, stock options, etc.

Relational Returns from Work

There is no doubt that non-financial returns from work have a substantial effect on employees' behavior. Relational returns from work include recognition and status, employment security, challenging work, and opportunities to learn. Other relational forms might include personal satisfaction from successfully facing new challengers, teaming with great co-workers, receiving new uniforms, and the like. Such factors are part of the total return, which is a broader umbrella than total compensation.

Compensation Administration

Compensation administration is the process of managing an organization's compensation program. It is concerned with designing and implementing total compensation package. It refers to the establishment and implementation of sound policies and practices of employee compensation. The goal of compensation administration is to design a cost-effective pay structure that will attract, motivate, and retain competent employees. The structure should also appear fair to employees. The essence of compensation administration is job evaluation and the establishment of a pay structure.

Job Evaluation (JE)

Organizations establish pay plan/structure through job evaluation. Based on job analysis information we do job evaluation. Job evaluation is the process used to determine each job's appropriate worth within the organization. It is the process of determining the relative value of each job in relation to all jobs within the organization. Actual pay structure is based on the ranking of jobs, labor market conditions, collective bargaining and individual skill differences.

Job Evaluation Criteria

The heart of job evaluation is the determination of what criteria will be used to arrive at the ranking. Most job evaluation plans use responsibility, skill, effort, and working conditions as major criteria. But each of these, in turn, can be broken down into more specific terms. "Skill, for example, is often measured by education and experience, mental effort is often differentiated from physical effort; responsibility of various kinds is delineated." But other criteria can and have been used including difficulty, time, span of discretion, size of subordinate staff, and degree of creativity needed.

Basic methods of job evaluation

There are four basic methods of job evaluation currently in use:

1. Ordering/Ranking Method
2. Classification Method
3. Factor Comparison Method and
4. Point Method

1. Job Ranking

This is the simplest, the most inexpensive and the most convenient method of evaluation. The ranking method requires a committee typically composed of both management and employee representative to arrange jobs in a simple rank order, from the highest to the lowest. They assess the worth of each job on the basis of its title or on its contents, if the later is available. No attempt is made to break the jobs down by specific weighted criteria.

Two ways of ranking are common: alternation ranking and paired comparison. Alternation ranking orders jobs alternately at each extreme. Agreement is reached among evaluators on which jobs are the most and least valuable (i.e., which is a 10, which is a 1) then the next most and least valued (i.e., which is a 9, which is a 2), and so on, until all the jobs have been ordered. The paired comparison method uses a matrix to compare all possible pairs of jobs. Graph below shows that the higher-ranked job is entered in the cell of the matrix. When all comparisons have been completed, the job most frequently judged "more valuable" becomes the highest-ranked job, and so on.

Exhibit-14: Matrix showing Paired Comparison Method

	Electrici	Punch Press	Master	Grind	Receiving Clerk
Shear operator	**E**	**S**	**M**	**S**	**S**
Electrician		**E**	**M**	**E**	**E**
Punch Press operator			**M**	**P**	**P**
Master Welder				**M**	**M**
Grinder					**G**

Total favorable comparisons:

Share Operator: 3

Electrician: 4

Punch Press Operator: 2

Resulting ranks:

Master Welder

Electrician

Shear Operator

Source: Aswathappa K. (2011). Human Resource Management, New Delhi:Tata McGraw Hill Education Private Limited.

The method has several drawbacks. Job evaluation may be subjective as the jobs are not broken into factors. It is hard to measure whole jobs.

2. Classification or Grading System

As in the ranking method, the job classification method does not call for a detailed or quantitative analysis of job factors. It is based on the job as a whole. The difference between the two is that in the ranking method, there is no yardstick for evaluation, while in the classification method, there is such a yardstick in the form of job classes or grades. Under the classification method the number of grades is first decided upon, and the factors corresponding to these grades are then determined. These classifications are created by identifying some common denominator – skills, knowledge, responsibilities.

Once the classifications are established, they are ranked in an overall order of importance according to the criteria chosen, and each job is placed in its appropriate classification. This later action is generally done by comparing each position's job description against the classification description. In the Civil Service, for example, evaluators have classified both medical officer and engineer position in grade 6.

Exhibit-15: **Job Classification Schedule**

Level of grade	Definition
1	Very simple tasks of a largely physical nature.
2	Simple tasks carried out I accordance with a small number of clearly defined rules, tasks which can be carried out after a short period of training of up to two or three weeks. The work is checked and closely supervised.
3	Straight-forward tasks, but involving more complicated routines and requiring some knowledge and alertness on the part of the worker because the job is subject to occasional checks.
4	Tasks calling for independent arrangement of work, the exercise of some initiative, and those which require little supervision. Detailed familiarity with one or more branches of established procedures is required.
5	Routine work but those involving an individual degree of responsibility for answering non-routine queries and/or exercising some measure of control over a small group staff.
6	Non-routing work, involving the coordination of several lower-grade functions, possibly some measure of control over a small group of staff. Also, non-routine work involving recognized individual knowledge and some responsibility without follow-up.
7	Work necessitating responsibility for sections involved in routing tasks and/or where individual tasks are undertaken, calling for a specialist's knowledge.

3. Factor Comparison Method

The factor comparison method requires five steps.

a) Choose the key jobs to be evaluated. These jobs are well known, with established pay rates in the community. They should consist of a representative cross-section of all job.

b) Rank the key jobs on important factors of job evaluation. These factors usually are mental requirements, skill requirements, physical requirements, responsibility, and working conditions.

c) Divide up the current pay among the factors. To illustrate, in one organization the job of maintenance electrician was chosen as a key job and had an hourly rate of Tk. 13.40. The committee then allocated Tk. 3.00 to mental effort, Tk. 4.4 for skill, Tk. 1.8 for physical effort, Tk.2.30 to responsibility, and Tk. 1.9 for working conditions. These amounts then become standards by which other jobs in the organization could be evaluated. That is, all other jobs with similar responsibilities were assigned Tk. 2.3 for that criterion.

d) Reconcile the differences in rankings found in steps 1 and 2 by the committee members.

e) Place the key jobs on a scale for each factor. This becomes the basis for evaluating non-key jobs in the structure.

Job	Hourly Pay	Mental Requirement	Skill Requirement	Physical Requirement	Responsibility	Working conditions
Inventory control specialist	13.65	4	4.4	1.25	3	1
Maintenance Electrician	13.40	3	4.4	1.80	2.3	1.9
Warehouse stocker	11.10	2.25	3	1.8	2.3	1.75
Secretary	8.65	3	2	.5	2.15	1
Maintenance Electrician Helper	8.45	2.25	1.5	1.7	1.1	1.9

4. The Point System

The point system starts with the selection of job factors, construction of degrees for each factor, and assignment of points to each degree. Different factors are selected for different jobs, with accompanying differences in degrees and points.

The National Electrical Manufacturer's Association, USA has given the factors degrees and points for hourly rated and salaried jobs.

