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HR/Personnel Officer

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"HRM is a process of bringing people and organisations together so that the goals of each are met. It is a part of management process which is concerned with the management of human resource in an organisation".

Definition of Personnel Management

According to George R. Terry "Personnel management is concerned with the obtaining and maintaining of a satisfactory workforce".

Functions of HRM / PM

A] Managerial Functions includes: Planning, organizing, directing and controlling personnel.

B] Operational Functions

1. *Procurement of Manpower:* The basic principle of procurement is right man to the right job. The procurement function includes – manpower planning, recruitment, selection, appointment, placement, induction, promotion and transfer of employees.

2. *Development of Manpower (HRD):* HRD is concerned with the training and qualitative development of employees. Manpower development is required for meeting the growing and changing needs of manpower along with the expansion and diversification of business activities.

3. *Performance and Compensation of Manpower:* Performance management involves performance planning, performance appraisal, performance counseling and payment of compensation to employees.

4. *Motivation and Maintenance of Manpower:* Motivation and maintaining satisfied manpower requires health and safety measures, proper working conditions provision of welfare facilities and other non-monitory benefits.

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5. *Integration of Interests of Manpower and the Organisation:* Manpower is interested in wage payment while organisation is interested in higher profits and market reputation etc. Personnel management has to reconcile the interests of both parties.

6. *Maintaining Cordial Industrial Relations:* This function involves the designing of industrial relation system, managing discipline, settlement of employee grievances and managing disputes between management and employees.

7. *Miscellaneous Functions:* Maintenance of service records of employees, promotions and transfers of employees, career planning of employees etc.

Objectives of HRM / PM

1. To attain self-development of the members of an organisation and also to utilize available human resources.

2. To establish working relationships between employer and employees and between groups of employees.

3. To ensure the availability of a competent and willing workforce to the organisation.

4. To ensure satisfaction to the workers so that they are freely ready to work.

5. To maintain high morale of the workers

6. To secure the integration of individuals with the organisation by reconciling individual goals with those of an organisation.

7. To improve the services rendered by the enterprise to the society through better workforce.

Features of HRM / PM

1. HRM relates to *Managing People at work.* It covers all level of personnel and their needs, expectations etc.

2. HRM is a *people oriented process* of bringing people and organisations together so that the goals of each ate met properly.

3. HRM is concerned with the *development of employee's potentialities*.

4. HRM is an *integral part of organisation*

5. HRM is a *continuous activity* as personnel problems continue to exist as long as employees are working in an organisation.

6. HRM aims at *securing willing cooperation of employees* for achieving organizational objectives.

7. HRM is *future oriented* as it helps the organisation to achieve its objectives in future.

8. HRM is a *challenging function* as it deals with the employees who are always unpredictable.

Scope of HRM / PM

Scope of HRM is vast. All major activities of a worker from the time of his entry into an organisation until he leaves come under the purview of HRM. Important activities under HRM are:

1. Determining the human resources needs of the organisation

2. Recruitment, selection, appointment and placement of employees.

3. Training and manpower development.

4. Administration of wages and salaries.

5. Employee services like health and safety, amenities and welfare facilities.

6. Promotion and transfer of employees

7. Industrial relations and settlement of grievances of employees.

8. Human resources planning and career planning.

9. Personnel research and personnel audit.

10. Labour legislation and their administration in the organisation.

HRM V/S PM

HRM	PERSONNEL MANAGEMENT
HRM is the latest development in the evaluation of management of man	Personnel management precedes HRM
It gives more importance to the abilities of employees rather than evaluating them as per rules.	Performance is evaluated within the framework of rules.
It works on the basis of integrated initiative	It works on the basis of piecemeal initiative
Process of decision making is fast	Process of decision making is slow
It supports performance related remuneration	It supports fixed remuneration
It uses latest techniques of training and development	It uses outdated techniques of training and development
It practices division of work along with team work	It practices only division of work
It favours all round development of employees	It favours contractual employment based on written agreement

HUMAN RESOURCE DEVELOPMENT

HRD is part of HRM and constitute one wing of HRM department. HRD is concerned with the training and qualitative development of employees.

Features of HRD

1. HRD is a system of several interdependent sub-systems such as procurement, appraisal, development etc.

2. HRD is a planned process of developing people on a continuous basis.

3. HRD is an interdisciplinary concept as it uses principles of different areas such as psychology, economics, sociology etc.

4. HRD basically develops competencies at individual, groups and organizational level.

Role & Responsibilities of HRD

1. HRD makes effective use of manpower by employing right man to the right job at right time.

2. HRD facilitates human resource planning and control by maintaining data about the manpower of organisation.

3. HRD influence the employees to accept the change willingly.

4. HRD creates mutual trust and confidence leading to overall better performance.

5. HRD maintains transparency in administration.

6. HRD encourages employees to show innovation while solving problems.

HRD Policy

HRD policy is a statement of an organisation, which provides a broad framework within which a decision on human resource can be made. HRD policy is formulated by the HRD department under the supervision of top management. HRD policy includes procedures, programmes and practices affecting human resources. This policy makes clear code of conduct thereby providing pleasant work atmosphere. HRD policy is a long life policy; they can be used repeatedly to solve recurring problems.

HRIS

The concept of Human Resource Information System (HRIS) has been derived from the concept of Management Information System (MIS). HRIS may be defied as "a systematic procedure for collecting, storing, maintaining and retrieving data needed by an organisation about its human resource and various activities".

Like any other information system, HRIS has three basic components – input, storage and output. The output may be in the form of hard copy or soft copy. The information supplied by HRIS is used by all departments of organisation.

The basic objective of HRIS is to provide accurate, relevant and timely information about human resources and their functioning in the most cost effective way. At present, every organisation generally uses computerised HRIS, which is fast, accurate and compact in storing the information.

CHARACTERISTICS OF TODAY'S WORKFORCE

Important characteristics of today's workforce are:

1. ***Composition of Workforce:*** In 1999 the total employment in India was 397 million. Of this 369 million in unorganized sector and 28 million were in organized sector. Of this 28 million, 19.4 million were in public sector and 8.7 million in private sector. This suggests that the share of organized private sector in total employment was 2.2 % indicating large-scale employment opportunities in this sector in near future.

2. ***Employment in Factories:*** In 1999 the employment in factories was 7.44 million, which is just 2.3 % of total workforce estimate of 402 million. This suggests the factory workforce is very small portion of total workforce in the country.

3. ***Industrial Labour Growth:*** The growth of industrial labour is rather slow in India due to slow growth of factories and also due to extensive use of automated technology. However due to industrial growth through globalisation, SEZ and export houses industrial workforce soon will dominate total labour force in India.

4. ***Limited Education:*** Industrial workforce in India was uneducated over years; as a result they were exploited. However the situation has changed, they are now educated, get higher salaries, quick promotions and responsible positions.

5. ***Absence of Unity:*** Industrial workforce in India lacks unity. It is divided on the basis of religion, language, cast and region. However this division is absent among highly educated and qualified industrial workers.

6. ***Labour Turnover:*** This problem was in the olden days due to rural socio-economic background, easy availability of jobs, wage differences etc. However turnover is now reducing among industrial workforce. (For daily updates visit www.ibtindia.com or www.competitiontime.in)

In brief rapid changes taking place in industrial workforce in India in every aspect

JOB ANALYSIS, JOB DESIGN, JOB EVALUATION JOB ANALYSIS

According to Adwin Flippo, "Job analysis is the process of collecting and studying information relating to the operations and responsibility of a specific job".

Components of Job Analysis

1] Job Description

Job description is a statement describing the job and gives all necessary details of the job for which the recruitment is to be made. It is a written record of the duties, responsibilities and requirements of a particular job. The details given in a job description are as follows:

i)   Nature and title of the job
ii) Operations and tasks involved in the job
iii) Duties requited to be performed
iv) Location, physical setting and discomfort connected with the job
v)   Working condition for the job
vi) Hazards connected with the job
vii) Machines, tools and materials required to be used
viii) Types of supervision received and given
ix) Relation with the other jobs in the organisation
x) Opportunities for promotion

2] Job Specification

Job specification is based on job description. It states the minimum acceptable human qualifications and qualities necessary for the proper performance of the job. The details of the job specification are as follows:

i)   Educational and professional qualifications
ii) Practical experience
iii) Personality and mental qualities
iv) Physical fitness
v) Interpersonal relations skills

Process of Job Analysis

Job analysis is a sequential process and involves the following five steps:

1.   Selection of a specific job for analysis

2.   Collection of information relating to the job

3.   Processing of information for conclusion

4.   Preparation of job description i.e. a statement showing various details of the job

5.   Preparation of job specification i.e. a statement showing qualities required for performing the job.

Uses of Job Analysis

1. Facilitate proper publicity of jobs as exact details of job obtained from job analysis.

2. Facilitate selection of psychological tests exactly as per need

3. Facilitate purposeful personal interview of the candidate

4. Facilitate scientific selection, placement and orientation

5. Facilitate scientific promotions and transfers

6. Facilitate performance appraisal

7. Facilitate manpower training and development programmes
8. Facilitate introduction of rational wage structure.

JOB DESIGN

Job design is a systematic attempt to organize tasks, duties and responsibilities into a unit of work to achieve certain objectives. It is the division of the total task to be performed into manageable units. Jon design involves the following three steps:

a)   Specification of individual tasks
b)   Specification of the method of performing each task
c)   Combination of tasks into specific jobs to be assigned to the employees

Factors Affecting Job Design

1. Organisation Factors

i) Characteristics of Task: An individual employee may carry out one main task, which consists of a number of interrelated functions. In case of complex jobs, individual employee may carry out a variety of connected tasks, each having a number of functions.

ii) Work Flow: The workflow in an organisation is strongly influenced by the nature of the product and services.

iii) Ergonomics: Ergonomics is concerned with the designing as per the physical abilities and characteristics of individual employees so that they can perform the job efficiently.

iv) Work Practices: Work practices are the set methods of performing work. Such practices are based on the tradition or as per the collective wishes of employees.

2. Environmental Factors

i) Employee Abilities and Availabilities: Job should be adjusted as per the availability and ability of the employees.

ii) Social and Cultural Expectations: Job should be designed as per the social and cultural expectations of employees such as holidays, hours of work, rest breaks, etc.

3. Behavioural Factors

i) Feedback: Individual employee should receive meaningful feedback about his hob performance. This enables him to improve his performance.

ii) *Autonomy:* Employee should have autonomy because the job that gives authority of decision making to employees increases the employee's sense of recognition.

iii) Use of Abilities: The job should be designed in such a manner that the employee will be able to use his abilities fully.

iv) Variety: Adequate variety should be given while designing the job, as the absence of variety in the job leads to boredom and fatigue and fatigues causes mistakes while performing the job.

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Techniques of JOB DESIGN

1. *Job Simplification:* A given job is divided into small sub-parts and each part is one individual employee. Purpose of job simplification is that the job become highly specialised and the less trained employees can perform these jobs easily. Disadvantage of job simplification is that over specialization results into boredom, which in turn leads to errors.

2. *Job Rotation:* Job rotation means systematic movement of employees from one job to the other. Job remains unchanged but employees performing them shift from one job to other.

3. *Job Enlargement:* Jon enlargement means aggregating tow or more jobs into a single one. It is opposite to the job simplification. Purpose of job enlargement is to bring about some sense of wholeness in the job. Advantage of job enlargement is that it reduces monotony and boredom.

4. *Self-Directed Teams:* A self-directed team is a group of employees who are responsible for a whole work process that delivers a product or service. Such teams have clear sense of purpose and are effective in taking decisions and ensure the quality of work assigned to them.

5. *Job enrichment:* Job enrichment means making the job rich in its contents so that an employee will get more satisfaction while performing job.

JOB ENRICHMENT
Characteristics of Job Enrichment

1. *Variety:* Job should be enlarged by adding new varieties to it.

2. *Task Identity:* Instead of asking the worker to manufacture only one component of the total product, he should be asked to complete the manufacturing of the whole product. This will enable him to identify himself with the result of his efforts.

3. *Task Significance:* When a worker is asked to complete the manufacturing the whole product, he will feel the significance of the task completed.

4. *Autonomy:* Worker should be given freedom to set his own work schedule, establish his work methods, introduce his quality checks, make crisis decision etc. The worker feels that the work is his own and he is responsible for its success and failure.

5. *Feedback:* Worker should be given periodical information as to how he is progressing in the enriched job. This will enable him to improve and adjust his work properly.

Process of Job Enrichment

1. Selecting the jobs which are suitable to job enrichment.

2. Identify the changes that may enrich the selected jobs.

3. Changing the contents of a job so as to provide self-control, sense of achievement & responsibility.

4. Training, guiding, developing and motivating employees wherever necessary.

5. Integrating the newly enriched jobs into the daily work routine of the organisation.

Advantages of Job Enrichment

1. Job enrichment benefits employees and management in terms of better performance, job involvement, job satisfaction and reduce employees absenteeism.

2. It meets psychological needs of workers in terms of achievement and acceptance of new challenges.

Limitations of Job Enrichment

1. Success of job enrichment depends on the desire of the employees to accept more responsibility. If the employee refuses to accept the enriched job, the accepted result will not be available.

2. There may be opposition to job enrichment by trade unions.

JOB EVALUATION

Job evaluation means determining the relative worth of a job in an organisation by comparing it with other jobs within the organisation and with job market outside.

Objectives of Job Evaluation

1. To establish logical & accurate relationship of each job to other jobs within organisation.
2. To determine the wage rate for each job in relation to other job in the organisation.
3. To select employees accurately and train, promote or transfer them impartially.
4. To promote employee goodwill, strengthen morale and provide an incentive.
5. To provide management with a basis for proper control.

Methods of Job evaluation

1. Ranking / Grading Method

Under ranking method, jobs are arranged in descending order of importance with the help of job description and job specification etc. The ranking of job is carried out by a committee of experts called raters. The ranking is done a departmental level, for every department the job is ranked in order of importance.

Advantages:

1. It is simple, easily understood by all concerned and easy to operate.
2. It is inexpensive.
3. It can be used conveniently in small establishments.

Disadvantages:

1. It dose not indicate the degree of differences in the jobs
2. Sometimes it is based on the rater's general knowledge of the jobs.
3. It is unsuitable for a large company with a complex organisational structure.

2. Factor Comparison / Weight-in-Money Method

Under factor comparison method the jobs are ranked in the following way:

1. Common key elements of different jobs are selected.
2. These selected key elements are weighted and ranked.
3. A monetary value is assigned to each element of all jobs.
4. Then these monetary values of individual jobs are weighted.
5. Then total value of each job is available.

Advantages:

1. It is more accurate and systematic then Simple Ranking Method.
2. Dissimilar jobs also can be rated on the basis of common factors.

Disadvantages:

1. It is complicated, not easily explainable and expensive.
2. Application of weightage and monetary values may involve bias of rankers.
3. It is difficult to install hence not used extensively.

3. Point Rating Method

In this method, each job is evaluated separately, considering each of the job factors such as skill, effort, responsibility and working conditions and combining them into a single point score for each job.

Advantages:

1. It is analytical in its approach,

2. It gives a quantitative value for each job.

3. Basis and guidelines of valuation are standardized are codified in a user manual.

Advantages:

1. Manual used for rating the jobs needs periodical revision and update.

2. It is difficult for application and unintelligible for workers.

Process of Job evaluation

The process of job evaluation involves following steps:

1. *Securing acceptance from employees* after explaining the purpose and use of job evaluation programme.

2. *Creating job evaluation committee* consisting of experienced employees, union representatives and HR experts.

3. *Deciding the job to be evaluated*, which may represent the type of work performed in the organisation.

4. *Analysing and preparing job description*

5. *Selecting method of evaluation*, according to the job factors and organisational demand.

6. *Classifying the jobs* on the basis of weightage and monetary values

7. *Installing the programme* in the whole organisation after explaining it to employees.

8. *Conducting periodical* review in the light of changes in environment from time to time.

PERSONNEL PLANNING, RECRUITMENT AND INDUCTION

Manpower Planning and Human Resource Planning is rather synonyms. HR planning is a strategy for the *procurement, development, allocation and utilization* of an orgainisation's human resources.

Objectives / need of HR PLANNING

1. To ensure that necessary human resources are made available as and when required by the organisation.

2. To make suitable and scientific arrangement for the recruitment of right type persons.

3. To ensure optimum utlisation of human resources currently developed in organisation.

4. To design the management development programmes so as to develop the required talents among the employed.

5. To determine future manpower requirements of the organisation.

Advantages Of HR PLANNING

1. Facilitates scientific recruitment and selection of manpower as per future needs

2. Makes HRD programmes effective, this ensure full utilisation of available manpower.

3. Ensures orderly working and growth of an organisation

4. Regulates labour costs and production costs and ensure adjustments between manpower requirement and manpower available.

5. Motivate existing employees and keep their morale high through training and manpower development programmes.

6. Prevents sudden disruption in the working of organisation, as it indicates shortages of particular types personnel in advance and facilitates suitable provisions.

Limitations of HR PLANNING

1. HR planning may be ineffective as future manpower needs of organisation are uncertain.

2. HRP is time consuming and costly due to services of experts required for HRP.

3. Inadequate attention to environmental changes and corresponding future manpower requirements (by traditional management) makes HRP redundant.

4. Shortage of skilled labour and high labour turnover makes recruitment of required manpower difficult.

5. Surplus manpower in a country like India makes HRP redundant.

Steps in manpower PLANNING PROCESS

HR planning involves the following six steps:

1. *Deciding the objectives of human resource planning* in the context of organisational objectives and policies.

2. *Estimating the overall human resource requirements* in the context of organisational objectives and plans. This may be described as "HR Needs forecast". Such forecast should be in relation to quantity and quality of manpower required by the organisation.

3. *Taking inventory of human resource currently available in the organisation.* This may be described as "HR Supply Forecast".

4. *Determining actual human resource requirement* on the basis of job requirements and job description. This may be described as "HR Programme". In addition, proper comparison between manpower available and manpower required is necessary.

5. *Preparing a human resource recruitment and selection plan* for filling additional human resource required. This may be described as "HRP Implementation"

6. *Developing appropriate manpower development plan* in order to meet the future manpower requirements from within the organisation.

Role / Importance of HR PLANNING

Human resource planning plays an important role at different level, i.e. national level, industry level and industry level. *(Further- summerise objectives and advantages of HR planning)*

Organisation Downsizing

Downsizing of an organisation means reducing the excess employees by suitable measures and adjusting them as per need of the organisation. Such downsizing is necessary when market demand reduces or when new technology is introduced or when certain activities are closed down. In India downsizing was introduced in nationalized banks and in organisations such as SAIL, Fiat India, Motorola, and Hyundai etc.

For reduction, suitable "trimming downsizing plan" must be prepared which indicates:

1. Who is to be made redundant and where and when

2. Plans for retraining of employees.

3. Steps to be taken to help redundant employees find new jobs.

4. Policy for declaring redundancy and making redundancy payments.

5. Programme for consulting with unions and informing those affected.

For downsizing, following other methods can also be used:

1. Retain all existing employees but reduce the work hour for reduction in the total wage payment.

2. Transfer employees in other parts of organisation where additional employees are needed.

3. Offer incentives for early retirement in the form of VRS

4. Declare lay-off for dealing with surplus staff.

VRS

Voluntary Retirement Scheme is a type of voluntary separation of old and unproductive employees from the organisation. It is also called Golden Hand Shake Plan. VRS is followed in private as well as public sector organisations. Here the employees are relived from the job as per the terms and conditions mentioned in the scheme. Under VRS the surplus employees are offered following types of monetary incentives:

1. Pension and lump sum gratuity.

2. Loyalty bonus

3. Employee Stock Ownership Plans (ESOP)

4. Prizes and rewards for long service in the organisation

Purpose of VRS

VRS is advocated on the following grounds:

1. To reduce financial burden on the organisation

2. To reduce surplus labour

3. To ensure optimum utilisation of operating manpower in the organisation.

4. To introduce extensive use of computers and new technology.

Advantages of VRS

1. It is an economical and time saving method for reducing surplus staff

2. Generally it is favoured by employees and unions.

Limitations of VRS

1. In many organisations competent employees opted for VRS and not incompetent employees

2. This scheme failed in India due to inadequate employment opportunities.

3. Sometimes, VRS become compulsory retirement scheme for some employees and thus opposed by employees and union.

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EMPLOYEE STOCK OWNERSHIP PLANS (ESOP)

Under ESOP employees are offered the company's share at a concessional price. When the market price of the shares increases, the employees earn substantial capital gain.

Merits of ESOP

1. It enables the company to retain efficient employee with company.
2. It encourages the employees to show better performance.
3. It develops a sense of ownership and responsibility among the employees.
4. It links compensation package closely to employee performance.

Demerits of ESOP

1. It can be used only by profit making companies.
2. Employees will suffer loss if share prices are falling.
3. Unsound market fluctuations cause inconvenience to employees.
4. Lack of transparency may lead to criticism on the ground of favoritism.

RECRUITEMENT

Recruitment	Selection
Definition: According to Edwin Flippo, "Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation".	Selection is a process of choosing most suitable candidates out of many interested candidates.
Purpose: To attract maximum number or interested candidates through applications.	To select the best candidates out of those qualified and interested in appointment.
Priority: Recruitment is prior to selection. It creates actual base for proper selection.	Selection is next to recruitment.
Nature of Function: It is a positive function in which interested candidates are encouraged to submit applications.	It is a negative function in which the unsuitable candidates are eliminated and the best one is selected.
Process: It is a short process, only publicity is given to vacancies and applications are collected.	It is a lengthy process, involves scrutiny of applications, giving tests, interview and medical examinations.
Expert's Service: Services of experts are not required	Services of experts are required
Cost Involved: It is not costly, only expenditure is advertisement given for publicity.	It is a costly process, expenditure is needed for testing candidates and conducting interviews.
Steps Involved: i) Vacancies available are finalised ii) Publicity is given to them iii) Applications are collected	i) Applications are scrutinised ii) Tests, interviews and medical examinations are conducted.

Sources / Methods of Managerial Recruitment

Internal Sources of Manpower

1. ***Promotions:*** Promotions means an improvement in pay, position, authority, status and responsibilities of an employee within the organisation. In non-unionized companies promotions are made on merit bases while in government departments it is on seniority basis.

2. ***Transfers:*** Transfer means filling a new vacancy in the organisation by shifting of existing employee within the organisation.

3. ***Internal Notification:*** Since employees know requirements of the job and what sort of person the company is looking for. Often they have friends and acquaintances who meet these requirements. Thus sometimes company issues an internal advertisement for the benefit of existing employees.

4. ***Retirements:*** Sometimes management may not find the suitable candidate in place of the retired employee. Under the circumstances management may call retired manager with new extension.

5. ***Recalls:*** When management faces a problem that can be solved only by a manager who has proceeded on long leave, management may call that person. After the problem is solved, his leave may be extended.

6. ***Former Employee:*** Individuals, who left for some other job, might be willing to come back for higher wages and incentives.

Merits of Internal Sources

1. It is economical, quick and most reliable method
2. The present employees already know the company well.
3. It provides security and continuity of employment.
4. People recruited internally do not need induction training.
5. It reduced labour turnover as capable employees get internal promotions.

Demerits of Internal Sources

1. It prevents the entry of young blood in the organisation.
2. It unable the organisation to attract capable persons from outside.
3. It may encourage favouritism and nepotism within the organisation.
4. Promotions create a feeling of discontent among those who are not promoted.
5. Promotions may not be possible due to non-availability of competent person.

External Source of Manpower

1. Campus Selection

The growth of management institutes, IITs and engineering colleges has provided a popular source of recruitment known as Campus Selection.

Procedure:

i) Selection committee of company personally visits the institute campus.

ii) Information are collected from interested students and interviewed within the campus.

iii) Suitable candidates are selected and asked to join the organisation after final exam result

Advantages:

i) It is easy, quick and economical

ii) It is convenient to the company as well as candidates.

iii) It is an excellent source of selecting management trainees.

iv) Promising students get job security immediately after securing degree.

2. Press Advertisement

Press advertisement is also called Recruitment Advertisement, as its purpose is to give publicity to vacancies available in the organisation and to appeal deserving candidates to submit their applications. Recruitment Advertisement has following contents:

- Details of the job i.e. job description and job specification.
- Information to be supplied
- Copies of documents to be attached
- To whom the application is to be submitted
- Performa of application blank, so that the candidates submit exact information required by the company.

3. Recruitment Through Consultants and Private Employment Exchanges: Management consultants select suitable staff required by the business unit. For this they publish advertisement, conduct tests and arrange interviews. Similarly private employment exchanges keep details of candidates interested in jobs and provide services to employers. This source is mainly useful for the selection of top-level executives. E.g. Tata Consultancy Services, Kirloskar Consultants.

4. Deputation of Personnel: For executive position for short period, the services of an executive from another company can be used on loan basis. This is known as deputation. This is quite common in the case of sister concerns.

5. Management Training Scheme: Here, the young talented candidates of the age group of 20 to 25 are selected as trainee executives in different areas such as accounts, technical, marketing etc. After selection, candidates are sent to their institutes for executive training. After completion of training they are appointed as a regular manager.

6. Walk-ins, Write-ins, and Talk-ins: In these methods the candidates submit their resumes directly to the employer. Walk-ins are those where on advertisement mentioned date and time applicant walk-in for an interview. Write-ins are those who send written application. In talk-ins the applicants are required to meet the employer for detailed talks.

7. Miscellaneous Sources:

i) Appointment of retired officers from civil services or from public sectors
ii) Professional meetings for the selection of executives
iii) Assistance from professional associations
iv) Use of executive placement agencies
v) Government employment Exchanges

Merits of External Sources

1. Entry of young blood in the organisation is possible

2. Wide scope is available for selection

3. Selection can be made in an impartial manner

4. Reservation can be provided to the backward section of the society.

Demerits of External Sources

1. It leads to labour turnover particularly of skilled and experienced employees.

2. Existing employees may lose their sense of security.

3. Relations between employer and employee deteriorate leading to industrial disputes.

STEPS IN SELECTION PROCEDURE

1. **Job Analysis:** Job analysis is the process of collecting and studying information relating to the operations and responsibility of a specific job.

2. *Advertisement:* Though advertisement is costly, it is used widely as it provides a wide choice of by attracting large number of candidates all over the country.

3. *Collection of Application:* In this step, applications with necessary details are collected from interested candidates. Some companies provide a prescribed form of application in the advertisement known as application blank.

4. *Scrutiny of Applications Received:* In this process, incomplete applications and the candidates who do not possess required qualifications, experience etc. are rejected. Along with this, certificates, testimonials and references are also checked.