Factors, Degrees and Points for Hourly rated Jobs					
Factors	I Degree	II Degree	III Degree	IV Degree	V Degree
Skill					
1.Education	14	28	42	56	70
2.Experience	22	44	66	88	110
3.Ingenuity	14	28	42	56	70

Effort					
4.Physical demand	10	20	30	40	50
5.Mental and /or visual demand	5	10	15	20	25
Responsibility					
6.Responsibility for equipment	5	10	15	20	25
7. Responsibility for material	5	10	15	20	25
8. Responsibility for safety of others	5	10	15	20	25
9. Responsibility for work of others	5	10	15	20	25
Job Conditions					
10.Working conditions	10	20	30	40	50
11.Hazards	5	10	15	20	25

Factors, Degrees and Points for Salaried Jobs

Factors	I Degree	II Degree	III Degree	IV Degree	V Degree	VI Degree	VII Degree	VIII Degree
1.Education	20	40	60	80	100	120		
2.Experience	25	50	75	100	125	150	175	200
3.Complexity	20	40	60	80	100			
4.Monetary Responsibility	5	10	20	40	60			
5.Contacts	5	10	20	40	60			
6.Working conditions	5	10	15	20	25			
7.Types of Supervision	5	10	20	40	60			
8.Extent of Supervision	5	10	20	40	60			

On the basis of the job description or interviews with job occupants, points are assigned to the degree of various factors. When these are summed, the job has been evaluated. The range of score and grades is also predetermined – for example, from 210 to 230 points, the 5th grade; from 231 to 250 points, the 6th grade; and so forth. A given job is placed in a particular grade, depending on the number of points it scores.

Review Questions

1. What are compensation and compensation administration?
2. Discuss different components of compensation.
3. What do you mean by job evaluation? Discuss the criteria for job evaluation.
4. Discuss with examples the Alternation Ranking and Paired Comparison Ranking methods of job evaluation.
5. Explain with examples the Point System of job evaluation.

LESSON 2: INCENTIVES AND EMPLOYEE BENEFITS AND SERVICES

Lesson Objectives

Upon completion of this lesson you will be able to:

- *define incentives, employee benefits and services;*
- *discuss the reasons for giving incentives to employees;*
- *state the pre-requisites for successful incentives plan;*
- *explain various types of incentives plans for employees;*
- *discuss benefits and services* for employees in Bangladesh.

Meaning of Incentives

Incentives are anything that motivates employees to perform at excellent level beyond normal standard. Incentives schemes are undertaken to achieve goals by inspiring employees to work on time, at exceptional level with commitment and dedication, to be innovative and creative in work, and to contribute best to the achievement of organizational goals.

Incentives plans provide financial and non-financial rewards to employees who make substantial contributions to organizational effectiveness.

There are many types of incentive plans. Some incentive plans tie rewards to the output of individual employees; some incentives are given for the productivity of group; and some incentive plans are related to the overall productivity of the organization. But all types of incentives are directed towards achieving employee involvement, commitment, long standing service, improving quality of life styles of employees and for quality of work.

Reasons

The traditional pay strategies and systems are age old and they are not compatible with the contemporary world. Traditional pay systems do not effectively link pay to performance or production. As a result, managers have increasingly turned to variable pay system that makes an organization competitive nationally and internationally to get higher production and motivation. Keeping this in view, the incentive schemes are undertaken with the following specific reasons:

1. Achieving compatibility: Incentives are designed to achieve the compatibility of pay systems with the growing demands for flexible compensation.

2. Maintaining high motivation and commitment: Incentives motivate the working people to engage in and to involve with their jobs to provide higher output and to be committed to the job and to the organization. It also helps retaining people in the jobs of the organization for a long time.

3. Ensuring quality of work and life style: Incentives allow employees to work in quality work environment and to earn more in monetary terms to maintain a good life style and standard of living.

4. Recognition for merit: Incentives are given for meritorious and quality work of the people which have substantial contribution to the organizational performance. Thus, people will be encouraged to work better and to maintain quality of work.

Pre-requisites for Successful Incentive Plans

Incentive plans will not be successful if these are well thought out and carefully executed. The success of incentive schemes in an organization will depend on certain prerequisites. They are stated below:

1. **Management support and commitment:** The success of incentive schemes depends on the total management support to the schemes and their commitment for its execution that needs policy and resource commitment.
2. **Clear goals:** Every person, managers and workers, all should have clear understanding about the purpose, mechanism, and execution mechanics of the incentive schemes to avoid any confusion in its calculation and administration.
3. **Eligibility and coverage:** The incentive plans shall have a clear description about who is eligible for incentives of different forms and under what conditions. Coverage of the incentives must be defined broadly enough to facilitate equity and team work.
4. **Payout standards:** The standards of performance eligible for getting incentives must also be clearly stated in quantitative and qualitative terms. Standards shall include what standard performance will be required to get incentives and when should the payout occur.
5. **Administration of the scheme:** An efficient administration system and capable people shall be brought in to maintain smooth operations of the incentive schemes.

Types of Incentive Schemes

Incentive schemes exist for all types of people working in an organization–manual, managerial, and professional employees. The most common incentive schemes are stated below:

1. Individual Bonus schemes

This is individual bonus scheme which directly reward the performance of an individual. Individual incentives are used in situations where performance can be specified in terms of output. In addition, employees should work independently of each other so that individual incentives can be applied equitably (Ivancevich, 2001). There are different forms of individual bonus schemes in business organizations. These are:

Piecework

A system of pay based on the number of items processed by each individual worker in a unit of time, such as items per hour or per day. There are two types of piece rate plan. One is straight piecework plan that pays a set payment for each piece produced or processed in a factory or shop and another is guaranteed piecework plan that pays a minimum hourly wage plus an incentive for each piece produced above a set number of pieces per hour. Taylor's differential piece rate, Merrick's differential piece rate plan, and Emerson efficiency plan are the popular incentive piece rate plan.

Output and target-based bonuses

This scheme suggests that an employee will get an hourly rate plus a bonus when the employee exceeds the standard output target. The bonus usually equals approximately 50 percent of the labor saved. Halsey premium plan and Rowan premium bonus plan are such incentive schemes. This is also known as production bonus.

Commission bonuses based on sales

A commission is paid on a percentage of sales in units or taka. It may be paid as a flat amount for each unit sold. When no base compensation is paid, total earnings come from commissions. A sales variation of the production bonus system pays the sales person a small salary and a commission or bonus when he or she exceeds the budgeted sales goals.

Bonus measured day work

This bonus scheme suggests that an employee will get a day wages plus a bonus for excess output produced or processed in that day. The output range or level is predetermined. Spot bonus is awarded to individual employees for accomplishments that are not readily measured by standard.

2. Group/ Team Bonus Schemes

Group bonus schemes or incentive schemes are designed to motivate the team/group of people to work jointly in collaboration with others as an integrated whole and thus, incentives are given to the team to achieve its target or to contribute significantly to the organizational performance. The team bonus/incentive schemes are undertaken when it is difficult to measure individual output, when cooperation of several employees is needed to complete a task or project, and when management feels this is more appropriate measure on which to base incentives.

This bonus scheme is based on output or productivity of group/section/department or the whole company. In this bonus/ incentive plan a production standard is set for a specific work group and its members are paid incentives if the group exceeds the production standard. Small-group incentive plans are one of the newest and fastest growing reward strategies to ensure.

3. Organization wide Incentives Schemes

This is an incentive scheme based on total profits of the organization generated over a year. This is a much more common incentive reward than individual or group incentives. These organization-wide payments are usually based on one of two performance concepts: a sharing of profits generated by the efforts of all employees altogether and a sharing of money saved as a result of employees' efforts to reduce costs. Three approaches to incentive plans are used at the organization-wide level:

1) Suggestion scheme
2) Gain sharing
3) Profit sharing

Suggestion Systems: A suggestion plan is an incentive system under which employees are rewarded if they offer useful ideas for improving organizational effectiveness. All employees share the cost saved and productivity gained. Scanlon plan, Quality circle etc. are well known suggestion systems.

Essential elements for a successful suggestion system includes: management commitment, clear goals, designated administrator, structured awards system, regular publicity, and immediate response to each suggestions.

Gain sharing incentive plans: Gain sharing incentive plans are company- wide group incentive plans that, through a financial formula for distributing organization-wide gains, unite diverse organizational elements in the common pursuit of improved organizational effectiveness. It allows employees to share in overall labor cost savings and production cost savings through periodic bonus payments.

Profit-sharing plans: Profit sharing incentive plans allow employees to share in the success of a firm by distributing part of the company's profit to the employees in the form of cash bonuses or deferred bonus amounts. This plan creates trust and a feeling of a common fate among workers and management. Usually, profit plans reserve a percentage of the firm's overall profits or a percentage above a threshold and distribute those monies to employees. The distribution formulas vary, though many give a flat bonus to each employee based on the employee's job category or tenure. Some plans give employees a percentage of their annual pay. Thus, profit sharing plans are found in three combinations:

a) Cash or current distribution plans provide full payment to participants soon after profits have been determined; this is usually quarterly or annually.
b) Deferred plans credit a portion of current profits to employees' accounts with cash payments made at the time of retirement, disability, severance or death.
c) A combination of both incorporates aspects of current and deferred options.

4. Ownership Sharing Plan: Under this plan, employees receive stock in the company. Here, benefits are paid to the employees in the form of company stock. This plan is known as employee stock ownership plan (ESOP). Stocks are sold to the employees who often pay for it by accepting stock shares instead of pay or pay rises. In other form, employees may simply pledge to buy stock as a way of helping a company to pay off a debt. Therefore, it is a way of creative financing. The price of the stock, under this scheme, is negotiated price.

Employees will become the owner of the company and thus they may accept lower wages since they share the profits of the company in the form of dividend.

What are Benefits?

Benefits are all the indirect financial payments an employee receives for continuing his or her employment with the company or firm. Benefits are usually extended as a condition of employment and are not directly related to performance and thus are called indirect compensation.

Statutory Benefits in Bangladesh

The government of Bangladesh has enacted laws, rules and regulations stating various statutory benefits and services mentioned in Bangladesh Labor Code, 2006, and Bangladesh Service Rules 1972. Management of autonomous and Semi-autonomous government organizations also follows these rules. Private organizations have their own rules in which many of the government benefits and services are included with their unique provisions. A short description of major benefits and services are discussed below:

Casual Leave: Every employee is entitled to get casual leave with full pay for 10 days in a calendar year, and if for any reason, he/she does not enjoy such leave, it will not remain in his/her credit and leave admissible in one year cannot be enjoyed in the following year.

Sick Leave: Every employee is entitled to get sick leave for 14 days with full pay in a calendar year. The leave period may vary with the organizations. This leave may be extended if a medical board referred the case for further treatment. The extended leave will get admissible payment according to the provisions of specific law. This leave shall not be accumulated.

Medical Treatment: Organizations both private and public are providing cash medical allowance, free medical treatment in government hospitals, subsidized treatment in government hospitals for retired public servants, health insurance coverage in and outside the country up to a certain amount, encashment of medical diagnosis, subsidized treatment in both private and public hospital under corporate agreement for their employees.

Earned Leave with Pay: Every employee who completed continuous service for one year in any establishment shall be entitled to earned leave of 1 (One) day for every 11 days totaling 33 days in a year. This period of leave may vary for workers or other employees in many organizations. For example, for factory workers it will be 40 days and for tea plantation/shop/industrial establishment worker it will be 60 days.

Festival Holidays: Every employee shall get festival holiday with pay for a period declared number of days in a calendar year. If a worker is to work in festival holiday, he/she will get wages for 2 days along with a substitute holiday.

Retirement Benefit: All employees will get one month LPR, pension, encashment of accumulated earned leave, provident fund, group insurance fund, gratuity etc. from the organization as the case may be.

Protection of Provident Fund Benefit: No employee who is a member of any provident fund shall be deprived, due to retrenchment, discharge, dismissal, retirement, termination or cessation of service, of the benefits which he/she is entitled as per the Provident Fund Rules including the employer's contribution. The Section 30 of the Bangladesh Labor Code 2006 mentions that the employer shall pay all the dues payable to a worker within 30 (thirty) working days from the date of cessation of his/her service due to retrenchment, discharge, dismissal, retirement and conclusion of service.

Maternity Benefit: Women employees will get six months maternity leave with pay. It is applied to all private organizations too.

Services

Services are those facilities which enhance the lifestyle of employees. These are generally given in kind, free or in subsidized rate of pay. Services are given voluntarily or under the directives of the law. Whatever the source of services, these are provided to maintain a quality of work life to create a sense of identity among employees with the organization and encourage them to stay in the organization for a long time along with motivating them to be committed to perform their work with their best potentials. Services are the organizational facilities provided to the employees for enhancing the quality of work life and life styles of the working people along with boosting them up for staying with the organization with commitment.

Statutory provisions regarding services to the workers and employees in any establishment are stated in Bangladesh Labour Code, 2006, Public Servant Service Rules, 1972 and other statutory rules of semi-government originations and private organizations in Bangladesh. Besides, that there are other voluntary services too. Let's have a look to those now:

1. **First-aid appliances:** In any establishment there shall be arrangement for at least one box equipped with first-aid appliances or almirah equipped with appliances as prescribed.

2. **Ambulance room and doctor:** In every establishment wherein three hundred or more workers are employed, there shall be an ambulance room with dispensary of the prescribed size containing the prescribed equipment or other facilities and such room shall be in charge of physicians and nursing staff.

3. **Washing facilities:** In every establishment (a) adequate number of suitable bathrooms and washing facilities shall have to be provided and maintained for the use of the employees employed therein and such facilities shall be separately maintained for the use of male and female workers and shall be appropriately screened. Such facilities shall have to be kept neat and clean and easily accessible.

4. **Canteen:** In an establishment where more than 100 workers are employed, there shall be sufficient number of canteens for their use in that establishment.

5. **Rest room etc.:** In every establishment where more than 50 workers are employed sufficient and suitable number of rest rooms shall be provided and maintained and suitable dining room with provision for drinking water where workers can eat meals brought by them shall be provided and maintained. Such rest-room and dining room shall be sufficiently lighted and ventilated and shall be maintained in clean and tolerate temperature. The establishments in which more than 25 female workers are employed, there shall be separate rest-room for the male and female workers, and in which less than 25 female workers are employed, and there shall be provision for separate screened space in the rest room for the female workers.

6. Rooms for children: In every establishment, wherein 40 or more female workers are ordinarily employed, there shall be provided and maintained one or more suitable room(s) for the use of their children under age of six years. Such room shall have sufficient accommodation, be adequately lighted and ventilated and maintained in a clean and sanitary conditions, adequately furnished and equipped with suitable well fit cot or cradle, sufficient supply of suitable toys for the comparatively older children, suitably fenced and shady open air play-ground shall be provided for the comparatively older children, and shall be under the supervision of woman experienced and trained in the care of children. Such rooms shall be easily accessible to the mothers of the children.