5. *Written Tests:* After the scrutiny of applications, a final list of candidates for written tests is prepared. The purpose of such tests is to judge the knowledge of candidate and also to find out his (a) intelligence, (b) aptitude (c) capacity (d) interest (e) suitability for a specific job.

6. *Psychological Tests:* This includes various tests such as intelligence test, aptitude test, interest test, achievement test, analytical test, performance test, synthetic test, and personality test. Each test is useful for judging specific quality of a candidate.

7. *Personal Interview:* The candidates who have shown good performance in the written test and psychological tests are called for personal interview. This is conducted by one interviewer or group of interviewers. They notes strong and weak points of every candidate and select the best candidates for appointment.

8. *Reference Check:* Candidate is required to give at least two references, which may be educational, social, and employment.

9. *Medical Examination:* The purpose of medical exam is to judge the general health and physical fitness of candidates. Candidates who are not physically fit for the specific job are rejected even when they show good performance in the tests and interview.

10. *Final Selection for Appointment:* The selection procedure comes to an end when the final appointment letter is sent to the candidate. The letter states the post, title of the job, salary, and terms and conditions of employment. Initially the appointment is in probation and after a year or two, it is confirmed.

TESTS FOR SCREENING CANDIDATES

1. *Intelligence Test:* Intelligence is the capacity of a person for comprehension and logical reasoning. It is useful for judging the intelligence of a candidate. Simon and Binet had developed intelligence test in 1916 known as IQ test.

2. *Vocational Aptitude Test:* Vocational aptitude is the capacity of an individual to learn the job, given the necessary training.

3. *Analytical Test:* For the purpose of analytical test, a job is first analyses in term of qualities like speed, dexterity, observation etc. and then measured the degree to which the candidates possesses these qualities. Dr. Munsterberg, an industrial psychologist in the U.S, first devised such test for the selection of telephone operators.

4. *Synthetic Test:* synthetic test are used fir the job which are complex for which analytical test can not be used. In this test the candidate is presented a complex situation, more or less similar to the one which he will have to face in this job.

5. *Trade Test:* Trade test is necessary in the jobs which involve technique work, e.g. stenographer, welders, machine operator.

Some companies provide a prescribed form of application in the advertisement known as application blank.

PERFORMANCE APPRAISAL

Performance Appraisal is a systematic and orderly evaluation of performance of employees at work by their superiors or others who are familiar with the techniques of performance appraisal. Such appraisal is common in the case of blue collared employees (workers, supervisors etc.) and white collared employees (bank employees, government servants etc.). Performance appraisal is different from personal appraisal. This system was introduced by Scottish Millionaire Robert Owen in early 19th century.

Importance / Uses of Performance Appraisal

1. It helps in *Suitable Placements* of subordinates as per their potential

2. It provides *Assistance in Self Improvement* by giving details of strengths and weakness of employees through *performance feedback*.

3. It acts as *Incentive to Improve the Performance* and to develop mew qualities to achieve higher position in the organisation.

4. It suggests appropriate *Training Programme* as per the weaknesses of the employees.

5. It helps in framing *Sound Personnel Policies* for promotion and transfers.

6. It promotes *Cordial Employee-Employer Relations* as it minimise the employee's grievances about transfer, promotions and increments.

7. It facilitates *HR Planning and Development* of existing manpower as per the future needs of enterprise.

8. It facilitates *Direct Employee Communication* through appraisal interview and post-appraisal interview.

9. It wins the *High Employee Morale* as they feel that the management is interested in their career development and well being

Steps in Performance Appraisal

1. Establishing performance standards

2. Communicating standards to employees

3. Measuring accrual performance

4. Comparing actual performance with the standard set

5. Appraisal interview – discussing actual performance with the employee

6. Flow up – training to improve the performance

Techniques of Performance Appraisal

A] Traditional Methods

1. *Confidential Reports:* In this method, superiors are asked to prepare confidential report on his subordinates. Various aspects such as achievements, weaknesses, major mistakes etc. are recorded in such report. It is used even today in government departments and educational institutions.

2. *Grading:* In this method, Rater evaluates the performance of an employee and places him into a grade. Grades may be like A (outstanding), B (very good), C (good), D (fair), and E (poor).

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3. *Checklist:* In this method, a list of the qualities of employees is prepared. While rating an employee, the rater is asked to put a plus sign, minus sign or a question mark against each quality statement.

4. *Forced Choice Rating:* In this method, Rater is asked to select out of five qualities only one, which he feels is more characteristics and the one which is least applicable to him.

5. *Critical Incident:* This method was developed during WWII and suggests that there is certain key acts of behaviour, which results in the success or failure in the job. These acts arise incidentally while performing the jab. The supervisor is required to note all such critical incidents and rate the performance of the subordinate.

6. *Essay Method:* In this method, a superior is asked to write a small paragraph as regard his subordinate's strengths, weaknesses, potentials, etc.

7. *Group Appraisal:* In this method, a group of evaluators consists of supervisors; head of departments, personnel experts access the employees.

8. *Field Review:* In this method, a training officer from HR department interviews line supervisor to appraise their subordinates. The supervisor is expected to answer the questions of interviewer prepared in advance.

9. *Ranking:* In this method, each employee is compared with all others performing the same job and then is given a particular rank in descending order. It states that A is superior to B and B is superior to C and so on.

Merits:

1. It is simple to understand and easy to use
2. It is less expensive and less time consuming.
3. It does not require trained raters.

Demerits:

1. It does not specify how much on employee is superior to other.
2. It is not possible to give objective proof for ranking
3. Performance is not compared to standard performance
4. There may be bias of raters in ranking
5. It is highly subjective.

Graphic Rating Scale: In this method, a list of various factors like quantity of output, quality of output, initiative etc. is prepared and given a degree (outstanding, very good, good, fair, poor). While rating an employee, the rater is asked to mark in front of each respective degree of quality.

Merits: (same merits of Ranking as above)
Demerits:

It puts heavy pressure on rater, as he has to consider 4 to 12 factors with five degree for each.

1. Rate has to do lot of paper work
2. There may be gap between two degrees e.g. very good and good.
3. There may be bias of raters in rating.

B] Modern Methods
1] 360-DEGREE PERFORMANCE APPRAISAL
When the appraisal of a manager is made by the superiors, peers, subordinates and clients, it is called as 360-degree system of performance appraisal. This system was developed fits at General Electric, US in

1992. It is now used by Indian organisations like Reliance, Crompton Greaves, Godrej, Wipro, Infosys, and Thomas Cook etc.

Merits of 360 Degree Appraisal

1.   Uses Multiple Rates such as findings from superiors, peers, subordinates and clients and hence it is more reliable and free from bias.

    1. There is *Systematic Performance Data Collection* from superiors, peers, subordinates and clients.

    2. It provides greater *Potentiality of Self Development* as it provides broader perspective about an employee's performance.

    3. Only *Formal Communication* is entertained in 360-degree appraisal. Hence employee feels more accountable.

    4. It *Identify Special Traits* like team building skills and interpersonal skills.

Demerits of 360 Degree Appraisal

    1. *Creates Sense of Insecurity* when employees heard that the appraisal would be obtained from multiple of sources.

    2. It is *Time Consuming,* as it requires time to select right and multiple raters.

    3. All raters may not be equally close to the employee.

2] ASSESMENT CENTER

Assessment center may be defined as "a central location where managers may come together to participate in job related exercises evaluated by trained observers".

Features

    1. Here, the managers have to participate in job related exercises and their performance is judged by trained observers.

    2. In this, qualities like interpersonal skills, communication skills, self-confidence, decision-making ability etc. is assessed.

    3. It was first developed in UK and US by 1943 but now used by Indian companies like Crompton Greaves, HLL, and Modi Xerox etc.

    4. It is now used for performance appraisal of executives and supervisors.

Process

1.   Employees are asked to participate in role-playing, business games, computer simulation and work groups without leaders.

    1. Evaluators observe and rate employees as they perform jobs.

    2. After this, raters meet to discuss their observations.

    3. Then they make a summery report.

    4. Assessment is done mainly with a view to determine employee promotion.

Merits

1.   It defines the criteria for selection and promotion.

    1. It provides better forecasts for of future performance of executrices and managers.

    2. It helps to determined training and development needs of an employee.

    3. It provides fair and equal opportunity to prove merits of all candidates.

Demerits

    1. It is costly and time consuming method

    2. Raters are often influenced by subjective elements such as personality of candidates.

3. Performers in day-to-day operations feel suffocated in stimulated environment and this adversely affect their performance.

4. If the report of assessment center is negative, employee may feel demoralised and frustrated.

Objectives

3] MBO

Peter Drucker coined the term MBO in 1954. MBO is a way of managing which focuses on the accomplishment of well-defined objectives rather than on tasks and activities.

Process of MBO

1. *Establishing Goal:* In this first step, subordinate decide the goal, which he is to attain. In some organisation subordinate and superior work together to establish goal.

2. *Setting Performance Standard* for the subordinate.

3. *Comparison of Goal* attained with the goal agreed upon. This facilitated to find out the goals that were not met.

4. *Establishing New Goals* and new strategies for the goals not achieved previously.

4] BARS (Behaviorally Anchored Rating Scale)

The scale point of BARS is determined by statements of effective and ineffective behaviors. While appraisal, a rater indicates which behaviour on each scale best describes the performance of an employee.

Features of BARS

1. Raters who will use the scale define the areas of performance to be appraised.

2. Scales are anchored by description of actual job behaviour.

3. Scales carries behaviours, which are observable and related to the job.

4. BARS help to remove rating errors.

5] HUMAN RESOURCE ACCOUNTING

In this method, the performance of employees is assessed in terms of cost and contribution of employees. Cost of human resource consists of expenditure on recruitment, selection, training etc. and contribution of human resource is the monetary value of productivity.

POTENTIAL APPRAISAL

The concept of performance counseling and potential appraisal is closely connected. Its basic objective is to help the employee to overcome his weaknesses and to reinforce his strong points. Potential appraisal is different from performance appraisal. Performance appraisal only evaluates what the subordinate has performed whereas potential appraisal seeks to examine what the subordinate can do.

EMPLOYEE TRAINING AND DEVELOPMENT

EMPLOYEE TRAINING

Training comes next to recruitment, selection, and placement. It normally relates to the job assigned and is in the form of guidance for performing the job safely and efficiently. According to Edwin Flippo "Training is the act of increasing the knowledge and skill of an employee for doing a particular job".

IMPORTANCE / ADVANTAGES OF TRAINING

A] Benefits To Employer

1. *Improve efficiency* of workers, which leads to more production and more profit.

2. *Improve quality of production*

3. *Reduce industrial accidents* as trained workers avoid mistakes in their job.

4. ***Reduce expenditure on supervision*** as trained workers do their work with interest.

5. ***Provide stable labour force*** by reducing labour turnover.

6. ***Reduce labour absenteeism*** as trained workers do their work with interest.

7. ***Facilitates the introduction of new management techniques***

8. ***Creates a pool of capable employees*** from which any vacancy of key personnel can be filled.

9. ***Creates cordial industrial relations***

10. ***Provides guidance to newly appointed executives.***

B] Benefits To Employees

1. ***Create confidence*** among employees.

2. ***Develop skills*** among employees

3. ***Provides quick promotion*** opportunity for and self-development.

4. ***Offers monetary benefits*** in the form of attractive remuneration.

5. ***Facilitate self-management*** i.e. they do their work without supervision.

6. ***Upgrade knowledge, information & skill*** and make them capable to face all types of situations.

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STEPS IN TRAINING

1. Identifying Training Needs: Training needs can be identified through the following types of analysis:

> **1.** *Organisational Analysis* – It relates to the determination of organisation's goals and it includes (i) analysis of objectives (ii) resource utilisation analysis (iii) organisation climate analysis.

> **2.** *Operations Analysis* – It relates to the jobs regardless of the employee doing the job and it includes the identification of job contents, knowledge and skills required and the work behaviour.

> **3.** *Manpower Analysis* – It relates to the knowledge, attitudes and skills of the worker in each position.

2. Setting Training Objectives as follows

> **1.** To impart basic knowledge and skills required for performing jobs.

> **2.** To assist employees to function more effectively.

> **3.** To build up a competent and capable officers.

> **4.** To broaden the minds of senior managers through exchange of information and experience.

3. Designing Training Programme: For this, the following issues are decided:

> **1.** Who are the trainees?

> **2.** Who are trainers?

> **3.** What methods of training are to be used?

> **4.** What should be the type of training?

> **5.** Where the training programme is conducted?

> **6.** What results are to be achieved?

4. **Preparation of Learner:** Introduction about training is provided to learner.

5. **Presentation of Operations and Knowledge:** In this step, important components of job are explained, oral or written test is conducted.

6. **Implementing Training Programme:** This means actual imparting training to trainees.

7. **Follow up and Evaluation:** It is necessary in order to find out the extent to which the training objectives are achieved.

METHODS OF TRAINING

A] On The Job Training	B] Off The Job Training
1. *Coaching*	1. *Role Playing*
2. *Job Rotation*	2. *Case Study*
3. Apprentice Training	3. *Conference & Seminars*
4. Internship & Assistantship	4. *Simulation*
5. Job Instruction Training	5. *TV Programmes*
6. Orientation Training	6. Lecture
	7. Special Study
	8. Vestibules
	9. Film Shows
	10. Laboratory Training

On The Job Training	Off The Job Training
Meaning It refers to the methods that are applied in the workplace. Here regular work and training move together.	It refers to the methods that are applied away from the workplace. Here training is separated from regular work.
Superiority As the employee cannot concentrate on training while performing the job, the quality of training is inferior	Employee concentrate on training as he is relived from the job, the quality of training is superior.
Cost involved It is economical as it is given internally and also employee performing their job	It is costly as the company has to pay fees of training organisation and also the employee remain absent from the job
Suitability It is suitable for normal training of supervisors	It is suitable to higher-level managers.
Methods Refer above	Refer above

EVALUATION OF TRAINING PROGRAMME

Evaluation of training programme is conducted after the training is completed. It is necessary in order to find out the extent to which the training objectives are achieved. Evaluation is also conducted periodically in order to judge the effectiveness and practical benefits.

Evaluation offers following benefits:

1. Find out the extent to which the training objectives are achieved

2. Makes training programme result oriented

3. Facilitates introduction of suitable modification in training programme.

4. Makes training adaptable as per the changing needs of organisation.

5. Ensures better result from training programme

PRINCIPLES OF TRAINING

Requirements for Effective Training Programme

1. Training should be *need based*.

2. It should be *elaborate and systematic*.

3. It should *motivate trainees* to take interest in the training programme

4. It should be *theoretical as well as practical* with a proper balance between these two.

5. It should be of *superior quality* i.e. expert trainer should be appointed and good training materials like books, tools etc. are provided.

6. There should be *periodical tests* for evaluation of candidates.

7. It should be of a reasonably *longer period*.

8. Effective *involvement of trainees* should be encouraged.

9. Training programme should be reviewed periodically for *updating the course*.

10. *Provisions for rewards and penalties* should be introduced.

11. Place of training should be peaceful and *convenient* to both trainer and trainee

12. Training should be followed by *promotion* or giving new assignment.

Employee Training	Management Development
Meaning Training is imparting knowledge, education and guidance to develop skill among operative staff	It is also called HRD. Development is providing wider exposure to managerial personnel to make them capable to face organisational problems
Type & Duration It relates to a specific job and is for short period.	It is general in nature and is long period process.
Methods used On the job method is used extensively	Off the job method is used alongwith off the job methods
Cost Involved It is economical due to internal training	It is costly due to off the job methods
Trainers Supervisors provide training to their subordinate	It is executed by top-level management and outside experts.
Frequency It is given at the beginning and at the time of promotions.	It is a continuous activity.
Emphasis On the technical aspects of the work assigned	On the theoretical and conceptual aspects

METHODS OF MANAGEMENT DEVELOPMENT

A] On The Job Development

1. *Coaching & Counseling*
2. *Job Rotation*
3. Understudy Assignment
4. Junior Boards
5. Delegation
6. Appointment as 'assistant to'

B] Off The Job Development

1. *Role Playing*
2. *Case Study*
3. *Conference & Seminars*
4. *Simulation*
5. *TV Programmes*
6. University & Colleges

7. Membership of committees   7. Management Institutions

8. Project Assignment   8. Sensitivity Training

9. Promotions and Transfers   9. In-basket Exercise

10. Management Games

In-basket Training – Trainees are provided with basket or tray of papers and files related to their functional area. They are expected to study these and make recommendations on the problems.

Employee Empowerment

This concept appeared in US in 1970. It is described as the reorientation of all forces, values and beliefs, which determine human behaviour in organisations. This concept seeks the redistribution of power in work settings. Under empowerment, has to give full freedom to managers to act as per the demand of the situation. Many Indian organisations have implemented empowerment, e.g. Shri Ram Group and Reliance Industries.

Industrial Relations

Industrial relation is a term used in labour-management or employer-employee relations. Employer provides capital and workers provide physical labour. The relation between them needs to be fair, friendly and cordial to run business efficiently.

LEADERSHIP

Leadership Theory

The word **leadership** can refer to:

1. Those entities that perform one or more acts of leading.
2. The ability to affect human behavior so as to accomplish a mission.
3. Influencing a group of people to move towards its goal setting or goal achievement. (Stogdill 1950: 3)

TYPES OF LEADERSHIP STYLES

Bureaucratic Leader :-The **bureaucratic** leader (Weber, 1905)[1] is very structured and follows the procedures as they have been established.

Charismatic Leader :- The **charismatic leader** (Weber, 1905) leads by infusing energy and eagerness into heir team members

Autocratic Leader:- The **autocratic leader** is given the power to make decisions alone, having total authority.

Democratic Leader:- The **democratic leader** listens to the team's ideas and studies them,.

laissez-faire:-The **laissez-faire** ("let do") **leader** gives no continuous feedback or supervision because the employees are highly experienced and need little supervision to obtain the expected outcome.

People-oriented Leader :- The **people-oriented leader** is the one that, in order to comply with effectiveness and efficiency, supports, trains and develops his personnel, increasing job satisfaction and genuine interest to do a good job.

Task-Oriented Leader:- The **task-oriented leader** focus on the job, and concentrate on the specific tasks assigned to each employee to reach goal accomplishment.

Servant Leader :- The **servant leader** facilitates goal accomplishment by giving its team members what they need in order to be productive

Transaction Leader :- The **transaction leader** is given power to perform certain tasks and reward or punish for the team's performance.

Transformation Leader:- The **transformation leader** motivates its team to be effective and efficient.

Environment Leader :- The **environment leader** is the one who nurtures group or organisational environment to affect the emotional and psychological perception of an individual's place in that group or organisation.

MOTIVAION

Motivational Theory

Theory X & Theory Y

Theory X and theory Y are theories of human motivation created and developed by DouglasMcGregor.

In this theory, management assumes employees are inherently lazy and will avoid work if they can. Because of this, workers need to be closely supervised and comprehensive systems of controls developed. A hierarchical structure is needed with narrow spanofcontrol at each level. According to this theory, employees will show little ambition without an enticing incentive program and will avoid responsibility whenever they can.

In this theory management assumes employees *may be* ambitious, self- motivated, anxious to accept greater responsibility, and exercise self-control, self-direction, autonomy and empowerment. It is believed that employees enjoy their mental and physical work duties. It is also believed that if given the chance employees have the desire to be creative and forward thinking in the workplace. There is a chance for greater productivity by giving employees the freedom to perform at the best of their abilities without being bogged down by rules.

Maslow's hierarchy

Maslow's hierarchy of needs is a theory in psychology, proposed by Abraham Maslow

Self-Actualization – Acceptance of facts, problem solving, creativity, morality Esteem – Self-esteem, confidence, achievement, respect of others, respect by others
Love/Belonging – Friendship, family , sexual intimacy
Safety - security of employment, of family, of resources, of morality, of health
Physiological – breathing, food, water, sex, sleep, excretion

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Deficiency needs

The first four layers the pyramid are what Maslow called "deficiency needs" or "D-needs": if they are not met, the body gives no indication of it physically, but the individual feels anxious and tense. The deficiency needs are: survival needs, safety and security, love and belonging, and esteem.

Physiological needs

These are the basic human needs for such things as food, warmth, water, and other bodily needs. If a person is hungry or thirsty or their body is chemically unbalanced, all of their energies turn toward remedying these deficiencies and other needs remain inactive. Maslow explains that "Anyone who attempts to make an emergency picture into a typical one and who will measure all of man's goals and desires by his[her] behavior during extreme physiological deprivation, is certainly blind to many things. It is quite true that man lives by bread alone — when there is no bread.

The physiological needs of the organism (those enabling homeostasis) take first precedence. These consist mainly of (in order of importance):

- Breathing
- Drinking
- Eating
- Excretion
- Sex

If some needs are not fulfilled, a person's physiological needs take the highest priority. Physiological needs can control thoughts and behaviors and can cause people to feel sickness, pain, and discomfort.

Safety needs

With their physical needs relatively satisfied, the individual's safety needs take over and dominate their behavior. These needs have to do with people's yearning for a predictable, orderly world in which injustice and inconsistency are under control, the familiar frequent and the unfamiliar rare. In the world of work, these safety needs manifest themselves in such things as a preference for job security, grievance procedures for protecting the individual from unilateral authority, savings accounts, insurance policies, and the like.

For the most part, physiological and safety needs are reasonably well satisfied in the "First World". The obvious exceptions, of course, are people outside the mainstream — the poor and the disadvantaged. If frustration has not led to apathy and weakness, such people still struggle to satisfy the basic physiological and safety needs. They are primarily concerned with survival: obtaining adequate food, clothing, shelter, and seeking justice from the dominant societal groups.

Safety and Security needs include:

- Personal security from crime

- Financial security
- Health and well-being
- Safety net against accidents/illness and the adverse impacts

Social needs

After physiological and safety needs are fulfilled, the third layer of human needs is social. This psychological aspect of Maslow's hierarchy involves emotionally-based relationships in general, such as:

- friendship
- intimacy
- having a supportive and communicative family

Humans need to feel a sense of belonging and acceptance, whether it comes from a large social group, such as clubs, office culture, religious groups, professional organizations, sports teams, gangs ("Safety in numbers"), or small social connections (family members, intimate partners, mentors, close colleagues, confidants). They need to love and be loved (sexually and non- sexually) by others. In the absence of these elements, many people become susceptible to loneliness, social anxiety, and Clinical depression. This need for belonging can often overcome the physiological and security needs, depending on the strength of the peer pressure; an anorexic, for example, ignores the need to eat and the security of health for a feeling of control and belonging.

Esteem needs

All humans have a need to be respected, to have self-esteem, self-respect, and to respect others. People need to engage themselves to gain recognition and have an activity or activities that give the person a sense of contribution, to feel accepted and self-valued, be it in a profession or hobby. Imbalances at this level can result in low self-esteem or inferiority complexes. People with low self-esteem need respect from others. They may seek fame or glory, which again depends on others. It may be noted, however, that many people with low self-esteem will not be able to improve their view of themselves simply by receiving fame, respect, and glory externally, but must first accept themselves internally. Psychological imbalances such as depression can also prevent one from obtaining self- esteem on both levels.

Growth needs

Though the deficiency needs may be seen as "basic", and can be met and neutralized (i.e. they stop being motivators in one's life), self-actualization and transcendence are "being" or "growth" needs (also termed "B-needs"); i.e. they are enduring motivations or drivers of behavior.

Aesthetic needs

Based on Maslow's beliefs, it is stated in the hierarchy humans need beautiful imagery or something new and aesthetically pleasing to continue towards Self-Actualization. Humans need to refresh themselves in the presence and beauty of nature while carefully absorbing and observing their surroundings to extract the beauty the world has to offer.

Criticisms

While Maslow's theory was regarded as an improvement over previous theories of personality and motivation, it had its detractors. For example, in their extensive review of research which is dependent on Maslow's theory, Wahba and Bridgewell found little evidence for the ranking of needs Maslow described, or even for the existence of a definite hierarchy at all. A study conducted in 2002 forwards this thought, claiming: "the hierarchy of needs is nothing more than a fool's daydream; there is no possible way to classify ever-changing needs as society changes"[6]. Chilean economist and philosopher ManfredMaxNeef has also argued fundamentalhumanneeds are non-hierarchical, and are ontologically universal and invariant in nature - part of the condition of being human; poverty, he argues, is the result of any one of these needs being frustrated, denied or unfulfilled.

Frederick Irving Herzberg (1923 - 2000) was a noted psychologist who became one of the most influential names in business management. He is most famous for introducing jobenrichment and the Motivator-Hygiene theory.

Herzberg Motivation Theory

Herzberg proposed the Motivation-Hygiene Theory, also known as the Two factortheory (1959) of job satisfaction. According to his theory, people are influenced by two factors:

- Satisfaction, which is primarily the result of the *motivator factors*. These factors help increase satisfaction but have little effect on dissatisfaction.
- Dissatisfaction is primarily the result of hygienefactors. These factors, if absent or inadequate, cause dissatisfaction, but their presence has little effect on long-term satisfaction

Motivator Factors

- Achievement
- Recognition
- Work Itself
- Responsibility
- Promotion
- Growth

Hygiene Factors
- Pay and Benefits
- Company Policy and Administration
- Relationships with co-workers
- Physical Environment
- Supervision
- Status
- Job Security

CONSUMER PRICE INDEX (CPI)

A **consumer price index** (**CPI**) is a measure of the average price of consumer goods and services purchased by households. It is one of several price indices calculated by national statistical agencies. The percent change in the CPI is a measure of inflation. The CPI can be used to index (i.e., adjust for the effects of inflation) wages, salaries, pensions, or regulated or contracted prices.

GRATUITY

PAYMENT OF GRATUITY ACT, 1972

Gratuity = (Basic/26 *15)*No. of years

15 DAYS SALARY FOR 1 YEAR
MONTH IS COMPRISED OF 26 WORKING DAYS NOT 30 DAYS
IT MEANS 57.69 % OF MONTHLY BASIC IS PAYABLE (15*100/26) OR
0.58 MONTHS BASIC FOR 1 YEAR
OR
0.58*5 MONTHS BASIC FOR 5 YEARS
OR
2.9 MONTHS BASIC FOR 60 MONTHS (12 X 5) NOW 2.9

IS HOW MUCH %AGE OF 60 ?