7. Recreational and educational facilities in tea plantation: Tea plantations shall provide recreational facilities for the workers and their children, educational facilities for the children in such manner and of such standard in accordance with the rule, and medical centre for the workers and their children in the manner.

8. Housing facilities in tea plantation: In every tea plantation the employer provide housing facilities to every worker and his family residing in the tea plantation.

9. Facilities for daily necessities etc.in tea plantation: Every employer of every tea plantation shall provide for the workers facilities in easily accessible place for obtaining the daily necessities.

10. Medical care for the newspaper workers: Every newspaper worker and his dependents shall be entitled to medical care at the cost of the newspaper establishment in such manner and such extent as may be prescribed.

11. Introduction of compulsory group insurance: The establishments where minimum 200 permanent workers are employed, the Government may introduce group insurance scheme there in the manner prescribed by rules.

12. Lunch facility: Many organizations voluntarily have introduced free lunch to workers and employees; many are giving cash amount for lunch to all employees; many organizations have introduced subsidized lunch by arranging such lunch with nearby restaurants.

13. Parking arrangement: It is a voluntary arrangement. Industrial organizations and office establishments are giving free parking facility; some organizations have arranged subsidized parking facilities for car, motor cycle and bicycles.

14. Transport facility: Free bus transportation is provided for workers and employees to take in and take out different locations. Executives are provided micro transport facility and higher executives are provided with car facilities at company cost. Some organizations including government ministries and directorates have provided interest free loan to the executives with a particular level with a handsome amount of cash maintenance allowance for installment payment and for bearing operational expenditures.

15. Housing loan with low interest rate: Many organisations particularly banks and other financing organizations are giving low interest bearing long term loan to the employees after serving a particular period for land buying and house construction.

16. Transport allowance and Dearness allowance: Employees are paid double of the actual transportation cost and a set or actual food and lodging (dearness allowance) while they give tour elsewhere for the organizational purpose.

17. Recreation leave and allowance: Employees are paid recreation leave of fifteen days and one month's basic pay as recreation leave and allowance in government, semi-government organizations. Other organizations have their own package for this purpose.

Review Questions

1. Define incentives. Explain the reasons for giving incentives.
2. Discuss the requisites of successful incentive plan.
3. What are the various types of incentives?
4. Define benefit and service. Discuss the objectives of benefits and services.
5. Explain various types of benefit programs for employees in Bangladesh.
6. Describe the voluntary and statutory services.
7. Discuss the process of designing benefits and services.

Fundamentals of Industrial Relations

10

Unit Highlights

- Meaning, nature, and objectives of industrial relations.
- Approaches and the industrial relations system in Bangladesh.
- Collective bargaining, grievance handling and dispute settlement systems in Bangladesh.

Technologies Used for Content Delivery

- BOUTUBE
- BOU LMS
- WebTV
- Web Radio
- Mobile Technology with MicroSD Card
- LP+ Office 365
- BTV Program
- Bangladesh Betar Program

LESSON 1: MEANING, NATURE, OBJECTIVES, AND APPROACHES OF INDUSTRIAL RELATIONS

Lesson Objectives:

Upon completion of this lesson you will be able to:

- *define* industrial relations;
- *explain* the nature of industrial relations;
- *state* the objectives of industrial relations;
- *discuss* the approaches of industrial relations;
- *describe* the industrial relations systems in Bangladesh.

Introduction

Sound industrial relations is important to establish a healthy industrial environment, enhancing quality and productivity, bringing social peace and ensuring employee commitment and loyalty to the organization. It implies harmonious and peaceful relations between labour and management.

Definition of Industrial Relations

Industrial relations are a critical activity of human resource management that maintains a cordial relationship with the employees of the enterprise. People may have different reasons for discontent or grievance. Whatever the reason, that must be resolved satisfactorily to prevent any unrest. HRM adopts appropriate mechanisms to maintain smooth industrial relations in the organization.

The term "Industrial relations" usually refers to relationships between employer and employees that grows out of employment. There are two parties in the employment relationship – labor and management. Both parties need to work in a spirit of cooperation, adjustment, and accommodation. In their own mutual interest certain rules for co-existence are framed and adhered to. Over the years State has also come to play two major roles in industrial relations – one, as controller of the relationship between the employers and the workers and the other, as an employer by setting up an extremely large public sector.

According to ILO "industrial relations deal with either the relationships between the state and the employers and the workers' organizations or the relation between the occupational organizations themselves."

Nature of Industrial Relations

1. Existence of a conflicting relationship.
2. The relationships between employers and employees.
3. The relation between the various unions.
4. The relations between employers or their organizations and trade unions at various level.
5. The relation between the state and the unions.
6. The relation between the employers and the government.

Objectives of Industrial Relations

In addition to their primary objective of bringing about good and healthy relations between employers and employees, industrial relations are designed:

1. To enhance the economic status of the workers.
2. To regulate production by minimizing industrial conflicts through state control;
3. To provide an opportunity to the workers to have a say in the management and decision-making;

4. To encourage and develop trade unions in order to improve the workers' collective strength;
5. To improve workers' strength with a view to solve their problems through mutual negotiations and consultation with the management;
6. To avoid industrial conflicts and their consequences and;

Approaches to Industrial Relations

Industrial relations are concern with a particular set of phenomena associated with regulating human activity in industrial employment. It is quite possible to specify the boundaries of the set phenomena. But there are as many definitions of industrial relations as there are writers on the subject. As a result different approaches to study industrial relations have emerged. These are:

1. Unitary approach
2. Pluralistic approach
3. Marxian approach
4. Social action approach
5. System / Dunlop approach
6. HRD approach

Unitary Approach: The unitary approach is based on the assumptions that organization is an integrated group of people with single authority/loyalty structure and set of common values, interests and objectives are shared by all members of the organizations. Farnham and Pimlott, who are pioneers of this approach, mentioned that there is no conflict of interests between those supplying capital to the enterprise and those are complementary partners to the common aims of production, profits and pay in which everyone in the organization has a stake.

This approach has two important implications:

a) Conflict is perceived as an irrational activity.
b) Trade unions are regarded as intruders into the organization from outside competing with management for the loyalty of employee.

Pluralistic Approach: The assumptions of this approach are:

The organization is composed of individuals who are divided into a variety of distinct sectional groups, each with its own interests, objectives and leadership.

The organization is in a permanent state of dynamic tension resulting from the inherent conflict of interests between the various sectional groups that requires to be managed through a variety of roles, institutions and processes.

The implications of this approach are:

a) Conflict is both rational and inevitable.
b) The trade unions have positive role to ensure the wellbeing of the workers.

Marxist Approach: Marxist approach concentrates on the nature of the society surrounding the organization. In the capitalist society there is always class conflict. This class conflict which arises within the society also affects industrial relations. The views of this approach are:

a) All conflicts stem principally from the division within the society between those who own or manage the means of production and those who have only their labour power sell. Thus conflict is continuous and unavoidable.
b) Trade unions not only enhance their collective industrial power by reducing competition among individual employees, but also provide a focus for the expression and protection of the interests of the working classes.