2.9 X 100/ 60 = 4.83 %

HENCE GRATUITY SHOULD BE CALCULATED @ 4.83% AND NOT 4.16%

BONUS ACT

PAYMENT OF BONUS ACT, 1965

The minimum bonus which an employer is required to pay even if he suffers losses during the accounting year or there is no allocable surplus is 8.33 % of the salary during the accounting year.

Every employee receiving salary or wages upto RS. 3,500 p.m. and engaged in any kind of work whether skilled, unskilled, managerial, supervisory etc. is entitled to bonus for every accounting year if he has worked for at least 30 working days in that year.

The bonus should be paid in cash within 8 months from the close of the accounting year

MINIMUM WAGES ACT

Minimum Wages Act 1948

JOHARI WINDOW

Johariwindowdividespersonalawarenessinto4quadrants.

1. Openquadrant- Known to self and known to others.

2. <u>Blindquadrant-</u> Known to others but not known to self

3. <u>Hiddenquadrant-</u> Known to self but not known to others.
4. <u>Unknownquadrant-</u> Not known to self nor to others.

EMPLOYEE STATE INSURANCE SCHEME

SI - ESI Act 1948

6.50 – Employee – 4.73 ; Employer – 1.77

Workers, covered under the ESI Act, are required to pay contribution towards the scheme on a monthly basis contribution period means a six- month time span from 1 April to 30 October and 1 November to 31 March. Thus, in a financial year there are two contribution periods of six months duration. Cash benefits under the scheme are generally linked with contribution paid. The benefit period starts their months after the closure of a contribution period,

1 April to 30 September 1 January to 30 June of the following year

1 October to 31 march 18 July to 31 December

Contribution period	corresponding benefit period
1 April to 30 September	1 January to 30 June of the following year
1 October to 31 march	18 July to 31 December

Medical Benefits-

Complete medical care for the employee and family members are available from day one of entering into insurable employment.

Old Age Medical Care-

If a worker remains covered under the scheme for five years immediately before his retirement, he and his spouse is entitled to medical care from ESI Institutions on payment of rupees 120/ year. This facility is also available to those workers who leave the organisation because of permanent disability.

Sickness Benefits (Cash)-

If a worker falls sick and needs absence from work, he is provided sickness benefit in cash equivalent to 60% of his wage for the period of absence, as certified by an authorised medical officer. This benefit is provided, subject to his paid contribution for at least 78 days in a contribution period of 6 months.

Provision for women workers in pregnancy-

Maternity benefit in cash equivalent to full wage of 12 weeks in case of confinement and 6 weeks in case of miscarriage is provided. This is extendable by further one month in case of sickness arising out of pregnancy. To avail this benefit the insured woman should have paid contribution for atleast 70 days in preceding two contribution periods of one year.

Disablement Benefit (Cash)-

In case of an accident while on duty, the insured worker suffering from any temporary disablement are provided temporary disablement benefit@ about 75% of wage till the injury heals. If it turns to be a permanent disability then it is paid in cash depending upon the extent of loss of their earning capacity. This benefit is available from day one of the employment

Dependants Benefit-

If a worker dies due to any accident/occupational disease sustained in the course of his employment, his/her dependents are provided dependents benefit @ about 75% of wages of the deceased worker.

PROVIDENT FUND ACT

Provident Fund Act 1952

12% from Employee &

12% from employer – In this 12% for pension scheme (Pension Scheme Act 1995) it is 8.33% & employee 3.67%

Admin Charges 1.10% + Employee Deposit Linked Insurance Scheme (EDLI) (PF Act 1976) + 0.50% and Admin Charges +.01%

StatutoryForms

ProvidentFund:-

- Form 5:   Employees qualifying for PF for first time (Month Wise)
- Form 10 :   Employees leaving the service (Month Wise)
- Form 12A: Statement of contribution (Monthly)
- Form 3A: Contribution   card   for   specific   currency   period (Employee wise)
- Form 6A: Annual Statement of contribution (Company Wise)
- Declaration: By the employee
- Form 2:   Nomination and Declaration
- Form 19:   To be used by a major member of employees
- Form 13:   PF Transfer
- Form 10C: Claiming withdrawal Benefit/Scheme certificate

Provident Fund

1. The Employees Provident Fund Scheme, 1952
2. The Employees Family Pension Scheme, 1971
3. The Employees Deposit-Linked Insurance Scheme, 1976

Calculations: P.F from Basic

Employee: 12% (P.F)
Employer: 3.67% Provident Fund (A/c 1) + 8.33% Pension (A/c 10) +
1.10% Admin Charges on PF (A/c 2) + 0.50% EDLI (A/c 21) + 0.01% Admin
Charges on EDLI (A/c 22)=>13.61% on basic

* Pension (8.33% or 541/- which ever less)

Regular activities:

1. Time of joining: Form 2: Employee should fill, at the time of joining, nomination &
Declaration form.
Form 2, includes the following

· Name of the employee
· Parent/spouse name
· Date of Birth
· Sex
· Marital Status
· AC No
· Address
· Names, address, relation, Share for each etc
Also for changing nominee names Form 2 is used. His eligibility begins on the date of joining the
firm. Submitted along with form-5.

2. Withdrawers/Dead : Form 10c (pension) & 19 PF

Form 19 is used for withdrawing PF amount. Employee and parent/spouse name, name of the
establishment, Ac no, Reasons for leaving service,

Contribution for current financial year etc. Form 10 is used for pension withdrawal.

Form 19: Employee should fill, all information like Bank a/c, name, DOJ…
with signature and then
Employer like present year contributions, DOR…for PF Fund – Due date: After 60 Days
of Resignation)
Form 10C: Employee should fill, all information like Bank a/c, name, DOJ…
with signature and
then employer like present year contributions, DOR…for Pension Due date: After 60 Days of
Resignation

3. Transfer : Form 13

Form 13 is used for transferring an employee AC from one company to another. Both employer and employee have to specify his name, PF AC no, Position etc and submitted with a covering letter (consolidated list of employees). Photocopy of the above is kept in PF file for transfer.

4. Employee register 3A, 6
5. For advance : Form 31
6. In case of employee expired / dead :

Process details

Form 10 D (For claiming benefits under Pension)

Employee should fill like Expired/late employee name, nomination name, details, Nomination Bank a/c…for monthly Pension

Form 20 (For Claiming EPF Contributions)

Employee should fill like Expired/late employee name, nomination name, details, Nomination Bank a/c…for withdrawal of PF Fund (Incase of Death of a member

Form 5 IF (For Claiming EDLI benefits, nominee will get benefit)
EDLI for death case, nominee will get benefit.

7. Form 9 (Register of employers - Application for review filed under)

Monthly Remittance / Challans:

1. Challans every month before 15th (4 copies/ quadruplicate)
2. All A/c (A/c Nos-1,2,10,21&22)
3. To Bank
4. both employer & employee contribution

· Account group no eg Ma mu 1246 (state-first two alphabets /city/acc no: of the company)
· Month
· Total number of subscribers
· Total wages due for each account (wages on which calculations are done)
· Each accounts totals (consolidated amount with employer and employee share)
· Name of the establishment and address
· Name and signature of the depositor
· Name of the bank, mode and date of remittance etc
Challan is submitted tp PF office along with form-12A every month.

Monthly returns:

1. Form 12 A, with all information and employees list of contribution before 25th
2. With Form 5 (new joiners list) , form 10 (resigned employees list), challans copy
3. Information about last month employees, new & resigned employees & this month staff.

Form 5

· Name of the establishment and address
· Month
· Code no: of the factory
· A c no:
· Name of new employees
· Fathers or Husband name in case of married women
· Date of birth

· Sex
· Date of joining the fund
· Total period of pervious services as on the date of joining the fund

Form 10

· Name of the establishment and address
· Month
· Code no: of the establishment
· A c no:
· Name of member who is leaving
· Fathers or Husband name in case of married women
· Date of leaving service
· Reasons for leaving service
· Signature of authorized officer and stamp of the establishment
Cross checking the above is done with the salary statement which includes the number and name all current employees.

Form 12 A:

· Name of the establishment and address
· Currency period and month (April yr to march yr)
· Statutory rate of contribution (12%)
· Group code (NA for unexampled establishment. Establishment having more than 1000 have to keep a PF trust and have to specify the group code)
· Total wages due for each account (wages on which calculations are done)
· Amount of contribution and amount remitted (consolidated amount with employer and employee share)
· Date of remittance
· Total number of subscribers for the current month.
· Name and address of the bank in which the amount is remitted.
· Details of subscribers for E.P.F, PF, EDLI
--No of subscribers as per last month
--No of new subscribers (vide Form 5)
--No of subscribers left service (vide Form 10)
--Total no of subscribers (After adding and subtracting the new and retired employees with, the number should tally with monthly list of employees) Cross checking the above is done with the salary statement. **Annul returns:**
1. Form 3 A (Individual Computation sheet)

2. Form 6 A (Consolidated Annual Contribution Statement)

3. before 30th April every year

Form 6A:

· Currency period and month (April yr to march yr)
· Name of the establishment and address
· Code no: of the establishment
· No: of member voluntary contributing at a higher rate
· AC No of each employee followed by their name, annual salary, annual contribution, employer contribution, refund of advance, rate of voluntary contribution.
· This grand total should tally with all form 12 A and challans totals.

Form 3A: Register

This form is filled up for each employee stating his each monthly salary, contribution, Employer share, Refund of advance, No of days/period of non contributing service, if any (eg. unauthorised leave). If the employee is resigned during that financial year then the date of leaving service and reasons for leaving service should be specified in this form. Using Form 3A, form 6 A is filled up and crosschecking is done with all challans and 12 A forms.

* Muster Roll * Wage Register * Inspection Book * Cash Book, Voucher & Ledger * PF work sheet

Forms:

Form 3: Contribution Cards - Individual Computation sheet contains all PF amts month-wise.
Form 3 A: Contribution Cards – Form
Form 4: Contribution card for employees other than monthly paid employees - Form
Form 5 A: Return of Ownership to be sent to the Regional Commissioner - Form
Form 6: Return of the Contribution Cards sent to the Commissioner on the expiry of the period
of currency – Form
Form 6 A: Consolidated Annual Contribution Statement – Consolidated Computation Sheet,
contains total employees list, there total half yearly information. Form 6 is top sheet and 6A is attachments.
Form 9: Register of employees - Application for review filed under. Register 3: Individual Computation, there Gross salary, Basic, DA, attendance, PF, Pension
Information maintains month-wise. Form 3 is top sheet and 3A is attachments.

ESI: EMPLOYEES' STATE INSURANCE ACT, 1948

Calculations: ESI from Gross
Employee:1.75%
Employer: 4.75%
Coverage: All the employees Drawing wages up to Rs.10, 000/- per month engaged either directly or thru' contractor.

Regular activities:

1. Time of joining/at any time:

Form 01 : Employer Registration Form
Form 1 : Employee should fill, at the time of joining, Declaration form with postcard size Photograph – due date with in 10 days after the employees joins. Form 1 A : Family Declaration Form, family details

Form 1 B : Changes in family declamation form, like family members… Form 3 : Return of declaration form (Covering Letter) 3A continuation sheet/card, Employer should fill. Male and female separately.

Form 37 : Employer should fill Certificate of Re-Employment / Continuing employment. With Contribution period begin and end dates.

Form 105 : Employer should fill, Certificate of Entitlement.

Form 72 : Employee should fill, Application /form for changes in particular of <u>insured</u> Person. Like local office, Dispensary/Address changes.

Register 7 : Individual Computation, there Gross salary, Days, ESI amt. Information maintains month-wise.

Cards: Temporary & Permanent Cards.

Monthly Remittance / Challans:

1. Challans every month before 21st (3 copies/ quadruplicate)
2. Submit to <u>Bank</u>
3. Both employer & employee contribution
4. Cheq details.

Half year returns:

Contribution period:
1st April to 30th September.
1st October to 31st March

***42 days after closing Contn. Period (before Nov 11th. And next before May 12th)
1. Form 7 (Register of Employees)
2. Form 6A: Consolidated Computation Sheet, contains total employees list, there total half
Yearly Information. Form 6 is top sheet and 6A is attachments. (Statement of Advance Payment of Contributions)
2. In Oct & April
3. With all paid challans

Need to maintain:

* Muster Roll * Wage Register * Inspection Book * Accident Register * <u>Cash</u>
Books, Vouchers & Ledgers * Paid Challans, RDF and Declarations
* Returns copies

JOB ROTATION AND JOB TRANSFER

JOB ROTATION

Job rotation means systematic movement of employees from one job to the other. Job remains unchanged but employees performing them shift from one job to other.

Benefits

1. Workers become competent in several jobs.

2. Develop wide skills among workers

3. Improve interdepartmental co-operation

4. Motivate employees

5. Reduce boredom

6. Raise intrinsic reward potential of a job.

JOB TRANSFER

In business organisation employees are shifted from one post to another or from one department to other or from one branch of company to other. This is called job transfer. It is more common in banks, government department and manufacturing companies. Transfer is neither a promotion nor demotion but horizontal or lateral movement of an employee.

Purpose of Transfer

1. To meet the variation in volume of work in different department

2. To provide training to employee

3. To rectify any poor placement of employee

4. To satisfy personal needs of employee

5. To meet organisational needs arises due to expansion, fluctuation in work requirement or changes in organisational structure.

6. To have a solution to poor performance of employee in a particular department.

7. To avoid fatigue and monotony

8. To remove poor personal relations

9. To punish employees as a disciplinary action

PROMOTION POLICIES

PROMOTION

According to Edwin Flippo, *"Promotion involves a change from one job to another that is better in terms of status and responsibilities"*.

Promotion Objectives

1. To provide higher status, salary, and satisfaction to existing employees.

2. To motivate employees to higher productivity and loyalty to the organisation.

3. To retain the services of qualified and competent employees.

4. To recognise, appreciate and reward the loyalty and efficiency of employees

5. To support the policy of filling higher vacancies from within the organisation.

6. To raise employees morale and sense of belongings

Principles of Sound Promotion Policy

1. Rules of promotions i.e. qualifications, experience and other terms should be clear and precise

2. Wide publicity should be given to promotion policy

3. There should be no scope for partiality, favouritism or injustice.

4. Should be based on scientific performance appraisal of employees

5. Opportunity should be provided to every worker

6. Promotion policy should be prepared for longer period

7. Promotion should not be forced to accept by an employee

8. Promotion should be given from within the same department

9. Grievance relating to promotions should be settled properly.

10.   Promotion policy should be finalised after consultation with employees.

SEPERATIONS

Separation is the cessation of services of personnel from an organisation. Separation takes place due to the following reasons:

A] Initiative of Employer

1. Layoff – It is a temporary separation an employee for a definite period.

2. Retrenchment – It is a permanent separation with due notice as per statutory provision

3. Discharge or Dismissal – It is a permanent separation for violation of organisational rules.

4. Voluntary Retirement – The employee offered attractive package for separation from organisation on voluntary basis.

B] Initiative of Employee

1. Retirement – at the age of 60 years.

2. Resignation – given by employee

LABOUR TURNOVER

Labour turnover is the separation of employees from the existing job or service. Labour turnover is expressed in terms of percentage of workers left during a specific period out of the total labour force employed. 2 to 3 % labour turnover is normal but more that 10% labour turnover is a serious problem. Here HR manager has to introduce suitable remedial measures in order to reduce the rate upto 2-3%.

Causes of High Labour Turnover *(Steps to reduce labour turnover…write in other way)*

1. Unscientific promotion policy is the major cause.

2. Low wages, low bonus and absence of monetary incentives.

3. Hard nature of job, inadequate safeguards against accidents.

4. Poor working conditions.

5. Ill-treatment and harassment by supervisors.

6. Availability of better employment opportunities.

7. Absence of security of job and job satisfaction

8. Personal reasons such as illness, marriage, death in family etc.

Promotion By Merits	Promotion By Seniority
Meaning Here, ability, interest, qualifications etc. are taken into account for promotions	Here, the length of service is the only consideration for promotion.
It is favored by management	It is favoured by employees and trade unions
It is complicated method as merits are difficult to judge	It is simple and objective method.
There is ample scope of partiality	There is no scope for partiality
There is no guarantee of promotion to an employee even after many years	An employee knows the likely date of his promotion
Employee develop to avail the benefit	No encouragement to learn and grow
Only efficient worker get promotions	Efficient an in efficient workers get promotions
Used extensively in private sector	Used in government department

CAREER PLANNING

Career planning is a systematic process by which, one decide career goals and the path to achieve these goals. From organisational point of view, career planning means helping employees to plan their careers in terms of their educational background and capacities.

CAREER DEVELOPMENT

Career development is essential for implementation of career plan. It refers to a set of programmes designed to match the individual's needs, abilities and career goals with future opportunities in the organisation. Career planning and career development moves together.

Benefits of Career Planning and Development *(*Organisation can *achieve high quality of work* from their employees and *promote loyalty* among employees.

1. *Keeps employee motivation* high.

2. *Links organisational goals with the employee career goals*.

3. *Facilitates managerial succession* of employee.

4. *Facilitates career success* of majority of employees including managers.

5. *Leads to job satisfaction* to employees

6. *Reduce labour turnover and labour absenteeism* due to job attraction.

7. *Helps employees to know career opportunities* in the organisation.

8. *Create a better image* of organisation in the job market thus attract competent and career conscious employees.

9. *Facilitate rapid expansion* of organisation due to availability of highly skilled team of employees.

Steps in Career Planning & Development

1. *Analysis of Personnel Career Situation* – For analysis following information will be required:

    (a) Total number of employees available

    (b) Personnel need of the organisation

    (c) Span of control available within organisation

    (d) Facilities available for training and development

2. *Projection of Personal Situation* – In this step, find out the situation likely to develop after the completion of career development plan.

3. *Identifying of Career Needs* – Find out precisely the scope and limitations of career development needs in the future.

4. *Selection of Priorities* – It is difficult to meet all the career development needs of the organisation and employees, therefore in this step select the pressing and urgent need. For this certain techniques like cost-benefit analysis, work measurement etc. are used.

5. *Development of Career Plan* – In this step, the organisation should ensure following:

    (a) Introduce systematic policies and programmes of staff training.

(b) Implement a system of study leave.

(c) Provide appropriate training facilities and opportunities.

(d) Develop the experience of employees by rotating them from one region to another.

(e) Give priorities to existing employees in the filling of vacancies

(f) Establish a register for promotion on merit-cum seniority basis.

(g) Ensure full participation of employees' representatives in matters relating to training and promotions.

6. *Write-up of Formulated Plan* – Prepare a brief report of career plan, which contain schedule, procedures and other details.

7. *Monitoring of Career Development Plan* – In this step, compare planned target with the target actually archived and in case of any shortfall, introduce suitable remedial measures.

8. *Implementation of Career Development Plan* – In this step, HR department implements the career development plan with the help of financial and administrative departments.

9. *Review and Evaluation of Plan* – Evaluate the implemented plan to know the benefits available from this plan to individual employee and to organisation.

10. *Future Needs* – It is the last step of the current career development plan and the first step for next plan. Here on the basis of the achievements of the current plan, the career needs of the future period are estimated.

Career Management Process

It is the process of designing and implementing plans to enable the employees to achieve their career goals. It involves following steps:

1. *Career Needs Assessment* – Career needs of employees are assessed by evaluating the attitudes, abilities and potentials of employees. Psychological tests, in-depth interview and simulation exercise can be used to judge the employee potential.

2. *Identification of Career Opportunities* – Here, the management has to give publicity to career opportunities available in the organisation. For this appropriate job analysis is useful.

3. *Need-Opportunity Alignment* – In this step, employee's needs are adjusted with career opportunities available. The organisation has to design following programmes to help the employees in this regard:

(a) *Individualised Technique* such as work assignment, planned job rotation and job enrichment.

(b) *Performance Appraisal Technique*

(c) *MBO Technique*

(d) *Career Counseling Technique* – Supervisors provide career guidance to employees so as to enable them to decide their career goals.

4. *Monitoring Career Moves* – In this step, progress towards target goals are monitored.

SUCCESSION PLAN

Succession refers to the filling of position fallen vacant or likely to fall vacant in near future. The basic purpose of succession planning is to identify and develop people to replace current personnel in key position in case of resignation, promotion, expansion etc. Career planning and succession planning are similar but not synonyms. There are three basic elements in the succession planning:

1. Deciding the position for which the successor is needed

2. Identifying most suitable successor

3. Grooming of that successor to enable to make him competent for new position.

A succession plan consists of a runner up chart for a particular position in an organisation. The chart helps the MD to identify a successor.

COMPENSATION MANAGEMENT

COMPENSATON

Compensations are the monetary payment made by the employer to his employees for the work done or services rendered. Normally it involves following three components

1. Basic Compensation – wage or salary

2. Incentive Compensation – D.A., profit sharing, bonus

3. Supplementary Compensation – Fringe benefits, employee service.

COMPONENTS OF REMUNERATION / COMPENSATION

1. WAGES AND SALARIES

Wage and salary is the payment as per the pay scale decided by the employer. Wage represent hourly rate of pay while salary refers to the monthly rate of pay. Salary payment includes dearness and other allowance payable to employer. Wages are now linked with the cost of living. The term 'Take home pay' is used to indicate the quantum of money available to an employee after statutory deductions of IT, PF etc.

2. INCENTIVES

Incentives are monetary benefits paid to the employees in recognition of their outstanding performance. ILO defines incentives as "payment by results". There are two types of incentive wage plans"

1. *Individual Incentive Plans* – it is meant for individual employee. He has to work efficiently, produce more and get the monetary benefit. It is of following types:

(a) Halsey Premium Plan

(b) Hynes Plan

(c) Rowan Plan

(d) Scanion Plan

(e) Taylor's Differential Piece Rate System

2. *Group Incentive Plans* – it is meant for group of employees working in one department. Here the group work efficiently, produce more and share the monetary benefit. It is of following types

(a) Profit Sharing

(b) Labour Co-partnership

3. FRINGE BENEFITS Fringe benefits may be defined as a broad range of benefits or services that employees revive as an integral part of their total compensation package.

Types of Fringe Benefits

1. Payment for time not worked by employee: Holidays, Venations, and Leave

2. Contingent and deferred benefits:

(a) Pension payment

(b) Group Life Insurance / Health Insurance

(c) Sick Leave, Maternity Leave, Child Care Leave

(d) Service Award

(e) Severance Pay

3. Legally required payments:

(a)   Old age and Disability Insurance

(b)   Unemployment Compensation

(c)   Worker's Compensation

4.   Miscellaneous benefits:

(a)   Travel Allowance

(b)   Meal Allowance

(c)   Company car, membership pf club

(d)   Tool expenses

Objectives / Relevance of Fringe Benefits

1.   To supplement the regular earning of the workers.

2.   To retain competent employees

3.   To develop good corporate image

4.   To raise employee morale

5.   To motivate employees

4. PERQUISITES

Perquisite is a benefit received by an employee from the employer in addition to salary or wages either in cash or in kind without actually payment of money.

Illustration of perquisites

1.   Provision of a motorcar or free use of a car

2.   Provision of house, free of cost or at a concessional rent.

3.   Free gas, electricity

4.   Free services of servant at house

5.   Free educational facilities of children

6.   Free transport to an employee or his family

7.   Club bills paid by employer

8.   Income Tax due on salary paid by employer

5. NON-MONETARY BENEFITS

It includes comfortable working conditions, impartial promotions, support to workers facing special problems, welfare facilities, etc.

Profit Sharing

It is a type of group incentive plan in which employer is agrees to share a part of profit with employees in addition to their regular wages. This concept is popular in western countries; it was introduced in UK in 1891 by Southern Metropolitan Gas Company. However, profit sharing concept is not popular in India. Instead we have a system of bonus payment, which is now compulsory even when there is no profit to a company.

Objectives of Profit Sharing

1.   To create a sense of partnership among the workers

2.   (All points of fringe benefits)

Fair Wages

Fair wage is the wage, which is above the minimum wage (as specified by Minimum Wages Act) but below the living wage. Wages is fair when the employee is able to meet his essential needs and enjoys a reasonable standard of loving. Fair wages depend on following factors:

1.   Prevailing rate of wages in the same or similar occupation

2.   Prevailing rate of wages in the same region or neighbouring areas

3.   Employer's ability to pay

4.   Level of national income and its distribution

5.   Productivity of labour

6.   Status of the industry in the economy

PARTICIPATIVE MANAGEMENT

Participative management means associating workers with the decision making process. The concept of participative management is directly related to the concept of industrial democracy. In industrial democracy, the opinion and suggestions of workers are taken into account while faming policies.

Objectives of Participative Management

1.   To create uniform approach of workers on various matters of common interest through direct negotiations.

2.   To establish cordial industrial relations and industrial peace.

3.   To take workers in confidence to give them an opportunity of self-expression.

4.   To introduce industrial democracy at the level of an industrial unit

5.   To improve industrial productivity and prosperity

Latest Trends / Techniques in Participative Management

1. *Quality Circles: QC consists of a small number of employees who come together on voluntary basis with one issue i.e. to improve quality or to improve productivity. Meetings are held once a week for one hour where members of QC are given free hand to solve the problems relating to quality. QC is a voluntary cooperation of workers to the management and is beneficial for both of them. QC is most popular in Japan; it is now functioning in many Indian companies as well.

2. *Collective Bargaining: Collective bargaining is a process in which the representatives of employer and employees meet together to negotiate a contract. It results into signing an agreement, which restricts each party that it cannot take unilateral decision harming the interest of other party. Collective bargaining is a better alternative to strikes and industrial disputes, as it provides a peaceful and democratic method for solving the problems and demands of workers. Shri V. V. Giri (Ex-President of India) was a strong supporter of collective bargaining.

3. Works Committee: It consists of representatives of management and workers for removing the cause of friction between employers and workers in day to day working of the factory. Works committees are most effective in UK and France but in India it is neither effective nor popular, though it is made compulsory by Industrial Dispute Act 1947 to have a Works Committee for the company employing 100 or more workers.

4. Workers Co-operative: It is called as "Auto Management". Here, the workers take over the sick industrial unit and manage it completely on co-operative basis. E.g. Kamani Tubes Ltd. was closed down in 1985. The Kamani Employees Union took over the company and started it in 1989. The Supreme Court also allowed the workers to run the unit.

5. Co-partnership: In this method, workers are converted into shareholders of the company by offering equity shares to them and are allowed to participate in the management like other shareholders. They can elect their representative on the BOD. It is not popular in India, workers shows limited interest in purchasing of shares of their own company.

6. Joint Management Council: Its is similar to works committee with equal representation of employer and employees. Joint Consultative Committees exists in UK and Sweden. In India it is used for heated arguments and not for discussions.

7. Employee Directors: Here, two or three representatives of workers are taken on the BOD of the company. It is now practiced in public sector companies like Hindustan Antibiotics Ltd. and HMT, nationalised and co-operatives banks.

8. Suggestion Programme: In this method, worker are asked to give their suggestion to management on various matters like machine utilisation, waste management, energy conservation, safety measures etc. The suggestions, which are suitable, are accepted. This scheme encourages workers to think individually or collectively and participate in raising the efficiency of the organisation. TATA and DCM introduced this method.

9. Empowered Teams: In this, the authority is delegated to employees where they enjoy the power and sense of ownership and control over the job.

10. Job Enlargements and Job Enrichment:

PERSONNEL MANUAL

Personnel Policies

Personnel policies refer to the policies concerning the manpower employed in an organisation. Scope of personnel policies is wide that includes policies relating to employment, training and development, compensation, transfers and promotions, working conditions industrial relations, etc. Personnel policies should be clear, objective oriented, long lasting, flexible written and just and fair.

Personnel Policy Manual

A document or booklet that contains the details of personnel policies of an organisation is called Personnel Manual. It is a comprehensive guide or reference book to employees, managers and supervisors. HR manager prepares the policy manual with cooperation of other managers.

Objectives of Personnel Manual

1. To provide systematic approach to policies and practices

2. To avoid difficulties due to misunderstanding of personnel policies

3. To provide equal employment opportunities to everyone irrespective of race, religion and cast.

4. To ensure consistent application of personnel policies in the organisation.

5. To enable managers to maintain cordial personnel relations.

Contents of Policy Manual

1. Objectives of personnel policy manual

2. Philosophy of the organisation

3. Authority of the policy manual

4. Privilege and responsibility of supervisors, HODs and managers.

5. Company and plant rules

6. Grievance and cost control

7. Policies and practices on personnel matters:

    (a)   Work flow chart

    (b)   Hours of work

    (c)   Recruitment, selection and placement policies

(d)   Training and development policy

(e)   Compensation policies

(f)   Health, safety, security, welfare policy

(g)   Performance appraisal

(h)   Promotions, transfers and lay-off policy

(i)   Attendance, punctuality and absenteeism

(j).   Discipline, Disciplinary action

TRANSACTIONAL ANALYSIS

INTRODUCTION

When people interact in assertive or non-assertive ways, there is a social transaction in which one person responds to another. The study of these social transactions between people is called Transactional Analysis (TA). Transactional analysis was developed by Eric Berne for psychotherapy in the 1950s. The objective of TA is to provide better understanding of how people relate to one another, so that they may develop improved communication and human relationship.

I'm OK - You're OK
"I'm OK - You're OK" is probably the best-known expression of the purpose of transactional analysis: to establish and reinforce the position that recognizes the value and worth of every person. Transactional analysts regard people as basically "OK" and thus capable of change, growth, and healthy interactions.

Strokes
Berne observed that people need strokes, the units of interpersonal recognition, to survive and thrive. Understanding how people give and receive positive and negative strokes and changing unhealthy patterns of stroking are powerful aspects of work in transactional analysis.

Ego States
Eric Berne made complex interpersonal transactions understandable when he recognized that the human personality is made up of three "ego states". Each ego state is an entire system of thoughts, feelings, and behaviors from which we interact with one another. The Parent, Adult and Child ego states and the interaction between them form the foundation of transactional analysis theory. These concepts have spread into many areas of therapy, education, and consulting as practiced today.

Transactions
Transactions refer to the communication exchanges between people. Transactional analysts are trained to recognize which ego states people are transacting from and to follow the transactional sequences so they can intervene and improve the quality and effectiveness of communication.

Games People Play
Berne defined certain socially dysfunctional behavioral patterns as "games." These repetitive, devious transactions are principally intended to obtain strokes but instead they reinforce negative feelings and self-concepts, and mask the direct expression of thoughts and emotions. Berne tagged these games with such instantly recognizable names as "Why Don't You, Yes But," "Now I've Got You, You SOB," and

"I'm Only Trying to Help You." Berne's book *Games People Play* achieved wide popular success in the early 60's.

Life Script

Eric Berne proposed that dysfunctional behavior is the result of self-limiting decisions made in childhood in the interest of survival. Such decisions culminate in what Berne called the "life script," the pre-conscious life plan that governs the way life is lived out. Changing the life script is the aim of transactional analysis psychotherapy. Replacing violent organizational or societal scripting with cooperative non-violent behavior is the aim of other applications of transactional analysis.

Contracts

Transactional analysis practice is based upon mutual contracting for change. Transactional analysts view people as capable of deciding what they want for their lives. Accordingly transactional analysis does its work on a contractual basis between the client and the therapist, educator, or consultant.

Over the past 40 years, Berne's theory has evolved to include applications in **counseling**, **education**, **organizational development**, and **psychotherapy**.

- The **counseling specialization** is chosen by professionals working in such diverse contexts as social welfare, health care, pastoral work, prevention, mediation, process facilitation, multicultural work, and humanitarian activities, to name a few.

- **Educational transactional analysis** is used by practitioners working in training centers, preschools, elementary and high schools, universities, and institutions that prepare teachers and trainers as well as in support of learners of all ages to thrive within their families, organizations, and communities.

- **Organizational transactional analysts** work in, or for, organizations using transactional analysis concepts and techniques to evaluate an organization's developmental processes and challenges as well as its dysfunctional behaviors.

- **Psychotherapists** utilize transactional analysis to facilitate their clients' capacities for self-actualization and healing by learning to recognize and change old, self-limiting patterns.

STRATEGIC MANAGEMENT

Concept of strategy

The term strategy is derived from a Greek word strategos which means generalship. A plan or course of action or a set of decision rules making a pattern or creating a common thread.

Definition for strategic management:

Strategic Management is defined as the dynamic process of formulation, implementation,
evaluation and control of strategies to realize the organizations strategic intent.

Conceptual framework for the development of strategic management:

- Strategic Advantage

- Organizational capability
- Competencies
- Synergistic Effects
- Strengths and weaknesses
- Organizational Resources
- organizational behavior

Meaning of Corporate Strategy:

Corporate strategy helps to exercise the choice of direction that an organization adopts. There could be a small business firm involved in a single business or a large, complex and diversified conglomerate with several different businesses. The corporate strategy in both these cases would be about the basic direction of the firm as a whole.

According to Gluek, there are four strategic alternatives:

- Expansion strategies
- Stability strategies
- Retrenchment Strategies
- Combination strategies

1. Expansion strategies:

The corporate strategy of expansion is followed when an organization aims at high growth by substantially broadening the scope of one or more of its businesses in terms of their respective customer groups, customer functions and alternative technologies singly or jointly in order to improve its overall performance.

2. Stability strategies:

The corporate strategy of stability is adopted by an organization when it attempts an incremental improvement of its performance by marginally changing one or more of its businesses in terms of their respective customer groups, customer functions and alternative technologies respectively.

3. Retrenchment strategies:

The corporate strategy of retrenchment is followed when an organization aims at contraction of its activities through a substantial reduction or elimination of the scope of one or more of its businesses in terms of their respective customer groups, customer functions or alternative technologies either singly or jointly in order to improve its overall performance.

4. Combination strategies:

The combination strategy is followed when an organization adopts a mixture of stability, expansion and retrenchment strategies either at the same time in its different businesses or atdifferent times in one of its businesses with the aim of improving its performance

GROWTH STRATEGY

Growth strategy is a corporate level strategy, designed to achieve increase in sales, assets and profits.

Growth strategies may be classified as follows:

- Vertical growth
- Horizontal growth

Vertical growth occurs when one function previously carried over by a supplier or a distributor is being taken over by the company in order to reduce costs, to maintain quality of input and to gain control over scarce resources. Vertical growth results in vertical integration.

1. Horizontal integration:

A firm is said to follow horizontal integration if it acquires another firm that produces the same type of products the same type products with similar production process/marketing practices.

2. Vertical integration:

Vertical integration means the degree to which a firm operates vertically in multiple locations on an industry"s value chain from extracting raw materials to manufacturing and retailing. Vertical integration occurs when a company produces its own inputs or disposes of its own outputs.

3. Backward Integration:

Backward integration refers to performing a function previously provided by a supplier.

4. Forward integration:

Forward integration means performing a function previously provided by a retailer.

Process of Strategic Management

Strategic management consists of four basic elements.

- Environmental scanning
- Strategy formulation
- Strategy implementation
- Evaluation and control

STRATEGIC INTENT

CK Prahald and Hamel coined the term 'strategic intent' to indicate an obsession of an organization, some times having ambitions that may even be out of proportion to their resources and capabilities. They explain the term 'strategic intent' like this.

"On the one hand, strategic intent envisions a desired leadership position and establishes the criterion the organization will use to chart its progress…. At the same time, strategic intent is more than simply unfettered ambition. The concept also encompasses an active management process that includes:

- focusing the organization's attention on the essence of winning,

- motivating people by communicating the value of the target,
- leaving room for individual and team contributions,
- sustaining enthusiasm by providing new operational definitions as circumstances change and
- using intent consistently to guide resource allocations".

DIVERSIFICATION

Diversification is considered to be a complex one because it involves a simultaneous departure from current business, familiar products and familiar markets. Firms choose diversification when the growth objectives are very high and it could not be achieved within the existing product/market scope.

Types of diversification:

Related diversification:

In related diversification the firm enters into a new business activity, which is linked in a company"s existing business activity by commonality between one or more components of each activity"s value chain.

Unrelated diversification:

In unrelated diversification, the firm enters into new business area that has no obvious connection with any of the existing business. It is suitable, if the company"s core functional skills are highly specialized and have few applications outside the company"s core business.

Concentric diversification:

Concentric diversification is similar to related diversification as there are benefits of synergy when the new business is related to existing business through process, technology and marketing.

STRATEGIC ALLIANCE

Meaning:A strategic alliance is a formal relationship between two or more parties to pursue a set of agreed upon goals or to meet a critical business need while remaining independent organizations.

Types of Strategic Alliances:

- Joint Venture
- Equity Strategic Alliance
- Non-equity Strategic Alliance
- Global Strategic Alliance

Stages of Alliance operation:

- Strategy Development
- Partner Assessment
- 15 Einstein College of Engineering
- Contract Negotiation
- Alliance Operation
- Alliance Termination

Advantages of Strategic alliance:

- Allowing each partner to concentrate on activities that best match their capabilities
- Learning from partners developing competences that may be more widely exploited elsewhere.
- Adequacy a suitability of the resources competencies of an organization for it to survive

Disadvantages of strategic Alliance:

- Alliances are costly
- Alliances can create indirect costs by blocking the possibility of cooperating with competing companies, thus possibly even denying the company various financing options.
- Joint ventures also expose the company to its partners and the unique technologies that it has are sometimes revealed to its partner company.

BUSINESS LEVEL STRATEGY

To create a successful business model, strategic managers must:
1. Formulate business level strategies that will allow a company to attract customers away from other companies in the industry.
2. Implement those business level strategies which also involve the use of functional level strategies to increase responsiveness to customers, efficiency, innovation and quality.

Competitive positioning and the Business model:
1. To create a successful business model, managers must choose a set of business-level strategies that work together to give a company competitive advantage over its rivals
2. To craft a successful model a company must first define its business, which entails decisions about
a. Customer needs or what is to be satisfied
b. Customer groups or what is to be satisfied
c. Distinctive competencies or how customer needs are to be satisfied.

Formulating the Business model: Customer needs and product Differentiation
1. Customer needs:
2. Product differentiation:
3. Customer groups:
4. Identifying customer groups and market segments:

Three Approaches to Market Segmentation:
• No Market segmentation:
High Market segmentation:
Focused Market segmentation:

GENERIC BUSINESS- LEVEL STRATEGIES:
• Cost leadership:
• Differentiation

GAP ANALYSIS

Meaning: In gap Analysis, the strategist examines what the organization wants to achieve (desired performance) and what it has really achieved (actual performance). The gap between what is desired and what is achieved widens as the time passes no strategy adopted.

ENVIRONMENT THREAT AND OPPORTUNITY PROFILE (ETOP)

Meaning of Environmental Scanning: Environmental scanning can be defined as the process by which organizations monitor their relevant environment to identify opportunities and threats affecting their business for the purpose of taking strategic decisions.

Appraising the Environment:

In order to draw a clear picture of what opportunities and threats are faced by the organization at a given time. It is necessary to appraise the environment. This is done by being aware of the factors that affect environmental appraisal identifying the environmental factors and structuring the results of this environmental appraisal.

Structuring Environmental Appraisal:

The identification of environmental issues is helpful in structuring the environmental appraisal so that the strategists have a good idea of where the environmental opportunities and threats lie.There are many techniques to structure the environmental appraisal. One such technique suggested by Gluek is that preparing an ETOP for an organization. The preparation of an ETOP involves dividing the environment into different sectors and then analyzing the impact of each sector on the organization.

SWOT Analysis and STRATEGIC MANAGEMENT

- **Strengths**
- **Weaknesses**
- **Opportunities**
- **Threats**

SWOT analysis is an examination of an organization's internal strengths and weaknesses, its opportunities for growth and improvement, and the threats the external environment presents to its survival. Originally designed for use in other industries, it is gaining increased use in healthcare.

Steps in SWOT Analysis

Step 1 of SWOT analysis involves the collection and evaluation of key data. Depending on the organization, these data might include population demographics, community health status, sources of healthcare funding, and/or the current status of medical technology. Once the data have been collected and analyzed, the organization's capabilities in these areas are assessed.

In Step 2 of SWOT analysis, data on the organization are collected and sorted into four categories: strengths, weaknesses, opportunities, and threats. Strengths and weaknesses generally stem from factors within the organization, whereas opportunities and threats usually arise from external factors. Organizational surveys are an effective means of gathering some of this information, such as data on an organization's finances, operations, and processes.

Step 3 involves the development of a SWOT matrix for each business alternative under consideration. For example, say a hospital is evaluating the development of an ambulatory surgery center (ASC). They are looking at two options; the first is a wholly owned ASC, and the second is a joint venture with local

physicians. The hospital's expert panel would complete a separate SWOT matrix for each alternative. **Step 4 involves** incorporating the SWOT analysis into the decision-making process to determine which business alternative best meets the organization's overall strategic plan.

DIFFERENT ORGANIZATION STRUCTURES

- Simple Organizational Structure
- Divisional Organizational Structure
- Strategic Business Unit Structure
- Matrix Organizational Structure

EMOTIONAL INTELLIGENCE

What is Emotional Intelligence?

Emotional Intelligence (EQ or EI) is a term created by two researchers – Peter Salavoy and John Mayer – and popularized by Dan Goleman in his 1996 book of the same name.

We define EI as the ability to:

Recognize, understand and manage our own emotions
Recognize, understand and influence the emotions of others
In practical terms, this means being aware that emotions can drive our behavior and impact people (positively and negatively), and learning how to manage those emotions – both our own and others – especially when we are under pressure.

The Five Components of Emotional Intelligence

Self-awareness. The ability to recognize and understand personal moods and emotions and drives, as well as their effect on others.
[*A hallmark is a sure sign: since self-awareness is necessary for, say, realistic self-assessment, that is, without self-awareness no realistic self-assessment, the presence of of realistic self-assessment is a sure sign (sufficient to conclude that there is) self-awareness.]

Self-regulation. The ability to control or redirect disruptive impulses and moods, and the propensity to suspend judgment and to think before acting. Hallmarks include trustworthiness and integrity; comfort with ambiguity; and openness to change.

Internal motivation. A passion to work for internal reasons that go beyond money and status -which are external rewards, - such as an inner vision of what is important in life, a joy in doing something, curiosity in learning, a flow that comes with being immersed in an activity.

Empathy. The ability to understand the emotional makeup of other people. A skill in treating people according to their emotional reactions

Social skills. Proficiency in managing relationships and building networks, and an ability to find common ground and build rapport. Hallmarks of social skills include effectiveness in leading change, persuasiveness, and expertise building and leading teams.

ORGANISATIONAL CHANGE

The term 'organisational change' implies the creation of imbalances in the existing pattern of situation. When an organization operates and functions for a long time, an adjustment between its technical, human and structural set-up is established. It tends to approximate an equilibrium in relation to its environment. In other words, organization members evolve a tentative set of relations with the nvironment. They have an adjustment with their job, working conditions, friends and colleagues etc. Change requires individuals to make new adjustments. Hence the fear of adjustment gives rise to

the problem of change and resistance to change. Individual comes in to danger. On the other hand, groups resist change where their existence is in danger or a total change in overall work environment is contemplated.

Management of change may be defined as a conscious and concerted initiative by those who are in-charge of the destiny of the business undertaking or firm to keep a constant and intelligent watch over the behaviour of uncontrollable forces, to assess their impact and influence of the controllable forces, and to evolve appropriate strategies and action programmes to maintain a dynamic equilibrium between the controllable and uncontrollable forces. The controllable forces are those forces about which sufficient information is available. Such forces can be managed easily. Uncontrollable forces are

those about which not much is known. These forces exert a powerful influence on the behaviour of controllable forces and limit the scope of managerial action.

LEVELS OF CHANGE
    (a) Individual Level Change
    (b) Group Level Changes
    (c) Organization Level Changes

TYPES OF CHANGE
    a) Strategic Change
    b) Structural Change
    c) Process-oriented Change
    d) People-oriented Change

RESISTANCE TO CHANGE
Sources of resistance to change may be rational or emotional. Rational resistance occurs when people do not have the proper knowledge or information to evaluate the change. Providing information (in the form of data, facts, or other types of concrete information) reduces the resistance. Emotional resistance involves the psychological problems of fear, anxiety, suspicion, insecurity, and the like. These feelings are evoked because of people's perception of how the change will affect them.

Causes of Resistance
1. Economic Factors
2. Psychological Factors
3. Social Factors

CONFLICT MANAGEMENT

Definition of Conflict Management

Conflict management is the practice of being able to identify and handle conflicts sensibly, fairly, and efficiently. Since conflicts in a business are a natural part of the workplace, it is important that there are people who understand conflicts and know how to resolve them. This is important in today's market more than ever. Everyone is striving to show how valuable they are to the company they work for and, at times, this can lead to disputes with other members of the team.

Conflict Management Styles

Conflicts happen. How an employee responds and resolves conflict will limit or enable that employee's success. Here are five conflict styles that a manager will follow according to Kenneth W. Thomas and Ralph H. Kilmann:

An accommodating manager is one who cooperates to a high degree. This may be at the manager's own expense and actually work against that manager's own goals, objectives, and desired outcomes. This approach is effective when the other person is the expert or has a better solution.

Avoiding an issue is one way a manager might attempt to resolve conflict. This type of conflict style does not help the other staff members reach their goals and does not help the manager who is avoiding the issue and cannot assertively pursue his or her own goals. However, this works well when the issue is trivial or when the manager has no chance of winning.

Collaborating managers become partners or pair up with each other to achieve both of their goals in this style. This is how managers break free of the win-lose paradigm and seek the win-win. This can be effective for complex scenarios where managers need to find a novel solution.

Competing: This is the win-lose approach. A manager is acting in a very assertive way to achieve his or her own goals without seeking to cooperate with other employees, and it may be at the expense of those other employees. This approach may be appropriate for emergencies when time is of the essence.

Compromising: This is the lose-lose scenario where neither person or manager really achieves what they want. This requires a moderate level of assertiveness and cooperation. It may be appropriate for scenarios where you need a temporary solution or where both sides have equally important goals.

Conflict Management Techniques

(a) Forcing

(b) Win-Win (Collaborating)

(c) Compromising

(d) Withdrawing

(e) Smoothing

GRIEVANCE MANAGEMENT

Grievance Handling: Definition, Features Causes, and Effects

Introduction and Definition of Grievance:
A grievance is any dissatisfaction or feeling of injustice having connection with one's employment situation which is brought to the attention of management. Speaking broadly, a grievance is any dissatisfaction that adversely affects organizational relations and productivity. To understand what a grievance is, it is necessary to distinguish between dissatisfaction, complaint, and grievance.
1. Dissatisfaction is anything that disturbs an employee, whether or not the unrest is expressed in words.
2. Complaint is a spoken or written dissatisfaction brought to the attention of the supervisor or the shop steward.
3. Grievance is a complaint that has been formally presented to a management representative or to a union official.

According to Michael Jucious, 'grievance is any discontent or dissatisfaction whether expressed or not, whether valid or not, arising out of anything connected with the company which an employee thinks, believes or even feels to be unfair, unjust or inequitable'.

In short, grievance is a state of dissatisfaction, expressed or unexpressed, written or unwritten, justified or unjustified, having connection with employment situation.

Features of Grievance:
1. A grievance refers to any form of discontent or dissatisfaction with any aspect of the organization.
2. The dissatisfaction must arise out of employment and not due to personal or family problems.
3. The discontent can arise out of real or imaginary reasons. When employees feel that injustice has been done to them, they have a grievance. The reason for such a feeling may be valid or invalid, legitimate or irrational, justifiable or ridiculous.
4. The discontent may be voiced or unvoiced, but it must find expression in some form. However, discontent per se is not a grievance. Initially, the employee may complain orally or in writing. If this is not looked into promptly, the employee feels a sense of lack of justice. Now, the discontent grows and takes the shape of a grievance.
5. Broadly speaking, thus, a grievance is traceable to be perceived as non-fulfillment of one's expectations from the organization.

Causes of Grievances:
Grievances may occur due to a number of reasons:
1. Economic:
Employees may demand for individual wage adjustments. They may feel that they are paid less when compared to others. For example, late bonus, payments, adjustments to overtime pay, perceived inequalities in treatment, claims for equal pay, and appeals against performance- related pay awards.
2. Work environment:
It may be undesirable or unsatisfactory conditions of work. For example, light, space, heat, or poor physical conditions of workplace, defective tools and equipment, poor quality of material, unfair rules, and lack of recognition.
3. Supervision:
It may be objections to the general methods of supervision related to the attitudes of the supervisor towards the employee such as perceived notions of bias, favouritism, nepotism, caste affiliations and regional feelings.

4. Organizational change:

Any change in the organizational policies can result in grievances. For example, the implementation of revised company policies or new working practices.

5. Employee relations:

Employees are unable to adjust with their colleagues, suffer from feelings of neglect and victimization and become an object of ridicule and humiliation, or other inter- employee disputes.

6. Miscellaneous:

These may be issues relating to certain violations in respect of promotions, safety methods, transfer, disciplinary rules, fines, granting leaves, medical facilities, etc.

Effects of Grievance:

Grievances, if not identified and redressed, may adversely affect workers, managers, and the organization.

The effects are the following:

1. On the production:

a. Low quality of production

b. Low productivity

c. Increase in the wastage of material, spoilage/leakage of machinery

d. Increase in the cost of production per unit

2. On the employees:

a. Increase in the rate of absenteeism and turnover

b. Reduction in the level of commitment, sincerity and punctuality

c. Increase in the incidence of accidents

d. Reduction in the level of employee morale.

3. On the managers:

a. Strained superior-subordinate relations.

b. Increase in the degree of supervision and control.

c. Increase in indiscipline cases

d. Increase in unrest and thereby machinery to maintain industrial peace

Need for a Formal Procedure to Handle Grievances:

A grievance handling system serves as an outlet for employee frustrations, discontents, and gripes like a pressure release value on a steam boiler. Employees do not have to keep their frustrations bottled up until eventually discontent causes explosion.

The existence of an effective grievance procedure reduces the need of arbitrary action by supervisors because supervisors know that the employees are able to protect such behavior and make protests to be heard by higher management. The very fact that employees have a right to be heard and are actually heard helps to improve morale. In view of all these, every organization should have a clear-cut procedure for grievance handling.

Steps to eliminate the causes of grievances :-

1. **Quick action-** As soon as the grievance arises, it should be identified and resolved. Training must be given to the managers to effectively and timely manage a grievance. This will lower the detrimental effects of grievance on the employees and their performance.
2. **Acknowledging grievance-** The manager must acknowledge the grievance put forward by the employee as manifestation of true and real feelings of the employees. Acknowledgement by the manager implies that the manager is eager to look into the complaint impartially and without any bias. This will create a conducive work environment with instances of grievance reduced.

3. **Gathering facts-** The managers should gather appropriate and sufficient facts explaining the grievance's nature. A record of such facts must be maintained so that these can be used in later stage of grievance redressal.

4. **Examining the causes of grievance-** The actual cause of grievance should be identified. Accordingly remedial actions should be taken to prevent repetition of the grievance.

5. **Decisioning-** After identifying the causes of grievance, alternative course of actions should be thought of to manage the grievance. The effect of each course of action on the existing and future management policies and procedure should be analyzed and accordingly decision should be taken by the manager.

6. **Execution and review-** The manager should execute the decision quickly, ignoring the fact, that it may or may not hurt the employees concerned. After implementing the decision, a follow-up must be there to ensure that the grievance has been resolved completely and adequately.

GRIEVANCE REDRESSAL

Grievance Redressal is a management- and governance-related process used commonly in India. While the term "Grievance Redressal" primarily covers the receipt and processing of complaints from citizens and consumers, a wider definition includes actions taken on any issue raised by them to avail services more effectively.

The traditional approach to Grievance Redressal, handled through letters and complaint forms, has very little appeal and its usage rarely reflects the actual state of customer satisfaction or lack thereof. However, new Internet-based approaches used by the government and more by private organizations, such as Public Grievance Portal (Govt of India), Trip Advisor, and ActPlease.com.

COVERAGE

Grievance Redressal typically covers the following types of complaints:

- Service Unavailability
- Non-Delivery against Commitment
- Excessive Delays
- Injustice concerns (such as over race, caste, sex)
- Staff Misbehaviour
- Malpractice

Wider definition of grievance redressal covers:

- Malfunctions under Warranty coverage
- Product Support issues
- Citizen Vigilance reports
- Employee Disputes

PROCESS

Input acceptance

Customers convey their grievance to the organization through feedback forms, letters, registered communications, emails, etc. These inputs may be submitted by mail, over the Internet, or in person.

Anonymity

Customers are often reluctant to report grievances that target individual executives of the organization, especially those who may influence their future interactions or have the potential to take vengeance. Under such conditions, the organization needs to assure the customer that her identity will be hidden from executives, and preferably from everyone. This, however, opens the potential problem of deceitful negative inputs purposefully targeted against specific executives, as the people reporting are kept anonymous.