Social Action Approach: The pioneers of this approach are C.J. Margerison and Max Weber. This approach emphasizes upon understanding of interpersonal relationship in the work. Social action approach discusses the behavior of individual and group within the organization. The assumption of this approach are:

a) People are human being.
b) People are members of informal small groups.
c) People have own personality level, individual behavior, desire and social works are affected by some social and psychological factors such as expectation, goals, experience etc.

System Approach: John T. Dunlop is the pioneer of this approach. System approach considers the industrial relations as a system that performs an institutional procedure to make rules to govern behavior of the people at work. Dunlop suggested that industrial relations system is a process created by four interrelated elements comprised of –

a) Certain actors.
b) Environmental contexts.
c) An ideology which binds the industrial relations system together and
d) A body of rules created to govern the actors at the work place.

HRD Approach: The HRD approach recognizes employees as the greatest assets in an organization, believes that they can be developed to an unlimited extent with proper incentives, atmosphere and treatment. The basic assumptions of HRD approach are:

a) Developing the employees through HRD approaches -motivation, caring, counseling, coaching, mentoring, helping.
b) Employer-employee relations should be based on trust, understanding and openness.
c) Intrinsic rewards spur people to superior performance.
d) Nature of relations is unitarist.
e) Orientation is proactive and collaborative where relations matter most and not rules.
f) Conflict could be functional – stimulating and healthy if used properly;

Industrial Relations in Bangladesh

Democracy in the larger society which is a prime and essential condition for the development of industrial relations is poor in Bangladesh (Khan, A. A. and Taher, M. A., 2014). The level of industrialization in Bangladesh is very poor. The level of employment is very poor too. Here the supply of labor is always much higher than that of the demand for labor. So the labor cost is low.

Here the industrial workers are not at all class conscious. Due to very poor literacy level, workers of our country are completely in the dark about their rights and obligations. The labor force participation in trade unionism is also poor.

Due to improper physical fitness and lack of sufficient skill the productivity of our workers is very low. As a result, they cannot contribute towards the higher level of profitability to the employers, thereby causing their level of wages to remain low.

Till now the Government of Bangladesh could not ensure a satisfactory level of minimum wage for the workers.

Multiplicity of trade unions is one of the great weaknesses of labor politics in our country. As a result of weak strength, trade unions in our country is facing a number of problems like increasing political influence, inter and intra-union rivalries, unhealthy competition in CBA election, employers' tendency to avoid CBA process, etc.

The opportunistic nature of trade union leadership has been responsible for poor labour movements. Most of the time, the trade union leaders acted as agents of employers and of the political governments.

Another major hindrance to good industrial relations is the politicization of labor unions by outside political leaders. Since independence every Government has been found to participate in the trade union activities directly through the formation of their own labor front. For example Awami League government maintained close contact with the workers through “Jatiya Sramik League (JSL)”, the BNP government did so through “Bangladesh Jatiyatabadi Sramik Dal (BJSD)”, Ershad government did the same through “Jatiya Sramik Party (JSP)”. This leads to multiple unions on the one hand and inter-union rivalry on the other. Inter-union rivalry depresses both a union’s membership and its finance. The final result is that a union finds itself unable to carry out constructive activities or to play an effective role in collective bargaining. Its status is reduced to a mere strike-committee.

Too much complicated system of payment of wages and fringe benefits also cause poor industrial relations. Wage differentials between occupations also create a feeling of inequity and destroy good industrial relations.

Review Questions

1. Define industrial relations.
2. Explain the nature of industrial relations.
3. State the objectives of industrial relations.
4. Discuss the approaches of industrial relations.
5. Describe the industrial relations systems in Bangladesh.

LESSON 2: TRADE UNIONS, COLLECTIVE BARGAINING AND INDUSTRIAL DISPUTES SETTLEMENT

Lesson Objectives:

Upon completion of this lesson you will be able to:

- *explain* what is a trade union and what are the purposes of forming a trade union;
- *explain* what is collective bargaining, what are the characteristics, objectives and activities of collective bargaining;
- *discuss* the process and levels of collective bargaining;
- *state* who can work as a collective bargaining agent;
- *discuss* the meaning and forms of industrial disputes;
- *explain* the procedure of settlement of industrial disputes in Bangladesh.

Meaning of Trade Union

The trade union is the product of modern factory system, which is the result of rapid industrialization. Trade Unions exert powerful influence on production of goods and services, their distribution, the extent of employment and the nature of economic-social organizations. Generally trade union is an organization of workers. It is formed with a view to improve the condition of workers in the organization and in society and also for collective bargaining with management. A trade union bridges the relationship between workers and workers and also between workers and employers.

Why Workers Join a Trade Union

The fundamental objective of trade unions is the deliberate regulation of the conditions of employment in such a way as to protect the interests of workers. They join trade union because of:

1. To ensure standard wage rate for workers.
2. To help determined proper working conditions like working hours, leave, social security, etc. for members.
3. To ensure job security of the workers.
4. To protect the interests of the workers vis-a-vis the interests of the society.
5. To reduce conflicts between workers and management of the organization.
6. To ensure participation of workers in the profit of the organization.
7. To develop job status of the workers.
8. To increase self-confidence and class consciousness of the workers so that they can work with dignity and avoid being exploited.
9. To bargain with management through CBA for different issues involving workers' interests.
10. To ensure participation of workers in decision making with management in the organization.
11. Protection from economic hazards such as illness, accident, death, disability, unemployment and old age;
12. To communicate their views, aims, feelings and frustration to the management through organized trade union.

Meaning of Collective Bargaining

Collective bargaining is the oldest form of labor management negotiation in the industrial relations in Bangladesh. Because of the doctrine of multiple union systems the practice has been developed to select a collective bargaining agent (CBA) from among the registered unions in an enterprise or group of enterprises to undertake collective bargaining with the employer on behalf of the workers in that enterprise or group of enterprises.

Collective Bargaining (CB) is the negotiation between representatives of management and workers to produce a written agreement covering terms and conditions of employment. It is essentially a compromise and balancing of opposing pressures of two social groups who have enough mutual interests to work together. The concept of collective bargaining is the result of industrial disputes and the rise of trade union movement.

Collective Bargaining Activities: The main activities of CBA are as follows:

1. To undertake collective bargaining with the employer or employees on matters connected with employment, non-employment, terms of employment or the conditions of work.
2. To represent all or any of the workmen in any proceedings.
3. To give notice of and declare a strike in accordance with the provisions of law.
4. To nominate representatives of workmen on the board of trustees of any welfare institution or provident fund and of the workers' participation fund.

Who Can Work as a Collective Bargaining Agent?

In any enterprise if there is only one registered union with membership equivalent to a minimum of one third of the total number of workers employed in an enterprise, that union is legally authorized to work as the CBA without any election.

In case there exist more than one legal union, a CBA is elected from among those unions on the basis of secret balloting under the supervision of the Registrar of Trade Unions.

It is stipulated in the law that a union, even if it wins in the balloting cannot be declared as the CBA, unless votes casted in its favor amount to at least one third of the total number of workers employed in the enterprise or group of enterprises.

Characteristics of CB

The important characteristics of collective bargaining are:

1. Equality in Strength: Across the table, both parties bargain from a position of equal strength. In collective bargaining, the bargaining strength of both parties is equal. It is industrial democracy at work.