Spam Prevention

Feedback forms on website are prone to spam submissions. There are cases when employees themselves submit feedback - positive for their professional gain, and negative if targeting colleagues. Some service centers make employees sign blank feedback forms to create positive statistics. Such situations can be prevented by seeking verification of identity of customers. This is especially possible on online setups, such as ActPlease.com, which uses SMS to verify the authenticity of the mobile number of reporter. Basic tools such as Captcha can prevent automatic spammers. Mass submission of false feedback becomes less likely and easy to detect in case of paper-based submission.

Acknowledgement & Status Tracking

Customers tend to develop much greater confidence in the grievance and feedback mechanism if they are given a formal acknowledgement. The acknowledgement could be by SMS and Email, as used by ActPlease.com, or simply by publicly posting their message on the appropriate forum, such as TripAdvisor. Ticketing Systems such as osTicket and Fresh Desk, as well as SaaS systems such as ActPleaserespond with acknowledgements with unique tracking numbers. These may be used by customers to check status of action taken on their complaint.

Forwarding

Paper-based feedback as well as standard feedback forms on websites usually forward inputs to a single officer or email address. This naturally causes scope for delay or failure to reach the right persons. However, smarter ticketing systems sort grievances based on their classification, and then redirect each to their relevant executive(s) instantly.

Escalation

Smart Grievance Portals such as ActPlease expect organizations to configure typical action time for each type of complaint, as well as set up the hierarchy for escalation. When an executive fails to take corrective action in time, the matter is promoted to the officer next in line in seniority.

Action

Computerized and web-based systems have an advantage over paper-based systems as they can alert the reporter immediately upon completion of action, as marked by the executive in charge.

Verification

Customer may certify, if applicable and asked, whether the corrective action taken on their grievance satisfies them or is not substantial enough. Should it not be, the complaint may be marked as pending again, or be forwarded to a more senior officer in escalated form.

MEASUREMENTS

The effectiveness of implementation of a grievance redressal mechanism can be calculated with the following parameters:

- Count of cases received
- Nature of cases received
- Acceptance of anonymous feedback
- Ratio of false inputs
- Time taken for corrective action
- Escalations required
- Confirmations & rejections after completion
- Repeat nature of grievances

CHALLANGES

Traditional Grievance Redressal mechanisms tend to fail, or are very ineffective, on account of some of these causes:

- **Unavailability** or **Difficulty to access** means to report grievances, at times done so purposefully, or due to lack of priority
- **Lack of authority** of PRO over relevant departments and executives in Government organizations
- **Disconnect** of senior decision-maker executives with end customers
- **Non-motivation** of front-end managers to forward negative feedback to higher-ups
- **Fear** of citizens / consumers to report malpractice about officers with substantial authority
- **Inability** of smaller private organizations to set up computerized mechanisms
- **Inaccuracy** and **spamming** of feedback forms, driving false impressions
- **Delayed feedback acceptance**, as feedback is taken after service has been provided, while corrective action may be taken typically during the delivery of service

Grievance Redressal Options available to Organizations

Paper-based Feedback Forms

These are most popular and usually used by consumer service businesses, such as hotels and restaurants. They are less likely to be effective, as there is reduced assurance of their reaching the decision-making authorities. These also usually do not give any formal confirmation or tracking number to the complainant. Possibility of fake submissions also remains. Customers therefore have less confidence on such forms. Confidence can be strengthened if a central call center sends an acknowledgement of receipt of such feedback. Another possible reinforcement may be done by taking digitized input, which can be processed using scantron machines.

Contact Us Links

Websites of organizations generally carry the **Contact Us** page, which lists the email and phone numbers to use to submit any concerns. Many websites also provide a form to fill that automatically gets sent by email, with confirmation to the reporter.

Customer-driven Feedback Websites

Websites such as Yelp and TripAdvisor allow customers to post grievances and recommendations about organizations from personal experience. Designated representatives of these organizations have the option to respond to such communications, though these responses are often just standard text. The feedback also tends to be subjective and unlikely to be auto-sorted and forwarded for action.

Organization-oriented Portals

Organizations can subscribe to grievance redressal portals such as <u>ActPlease.com</u> to invite their customers to report their grievances and request action. As such portals are configured by the organizations themselves, they can ensure that complaints are directed properly. ActPlease, being a third party site, handles anonymity of the reporter from the organization when necessary, while ensuring the genuine nature of the person, through <u>SMS</u> verification. Such <u>SaaS</u> Portals are easy to use and easily affordable for all organizations including SMEs, while empowering them with the latest tools such as <u>Mobile Apps</u> and Customized Websites.

Custom-developed Ticketing Systems

Large organizations involved in customer service set up their own ticketing systems with similar features as the SaaS portals, but with greater customization in the processing of grievances. Examples of such organizations are <u>Bharat Sanchar Nigam Limited</u> and <u>Torrent Power</u>. Large-scale ERP software, such as <u>SAP</u> and <u>Genie</u> also provide facility for setting up ticketed grievance redressal and customer support systems.

INDUSTRIAL RELATIONS & TRADE UNIONS

Industrial relations is a multidisciplinary field that studies the <u>employment</u> relationship. Industrial relations is increasingly being called **employment relations** or**employee relations** because of the importance of non-industrial employment relationships;[3] this move is sometimes seen as further broadening of the <u>human resource management</u> trend.[4] Indeed, some authors now define human resource management as synonymous with employee relations.[5] Other authors see employee relations as dealing only with non-unionized workers, whereas <u>labor relations</u> is seen as dealing with unionized workers.[6] Industrial relations studies examine various employment situations, not just ones with a unionized workforce.

Pluralist perspective

In pluralism, the organization is perceived as being made up of powerful and divergent sub-groups, each with its own legitimate loyalties and with their own set of objectives and leaders. In particular, the two predominant sub-groups in the pluralist perspective are the management and trade unions.

Consequently, the role of management would lean less towards enforcing and controlling and more toward persuasion and co-ordination. Trade unions are deemed as legitimate representatives of employees, conflict is dealt by collective bargaining and is viewed not necessarily as a bad thing and, if managed, could in fact be channelled towards evolution and positive change.

Unitarist perspective

In unitarism, the organization is perceived as an integrated and harmonious whole with the ideal of "one happy family", where management and other members of the staff all share a common purpose, emphasizing mutual cooperation. Furthermore, unitarism has a paternalistic approach where it demands loyalty of all employees, being predominantly managerial in its emphasis and application.

Consequently, trade unions are deemed as unnecessary since the loyalty between employees and organizations are considered mutually exclusive, where there can't be two sides of industry. Conflict is perceived destructive and result as poor management.

Marxist/Radical perspective

This view of industrial relations looks at the nature of the capitalist society, where there is a fundamental division of interest between capital and labour, and sees workplace relations against this background. This perspective sees inequalities of power and economic wealth as having their roots in the nature of the capitalist economic system. Conflict is therefore seen as inevitable and trade unions are a natural response of workers to their exploitation by capital. Whilst there may be periods of acquiescence, the Marxist view would be that institutions of joint regulation would enhance rather than limit management's position as they presume the continuation of capitalism rather than challenge it.

TRADE UNIONS IN INDIA

In India the Trade Union movement is generally divided on political lines. According to provisional statistics from the Ministry of Labour, trade unions had a combined membership of 50,97,366 in 2010. As of 2008, there are 14 Central Trade Union Organisations (CTUO) recognised by the Ministry of Labour.

THE ROLE OF TRADE UNIONS IN INDUSTRIAL RELATIONS

Trade or labor unions have been around since the 1930s to resist through equal bargaining power the domination of employers over employees and to represent workers' interests in the employment relationship. It is through union efforts that workers benefit from better pay and working conditions, and that they are treated with dignity and respect at work. The importance of trade unions cannot be overstated even though membership has been on a steady decline.

Collective Bargaining

Labor unions developed to grant employees equal bargaining power with their employers, who traditionally had the ability to exclusively set the terms and conditions of work and pay. Unions represent workers within a given industry in negotiations with their employers. Since the union comprises a group of workers, it has a greater voice than if employees were dealing with employers individually. For example, unions are credited with abolishing sweatshops and child labor in the United States because they pushed for these practices to end. The National Labor Relations Act guarantees employees' right to bargain collectively through their chosen labor union representatives. Unions can organize strikes, boycotts, go-slows and sit-ins to get employers to consider their proposals.

Employee Welfare

Unions have successfully fought for better terms and conditions for workers. They represent workers' interests and have secured a variety of benefits, such as higher wages for unionized employees, work-life balance characterized by reasonable work schedules, job security and protection from arbitrary action by employers. In a September 2012 essay on the CNN website, Democratic strategist Donna Brazile asserted that is also due in part to union activity that discrimination in the workplace was outlawed and that workers have access to health care, safe working conditions and guaranteed Social Security. Unions not only have given workers dignity in the workplace, but they also consistently facilitate enhanced welfare and standards of living for American workers.

Unfair Practices

Labor unions check the unfair labor practices of employers. The NLRA declares that it is unlawful for employers to dominate a union, discriminate against workers engaged in union activity, victimize workers who file charges against them with the National Labor Relations Board or interfere with employees engaged in concerted union activity. If the employer does any of these prohibited acts, the union can take it up with the board on behalf of the employees. For example, the union representing Boeing Co.

engineers and technical workers filed charges against the company for interfering with employees engaging in concerted union activity. The board investigates charges and may take a variety of actions, including issuance of cease-and-desist or reinstatement orders to remedy unfair treatment against employees. Unions ensure that employers comply with the law and can lodge appeals in federal court if employers do not respect board decisions.

Legislation

Unions also play a key role in developing labor laws and regulations for effective worker protection. The unions initiate the push for regulation in areas that concern employees in the workplace. They lobby for the creation of laws and regulations and disseminate information to the employees about them. Measures such as the NLRA, the Social Security Act, the Family Medical Leave Act and the Occupational Safety and Health Act exist as a result of union efforts for better terms and conditions for workers. Unions monitor the status of implementation of employee welfare laws and regulations to ensure they are properly enforced.

LABOUR LAWS

Labour and Employment Laws of India

The labour enactments in India, is divided into 5 broad categories, viz. Working Conditions, Industrial Relations, Wage, Welfare and Social Securities.

The enactments are all based upon Constitution of India and the resolutions taken in ILO conventions from time to time. Indian labour law refers to laws regulating employment. There over fifty national laws and many more state-level laws. Traditionally Indian Governments at federal and state level have sought to ensure a high degree of protection for workers through enforesement of labour laws.

While conforming to the essentials of the laws of contracts, a contract of employment must adhere also to the provisions of applicable labour laws and the rules contained under the Standing Orders of the establishment. Indian labour laws divide industry into two broad categories:

1. Factory

Factories are regulated by the provisions of the Factories Act, 1948 (the said Act). All Industrial establishments employing 10 or more persons and carrying manufacturing activities with the aid of power come within the definition of Factory. The said Act makes provisions for the health, safety, welfare, working hours and leave of workers in factories. The said Act is enforced by the State Government through their 'Factory' inspectorates. The said Act empowers the State Governments to frame rules, so that the local conditions prevailing in the State are appropriately reflected in the enforcement. The said Act puts special emphasis on welfare, health and safety of workers. The said Act is instrumental in strengthening the provisions relating to safety and health at work, providing for statutory health surveys, requiring appointment of safety officers, establishment of canteen, crèches, and welfare committees etc. in large factories.

The said Act also provides specific safe guards against use and handling of hazardous substance by occupiers of factories and laying down of emergency standards and measures.

2. The Shops & Establishment Act

The Shops and Establishment Act is a state legislation act and each state has framed its own rules for the Act. The object of this Act is to provide statutory obligation and rights to employees and employers in the unauthorized sector of employment, i.e., shops and establishments. This Act is applicable to all persons employed in an establishment with or without wages, except the members of the employers' family.

This Act lays down the following rules:

• Working hours per day and week.

• Guidelines for spread-over, rest interval, opening and closing hours, closed days, national and religious holidays, overtime work.

• Employment of children, young persons and women.

• Rules for annual leave, maternity leave, sickness and casual leave, etc.

• Rules for employment and termination of service.

The main central laws dealing with labor issues are given below: -

1. Minimum Wages Act 1948

2. Industrial Employment (Standing orders) Act 1946

3. Payment of Wages Act 1936

4. Workmen's Compensation Act 1923

5. Industrial Disputes Act 1947

6. Employees Provident Fund and Miscellaneous Provisions Act 1952

7. Payment of Bonus Act 1965

8. Payment of Gratuity Act 1972

9. Maternity Benefit Act 1961

Minimum Wages Act 1948

The Minimum Wages Act prescribes minimum wages for all employees in all establishments or working at home in certain employments specified in the schedule of the Act. Central and State Governments revise minimum wages specified in the schedule.

The Minimum Wages Act 1948 has classified workers as unskilled, semi-skilled, skilled; and highly skilled.

Industrial Employment (Standing orders) Act 1946

The Industrial Employment Act requires employers in industrial establishments to clearly define the conditions of employment by issuing standing orders duly certified. Model standing orders issued under

the Act deal with classification of workmen, holidays, shifts, payment of wages, leaves, termination etc. Generally, the workers are classified as

• apprentice/trainee;

• casual;

• temporary;

• substitute;

• probationer;

• permanent; and

• fixed period employees

Payment of Wages Act 1936

Under the Payment of Wages Act 1936 the following are the common obligations of the

employer:

• Every employer is primarily responsible for payment of wages to employees. The employer should fix the wage period (which may be per day, per week or per month) but in no case it should exceed one month;

• Every employer should make timely payment of wages. If the employment of any person is being terminated, those wages should be paid within two days of the date of termination; and

• The employer should pay the wages in cash, i.e. in current coins or currency notes. However wages may also be paid either by cheque or by crediting in employee's bank account after obtaining written consent.

Workmen's Compensation Act 1923

The employer must pay compensation for an accident suffered by an employee during the course of employment and in accordance with the Act. The employer must submit a statement to the Commissioner (within 30 days of receiving the notice) giving the circumstances attending the death of a worker as result of an accident and indicating whether the employer is liable to deposit any compensation for the same. It should also submit an accident report to the Commissioner within seven days of the accident.

Industrial Disputes Act 1947

The Industrial Disputes act 1947 provides for the investigation and settlement of industrial disputes in an industrial establishment relating to lockouts, layoffs, retrenchment etc. It provides the machinery for the reconciliation and adjudication of disputes or differences between the employees and the employers. Industrial undertaking includes an undertaking carrying any business, trade, manufacture etc.The Act lays down the conditions that shall be complied before the termination/retrenchment or layoff of a workman who has been in continuous service for not less than one year under an employer. The workman shall be given one month's notice in writing, indicating the reasons for retrenchment and the period of the notice that has expired or the workman has been paid, in lieu of such notice, wages for the period of the notice.

The workman shall also be paid compensation equivalent to 15 days' average pay for each completed year of continuous service. A notice shall also be served on the appropriate government.

Employees Provident Funds and Miscellaneous Provisions Act 1952

This Act seeks to ensure the financial security of the employees in an establishment by providing for a system of compulsory savings. The Act provides for establishments of a contributory Provident Fund in which employees' contribution shall be at least equal to the contribution payable by the employer. Minimum contribution by the employees shall be 10-12% of the wages. This amount is payable to the employee after retirement and could also be withdrawn partly for certain specified purposes.

Payment of Bonus Act 1965

The payment of Bonus Act provides for the payment of bonus to persons employed in certain establishments on the basis of profits or on the basis of production or productivity. The Act is applicable to establishments employing 20 or more persons. The minimum bonus, which an employer is required to pay even if he suffers losses during the accounting year is 8.33% of the salary.

Payment of Gratuity Act 1972

The Payment of Gratuity Act provides for a scheme for the payment of gratuity to all employees in all establishments employing ten or more employees to all types of workers. Gratuity is payable to an employee on his retirement/resignation at the rate of 15 days salary of the employee for each completed year of service subject to a maximum of Rs. 350,000.

Maternity Benefit Act 1961

The Maternity Benefit Act regulates the employment of the women in certain establishments for a prescribed period before and after child birth and provides certain other benefits. The Act does not apply to any factory or other establishment to which the Employees State Insurance Act 1948 is applicable. Every women employee who has actually worked in an establishment for a period of at least 80 days during the 12 months immediately proceeding the date of her expected delivery, is entitled to receive maternity benefits under the Act. The employer is thus required to pay maternity benefits and/or medical bonus and allow maternity leave and nursing breaks.
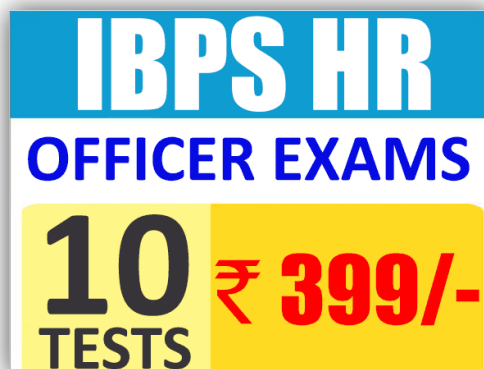
HR/Personnel Officer MCQ -1

1. Which one of the following statements is not correct'?

In the matrix structure of organization, there is:

(a) dual chain of command

(b) better communication

(c) more flexibility

(d) less conflict

Ans. (d)

2. Consider the following statements:

1. Model synthesis of organization is based on the fact that all organizations must deal with uncertainty

2. Sources of uncertainty are external as well as internal

3. If the sources of organizational uncertainty are internal, then the organization will try to reduce uncertainty by decentralizing

Which of the statements given above are correct?

(a) Only 1555555 and 2

(b) Only 2 and 3

(c) Only I and 3

(d) 1, 2 and 3

Ans. (a)

3. Consider the following statements:

Organization development is different from

1. Management development which is action oriented.

2. Operations research which is not human value oriented.

Which of the statements given above is/are correct?

(a) Only 1

(b) Only 2

(c) Both 1 and 2

(d) Neither 1 nor 2

Ans. (b)

4. Which of the following are the outcomes of organizational development?

1. Improvement in interpersonal skills of members

2. More organic organization

3. Resolution of conflicts through interactive methods

Select the correct answer using the code given below:

(a) 1, 2 and 3

(b) Only 1 and 2

(c) Only 2 and 3

(d) Only 1 and 3

Ans. (a)

5. Consider the following statements:

1. Activities classified for line authority differ in each organization.

2. For small organizations, all positions may be line positions.

3. Staff authority is based on expert power.

Which of the statements given above are correct'?

(a) 1, 2 and 3

(b) Only 1 and 2

(c) Only 2 and 3

(d) Only 1 and 3

Ans. (c)

6. Consider the following statements:

1. Decentralization has the same advantages as delegation.

2. Decentralization leads to more flexibility in an organization.

3. Decentralization leads to slower decision making in raid1y changing environment

Which of the statements given above are correct'?

(a) l, 2 and 3

(b) Only l and 2

(c) Only 2 and 3

(d) Only I and 3

Ans. (b)

7. Which one of the following is not a function of a leader in an organization?

(a) Motivating employees

(b) Fixing the remuneration package of the employees

(c) Resolving conflict

(d) Selecting the most effective communication channel

Ans. (b)

8. Consider the following statements:

1. Control helps to monitor environment changes and their effects on the organization's progress.

2. Delegation of authority in participative management does not change the nature of the control process.

Which of the statements given above is/are correct?

(a) Only 1

(b) Only 2

(c) Both 1 and 2

(d) Neither 1 nor 2

Ans. (a)

9. Which of the following techniques used by organizations engaged in public administration are based on network analysis?

1. Organization and Methods (O. and M.)

2. PERT

3. Critical Path Method

4. Work Study

Select the correct answer using the code given below:

(a) 1, 2, 3 and 4

(b) Only 1 and 2

(c) Only 2 and 3

(d) Only 1 and 4

Ans. (c)

10. Which one of the following is not a defense public sector undertaking?

(a) Bharat Dynamics Ltd.

(b) Mishra Dhatu Nigam Ltd.

(c) Bharat Earth Movers Ltd.

(d) Bharat Heavy Electrical Ltd.

Ans. (d)

11. Which of the following is/are essential to delegate authority in an organization?

1. Establish feedback channels

2. Others must not know that delegation has occurred

3. Delegate's range of discretion should not be specified

Select the correct answer using the code given below:

(a) Only 1

(b) Only 2 and 3

(c) Only 1 and 3

(d) 1, 2 and 3

Ans. (a)

12. Which one of the following statements is not correct?

Wider span of control is consistent with efforts of the organizations to

(a) get closer to customers

(b) speed up decision making

(c) reduce cost

(d) improve supervision

Ans. (d)

13. Consider the following statements:

Computer technology has made the concept of:

1. authority more relevant

2. authority less relevant

3. chain of command more relevant

4. unity of command less relevant

Which of the statements given above is/are correct?

(a) l and 3

(b) Only 3

(c) 2 and 4

(d) 1 and 4

Ans. (c)

14. Consider the following statements:

Human diseconomies from increasing work specialization beyond a limit surface in the form of:

1. stress

2. poor quality of output

3. increased absenteeism

4. high turnover from the organization

Which of the statements given above is/are correct?

(a) 1, 2, 3 and 4

(b) Only 1 and 4

(c) Only 2 and 3

(d) Only 1

Ans. (a)

15. Who among the following developed the classic three- step model of organizational change?

(a) Kurt Lewin

(b) H. Simon

(c) J.P. Kotter

(d) L.R. Murphy

Ans. (a)

16. Who developed the concept that tension between worker's 'logic of sentiment' and manager's 'logic of cost and efficiency' could lead to conflict within the organization?

(a) Herbert Simon

(b) Chester Barnard

(c) Fredrick W. Taylor

(d) Elton Mayo

Ans. (d)

17. Consider the following statements:

1. Through the Hawthorne Studies, Elton Mayo could support Mary Parker Follett's theory that the lack of attention to human relationships was a major flaw in other management theories.

2. The book – The Human Problems of an Industrialized Civilization was written by Mary Parker Follett.

Which of the statements given above is/are correct?

(a) Only l

(b) Only 2

(c) Both 1 and 2

(d) Neither 1 nor 2

Ans. (a)

18. Match List- I (Leadership Type) with List-II (Main idea/ Model) and select the correct answer using the code given below the lists:

List -I (Leadership Type) List-II (Main idea/Model)

A. Participative 1.Vroom and Yettons Normative Model

B. Contingency 2. The Managerial Grid

C. Behavioral 3. Likerts Leadership Style

D. Situational 4. Fiedler's Least Preferred Co-worker (LPC) Theory

Code:

A B C D

(a) 2 4 3 1

(b) 3 1 2 4

(c) 2 1 3 4

(d) 3 4 2 1

Ans. (d)

19. Which of the following are among the 14 principles of management in the classical management work of Henri Fayol?

1. Personnel tenure

2. Unity of command

3. Core competence

4. Scalar chain

Select the correct answer using the code given below:

(a) Only 1, 2 and 3

(b) Only 2 and 4

(c) Only l and 3

(d) 1, 2, 3 and 4

Ans. (b)

20. Which of the following pairs is/are correctly matched?

Scholar Viewpoint

1. F. Riggs In developing countries, bureaucracy also performs political roles

2. Harold Laski Bureaucracy is a threat to democratic government

3. S. Eisenstadt Bureaucracy is the most rational form of organization

Select the correct answer using the code given below:

(a) 1 and 2

(b) Only 1

(c) Only 2

(d) 1 and 3

Ans. (a)

21. Which of the following pairs is/are correctly matched?

1. Cybernetic Theory : Norbert Weiner

2. Task-Technology : Joan Woodward

3. Classical Approach to : Frederick Taylor

organizational design

Select the correct answer using the code given below:

(a) Only 1 and 2

(b) Only 2 and 3

(c) Only 1

(d) 1, 2, and 3

Ans. (a)

22. Consider the following statements:

1. Defects in co-ordination inherent in large-scale organizations may apply to an organization whether the organization is bureaucratic or not.

2. Chester Barnard criticized Weber for failing to analyze the correspondence of behaviour in organizations with organizational blueprints.

Which of the statements given above is/are correct?

(a) Only 1

(b) Only 2

(c) Both 1 and 2

(d) Neither 1 nor 2

Ans. (c)

Directions: The following nine (9) items consist of two statements, one labelled as the 'Assertion (A)' and the other as 'Reason (R).' You are to examine these two statements carefully and select the answers to these items using the codes given below:

Codes:

(a) Both A and R are individually true and R is the correct explanation of A

(b) Both A and R are individually true but R is not correct explanation of A

(c) A is true but R is false

(d) A is false but R is true

23. Assertion (A): Behavioral approach to leadership believes that individual's trained-in appropriate leadership would be able to lead more effectively.

Reason (R): Behaviors unlike traits can be learned.

Ans. (a)

24. Assertion (A): A bureaucrat's capacity to adapt to changing circumstances is far less than that conceived by those who drew up the organizational rules.

Reason (R): In order to be perceived as effective, the bureaucrat behaves consistently and follows rules strictly.

Ans. (a)

25. Who among the following expressed the view that virtually all the decisions in an organization are such that they do not maximize, but only suffice?

(a) George Miller

(b) Herbert A. Simon

(c) Kurt Lewin

(d) Abraham Maslow

Ans. (b)

26. Match List- I (Early Model of Motivation) with List -II (Person) and select the correct answer using the code

given below the lists:

List -I List -II

(Early Model of Motivation) (Person)

A. Traditional Model 1. Douglas McGregor

B. Human Relations 2. Frederick Taylor

C. Human Resource Model 3. Elton Mayo

Codes:

A B C

(a) 1 2 3

(b) 2 3 1

(c) 1 3 2

(d) 2 1 3

Ans. (b)

27. Consider the following statements:

1. Henri Fayol was the first to describe the fly functions of management.

2. Henri Fayol was a French management theorist whose theories concerning human relations were widely influential in the beginning of the 20th Century.

Which of the statements given above is/are correct?

(a) Only 1

(b) Only 2

(c) Both 1 and 2

(d) Neither 1 nor 2

Ans. (a)

28. Consider the following statements:

1. Much of current knowledge of selection techniques, employee training and work design is built on the work of Hugo Munsterberg.

2. Hugo Munsterberg combined scientific management and industrial psychology in his work.

Which of the statements given above is/are correct?

(a) Only l

(b) Only2

(c) Both 1 and 2

(d) Neither 1 nor 2

Ans. (c)

29. Which one of the following is not i component of Max Weber's ideal bureaucracy?

(a) Job specialization

(b) Impersonality

(c) Career orientation

(d) Organization as a social system

Ans. (d)

30. Who among the following conducted one of the most widely cited pig iron experiment as an example of scientific management?

(a) Robert Owen

(b) Frederick W. Taylor

(c) Chester Barnard

(d) Mary Parker Follett

Ans. (b)

31. The systems approach is mainly based on the work of which one of the following?

(a) Chris Argyris

(b) Chester Barnard

(c) Ludwig Bertalanffy

(d) A. Etzioni

Ans. (c)

32. What is a 'Shadow Cabinet' in the British system?

(a) A group of young members of the ruling party

(b) A group of members from the opposition party who scrutinize some functions of the government and present alternative policy

(c) A team of intellectuals who advise the Cabinet

(d) A Cabinet Committee that functions under the guidance of the Cabinet

Ans. (b)

33. Consider the following statements about the features of the administrative system in France:

1. Ministers are more concerned with direct administration in the provinces.

2. Specialist personnel are found only in small numbers in the advisory and policy-making roles.

3. Freedom of executive action from the legislature's supervision increased under the Fifth Republic.

Which of the statements given above are correct?

(a) 1, 2 and 3

(b) Only 1 and 2

(c) Only 2 and 3

(d) Only 1 and 3

Ans. (a)

34. Which of the following Departments of the Government of India were put under the Cabinet Secretariat at the time of their creation?

1. Department of Electronics

2. Department of Scientific and Industrial Research

3. Department of Personnel

Select the correct answer using the code given below:

(a) Only 1 and 2

(b) Only 2 and 3

(c) Only 1 and 3

(d) 1, 2 and 3

Ans. (d)

35. Consider the following statements:

1. The Administrative Reforms Commission (ARC) had recommended that the Department of Personnel of a State should be put under the charge of the Chief Secretary of the State.

2. Chief Secretary of a State is not involved in any manner in the promotion of State Civil officers to the All-India Services.

Which of the statements given above is/are correct?

(a) Only 1

(b) Only 2

(c) Both 1 and 2

(d) Neither 1 nor 2

Ans. (a)

36. Who among the following are administratively linked with the Department of Personnel and Training?

1. Central Bureau of Investigation

2. Union Public Service Commission

3. Central Vigilance Commission

Select the correct answer using the code given below:

(a) Only 1 and 2

(b) Only 2 and 3

(c) Only 1 and 3

(d) 1, 2 and 3

Ans. (d)

37. Who among the following introduced the concepts and phrases— "conflict resolution" and "the task of leadership"?

(a) Henri Fayol

(b) Elton Mayo

(c) Mary Parker Follett

(d) Chester Barnard

Ans. (c)

38. Consider the following statements:

1. The rationalist paradigm of public policy is dominated by scholars of public administration rather than by political scientists.

2. The increment list paradigm of public policy making and implementation is theoretical, effectual, prescriptive and nonnative.

Which of the staten1ts given above is/are correct?

(a) Only 1

(b) Only 2

(c) Both 1 and 2

(d) Neither 1 nor 2

Ans. (a)

39. Consider the following statements:

1. The Management Information System (MIS) provides decision making assistance for unstructured problems.

2. Decision Support System (DDS) is structured around analytic decision models on a specialized management database.

Which of the statements given above is/are correct?

(a) Only 1

(b) Only 2

(c) Both 1 and 2

(d) Neither 1 nor 2

Ans. (b)

40. Consider the following statements about open model of organization:

1. Means (or the proper way to do a job) are emphasized in the open model.

2. Non-routine tasks occur in unstable conditions in the open model.

3. The beginning of the open model can be traced to Saint-Simon and Auguste Comte.

Which of the statements given above is/are correct?

(a) Only 2

(b) 1 and3

(c) 2 and 3

(d) 1 and 2

Ans. (c)

41. Which one of the following is not included in "hygiene" factors in the Herzberg two-factor theory of motivation?

(a) Salary

(b) Working conditions

(c) Company's policy

(d) Responsibility

Ans. (d)

42. Consider the following statements about managerial grid in the context of leadership theories:

1. It portrays a three-dimensional view of leadership style.

2. The grid shows dominating factors in a leader's thinking in regard to getting results.

3. The grid does not show results produced.

4. The grid offers a framework for conceptualizing leadership style.

Which of the statements given above are correct?

(a) Only 1, 2 and 3

(b) Only 2, 3 and 4

(c) Only 1 and 4

(d) 1, 2, 3 and 4

Ans. (d)

43. Which one of the following statements is not correct in respect of the rational comprehensive approach of decision-making in an organization?

(a) It cannot be simulated under laboratory conditions.

(b) Values to be realized are usually not set out distinctly.

(c) Individual decision-maker cannot take a comprehensive view of the whole problem.

(d) The need for speed compels decisions to be taken on the basis of incomplete data.

Ans. (d)

44. Which one of the following statements is not correct?

Decision making in the public sector, in comparison to the private sector, involves

(a) higher levels of constraint

(b) more complexity

(c) less consultation

(d) more conflict

Ans. (c)

45. Contingency approach to leadership focuses on which of the following?

I. Task requirements

2. Peers' expectations

3. Employees' expectations

4. Organizational policies

Select the correct answer using the code given below:

(a) Only l, 2 and 3

(b) Only l, 2 and 4

(c) Only 3 and 4

(d) 1, 2, 3 and 4

Ans. (d)

46. Consider the following statements:

1. Motivation cannot be used as a tool to arrange job relationships in organizations.

2. Individuals make conscious decisions about, their behaviour in the organization.

3. Motivating factors are related to the job content and the rewards of work performance.

Which of the statements given above are correct?

(a) Only 1 and 2

(b) Only 2 and 3

(c) Only 1 and 3

(d) 1, 2 and 3

Ans. (c)

47. Which one of the following is not a component of expectancy model of motivation?

(a) Positive reinforcement

(b) Valence

(c) Performance-outcome equation

(d) Effort-performance equation

Ans. (a)

48. Match List -I (Person) with List- II (Major Area) and select the correct answer using the code given below the lists:

List-I (Person) List- II (Major Area)

A. Robert Owen 1. Motivation Theories

B. Henry L. Gantt 2. Personnel Management

C. W. Clay Hammer 3. Incentive Scheme for workers

D. Clayton Alderfer 4 Behaviour Modification Techniques

Code:

A B C D

(a) 2 4 3 1

(b) 1 3 4 2

(c) 2 3 4 1

(d) 1 4 3 2

Ans. (c)

49. The Wagner Act which proved to be the Magna Carta of labour was introduced in which country?

(a) United Stats1of America

(b) Great Britain

(c) France

(d) Japan

Ans. (a)

50.HRIS helps managers to perform _____ more effectively & systematically.

(a) Management functions

(b) Controlling functions

(c) Planning functions

(d) HR functions

Ans. (d)

HR/Personnel Officer MCQ -2

1. The understanding, prediction, and management of human behavior in organizations is referred to as _____.
   a) Organizational design
   b) Organizational development
   c) Organizational behavior
   d) Organizational culture
   Ans: C

2. All managers play the role of hiring, training, motivating, and disciplining employees. This role may be termed as
   a) Figurehead role
   b) Leadership role
   c) Liaison role
   d) None of the above
   Ans: B

3. A manager interacting with individuals are groups inside or outside the organization performs the role of a _____.
   a) Leader
   b) Figurehead
   c) Liaison
   d) Ambassador
   Ans: C

4. Managers have to play several roles while performing their duty. One of these roles, called the interpersonal role, depends on the extent of interpersonal relationships involved. The interpersonal roles of a manager include:
   a) Liaison role
   b) Decision role
   c) Figurehead role
   d) Informational role
   Ans: 3

5. which of the following approaches is widely applied in the field of organizational behavior and used mostly in the analysis of perception, personality and attitude, motivation, and goal setting?
   a) Behavioristic approach
   b) Social learning approach
   c) cognitive approach
   d) All of the above
   Ans: C

6. _____is a field of study that is relevant to organizational behavior in terms of social perception and social learning. It attempts to understand the behavior of people in society and to find the rationale behind it.

a) Cognitive frame work
b) Behavioristic theory
c) Social cognition

d) Organization theory

Ans: C

7. In the social learning approach to organizational behavior, which is considered the most appropriate unit of analysis?

a) Behavior
b) People
c) Environment
d) Both a and b

Ans: A

8. Albert Bandura defined _____as a continuous reciprocal interaction among cognitive, behavioral, and environmental determinants.

a) Culture
b) Behavior
c) Stimulus
d) Learning

Ans: B

9. The organizational behavior model based on social learning is known as the SOBC model. In this model, the letter 'O' denotes

a) Organization
b) Organ
c) Organism
d) None of the above

Ans: C

10. _____refers to the heterogeneity of employees in organization in terms of gender, race, and ethnicity.

Globalization
Workspace diversity
Cosmopolitanism
Secularism

Ans: B

11. The second generation of the information age is characterized by all of these expect

a) Advanced electronic communications systems
b) Simple automated data processing
c) Information super highway
d) Advanced decision-making capabilities

Ans: D

12. In the _____model of organizational behavior, employees cease to depend on managers, but their dependence on the organization increases.

a) Custodial
b) Supportive

c) Collegial
d) Autocratic

Ans: A

13. Which among the following models of organizational behavior is an extension of the supportive model?
a) Lewin's three-step model
b) Collegial model
c) Autocratic model
d) Porter-Lawler model

Ans: B

14. 'Behavioral science considers the influence of various elements of the complex external environment on people's behavior.' Identify the element which is not among these.
a) Social systems
b) Economical systems
c) Technical systems
d) Psychological systems

Ans:D

15. _____refers to act of motivating people in organizational settings to develop teamwork which accomplishes individual as well as organizational goals effectively.
a) Cognition
b) Psychology
c) Human relation
d) Organizational development

Ans: C

16. _____ is known as the father of scientific management According to him ' specific scientific methods could help people perform their jobs effectively and efficiently'.
a) Elton Mayo
b) Fredrick W. Taylor
c) S.G. Huneryager
d) Fred Luthans

Ans: B

17. With regard to the behavior of individuals at work, Douglas Mc Gregor formulated two sets of assumptions. These assumptions are called
i. Theory X
   ii. Theory Y
   iii.Cognitive theories
   iv.Social learning theory
   Only I and ii
   Only I, iii and iv
 Only ii, iii and iv
 Only iii and iv
 Ans: A

18. Employess are basically lazy and they dislike work. This is the assumption of

a) Theory X

b) Theory Y

c) Theory Z

d) Both a and b

Ans: A

19. The assumptions of Theory X, which serve as the basis for most organizational principles, have given rise to

a) Tough management practices

b) Soft management practices

c) Theory Z

d) Both a and b

Ans:D

20. According to Theory X, the tough methods used to improve employee performance are depicted as:

a) The stick

b) Punishment

c) Pay cut

d) Disincentives

Ans: A

21. Job enrichment can be defined as

a) an individual general attitude towards his/her job

b) the extent to which a person identifies psychologically with his/her job.

c) the vertical expansion of jobs which increases the planning execution and evaluation of his/her work.

d) an employees satisfaction with a particular organization and its goals.

Ans: C

22. Major players in the IT industry like IBM, intel, and HP, also known as Theory Z organizations, have adopted which style of management?

a) American

b) Japanese

c) French

d) Combination of a and b

Ans: D

23. The theory Z organization were

a) American by origin, but both American and Japanese in their business operations

b) Japanese by origin, but both American and Japanese in their business operations

c) American by origin, but Japanese in their business operations

d) Japanese by origin, but American in their business operations

Ans: A

24. In the _____management style, employees are provided employment until they retire at the age of 55

a) American

b) Japanese

c)   Indian

d)   None of the above

Ans: B

25. Organizations can either follow a centralized or decentralized approach in making decisions. What is the main feature of a centralized management system?

a)   the power of decision making rests with the top management

b)   the power of decision-making is distributed among different individuals at various levels in the organization

c)   There are innumerable rules, regulations, and standard operating procedures

d)   Rules and procedures are flexible

Ans: A

26. According to Charle's Darwin's theory of evolution, human beings evolved just like other animals. The theory, in turn, opened up a new area of study called

a)   Sociobiology

b)   History

c)   Anthropology

d)   Economics

Ans: A

27. _____deals with the biological basis of all forms of social behavior in all organisms, including human beings.

a)   Sociology

b)   Sociobiology

c)   Social psychology

d)   Anthropology

Ans: B

28. According to social biologists, many dimensions of human social behavior have biological roots. This is reflected in human characteristics (s) like

a)   Living in groups

b)   Parental love

c)   Aggressiveness

d)   All of the above

Ans: D

29. Expect _____ , the others are all external factors that influence human behavior.

a)   Environment

b)   Situations

c)   Instincts

d)   Behavior of other individuals

Ans: C

30. _____refers to the involuntary actions performed by a person without considering the consequences.

a)   Instinct

b)   Thought

c)   Trait

d)   Belief

Ans: A

31. _____is an internal factor that causes individuals to display certain types of behavior like anger, frustration, love or hatred.

a)   Cognition

b)   Instinct

c)   Personality

d)   Thought process

Ans: B

32.   Which of the following models represent the views of behaviorists?

a)   S-R Model

b)   R-S Model

c)   S-O-R Model

d)   A-B-C Model

Ans: A

33.   Human beings generally differ in many ways. Which of the following processes is basically similar in most people?

a)   Perception

b)   Learning

c)   Behavior

d)   Motivation

Ans: B

34. _____can be termed as a relatively permanent change that occurs in a person's belief's and attitudes with time and experience.

a)   Behavior

b)   Perception

c)   Personality

d)   Learning

Ans: D

35. _____determines the behavior of individuals, workgroups, and affects the overall performance of the organization

a)   Perception

b)   Attitude

c)   Belief

d)   Skill

Ans: B

36.   Associative learning and instrumental are two process involved in

a)   Formal learning

b)   Informal learning

c)   Cultural learning

d)   Social learning

Ans: B

37. Which of the following types of learning help in learning attitudes?

a) Operant learning
b) Instrumental learning
c) Associative learning
d) Haphazard learning

Ans: C

38. The learning that happens when a neutral stimulus is combined with another stimulus that produces a strong reaction is called_____

a) Associative learning
b) Instrumental learning
c) Social learning
d) Operant conditional learning

Ans: A

39. In associative learning, what is the stimulus that brings a strong reaction called?

a) Conditioned stimulus
b) Operant stimulus
c) Unconditional stimulus
d) Neutral stimulus

Ans: C

40. Which of the following involves reinforcement and punishment?

a) Social learning
b) Cognitive learning
c) associative learning
d) instrumental learning

Ans: D

41. Behaviorists consider repetitive behavior as the result of

a) termination
b) Punishment
c) Reinforcement
d) All of the above

Ans: C

42. _____ is a system where individuals work in a systematic and well defined framework and cooperate with one another to carry out assigned tasks.

a) Organization
b) Instrumental learning
c) Classical conditioning
d) Unconditional stimulus

Ans: A

43. which of the following is the traditional approach to design work in most organizations?

a) Classical management
b) Scientific management approach
c) Industrial engineering approach
d) Bureaucratic approach

Ans: B

44. An increase in the percentage of older people among employees in the united states is due to

a) Increasing globalization of firms
b) Improved health and medical facilities

c) Abolition of certain compulsory retirement rules

d) Both (b) and (c)

Ans: D

45. Diversity training involves the training of diverse groups or training of managers and other employees who work with diverse employees. One of the widely used diversity training approaches is

a) Diversity board games

b) Thematic apperception tests

c) Psychometric tests

d) Both (a) and (c)

Ans: A

46. _____ is the period during which the work load is the heaviest and the organization needs all employees to be present to deal with the workload. It is an important aspect of flextime.

a) Crucial period

b) Better management period

c) Core period

d) Hour of crisis

Ans: C

47. _____ is a type of alternative work schedule arrangement that allows two or more people to share a traditional forty-hour-a-work job.

a) Job sharing

b) Compressed work week

c) Flextime

d) Both (a) and (c)

Ans: A

48. _____ is a type of organization that discourages any form of social oppression within it and includes members of diverse social and cultural groups in the decision making process.

a) Club organization

b) Multicultural organization

c) Exclusionary organization

d) None of the above

Ans: B

49. In_____ type of organization, people who have traditionally held power continue to do so.

a) Compliance organization

b) Club organization

c) Affirmative action organization

d) Exclusionary organization

Ans: B

50. _____ is a type of organization that supports the development of women, minorities, older workers, physically disabled persons, and groups which have been denied equal opportunities.

a) Compliance organization

b) Club organization

c) Affirmative action organization

d) Exclusionary organization

Ans: C

HR/Personnel Officer MCQ -3

1. what refers to the rules and standards governing a person's conduct?
   a) Compliance
   b) Ethics
   c) Traditions
   d) Behavior

   Ans: B

2. The artificial barriers, based on attitudinal or organizational biases, that prevent qualified women from moving up to senior management positions is referred to as
   a) Sexual harassment
   b) Glass ceiling effect
   c) Mentoring
   d) Both (a) and (c)

   Ans: B

3. _____ aims at changing the prevailing notions about women and their capabilities.
   a) Gender training
   b) Affirmative action
   c) Seeding strategy
   d) None of the above

   Ans: A

4. The increasing degree of sophistication in the communication process makes it possible to study communication under three categories. Identify the incorrect category in this regard.
   a) Non-verbal communication
   b) Interpersonal communication
   c) Written communication
   d) Communication technology

   Ans: C

5. Classical management theorists examined only _____ communication between the superior and the subordinate.
   a) One-to-one
   b) Two-way
   c) One-to-many
   d) Both (a) and (c)

   Ans: A

6. A horizontal communication system for bridging the gap between individuals and departments was proposed by
   a) Henri fayol
   b) Chester barnard
   c) Richard M.Hodgetts
   d) Stuart A.Rosenkrantz

   Ans: A

7. Managers who frequently communicate with supervisors and subordinates are referred to as

a) Humanistic interactors
b) Mechanistic isolates
c) Formal controllers
d) Informal developers

Ans: A

8. Managers who communicate only when need arises, and limit their communication only to people whom they need to interact with are referred to as

a) Humanistic interactors
b) Mechanistic isolates
c) Formal controllers
d) Informal developers

Ans: B

9. Informal developers are managers who

a) Communicate with everyone in the organization
b) Adhere strictly to their official schedules and restrict themselves to monitoring and controlling activities
c) Frequently communicate with superiors and subordinates
d) Communicate with people whom they need to interact with only when need arises

Ans: A

10. Despite the fact that the sender of a message can make the receiver listen to it, understanding has to be achieved by the receiver alone. This aspect may be referred to as

a) "Getting along"
b) "Getting through"
c) "Getting with"
d) "Getting for"

Ans: B

11. Nonverbal communication involves the use of

a) Gestures
b) Body language
c) Facial expressions
d) All of the above

Ans: D

12. The study of body movements is known as

a) Physical appearance
b) Kinesics
c) Dressing sense
d) Paralanguage

Ans: B

13. _____ refers to the voice quality, volume, pitch, speed, and noninfluences like ah, um, and uh, which are used to convey a message.

a)   Kinesics

b)   Paralanguage

c)   Empathy

d)   Body language

Ans: B

14.   Downward communication, which established interpersonal linkage, is also referred to as

a)   Top-to-bottom communication

b)   Silent communication

c)   Nonverbal communication

d)   Both (a) and (c)

Ans: A

15.   _____ is a type of communication which is often practiced by managers in organizations, perhaps because it is more informal than the vertical communication process.

a)   Cross-communication

b)   Downward communication

c)   Nonverbal communication

d)   Interactive communication

Ans: A

16.   The horizontal communication system proposed by Henri Fayol is known as the

a)   Gangplank mechanism

b)   SOBC model

c)   Economic man model

d)   None of the above

Ans: A

17.   Employees of an organization who are actively involved in lateral communication are referred to as

a)   Boundary spanners

b)   Ombudsperson

c)   Receivers

d)   Senders

Ans: A

18.   In_____ there is no restriction on the flow of information unless it is against organizational interests.

a)   Horizontal communication

b)   Vertical communication

c)   Interactive communication

d)   None of the above

Ans: C

19.   In interactive communication, a _____ is a group of people who develop and maintain contact with each other to exchange information of common interest in an informal manner.

a)   Grapevine

b)   Network

c)   Gangplank

d) Club organization

Ans: B

20. A person who is actively involved in information exchange is said to be

a) Interacting

b) Networking

c) Communicating

d) Filtering

Ans: B

21. All the following are barriers to effective communication expect

a) Selective perception

b) Defensiveness

c) Language

d) Traditions

Ans: D

22. As a barrier to effective communication, _____ refers to the manipulation of information by the sender so as to obtain a favorable opinion from the receiver.

a) Cross-communication

b) Filtering

c) Defensiveness

d) Selective perception

Ans: B

23. In _____ , which is a type of computer based communication system, one party initiates a discussion on some topic and requests comments from customers or the general public.

a) Kinesics

b) Telecommuting

c) Electronic cottage

d) Electronic conferencing

Ans: D

24. Which of the following is a form of communication system which is also known as electronic cottage or worksteading?

a) Job sharing

b) Electronic mail

c) Telecommuting

d) Flextime

Ans: C

25. In the study of organizational behavior, the approach adopted by European behavioral theorists is known as

a) Psychoanalytical approach

b) Behavioristic approach

c) Humanistic approach

d) Both (a) and (b)

Ans: A

26. The leadership style of managers varies greatly from country to country. The participative style of leadership is followed in countries like
a) Germany
b) United States
c) Japan
d) All of the above
Ans: B

27. The major political conditions that affect organizational behavior include all of the following except
a) Government instability
b) Nationalistic drive among the locals
c) Authoritarian state
d) Low per capital income
Ans: D

28. In authoritarian countries, the movement of organized labor is
a) Independent
b) Under the control of the state
c) Under the control of a political party
d) None of the above
Ans:B

29. Power distance refers to
a) A culture which focuses on individual rights and freedom
b) A culture which focuses on the group and places importance on harmony among members
c) The belief that there are strong and legitimate decision- making powers which separate managers from employees in organization
d) The process by which skilled personnel from advanced nations provide training in requisite skills to the local

30. ____has been defined as the acquired knowledge that people use to interpret experience and generate social behaviour.
a) Culture
b) Behavior
c) Stimulus
d) Learning
Ans: A

31. In managing a global workforce,___ is a barrier to cultural adaption. It is also known as the self-reference criterion.
a) Culture shock
b) Ethnocentrism
c) Cultural distance
d) Parochialism
Ans: B

32. Dramatic difference in language and the consequent difficulty in communicating results in

(a)culture shock

(b)cultural distance

(c)Ethnocentrism

(d)parochialism

Ans:A

33. An employee who returns to his home country after working in a foreign country for a long time .this phenomenon can be called.

(a)reverse cultural shock

(b)cross-cultural reentry

(c)ethnocentric behaviour

(d)expatriates attitude

Ans:B

34. The --------------study revealed that in countries like argentina ,chile,and urguay,rapid decision making was given more importance than careful collection and analysis information.

(a)hawthorne

(b)participation,managerial decision making and situtational variables

(c)real managers

(d)none of the above

Ans:B

35. ----------------refers to the fact that the applicability of productive practices in a host country is dependant on the culture of that country .

(a)cultural contingency

(b)cultural distance

(c)parochialism

(d)Ethnocentrism

Ans:A

36. A Theory which applies the concept of cultural contingency is

(a)theory Z

(b)theory x

(c)theory Y

(d)none of the above

Ans:A

37. ----------blends the American and Japanese styles of management and aims at building and sustaining close and cooperative relationships among workers, managers,and groups within the organization.

(a)theory X

(b)theory Y

(c)theory Z

(d)none of the above

Ans:C

38. the sum total of ways in which an individual interacts with the people and reacts to situation is called his/her _____

(a)attitude

(b)personality

(c)extra version

(d)locus of control

Ans:B

39.   The attempt made by people to understand themselves is known as_____

(a)self-concept

(b)self-image

(c)self-awarness

(d)self-efficiency

Ans:A

40.   which among these is a situation –specific trait?

(a)self-concept

(b)self-esteem

 (c)self-efficacy

(d)none of the above

Ans: c

41.   which of the following is measured along the three dimensions of level,strength,and generality?

(a)self-esteem

(b) self-image

(c)self-efficacy

(d)self concept

Ans: C

42.   what is the degree to which people believe that they are masters of their own fate called?

(a)self-esteem

(b)locus-contolling

(c)self-monitoring

(d)machiavallianism

Ans: B

43.   people who attribute their failure to their own actions and consequently attempt to learn new skills and improve their position at the work place (or society)are considered to have a/an

_____locus of control.

(a)internal

(b)external

(c)balanced

(D)positive

Ans:A

44.   _____refers to the degree towhich an individual is pragmatic   .maintains emotional distance and believes that the ends justify the means.

(a)machiavallianism

(b)locus of control

(c)personality

(d)emotional stability

Ans:A

45. what is the individual's degree of like or dislike of oneself known as?

(a)self-monitoring

(b)self-esteem

(c)self-cocept

(d)self-efficacy

Ans:B

46. According to the levisons theory ,the development of an individual is not uniform .There are four periodsof stability in transition and four periodsof stability in the life of an individual .which of the following is not a period of transition in life of an individual?

(a)age-thirty transition

(b)mid-life transition

(c)age-forty transition

(d)late duty transition

Ans:C

47. which of the following theories tries to establish a relationship between the occupational enivronmentand personality characterstics?

(a)adult life stages theory

(b)theory Z

(c)cognitive dissonance theory

(d)personality –job fit theory

Ans:D

48. people with a/an _____personality type are usually analytical original,curious and interpendent

(a)realistic

(b)investigative

(c)conventional

(d)enterprising

Ans:B

49. responses to the vocational preference inventory questionnaire were used to develop

(a)job profiles

(b)behaviour profiles

(c)personality profiles

(d)training profiles

Ans:C

50. which of the following theories helps to predict the propensity to engage in attitude and behavioral change?

(a)theory of cognitive dissonance

(b)immaturity to maturity theory

(c)the adult life stages theory

(d)the career stage model

Ans:A

HR/Personnel Officer MCQ -4

1.Which of the following is not a function of HRM?

Select correct option:
a) Recruitment
b) Training
c) **Procurement**
d) None of the above
a) Litigation process

2.Which of the following terminology describes the legal legislation in which job applicant should not be rejected on the basis of discriminatory practices?

Select correct option:
a) Affirmative action
b) Legal compliance
c) **Equal employment opportunity**
d) Stereotype

3.An organization operates in:

Select correct option:
a) An isolated system
b) A closed system
c) A clogged system
d) **An open system**

4._____ refers to a set of expected behavior patterns attributed to someone who occupies a given position in a social unit.

Select correct option:

a) Norm
b) Perception
c) **Role**
d) Stereotyping

5.Who is responsible to take corrective actions in response to unforeseen problems?