2. Voluntary endeavor: Both workers and management come to the negotiating table voluntarily in order to have a meaningful dialogue on various troubling issues. They try to probe each other's views thoroughly before arriving at an acceptable solution. The implementation of the agreement reached is also a voluntary process.

3. Flexibility: It is a group action where representatives of employers and workers expend energies in order to arrive at a consensus. It has sufficient flexibility, since no party can afford to be inflexible and rigid in such situations.

4. Joint and amicable settlement: It is collective in two ways. One is that all the workers collectively bargain for their common interests and benefits. The other is that workers and management jointly arrive at an amicable solution through negotiations.

5. Continuous affair: collective bargaining is a continuous affair. It does not commence simply with negotiations and end with an agreement. The agreement is only a beginning of collective bargaining. It is continuous and includes implementation of the agreement and also further negotiations.

6. *Dynamic process:* Collective bargaining is a dynamic process because the way agreements are arrived at, the way they are implemented, the mental make-up of parties involved, keep changing. So, the effort itself changes, grows and expands over time.

7. *Power relations:* workers want to gain the maximum form management, and management wants to extract the maximum form workers by offering as little as possible.

8. *Bipartite process:* The employers and the employees negotiate the issues directly, face to face across the table. There is no third party intervention. Any settlement of dispute in this method ensures harmonicons relations between the parties concerned.

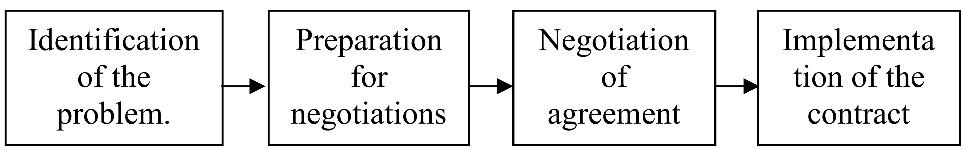
Collective Bargaining Process

Collective Bargaining is in reality a compromise and balancing of opposing pressures of two social groups who have considerable mutual interest to work together.

New situation not specifically spelled out, may always arise. This requires union representatives and managers to sit together to thrash out differences.

From behavioral point of view collective bargaining is a continuing process.

Exhibit-16: Collective Bargaining Process



Source: Abdul Awal Khan and Md. Abu Taher (2014). Industril Relations, Dhaka: Abir Publications.

1. *Identification of the problem:* Problem identification influences the whole process. Whether the problem is very important that is to be discussed immediately or it can be postponed for some other convenient time or whether the problem is a minor one so that it can be solved with the other party's acceptance on its presentation and does not required following the long process of collective bargaining, etc. It also influences the selection of representatives, their size, period of negotiations and period of agreement that is reached ultimately. As such it is important for both the parties to be clear about the problem before entering into the negotiations.

2. *Preparing for negotiations:* If collective bargaining is deemed essential,, both the parties prepare themselves for negotiations. The preparation starts with selection of representatives. Such representatives should be selected who can carry out negotiations with patience, and sincerity and can present their views effectively. After selection they should be educated about the complete problem and its pros and cons. Their power and authority during negotiations also should be clearly spelt out. Other preparations include fixing up time for negotiations, period of negotiations, etc. But once the parties enter into negotiations the period of negotiations may very depending upon circumstances.

3. *Negotiation of agreement:* Negotiation usually begins with the union delivering to management a long list of demands. By initiating with extreme demands, the union creates significant room for trade off in the later stages of the negotiation. It also disguises the union real position leaving it to management to try to figure out which demands are adamantly sought, which are moderately sought and which the union is prepared to quickly abandon.

4. *Implementation of the contract:* Once a contract is agreed upon and ratified, it then must be implemented. The agreement can be made on a temporary basis. In such cases, before its expiry both parties consult each other and can terminate or renew the agreement depending upon the circumstances. The union may always demand the renewal of such agreements which benefit workers before their expiry. Management, on the other hand, may reject this demand taking the financial position of the organization into consideration. As a result, this may again lead to negotiations. As such, collective bargaining is not a temporary accommodation but is a continuous process.

Levels of Collective Bargaining

Collective bargaining is generally structured and conducted at three levels: (i) plant level; (ii) industry level; and (iii) national level.

1. Plant Level: This is the basic or micro level unit, where negotiations are conducted between the management of the plant concerned and the CBA union of the same plant. Generally, the unions are centered around the plant, with little or no involvement in other bodies, although having political connections. There are many plant level agreements but the pioneers, in this field, are the agreements concluded in the public sector.

2. Industry Level: Employers of several units in the same industry band together and form an association, which negotiates with a federation of trade unions, usually called craft federation, having a similar status. The agreements are somewhat broader in scope and delineation than the plant level settlements which are very specific. The craft federations working in jute industry, for example, bargaining with representatives of employers' association in the jute industry, are doing industry level barging.

3. National Level: Here the terms of reference and shape are much wider though such agreements are not so common in Bangladesh. The representatives of the trade unions and of the employers at the national level negotiate and arrive at a settlement. The formation of the SKOP in early eighties has given impetus to bargaining at this level with the government. The 1984 agreement is a historic one.

Meaning of Industrial Disputes

No relationship is devoid of difficulties, and an employer-employee relation is no exception. However good the relationship may be, mistakes and misunderstandings often take place on both sides. The consequences are disputes or conflicts within the workplace. Disputes and the resultant conflicts cause losses of production, suffering among workers and the idling of machines and materials. It also affects the consumer. However, it must be noted that it was through conflict that workers won for themselves better terms and conditions of employment.

Any kind of disputes in the industry or organization hinders to promote sound and harmonious labour management relation. In the applicable Indian Law (Indian Industrial Disputes Act of 1974), industrial disputes are defined rather circularly as: "Any dispute or differences between employers and employer or between employees and employees or between employers and employees which is connected with the employment or non-employment or the terms and conditions of employment or with the conditions of work of any person.

Industrial disputes may turn into industrial conflicts which constitute militant and organized protests against existing industrial conditions. They are symptoms of industrial unrest. The Industrial Disputes Act defines industrial disputes as, "any dispute or difference between employees and employees, or between employees and employers, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or with the conditions of work of any person." Thus, the term is characterized by the following factors:

a) There should be a difference or dispute. For example, labour demands something, management does not grant the same.

b) The dispute could be between employer-employer, employee-employee or employer-employee.
c) The dispute must pertain to some work-related issues.
d) Dispute between one or two workmen and their employers is not an industrial dispute; instead, it must be raised by a group or class of workmen.

Forms of Industrial Disputes

The various forms of industrial disputes may be stated as under:

Strikes

A strike is a spontaneous and concerted withdrawal of labour from production process temporarily. It is a collective stoppage of work by a group of workers for pressuring their employers to accept certain demands. It may be defined as "an withdrawal of work by a body of persons employed in an industry acting in combination, or a concerted refusal or a refusal under a common understanding of any number of persons who are or have been so employed to continue to work or to accept employment." Strikes are of several types.