Select correct option:
a) Liaison
b) **Disturbance-handler**
c) Figurehead
d) Spokesperson

6.The process by which people acquire skills & abilities required to perform jobs at hand, is known as:

Select correct option:

a) Learning
b) Training
c) Development
d) Need analysis

7. Organization, where employees are provided with the opportunity to learn on continuous basis is known as:

Select correct option:
a) Formal
b) Informal
c) Bureaucratic
d) Learning

8. Job evaluation is conducted to develop:

Select correct option:
a) Compensation packages
b) Training modules
c) Organizational grapevine
d) Rules & policies

9. The invisible barrier that blocks females & minorities from ascending into upper levels of an organization, is termed as:

Select correct option:
a) Gender discrimination
b) Glass ceiling
c) Affirmative action
d) Stereotype

10. The process through which someone becomes aware of personal skills, interests, knowledge, motivations; acquires information about opportunities; identifies career goals; and establishes action plans to attain those goals is called____.

Select correct option:
a) Organizational development
b) Career management
c) Career development
d) Career planning

11. The procedure of initiating a document that specifies job title, department, the date the employee is needed for work, and other details, is known as:

Select correct option:
a) Employee request
b) Employee appropriation
c) Employee requisition
d) Employee demand

12. Who is the primary person responsible for doing the actual appraising of an employee's performance?

Select correct option:

a) **The employee's direct supervisor**

b) The company appraiser

c) The human resource manager

d) The EEO contact person

13. Socialization process of newly hired employees is usually conducted by:

Select correct option:

a) Marketing department

b) **HR department**

c) Accounts department

d) All of the given options

14. Which of the following term is said to be a part of Organizational Structure?

Select correct option:

a) Goal attainment

b) **Hierarchy level**

c) Performance standards

d) Supporting staff

15. HR responsibilities of staff managers include

Select correct option:

a) assistance in hiring

b) rewarding, counseling

c) assistance in promotiion

d) **all given option**

16. Which of the following defines the process of 'Recruitment'?

Select correct option:

a) Forecasting the demand of human resources

b) Forecasting the supply of human resources

c) **Discovering potential job candidates for a particular position**

d) Making a "hire" or "no hire" decisions

17. Charismatic leaders are those who have the ability to:

Select correct option:

a) Resolve every problem prevailing in the organization

b) **Influence others in a desired manner**

c) Command over larger number of employees

d) Strictly impose the set rules

18. Which of the following term is used for locating the qualified candidates?

a) Recruitment sources
b) Recruitment leads
c) Recruitment pools
d) Recruitment personnel's

19. Impact of individuals' behavior in an organization is studied under:

Select correct option:
a) Organizational culture
b) Organizational norms
c) Organizational behavior
d) Organizational rules

20. The lifelong series of activities that contribute to a person's career exploration, establishment, success, and fulfillment is called:

Select correct option:
a) Organizational development
b) Career management
c) Career development
d) Career planning

21. Organization, where employees are provided with the opportunity to learn on continuous basis is known as:

Select correct option:
a) Formal
b) Informal
c) Bureaucratic
d) Learning

22. Providing timely performance feedback, development assignments, and support are all part of the _____'s role in career

a) development.
b) Select correct option:
c) Individual
d) Manager
e) Company
f) Human resource specialist

23. Which of the following defines the process of 'Recruitment'?

Select correct option:
a) Forecasting the demand of human resources
b) Forecasting the supply of human resources
c) Discovering potential job candidates for a particular position
d) Making a "hire" or "no hire" decisions

24. Which of the following practice involves the selling off portions of the company and making severe staff reductions?

    a) Select correct option:
    b) Redesigning
    c) Restructuring
    d) Organizational designing
    e) Reengineering

25. Authority is classified among_____levels of categories.

    Select correct option:
    a) 2
    b) 4
    c) 6
    d) 3

26. People within a group who initiate the work, give new ideas and also collect information about the task, are actually performing:

    Select correct option:
    a) Information collector roles
    b) Task oriented roles
    c) Relationship oriented roles
    d) Individual roles

27. several factors radically changed attitudes towards human resource information systems during

    Select correct option:
    a) During the 1960s and 1970s
    b) During the 1970s and 1980s
    c) During the 1990s and 2000s
    d) During the 1950s and 1960s

28. System used to collect, record, store, analyze, & retrieve data related to an organization, is termed as:

    Select correct option:
    a) IS (Information System)
    b) MIS (Management Information System)
    c) HRIS (Human Resource Information System)
    d) DBMS (Data Base Management System)

29. For the selection of pilot, PIA's management took the written test based on the understanding & application of aeronautical engineering; under which category this test will fall?

    Select correct option:
    a) Reliable test
    b) Content-valid test
    c) Criterion-valid test

d) Face-valid test

30.Employees quit the organizations at their own choice through

      Select correct option:
a) **Outplacement, restructuring**
b) Discharging, layoff
c) Transfer, demotion
d) Resigning, retirement

31.The inner drive that directs a person's behavior towards goal attainment is known as:

      a) Select correct option:
      b) Performance
      c) **Motivation**
      d) Need
      e) Attitude

32.Methods of Collecting Job Analysis Information include

      Select correct option:
a) Interview
b) Questionnaire
c) **Logs**
d) all of given option

33.As being part of an organization, it is an employee's_____to align his/her actions according to the set rules & policies.

      Select correct option:
a) Right
b) **Responsibility**
c) Task
d) Contractual right

34.Which of the following skill/s is/are required for an effective team?

      Select correct option:
a) Problem-solving skills
b) Technical skills
c) Interpersonal skills
d) **All of the given options**

35.The physical or psychological condition induced in workers by overwork or overexposure to stress in the workplace, is known as:

      Select correct option:
a) Exhaustion
b) **Burnout**

c) Collapse

d) Fatigue

36. The emigration of trained and talented individuals to other nations due to lack of opportunity or other reasons is known as_____.

Select correct option:

a) Job Insecurity

b) Outsourcing

c) Workforce diversity

d) Brain Drain

37. Staffing is a process of hiring qualified employees at the right place and at the right time, to achieve _____.

Select correct option:

a) Targeted sales goals

b) Individual career goals

c) Return on investment

d) Organizational objectives

38. Manufacturing was the main concern of personnel department during:

Select correct option:

a) Mechanistic period

b) Catalytic period

c) Organistic period

d) Strategic period

39. _____ is achieved by combining capital, raw material & human resource by an organization.

Select correct option:

a) Sales

b) Capital

c) Input

d) Output

40. Supervisors fall into the:

Select correct option:

a) Top-level

b) Middle-level

c) First-line level

d) Executive level

41. HRM is associated with the management of:

Select correct option:
a) General people
b) Labors only
c) Organizational people
d) Employers only

42. A practice used by different companies to reduce costs by transferring portions of work to outside provider rather than completing it internally is termed as:

Select correct option:
a) Planning
b) Decentralization
c) Restructuring
d) Outsourcing

43. The cognitive component consists of a person's:

Select correct option:
a) Emotions
b) Knowledge
c) Attitude
d) Feelings

44. Reactive approach to overcome the influence of discriminatory practices occurred in the past is referred as:

Select correct option:
b) Equal employment opportunity
c) Affirmative action
d) HR planning

45. People can be more productive while working in:

Select correct option:
a) Isolation
b) Groups
c) Crowd
d) None of the given options

46. Which of the following component consists of a person's beliefs, opinions, knowledge, and information?

Select correct option:
a) Affective component
b) Cognitive component
c) Behavioral component
d) Objective component

47. Which of the following involves holding beliefs about people that place them in categories for recognizing and accepting differences?

   Select correct option:
a) Backlash
b) Mistrust
c) **Cohesiveness**
d) Stereotyping

48. Appraisal of a worker's performance can be described as:

a) Planning Activity
b) Organizing Activity
c) **Controlling Activity**
d) Leading Activity

49. Hawthorne studies depict the effects of work environment on:

a) **Human Behavior**
b) Human Performance
c) Human Satisfaction
d) All the given options

50. Process of working with different resources to accomplish organizational goals is known as:

a) Strategic management
b) Human Resource management
c) **Management**
d) Team work

HR/Personnel Officer MCQ -5

1. Essential component of an organization is:

   a) Team
   b) Structure
   c) Individual
   d) None of the given options

2. The whole is greater than the sum of its parts is known as:

   a) Efficiency
   b) Effectiveness
   c) Productivity
   d) Synergy

3. Virtual teams can contribute to better coordination among the team members because:

   a) **Technology brings them together on a forum**.
   b) Team members meet physically with each other
   c) Team members share views among themselves via communication links.
   d) Team members have the real time environment for interaction.

4. Setting standards should be left to the employee rather than organization leads to self controlling because:

   a) It follows the management by objective approach.
   b) It increases the productivity of the worker
   c) It increases the confidence of workers
   d) Workers come up to the high standard since they have no pressure from his superiors.

5. Which one is not basic component of OB(Organizational Behavior) Model?

   a) Organization
   b) Group
   c) Team
   d) Individual

6. Which of the following measures are taken to assess the intensity of employees' satisfaction and their attitude toward the training program?

   Select correct option:
   a) Continuous feedback
   b) Profitability rate
   c) Market share
   d) Productivity levels

7. Organization, where employees are provided with the opportunity to learn on continuous basis is known as:

a) Formal
b) Informal
c) Bureaucratic
d) Learning

8.Under which of the following no screening of applicant pool is conducted before making final selection?

      Select correct option:
a) Walk-in applicants
b) Employee referrals
c) Employment agency
d) School placement

9.Which of the following is NOT a concern of Human Resource Development (HRD)?

      Select correct option:
a) Employee training
b) Employee orientation
c) Employee rights
d) Employee appraisals

10.Employee commitment has suffered in recent years because of:

      Select correct option:
a) Downsizing
b) Training issues
c) Appraisals
d) Performance standards

11.The process through which someone becomes aware of personal skills,interests, knowledge, motivations; acquires information about opportunities; identifies career goals; and establishes action plans to attain those goals is called _____.

      Select correct option:
a) Organizational development
b) Career management
c) Career development
d) Career planning

12.Following are the stages of socialization process, EXCEPT:

      Select correct option:
a) Pre-arrival stage
b) Encounter stage
c) Metamorphosis stage
d) Completion stage

13. Which performance appraisal technique lists traits and a range of performance?

Select correct option:
a) Alternation ranking
a) **Graphic rating scale**
b) Management By Objective
c) Paired comparison

14. Which of the following is part of an employee's role in his or her own career development?

Select correct option:
a) Providing timely performance feedback
b) Participating in career development discussions
c) **Establishing goals and career plans**
d) Offering a variety of career options

15. _____ is achieved by combining capital, raw material & human resource by an organization.

Select correct option:
a) Sales
b) Capital
c) Input
d) **Output**

16. Decision regarding the delivery medium for training is made prior to which of the following step?

Select correct option:
a) Evaluating the training program
b) **Designing the contents of training to be delivered**
c) Identifying whether the training is required or not
d) Conducting need assessment to identify issues

17. Unofficial part of an organization formed on the basis of common interests is known as:

Select correct option:
a) Formal organization
b) **Informal organization**
c) Bureaucratic organization
d) Virtual organization

18. The re-arrangement of organizational structure & change in organizational culture is accomplished during:

Select correct option:
a) Task analysis
b) **Organizational analysis**
c) Person analysis
d) Management analysis

19. Which of the following statement reflects the 'Age Discrimination Act' for workers?

Select correct option:
   a) **At the age of 40 to 70, workers can not be retired by force**
   b) At the age below 18, workers can never be hired
   c) Having 10 years of experience, workers should be promoted
   d) Workers can never be rehired if retired once

20. Which of the following is a process of attracting individuals on timely basis, in sufficient numbers and with appropriate qualifications, to apply for jobs with an organization?

Select correct option:
   a) Selection
   b) **Recruitment**
   c) Staffing
   d) Enrollment

21. Providing training & development opportunities, and career information & programs, are all part of the _____'s role in career development.

Select correct option:
   a) Individual
   b) Manager
   c) **Supervisor**
   d) Company

22. Which of the following method includes the exchange of information between organizational member & the applicant through a goal oriented conversation?

Select correct option:
   a) Counseling simulations
   b) Vocational interest test
   c) Role playing
   d) **Employment interview**

23. _____ is an obligation to perform certain tasks/activities.

Select correct option:
   a) Duty
   b) **Responsibility**
   c) Position
   d) Work

24. If the workforce of an organization represents true proportion of the community sectors in all its job classifications, it represents the _____ of its affirmative action.

Select correct option:
   a) Performance
   b) Gaps

c) **Effectiveness**
d) Discrepancies

25. Studying organizational behavior helps managers:

Select correct option:
a) To see the value of workforce diversity
b) To analyze the efficiency of organization
c) To analyze the efficiency of organization
d) **To become more effective in society**

26. If a company is employing the fresh graduates as well as the professional experts, the management is said to be enhancing _____.

Select correct option:
a) Stereotyping
b) Variety
c) **Diversity**
d) Uniformity

27. The cognitive component consists of a person's:

Select correct option:
a) Emotions
b) **Knowledge**
c) Attitude
d) Feelings

28. Which of the given term is used to represent the segments of jobs held by an individual throughout his/her life time?

Select correct option:
a) Responsibility
b) **Career**
c) Occupation
d) Position

29. Which of the following information is NOT collected through observation method while conducting job analysis?

Select correct option:
a) **Who is monitoring the task?**
b) What task has done?
c) How task has done?
d) How long a task has taken to complete?

30. The cognitive component consists of a person's:

Select correct option:

a) Emotions
b) **Knowledge**
c) Attitude
d) Feelings

31. What is another term used for 360-degree feedback?

Select correct option:
a) Feedback loop
a) **Multi-source assessment**
b) Upward reporting
c) Round communication

32. Which one of the following is an outcome of 'organizing' function of management

Select correct option:
a) Organization's strategy
b) Motivation & commitment
c) **Organization's structure**
d) Performance measurement

33. Which of the following is a stated outcome of 'Job Analysis'?

a) Job description
b) Job specification
c) Job evaluation
d) **All of the given options**

34. Which of the following is MOST important to manage workforce diversity?

a) Lower cohesiveness
b) Support group
c) **Top-level commitment**
d) Resistance to change

35. Training to the raters of performance appraisal is an important responsibility of:

a) Top management
b) **HR department**
c) Line managers
d) Production department

36. Graphic rating scales are subjected to all of the following problems, EXCEPT:

a) Halo effects
b) **Complexity**
c) Central tendency
d) Leniency

37. Which of the following is responsible for implementing the developed strategies?

a) **Human resource**
b) Physical resource
c) Rules & policies
d) Installed equipment

39.In which of the following area organizations are legally bound to maintain consistency in HR policies?

a) Compensation system
b) Training & development
c) Safety measures
d) **None of the given options**

40.How can companies provide career counseling, development advice, and therapy for employees seeking to grow in their careers?

a) **Provide career coaches**
b) Encourage role reversal
c) Establish a corporate campus
d) Offer online career centers

41.Which ONE of the following is not a part of Human Resource Development?

a) Training
b) **Education**
c) Development
d) Rewards

42.What type of screening mode is used to reduce absenteeism and establish a baseline for future insurance claims?

a) **Physical examinations**
b) Personality tests
c) Polygraph tests
d) Substance abuse screening

43.Which of the following is part of the organization's role in an employee's career development?

a) **Communicating the mission, policies, and procedures**
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c) Participating in career development discussions
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44.Which of the following term is said to be a part of Organizational Structure?

a) Goal attainment
b) **Hierarchy level**
c) Performance standards
d) Supporting staff

45. "On going process of evaluating & managing both the behavior & outcomes in the workplace" is known as;

    a) Training & development
    b) Performance appraisal
    c) Compensation management
    d) Job analysis

46. Which performance appraisal technique lists traits and a range of performance?

    a) Alternation ranking
    b) Graphic rating scale
    c) Management By Objective
    d) Paired comparison

47. HRIS helps managers to perform _____ more effectively & systematically.

    a) Select correct option:
    b) Management functions
    c) Controlling functions
    d) Planning functions
    e) HR functions

48. Job posting is:

    a) Internal advertisement by an organization to attract candidates from the existing employees, against a vacancy.
    b) The system of transferring existing employees to comparable new jobs available in the organization.
    c) An arrangement of in house training of employees for career advancement.
    d) Grouping together of a family of similar jobs, under a single title to establish uniformity of standards in controls and compensations.

49. Realistic job preview is a:

    a) Technique for listing elements of job before selecting someone to perform it.
    b) Performance appraisal technique.
    c) A selection device that enables the candidates to learn both the negative and positive information about the job and organization.
    d) None of the given options

50. Job analysis can be performed in all of the following ways except:

    a) Observing hourly work
    b) Reviewing interviews conducted with departing employees
    c) Studying diaries or daily journals that manager kept over a three-month period
    d) Giving workers checklists to indicate which tasks on the list are performed during job execution

HR/Personnel Officer MCQ -6

1. Considering continuous process improvement activities in organizations, Should "Zero defects" really be a goal?

    a) Yes perfection is reasonable goal.
    b) No, 0.1 percent errors can be corrected much more efficiently than they can beprevented
    c) Yes most industries find this an attainable goal.
    d) Sometimes, for some mistakes, cost benefits can not be calculated

2. Organizational efficiency is expressed as:

    a) Planning for long-run goals
    b) Making the best use of scarce resources
    c) Goal attainment
    d) Meeting deadlines

3. Goal setting is:

    a) Top down process
    b) Bottom up process
    c) A process of top down support and bottom up development
    d) A function of senior management

4. When the firm changes the way it operates, the process is known as:

    a) Downsizing
    b) Brain drain
    c) Restructuring
    d) Outsourcing

5. Which one is not included in the hiring process?

    a) Recruitment
    b) Socialization
    c) Selection
    d) Job specification

6. Effectiveness is -----------

    a) Do right things
    b) Do things right
    c) Productivity
    d) All of the given options

7. Extents of individual freedom and discretion employees have in performing their jobs is Known as

    a) Capitation
    b) Flextime

  c) Empowerment

  d) Autonomy

8.Which performance appraisal technique lists traits and a range of performance?

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   c) Performance standards
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   b) Performance appraisal
   c) Compensation management
   d) Job analysis

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   a) Alternation ranking
   b) Graphic rating scale
   c) Management By Objective
   d) Paired comparison

HR/Personnel Officer MCQ -7

1. The Number of Persons required for forming & registering trade Union is ?

a. 6

b. 5

c. 7

d. 8

2. Trade Unions Act was enacted in the year _____- ?

a. 1927

b. 1925

c. 1926

d. 1928

3. Works Committee is to be constituted in an Industry which is employing _____ or more

employees ?

a. 75

b. 90

c. 100

d. 80

4. The process by which a Third Party Persuades disputants to come to an amicable adjustment of

claims is called ?

a. Arbitration

b. Collective Bargaining

c. Conciliation.

5. An interim or Final Order pertaining to Industrial Dispute passed by Industrial Tribunal / Labour

Court is called ?

a. Judgement

b. Order

c. Award.

6. The temporary closing of a place of employemtn or the suspension of work, or refusal by an

employer is called ?

a. Lay off

b. Lock-out

c. Retrenchment.

7. The total number of protected workman to be in an organization is ?

a. Min. 10 Max. 120

b. Min. 5 Max. 100

c. Min. 15 Max. 125.

8. Industrial Employment (Standing Order) Act, 1946 is applicable to Organisation employing

_____

a. 100 or more

b. 125 or more

c. 150 or more.

9. The rate of Subsistence allowance paid to an employee under suspension for first 90 days is ?

a. 75%

b. 60%

c. 50%

10. Contract Labour (Regulation & Abolition), Act was enacted in _____

a. 1948

b. 1946

c. 1970

 d. 1965.

11. Under Contract Labour Act, In a factory, the owner or occupier of the factory is called

_____

a. Manager

b. Principal Employer

c. Managing Director.

12. Payment of Gratuity Act was enacted in _____

a. 1975

b. 1972

c. 1976

13. The Maximum Amount of Gratuity Payable under Payment of Gratuity Act is _____

a. Rs. 3,00,000

b. Rs. 3,50,000

c. Rs. 3, 75,000

14. The Gratuity is payable to person who has rendered service of _____ years ?

a. 5

b. 3

c. 6

d. 4

15.Who is an adult as per Factories Act, 1948 ?

a. Who has completed 18 years of age

b. who is less than 18 years

c. who is more than 14 years

d. who is more than 15 years

16. Who is an Adolescent as per Factories Act, 1948 ?

a. Who has completed 17 years of age

b. who is less than 18 years

c. who has completed 15 years but less than 18 years.

17. A person who has ultimate control over the affairs of the factory under factories act, 1948 is

called as _____

a. Occupier

b. Manager

c. Chairman

d. Managing Director.

18. The space for every worker employed in the Factory after the commencement of Factories Act,

1948 should be _____ Cubic Meters.

a. 9.9

b. 10.2

c. 14.2

d. 13.2

19. The provision for cooling water during hot weather should be made by the organization if it

employees _____ or more employees.

a. 200

b. 250

c. 300

d. 150

20. Safety Officers are to be appointed if Organisation is engaging _____ or more employees.

a. 1000

b. 2000

c. 500

d. 750

21. Canteen is to be provided if engaging employees more than _____ persons.

a. 250

b. 230

c. 300

d. 275.

22. The Ambulance Room is to be provided if engaging employees more than_____

a. 400

b. 350

 c. 500

d. 450

23. First Aid Boxes is to be provided for _____ of persons

a. 125

b. 135

c. 150

d. 160

24. Creche is to be provided if _____ or more lady employees are engaged.

a. 25

b. 32

c. 30

d. 40

25. Welfare Officers are to be appointed if Organisation is engaging _____ or more employees.

a. 500

b. 250

c. 600

d. 750

26. An adult worker can upto ____ hrs in a day as per factories Act, 1948

a. 8

b. 9

c. 10

d. 12

27. Leave with wages is allowed for employees if they work for _____ days in a month.

a. 15

b. 25

c. 20

d. 28

28. Chapter V of ID Act, 1947 Envisages about _____

a. Arbitration

b. Conciliation

c. Strikes and Lock-outs

d. lay-off

29. Chapter V-A of ID Act, 1947 Envisages about _____

a. closure

b. grievance redressal

c. lay-off retrenchment

30. Which act provides for the Health, Safety and Welfare of Apprentices ?

a. Apprenticeship Act

b. Factories Act, 1948

c. Workmen Compensation Act

31. Whether Apprentices are eligible for compensation for any Injury in the course of his/ her training under Workmen Compensation act.

a. Yes

b. No

32. What percentage of Employers Contribution is deposited in Employees Provident Fund ?

a. 12%

 b. 8%

c. 8.33%

33. What percentage is the employers contribution under ESI Act, 1948 ?

a. 4.75 %

b. 4% c.

5 %

d. 3.5%

34. What percentage is the employees contribution under ESI Act, 1948 ?

a. 2.75 %

b. 3%

c. 1.75 %

d. 3.75%

35. The employees drawing upto Rs._____ as wages are only covered under ESI, Act, 1948 ?

a. 6500

b. 8500

c. 10000

36. Which one of the following is not a welfare provision under Factories Act, 1948

a. Canteen

b. Creches

c. First Aid

d. Drinking water.

37. When was the Minimum Wages Act enacted

a. 1947

b. 1946

c. 1948

38. What is the percentage of Maximum bonus Payable ?

a. 25%

b. 20%

c. 22%

d. 26%

39. What is the percentage of Minimum bonus Payable ?

a. 7.33%

b. 8.33%

c. 9.33%

d. 6.33%

40. Section 9-A of ID Act, 1947 Stipulates about ?

a. Reference of Disputes

b. Notice of Change

c. Adjudication.

HR/Personnel Officer MCQ -8

Q1. HRM is associated with the management of;

A. General people

B. Financial resources

C. Organizational people

D. Community members

Q2. Cost of human resources refers to;

A. Company profits

B. Employee shares

C. Salary packages

D. Earned revenues

Q3. Top level managers require _____ skills the most;

A. Technical

B. Interpersonal

C. Conceptual

D. Mechanical

Q4. Matching the job description with the individuals' qualification is an important aspect of;

A. IS

B. MIS

C. HRIS

D. DBMS

Q5. HR managers are generally the _____ managers;

A. Line

B. Middle

C. Staff

D. Top

Q6. Manufacturing was the main concern of personnel department during;

A. Mechanistic period

B. Catalytic period

C. Organist period

D. Strategic period

Q7. SWOT Analysis is a tool for;

A. Determining organization's mission

B. Developing organizational goals

C. Formulating strategies

D. Environmental scanning

Q8. Jobs are identified & grouped while;

A. Planning

B. Organizing

C. Leading

D. Controlling

Q9. According to the Hawthorne studies, the productivity of employees;

A. Increased by increasing light

B. Decreased by decreasing light

C. Increased by observing them

D. No change in their productivity

Q10. Organizational goals should be;

A. Achievable

B. Ambiguous

C. Random

D. Vague

Q11. Which one of the following is NOT the source of workforce diversity?

A. Age

B. Gender

C. Education

D. Resentment

Q12. To anticipate the human resource needs of the organization based on some previous data or managerial judgment is known

as;

A. Demand forecasting

B. Supplies forecasting

C. Financial forecasting

D. Sales forecasting

Q13. The thorough & detailed study regarding jobs within an organization is represented by;

A. Job analysis

B. Job description

C. Job specification

D. Job evaluation

Q14. A practice used by companies to assign their costly activities to outside providers, (for the purpose of cost saving), rather than completing it internally is called;

A. Planning

B. Decentralization

C. Restructuring

D. Outsourcing

Q15. Organizational behavior depicts the;

A. Jargons used within the organization

B. Collective behavior of an organization

C. Effect of society's common behavior on an organization

D. Culture prevails in an organization

Q16. Leaders perform;

A. Decisional roles

B. Informal roles

C. Informational roles

D. Interpersonal roles

Q17. Organizations take inputs from its;

A. Rules & Policies

B. Internal Environment

C. External Environment

D. Legislations

Q18. As organizational activities are interrelated, it is said to be;

A. A closed system

B. An isolated system

C. An open system

D. A clogged system

Q19. Management sciences department is one of the _____ of the VU;

A. System

B. Subsystem

C. Board

D. Structure

Q20. Shifting from manual to computerized system is resulted due to;

A. Workforce diversity

B. Technological advancement

C. Stake holder's involvement

D. Globalization

21. _____ is the process of acquiring, training, appraising and compensating employees, attending to their labor relations, health and safety and fairness concerns.

a. Labor Relations

b. Organizational Behavior

c. Human Resource Management

d. Organizational Health and Safety Management

22. Which of these refers to the temporary, part-time and self-employed workers?

a. Internal labor force

b. Contingent work force

c. High-performance work systems

d. Downsized employees

23. Which basic function of management includes delegating authority to subordinates and establishing channels of communication?

a. Planning

b. Organizing

c. Leading

d. Staffing

24. Over the past 25 years, all of these areas of legal environment have influenced HRM except:

a. Equal employment opportunity legislation

b. Employees pay and benefits

c. Employee competition legislation

d. Job security

25. One of the most popular methods of increasing employee responsibility and control is _____.

a. Outsourcing

b. "Military model" of management

c. HRIS

d. Work teams

26. Which of these is a major dimension of HRM practices contributing to company competitiveness?

a. Compensating human resources

b. Acquiring and preparing human resources

c. Managing the human resource environment

d. All of the given options

27. How has technology changed HRM practices?

a. Recruiting using the web generates smaller, more focused applicant pools.

b. Employee training is offered through scheduled classes rather than on demand.

c. Electronic resumes take less time to evaluate than paper resumes.

d. None of the given options.

28. How do companies facilitate workforce diversity?

a. Rely on external support systems for minority workers.

b. Encourage employees to challenge the beliefs and values of other employees.

c. Build in accountability through surveys and audits.

d. Reinforce traditional values.

29. Employee involvement requires extensive additional HRM activity in which of these areas?

a. Training

b. Benefits

c. Labor negotiation

d. Marketing

30. Managers who meet designated goals are _____.

a. Assertive

b. Efficient

c. Effective

d. Entitled

31. David conducts new employee orientation for a large organization. His work is within which basic HRM function?

a. Management

b. Motivation

c. Career planning

d. Training and development

32. Employee relations specialists are involved in which of these activities?

a. Handling employee complaints

b. Working with position control specialists in compensation

c. Negotiating benefits packages

d. Coordinating interview schedules

33. The father of scientific management is _____.

a. Deming

c. Taylor

d. Hawthorne

34. A large organization is an EEO employer with an affirmative action plan. Which of these activities is performed as part of the

plan?

a. All job applicants must have a recommendation from current or past employee

b. Insurance premiums from former employers of all applicants are analyzed

c. Job requirements are determined based on skills, knowledge and abilities

d. Job announcements are posted on the company bulletin board

35. Which of these items would be in the highest security category of a typical HRIS?

a. Employee name

b. Former employers

c. Salary

d. Work location

36. Which of these decreases in the labor supply is the easiest to predict?

a. Transfers-in

b. Retirements

c. Voluntary quits

d. Prolonged illnesses

37. Wal-Mart differentiates its business by offering the lowest prices. Offering the lowest prices is Wal-Mart's _____.

a. Functional strategy

b. Competitive advantage

c. Distinctive competence

d. Corporate strategy

38. _____ is the process of assessing progress toward strategic goals and taking corrective action as needed.

a. Strategic management

b. Strategic planning

c. Strategic control

d. Diversification

39. _____ is the right to make decisions, to direct the work of others and to give orders.

a. Leadership

b. Authority
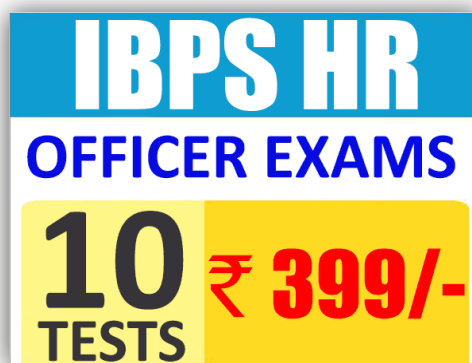
c. Delegation

d. Management

40. Which of the following is considered a qualitative approach to job analysis?

a. Position analysis questionnaire

b. Interviews

c. Department of Labor approach

d. Functional job analysis

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HR/Personnel Officer MCQ -9

Q1. What is meant by the term 'management by objectives'?

a) A system of giving the authority to carry out certain jobs by those lower down the management hierarchy.

b) The system of management that is based on bringing together experts into a team.

c) The setting of objectives to bring about the achievement of the corporate goals.

d) The control of the organisation by those in the 'head office'.

The setting of objectives to bring about the achievement of the corporate goals.

Remember when thinking about 'management by objectives' think about how targets can be used to monitor performance and objectives need to be reviewed and updated regularly, else they will become out of date.

Q2. A manager may delegate any of the following except

a) authority.

b) workload.

c) responsibility.

d) attendance at meetings to represent the department.

Responsibility

The MD of a business is responsible for everything that goes on in the company. Who may be taken to court after an accident - the driver, the manager of the train company and even its MD. They are all responsible for their negligence.

Q3. Workforce planning involves all of the following except

(a) organising the training of staff.

(b) forecasting future personnel requirements.

(c) examining production plans in a factory.

(d) preparing and maintaining personnel records.

examining production plans in a factory.

Q4. Maslow, in his triangle of human needs, showed that

(a) having challenging new tasks is a basic human need.

(b) money always motivates workers.

(c) safety and security is a low order human need.

(d) workers will not give of their best unless they have good social events provided by the firm.

safety and security is a low order human need.

Q5. Piecework is a payment system where the worker is

(a) paid overtime for any hours worked beyond 25 per week.

(b) rewarded for good conduct.

(c) is paid a minimum of £4.20 per hour.

(d) is paid for what he or she achieves.

is paid for what he or she achieves.

Q6. Which of the following will NOT result following the introduction of a more decentralised system of management?

(a) Increased motivation amongst those empowered to make decisions.

(b) Greater consistency in the decisions made.

(c) The development of skills amongst the junior members of the management team.

(d) An increase in the speed at which essential decisions are made.

Greater consistency in the decisions made.

When learning / revising decentralised management systems always think; motivation, empowerment, skills development, quicker decision-making and the need to keep those lower down the hierarchy well-informed, else they will not make decisions from a position of strength.

Q7. An advantage of recruitment from outside the company is

(a) that it is cheaper than internal recruitment.

(b) that there is no need to advertise the vacancy.

(c) that it brings in new experience and skills to the firm.

(d) that it avoids jealousy within the firm.

that it brings in new experience and skills to the firm.

A most important benefit for this type of recruitment. It may be vital, sometimes, to a firms long-term survival.

Q8. When designing his hierarchy of needs triangle Maslow did NOT include one of these. Was it?

(a) Good wages and salaries and working conditions.

(b) The need to feel secure at work with adequate financial rewards such as pensions to assist one later in life.

(c) The need to build a career path .

(d) Opportunities for team working and social events that allow a sense of belonging to emerge.

The need to build a career path .

This is not strictly speaking part of Maslow's hierarchy. However, it gets quite close to esteem or even self-actualization.

Q9. When deciding on objectives for management it is advised that companies should aim to achieve 'SMART' within these. Which of the following is NOT part of the SMART scheme?

(a) The need to be Specific in the choice of objectives.

(b) The need to make objectives Tangible.

(c) All objectives must be Measurable.

(d) For personnel to feel capable of reaching objectives they must be Achievable.

The need to make objectives Tangible.

The need to be Specific in the choice of objectives. It forms the S and requires positive support from senior management. Remember that the SMART process centres on Specific,Measurable. Achievable, Relevant and bound by a specific Time.

Q10. Which of the following is a reason for introducing a matrix management system?

(a) Because it allows for an easily understood functional responsibility chart to designed.

(b) The management can increase the use of delegation within the organisation.

(c) The senior management wants to develop a clearly defined set of responsibilities.

(d) A more centralised system of control is required.

The management can increase the use of delegation within the organisation.

Decision making is more decentralised under a matrix system. When thinking about matrix systems you need to remember: experts are brought together to work on a specific project, a project leader has overall responsibility for keeping to operational targets, the decision-making is more decentralises and delegation is increased. Don't forget that success will depend on how well the system is organized.

Q11. What is meant by the term functional management?

(a) A system of business organisation that is based on an individual having a wide range of skills needed to administer a business..

(b) A type of management that is based more on personality.

(c) A system that groups together various jobs and is organised by departments, sections or functions.

(d) A system that supports a flat form of command chain.

A system that groups together various jobs and is organised by departments, sections or functions.

Remember we are dealing with a system that is characterised by: clearly defined channels of communication and hierarchy, clearly defined roles and more centralised decision-making.

Q12. What is meant by the term delegation?

(a) A system of management that relies on consulting employees before making decisions.

(b) The process of using goals as the best way of motivating managers to achieve corporate targets/objectives.

(c) The giving of tasks by a manager to a subordinate.

(d) A style of management supported by FW Taylor.

The giving of tasks by a manager to a subordinate.

The subordinate is given certain tasks and the authority to make the necessary decisions to implement these decisions. However, the manager remains responsible for the delivery of the tasks. When thinking about delegation always remember that to be effective: you must have the right person for the job, they must be trained and that they must be given interesting as well as the more mundane tasks. Also no system of delegation will succeed if senior management fails to provide the support mechanisms.

Q13. Which of the following is a reason for supporting a wider span of control within an organisation?

(a) The management wants to reduce the opportunities for delegation.

(b) There is a need for tighter control within the business.

(c) The business accepts that within its management there will be increased contact between managers and employees.

(d) Management wishes to introduce a process of de-layering.

Management wishes to introduce a process of de-layering.

We would normally expect a wider span of control to reduce contact between managers and their employees. When thinking about wider spans of control always remember: opportunities for delegation, looser supervision, reduced distances between top and bottom of the organisation, less contact between managers and reportees and de-layering.

Q14. Which of the following is NOT a characteristic of a narrow span of control?

(a) There is less opportunity to delegate.

(b) This form of span of control creates a smaller hierarchy within the business.

(c) Supervision and control are tighter.

(d) The distance between the top and bottom of the organisation is greater.

This form of span of control creates a smaller hierarchy within the business.

When thinking about narrow spans of control always remember: less delegation, tighter control, shorter distances between top and bottom of firm, more contact between managers and employees, greater opportunities for promotion.

Q15. The effectiveness of wide spans of control will depend on

(a) The ability of the chosen manager to control effectively those under their control.

(b) Designing a complex set of tasks for less senior personnel to perform.

(c) Employees being treated in a more Theory X way (McGregor) and not left to supervise their own working environment.

(d) The senior management wishing to encourage promotion from within its current staff.

The ability of the chosen manager to control effectively those under their control.

The company needs to promote high levels of self motivation within its workforce if wider spans of control are to be effective. Remember that effective wider spans of control rely on: expertise of managers, an

ability to control larger number of employees, the ability to enthuse high levels of motivation within the workforce and the complexity of the tasks under supervision.

Q16. Which of the following is the best definition of a centralised management system?

(a) A system that encourages empowerment of workers.

(b) A management structure that concentrates on developing the skills of junior personnel.

(c) A system that involves authority and responsibility for decision-making being in the hands of senior managers.

(d) A system that encourages faster decision-making.

A system that involves authority and responsibility for decision-making being in the hands of senior managers.

When addressing the characteristics of centralised management always remember to think about consistency and the economies of scale that may arise from having just one set of decision makers.

Q17. Most management teams use 'appraisal' but what is meant by this term?

(a) A system used to improve the performance of personnel.

(b) The main way in which an employees wages are determined.

(c) A system of reward points offered by retailers to attract customer loyalty.

(d) The evaluation of an individual employee's performance over a given period of time.

The evaluation of an individual employee's performance over a given period of time.

Appraisal is just this and in most cases it is based on a series of observations or in some cases tests. These mean that most appraisals are partly judgmental in content. Think about developing the employee. Most systems concentrate on either what appears in four above or use an approach that looks to identify training gaps and see if the employee potential necessitates these being addressed.

Q18. In recent years autonomous working groups have come to play an important part in many businesses. What are their essential features?

(a) The group reports directly to the senior management above them in the hierarchy of the firm.

(b) The creation of teams which have a high level of autonomy and control over their immediate working environment.

(c) The bringing together of various individuals who have a common interest in solving certain problems.

(d) A group of experts brought into research new ways of producing a product.

The creation of teams which have a high level of autonomy and control over their immediate working environment.

You need to remember that these groups are given flexibility to decide on schedules, resource allocation and task allocation. If they work then management should see improvements in productivity. Training and preparation are essential if they are to work.

Q19. Authoritarian leadership is a term often seen in textbooks. What does it mean?

(a) A style of leadership where the leader keeps a very tight control on all information and decisionmaking

processes.

(b) A system of leadership that allows maximum participation by all employees.

(c) A chain of command that is flat and allows considerable personal freedom to make decisions.

(d) The selling of debts to an agency, who take responsibility for their collection.

A style of leadership where the leader keeps a very tight control on all information and decision-making processes.

Remember that it's a style of leadership that is based on strict objectives and control resting on one individual. You need to remember that this is a style of leadership that is personality based, offers quick decisions, involves a one-way communication process and seldom promotes delegation.

Q20. Ineffective planning of workforce would be highlighted by

(a) Recruitment and selection problems.

(b) The need to out source some of the production.

(c) A need to offer retraining to current employees.

(d) An opportunity to increase the use of mechanisation.

Recruitment and selection problems.

Inneffective workforce planning would mean not having the right people at the right time to do the right work. Which of these says that? When learning/revising this part of your specification think about: poorly trained employees, low morale, high stress levels, high and increasing labour turnover, rising levels of absenteeism, redundancies, rising costs and reaction or crisis management. The need to out source some of the production would probably be more the sign of supply shortages and maybe some logistical problems.

Q21. Which of the following is one of the factors that might influence the style of leadership used by a firm?

(a) Accepting that employees who agree are favoured.

(b) Workers should be left to be more in control of their own working environment.

(c) Offering profit sharing as part of employees remuneration package.

(d) The skills expected from each employee.

The skills expected from each employee.

The style of leadership/management used by a company is influenced by: the corporate culture, nature of the task, the personality of the leadership ; the corporate culture, nature of the task, the skills of the workforce, the personality of the leadership, the structure of the company, market conditions.

Workers should be left to be more in control of their own working environment this is part of the democratic system and is taken from McGregor's Theory Y.

Q22. Which of the following will influence the style of management used by a company?

(a) The desire by the owner to have the workforce treat him in a fatherly way.

(b) The need to focus discussions on policy as a joint process between employees and employer / manager.

(c) The culture of the company, the nature of its work and the preferences of the individual managers.

(d) The use of distinct penalties for poor performance.

The culture of the company, the nature of its work and the preferences of the individual managers.

When considering what influences the style of management used remember to think about: the situation, the task, the market in which the company operates and how the organisation has put together its values and visions.

Q23. What is meant by the term empowerment?

(a) A process of giving employees greater autonomy and decision-making powers.

(b) A system that encourages workers to move more freely within the workforce.

(c) The opportunity to share in the company's profits.

(d) A formal system of leadership that relies greatly on control.

A process of giving employees greater autonomy and decision-making powers.

When studying empowerment remember that it should aid flexibility, quality and is part of the process of adding value within an organisation.

Q24. Which of the following will influence the method of recruitment and selection used by a company?

(a) The state of the economy.

(b) The size of the organisation.

(c) The type of training programmes used by the company.

(d) The possible expansion of UK business in Europe.

The size of the organisation.

Some other factors that might influence recruitment might include: the nature of the job needing to be filled, its location, costs, what type of labour is available, management attitudes and other external factors, such as competitors terms and conditions.

Q25. Which of the following is an accurate definition of recruitment?

(a) The process of attempting to fill gaps that exist in the skills of the current labour force.

(b) The system of following someone around and noting how they perform their duties.

(c) The process by which companies fill the need to find new employees.

(d) A statement that enshrines the fundamental objectives of the company.

The process by which companies fill the need to find new employees.

Recruitment is all about employing staff - which of these says that best?

Think about job descriptions, alternative ways of attracting new staff, personal qualities of the needed person, where to place the advert. the method of selection to be used, the legal procedures needed. Then you have revised most of recruitment.

Q26. Which of the following is NOT normally a sign of poor morale amongst a workforce?

(a) High levels of absenteeism.

(b) High levels of turnover.

(c) Increased levels of personal productivity.

(d) A poor external image and difficulties attracting good recruits.

Increased levels of personal productivity.

Morale tends to be low when there are signs of: absenteeism, labour turnover, rising costs, poor external image, low productivity and the loss of any competitive advantage.

Q27. Which of the following IS one of Herzberg's 'motivational factors'?

(a) Opportunities to achieve some personal advancement within the organisation.

(b) The application of respected supervision of employees by those responsible for this role within the organisation.

(c) Within organisations it is the workings of groups that influence codes of behaviour.

(d) People are primarily motivated by money and little else.

Opportunities to achieve some personal advancement within the organisation.

When thinking about Herzberg and motivators remember recognition, some responsibility, the nature of the workitself, achievment, improvements in these will increase motivation. Make sure you learn the differences between the motivators and hygiene factors. People are primarily motivated by money and little else is part of the work of FW Taylor.

Q28. Which of the following is one of Herzberg's 'hygiene factors'?

(a) Recognition in the workplace.

(b) A reasonable salary.

(c) An opportunity to take some responsibility in ones place of work.

(d) Developing a sense of achievement in the working environmen

A reasonable salary.

When studying Herzberg and his hygiene factors remember that improvements to them might remove some dissatisfaction but will not increase satisfaction and personal motivation. When studying Herzberg and his Hygiene factors remember; salary, security, supervision, working conditions, company policy and that improvements to these might remove some dissatisfaction but they will not increase satisfaction and personal motivation.

External Influences: Test 3

Q29. Which of the following might cause a downturn in the economy?

(a) The demand for a product is exceeding its supply.

(b) A total fall in output and expenditure.

(c) Distinct signs of growing business confidence.

(d) Stocks are starting to exceed demand.

Stocks are starting to exceed demand.

Downturns are often about to happen when: inflation starts to rise quite quickly, government acts to control inflationary pressures and business confidence begins to fall month on month. A total fall in output and expenditure is a sign of a forthcoming recession.

Q30. If the pound increased in value against the dollar what would happen to the price of exports?

(a) Imports will become more expensive and exports will be less expensive.

(b) An increase in the exchange rate means dearer exports but cheaper imports.

(c) The exchange is influenced by government action in order to prevent it changing to an undesirable level.

(d) The government will buy the currency in order to support its value.

An increase in the exchange rate means dearer exports but cheaper imports.

When thinking about exchange rates remember to revise the types i.e. fixed, floating and managed. Also if a currency increases in value then exports become more expensive and imports less costly. If the currency falls against others then imports become more expensive and exports cheaper.

Q31. Rising interest rates can have all but one of the following implications for an economy. Which one is it?

(a) Credit sales will fall.

(b) Investment may start to fall as business loses confidence.

(c) Potential exporters will see the UK market as one worth selling to.

(d) As the cost of maintaining working capital rises so stocks will need to be reduced.

Potential exporters will see the UK market as one worth selling to.

You should now be thinking about the consequences for business of increases in interest rates. Also think about the impact on savings versus consumption, the drop in mortgage holders income and the impact on those on low or fixed incomes.

As the cost of maintaining working capital rises so stocks will need to be reduced we would predict this to possibly be the case for business as it adjusts to increases in interest rates.

Q32. Which of the following is an accurate definition of interest rates?

(a) The cost of borrowing money.

(b) The price of one currency expressed in terms of another.

(c) The level of unemployment that is normally apparent in an economy as some people are in between jobs or searching for a new one.

(d) The setting of the exchange rate by the forces of the market for currency.

The cost of borrowing money.

Always make certain you understand how increases and decreases in REAL interest rates can influence business behaviour and confidence. Interest rates represent the cost of borrowing money and so are a key cost to a firm if they are borrowing for expansion of investment.

The setting of the exchange rate by the forces of the market for currency is a freely floating exchange rate

Q33. Which of the following would probably NOT be the result of a period of relatively high inflation?

(a) Lower sales within the economy.

(b) A loss in international competitiveness.

(c) An increase in the trade surplus of the country.

(d) Workers demand higher wages.

An increase in the trade surplus of the country.

Remember to always think who will be effected by inflation and why. Also think about what government might do to try and reduce inflationary pressures. These can have an adverse affect on some parts of the community.

Workers demand higher wages would be a likely outcome of a period of sustained inflation.

Q34. Which of the following is NOT a primary cause of inflation in an economy?

(a) Large increases in consumer demand that cannot be adequately meet by current supply.

(b) Increases in costs, wages, imported goods / components/ raw materials and other expenses.

(c) A belief amongst many in the population that prices will be rising in the future.

(d) Falls in the amount of money in circulation beneath the growth rates being recorded by the economy.

Falls in the amount of money in circulation beneath the growth rates being recorded by the economy.

Most of these ARE causes. Look for the one that won't lead to higher demand or higher costs for firms that they have to pass on to consumers in higher prices. Always think about how any or all of these might affect a business and an economy. Think falls in demand, increases in cost, loss of competitiveness and increases in unemployment. Most of the options give ARE causes, falling money supply growth will have the opposite effect.

Large increases in consumer demand that cannot be adequately meet by current supply is known as demand pull inflation. It normally needs high levels of employment are relatively cheap sources of credit to exist.

Q35. Which of the following is an accurate definition of price inflation.

(a) An increase in prices.

(b) A persistent increase in the general level of prices.

(c) Decreases in the general level of prices.

(d) The index that measures monthly movements in prices.

A persistent increase in the general level of prices

Make certain you know what is meant by inflation and how and why it affects certain groups more than others.

Q36. Which of the following is a clear sign that an economy is heading for recession?

(a) A rise in the demand for consumer goods.

(b) Companies start to post growing amounts of bad debts.

(c) The capacity within the economy is being fully used.

(d) Potential bottlenecks start to appear within the economy.

Companies start to post growing amounts of bad debts

Corporate debts become higher as sales fall at a time of recession. Think about falls in output, bankruptcies, increasing unemployment, falling investment and a loss of business confidence.

Q37. Which of the following might cause cyclical unemployment?

(a) A downturn in world export trade.

(b) The replacement of coal by gas in many of the UK power stations.

(c) A fall in the competitiveness of UK clothing products.

(d) Some workers in the hotel trade being laid off in late October.

A downturn in world export trade

Cyclical unemployment is unemployment that happens with a downturn in the trade cycle. Which of these might cause that? When working on cyclical unemployment always remember to focus on: the market for the product under consideration, luxuries versus necessities, the level of profit being earned by the product, how quickly falls in business confidence will affect the industry.

The replacement of coal by gas in many of the UK power stations is normally a cause of structural unemployment.

External Influences: Test 2

Q38. A firm will have monopoly power if

(a) it is the sole producer of its product.

(b) it has a market share of at least 25%.

(c) it can set its price.

(d) it is making high profits.

it has a market share of at least 25%.

Monopoly is the least competitive type of market. Firm controls the market. But can a firm exert control on a market if there are other suppliers?

Any firm can set its price. The market decides if it sells or not.

Q39. All of the following are examples of unfair competition, except

(a) restricting supply to retailers who agree to take a complete range of items.

(b) a monopoly charging excessive prices because of lack of competition.

(c) market sharing; where a group of firms agree to share a market and fix prices in their favour.

(d) a firm taking out a patent for a drug it has invented.

a firm taking out a patent for a drug it has invented

It is not the taking of a patent that might be unfair, its how it is used. What is unfair competition? It is the earning of excessive profits, well above the amount that could reasonable be expected. Note that the words 'excessive' and 'reasonable' are subjective.

Q40. The dominant firm in a market is operating at near full capacity, and the other firms can do little to significantly increase their supply to the market. This will lead to all of the following, except

(a) rising prices as demand begins to outstrip supply.

(b) high and rising profit margins.

(c) increased levels of marketing, especially advertising.

(d) new firms considering entering the market.

increased levels of marketing, especially advertising.

Think of supply and demand. Demand will exceed supply, prices will rise, but not costs. High profits will attract new entrants, though that may not find it easy to do.

Q41. A rise in interest rates, followed by a rise in the exchange rate, will result in all of the following effects, except

(a) The price of imported raw materials will rise.

(b) The price of imported raw materials will fall.

(c) The price of exported goods will rise..

(d) Domestic producers will find it harder to compete against imported goods.

The price of imported raw materials will rise.

Q42. The business cycle is the regular pattern of upturns and relative downturns in output and demand within an economy. All of the following can cause this, except

(a) Government policies which effectively achieve steady, sustainable growth.

(b) changes in business confidence, leading to more of less capital investment.

(c) stockbuilding, followed by destocking.

(d) Irregular buying of consumer durables such as cars and household appliances

Government policies which effectively achieve steady, sustainable growth.

Think about what will cause a company to increase or decrease its production.

External Influences: Test 1

Q43. An increase in the rate of interest may reduce the profits of a company because

(a) the customers will have more money to spend.

(b) exports will become easier and cheaper.

(c) costs will increase since overdrafts and loans will be more expensive.

(d) it will become more rewarding to invest in new products and projects.

costs will increase since overdrafts and loans will be more expensive.

Note the link between interest rates and the exchange rate for sterling. It will become more rewarding (and less risky (to leave the money in the bank.

Q44. All of the following are examples of external stakeholders of a company except

(a) shareholders.

(b) suppliers.

(c) customers.

(d) local government.

shareholders

Stakeholders are any group, individuals or firms which have an interest in the survival and operation of a business. Internal stakeholders are shareholders, directors, managers and workers. All the rest are external.

Suppliers are outside the firm but depend on it.

Q45. Structural unemployment can be caused by all of the following, except

(a) a collapse in the demand for coal, leading to pit closures in South Wales.

(b) a slowing of the economy.

(c) growth of the textile industry in India, leading to the failure of the industry in Lancashire.

(d) collapse of the market for valves after the invention of transistors.

slowing of the economy

will cause cyclical unemployment. Cyclical unemployment is unemployment resulting at the downturn in the trade cycle, so this is not structural.

Q46. A market is said to be oligopolistic when

(a) it is dominated by a single supplier of a product.

(b) a few significant suppliers dominate the market for a product.

(c) there are many small firms supplying the same product.

(d) there are many branded varieties of the product on the market.

a few significant suppliers dominate the market for a product

oligopoly means 'run by the few'.

Q47. All of the following are examples of unfair competition, except

(a) two firms agreeing to fix their prices.

(b) three companies agreeing to share a market between them.

(c) a monopolist charging excess prices for its product.

(d) exploiting a patent that the firm has on a product it has developed itself..

Exploiting a patent that the firm has on a product it has developed itself.

It is an asset that it has developed itself. It has a fair competitive advantage.

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