1. **General strike:** It is a strike by all or most of the unions in an industry or a region.
2. **Sympathy strike:** When a strike is undertaken to show sympathy with workers in other industries, it is called a sympathy strike.
3. **Sectional strike:** It is the refusal by a section of a given class of workers to perform their normal duties.
4. **Unofficial strike:** It is a strike undertaken without the consent of the unions.
5. **Sit down strike (also called stay-in, tool down, pen down strike):** It is a strike in which workers cease to perform their duties but do not leave the place of work.
6. **Bumper strike:** It is a strike when the unions plan to paralyze the industry, firm by firm, the order being chosen by the union. Such strikes are supported by the contributions of those who are still in work.
7. **Slow-down strike:** Known as a 'go-slow' tactic, the workers do not stop working but put breaks to the normal way of doing things.
8. **Hunger strike:** To again sympathy from the public and get noticed by the employer, workers may decide to forego food for a specified period. Small batches of workers may also go on a relay hunger strike in a sequential order. Such non-violent protests generally bring moral pressure on employers to iron out the differences with labour quickly.
9. **Lightning strike:** Out of provocation, workers may go on strike without notice or at very short notice. There is an element of surprise in such cat-call strikes.

Lock-outs

Lock-out is the counterpart of strike. It is the weapon available to the employer to close down the factory till the workers agree to resume work on the conditions laid down by the employer. It may be defined as "the closing of a place of an employment, or the suspension of work or the refusal of an employer to continue to employ any number of persons employed by him." If it is impossible to meet the demands of the workers, employers may decide to go for lock-out. He may also draw the shutters down so as to bring psychological pressure on the workers to agree to his conditions or face closure of the unit.

Gheraos

Gherao means to surround. In this method a group of workers initiate collective action aimed at preventing members of the management from leaving the office. This can happen outside the factory premises too. The persons who are 'gheraoed' are not allowed to move for a long time, sometimes even without food or water.

Industrial dispute in accordance with the provision of the Industrial Relations Ordinance, 1969 in Bangladesh refers to three classes of disputes connected with

1. Employment or non-employment
2. Terms of employment and
3. Conditions of work.

Procedure of Settlement of Industrial Disputes in Bangladesh

Whenever any dispute arises in a firm, a charter of demand is raised in written form to the managerial authority of the firm. Then management representatives and representatives of the Collective Bargaining Agent (CBA) sit together in a bipartite negotiation to solve the problem. [Sec. 210 (2) Bangladesh Labour Law, 2006]

If a solution is found out at this stage, then the dispute is dropped after signing a Memorandum of Agreement (MOA) and sending a copy there of each to the secretary, Ministry of Labor and Manpower and the conciliator. [Sec. 210 (3) Bangladesh Labour Law, 2006]

However, if no solution is found out, any of the aggrieved parties may go to a third party called Conciliator for Tripartite Negotiations. The government of the country, for the respective area, appoints a Conciliator. This process is called conciliation. [Sec. 210 (4) Bangladesh Labour Law, 2006]

On being approached by any of the parties in dispute, the conciliator will start the conciliation process within 10 days of approach and arrange a meeting with the concerned parties. [Sec. 210 (6) Bangladesh Labour Law, 2006]

If they find a solution, the concerned parties will sign a Memorandum of Settlement (MOS). The conciliator will send a copy of the MOS to the secretary, Ministry of Labor and Manpower informing how the dispute is being settled. [Sec. 210 (8) Bangladesh Labour Law, 2006]

On the other hand, if the conciliator fails to settle the dispute within 30 days, the conciliation will be considered as being failed. However, if both the parties agree in writing, the process may be continued further. [Sec. 210 (9) Bangladesh Labour Law, 2006]

However, if neither of the parties have the desire to continue with the conciliation proceeding, the conciliator will issue a certificate indicating that conciliation has failed. [Sec. 210 (11) Bangladesh Labour Law, 2006]

The dispute may also be referred to an Arbitrator on the suggestion of the conciliator. But if the disputant parties agree, the case may be referred to the concerned labor court for adjudication. [Sec. 210 (12) Bangladesh Labour Law, 2006]

The Arbitrator has to give his decision within 30 days. He will give notice to the concerned parties and send a copy to government. His decision will be final and no appeal can be filed against it. This decision will be valid for not less than 2 years. [Sec. 210 (14 – 17) Bangladesh Labour Law, 2006]

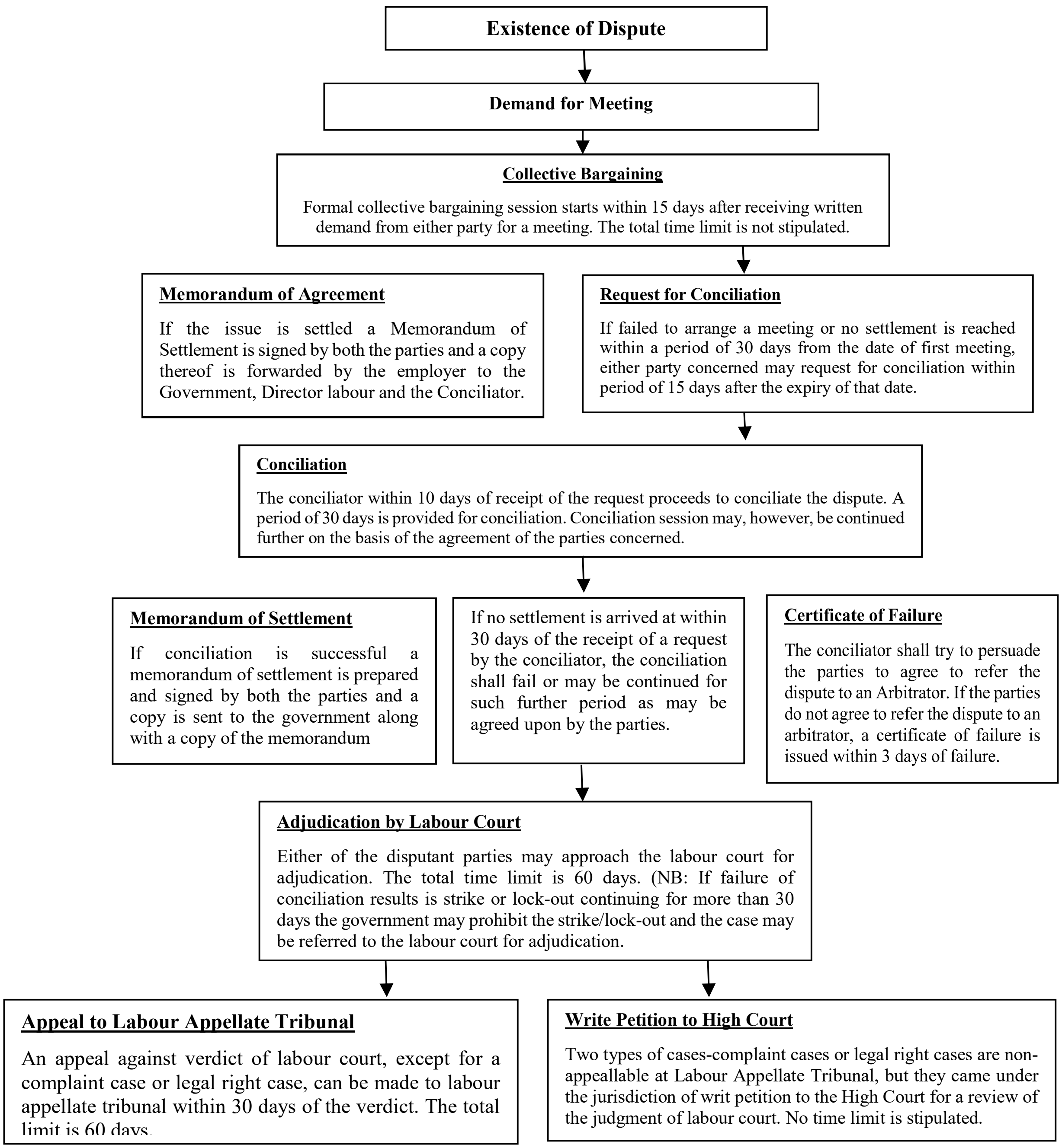
If the party who raised the dispute does not agree to refer the case to the labour court, may call strike or lockout as the case may be within minimum seven days or maximum 14 days after the issuance of the failure certificate by the conciliator or also may file a suit in the labour court. The total time limit for the disposal of a case in labor court is 60 days and an award of the labor court remains valid up to 2 years. [Sec. 211 (11) Bangladesh Labour Law, 2006]

The government also enjoys the authority to prohibit a strike or lockout if it continues for a period of more than 30 days and refer the dispute forthwith to the labor court for adjudication. [Sec. 211 (3) Bangladesh Labour Law, 2006]

If either party is not satisfied with the verdict of labour court the aggrieved party can prefer an appeal to Labor Appellate Tribunal (LAT) within 60 days of the delivery of such verdict and in such case the decision which is made by LAT is final. [Sec. 217 Bangladesh Labour Law, 2006]

The verdict of the labor court, under complaint case and legal right case is final. In such a case, however, writ petition is allowed to challenge the legality of the labor court judgment (verdict) to the Supreme Court of Bangladesh (High Court Division) as per article 102 of the constitution of the People's Republic of Bangladesh. The procedure of settlement of industrial disputes may be shown in a diagram, as under:

Exhibit-17: Procedure of Settlement of Industrial Disputes in Bangladesh



Source: Abdul Awal Khan and Md. Abu Taher (2014). Industril Relations, Dhaka: Abir Publications.

Labour Court

The Government by notification in the official gazette, establish as many Labour Courts as it considers necessary. A Labour Court shall consist of a Chairman and two members to advise him. The Chairman of the Labour Court shall be appointed by the Government from amongst the sitting District Judges or Additional District Judges. The Government shall constitute by notification in the official gazette, two panels of Members, one of which shall bear the names of six representatives of employers and the other six representatives of workers. The Chairman shall, for hearing or settlement of a specific industrial dispute, select one representative from each of the two panels.

The Labour Appellate Tribunal

The Labour Appellate Tribunal shall consist of a Chairman, or if the Government deems fit, of a Chairman and such number of members as determined by the Government.

The Chairman and the Members, if any, of the tribunal shall be appointed by the Government by notification in the official gazette.

The Chairman shall be a sitting Judge or a retired Judge or an Additional Judge of the Supreme

court and its any member shall be a sitting judge or an additional judge of the Supreme Court or a District Judge who has been working as such or was at least for three years.

If the Chairman is absent or unable to discharge his functions, the senior most Member, if any, of the Tribunal shall discharge the function of the Chairman.

Review Questions

1. Distinguish between trade union and collective bargaining agent.
2. Define collective bargaining. State the characteristics of collective bargaining.
3. Discuss the objectives and activities of collective bargaining.
4. Explain the process and levels of collective bargaining;
5. State who can work as a collective bargaining agent.
6. Discuss the meaning and forms of industrial disputes.
7. Explain the procedure for the settlement of industrial disputes in Bangladesh.

Appendix

References and Further Reading

Armstrong, M. (1988). A Hand Book of Personnel Management Practices. London: Kogan Page.

Aswathappa, K. (2011). Human Resource Management, New Delhi: Tata McGraw Hill Education Private Limited.

Bureau of National Affairs. (1988). Recruiting and Selection Procedures. *Personnel Policies Forum 146, p. 5*

Byars, L.L. and Rue, L.W. (2000). Human Resource Management, HompwoodNugra

Cascio, W. F.(1991). Applied Psychology in Personnel Management. Englewood Cliffs, NJ: Prentice Hall.

DeCenzo, D. A. and Robbins, S. P. (1999). Personnel/ Human Resource Management. 3rd ed. New Delhi: Prentice – Hall of India Private Limited.

DeCenzo, D. A. and Robbins, S. P., (2009). Fundamentals of Human Resource Management. New Delhi: Wiley India (P.) Ltd.

Dessler, G. (2000). Human Resource Management. New Delhi: Prentice Hall of India Pvt. Ltd.

Dessler, G. (2006). Human Resource Management. New Delhi: Prentice Hall of India Pvt. Ltd.

Dipboye, R.L (1992). Selection Interview: Process Perspective. Cincinnati: Southwestern Publishing Co.

Flippo, E. B. (1976). Principle of Personnel Management. New York: McGraw-Hill co.

French, W. (1997). Human Resource Management. USA: Houghton Mifflin Company.

Gatewood, R. D. and Field, H. S. (1994). Human Resource Selection. Fort Worth: Dryden Press.

George T. Milkovich and Jerry M. Newman & C.S. VenkataRatnam. (2011). Compensation. New Delhi: Tata McGraw Hill Education Private Limited.

Grote, D. (2000). Performance Appraisal Reappraisal. *Harvard Business Review.* P21

Hakel, M. (1982). Employment Interview, in Rowland and G. Ferris (eds) Personnel Management: New Perspectives. Boston: Allyn and Bacon.

Ivancevich, J. M. (2001). Human Resource Management. Boston: McGraw – Hill Irwin.

Khan, A. A. and Taher, M. A. (2014). Industrial Relations. Dhaka: Abir Publication.

McCormic, E.J., De Nisi, A.S. and Show. J.B. (1979). Use of Position Analysis Questionnaire for establishing the job component validity of tests. *Journal of Applied Psychology,64(1)pp.51-6.*

Mohiuddin, M. (2014). Human Resource Management. Gazipur: Publishing, Printing and Distribution Department, Bangladesh Open University.

Pray, T. F. (1990). Management Training: It's All in the Game. *Personnel Administrator 32.*

Pulako, E. D. and Schmitt, J. E., Summer (1995). Experience-Based and Situational Interview Questions: Studies of Validity. *Personnel Psychology, pp. 289-308*

Sloane, A. A. (1983). Personnel: Managing Human Resources. Englewood Cliffs.: Prentice-Hall, Inc.

Super, D. E. and Hall, D. T. (1978). Career Development in Work Organizations: Research and Practice. Kellogg Graduate School of Management. Englewood Cliffs, N. J.

Tornow, W.W. and Pinto, R.R. (1976). The development of managerial job taxonomy: a system for describing, classifying, and evaluating executive positions. *Journal of Applied Psychology, 61.*

Werther, Jr. W. B. and Davis, K. (1989). Human Resource and Personnel Management. Boston: Irwin – McGraw – Hill.

Werther, Jr. W. B. and Davis, K. (1996). Human Resource and Personnel Management. Boston: Irwin – McGraw – Hill.

Yoder , 1972. Personnel Management and Industrial Relations. New Delhi: Prentice Hall of Indi.