

PRESENTATION
on
PERSONNEL MANAGEMENT

Submitted by:
Dr. Jaspreet Kaur
Assistant Professor, P.G. Department of
Commerce

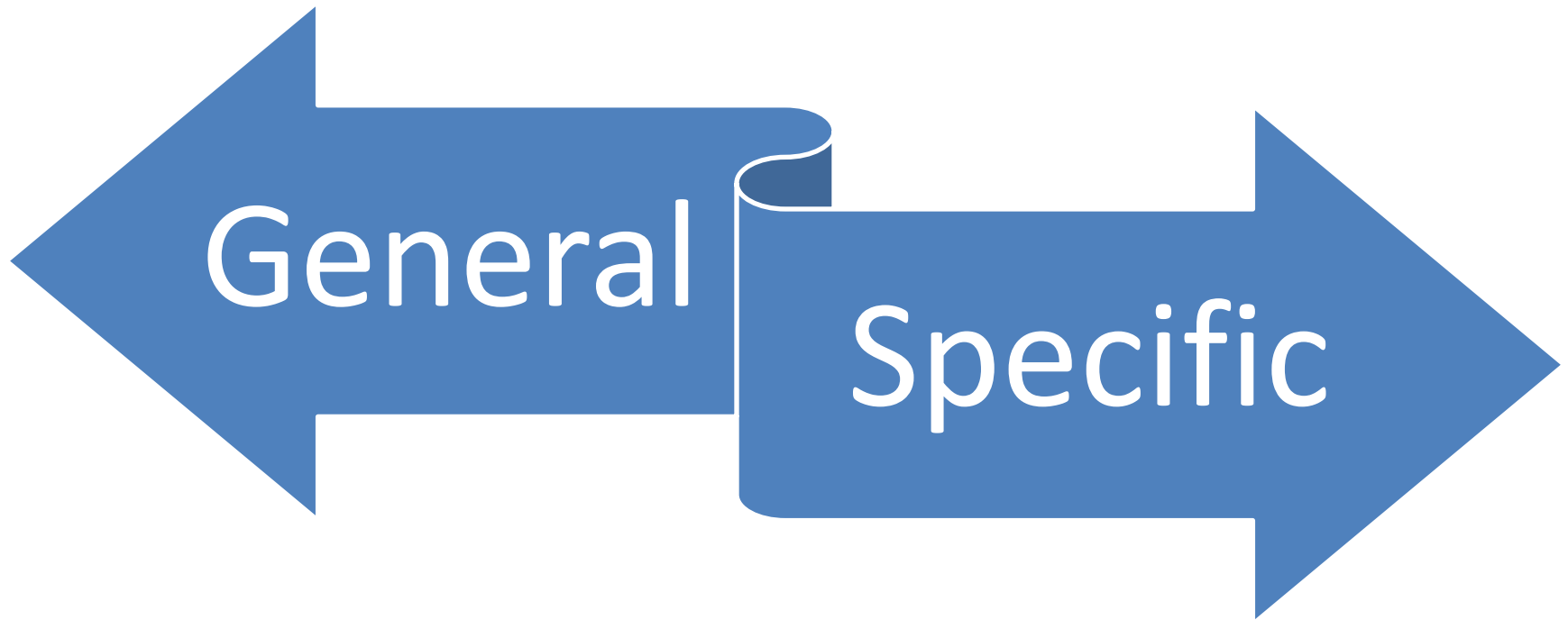
Meaning

Personnel Management is concerned with the management of human resources within an organization. It is an art of acquiring, developing and maintaining competent work force in order to achieve the objectives of the organization with maximum efficiency and economy.

Characteristics of Personnel Management

1. It is concerned with people at work.
2. It is a process.
3. It is concerned with the satisfaction of the employees
4. It is required everywhere.
5. It helps in the acquisition, development and compensation of workers.
6. It creates co-ordial and congenial relations within an organisation.

Objectives of Personnel Management



General Objectives

1. To create good working relationship within an organization.
2. To make human resources responsible.
3. To recognize employees ability.
4. To use the employee ability in the best possible manner.

Specific Objectives

1. To select right type of persons required for the organization.
2. To introduce them with their new jobs as well as with the organization.
3. To provide training to the employees for better performance.
4. To boost the morale of the employees
5. To create good work culture for smooth functioning of the organization.

Approaches Towards Labour

Commodity
Approach

Machinery
Approach

Human
Approach

Ownership
Approach

Participative
Approach

Commodity Approach

1. This approach treats labourers as one of the factor of production.
2. This approach tries to hire employees at the cheapest price and utilize them to the maximum.
3. Collective bargaining is done with the employees.

Machinery Approach

1. Management has impersonal attitude towards the employees of the organization.
2. This approach focuses on production.
3. This stage laid the beginning of labour welfare movement.

Human Approach

1. This approach treats labourers as human beings.
2. A satisfied labourer is considered as the asset of the organization.
3. This approach enhances the efficiency of the workers.

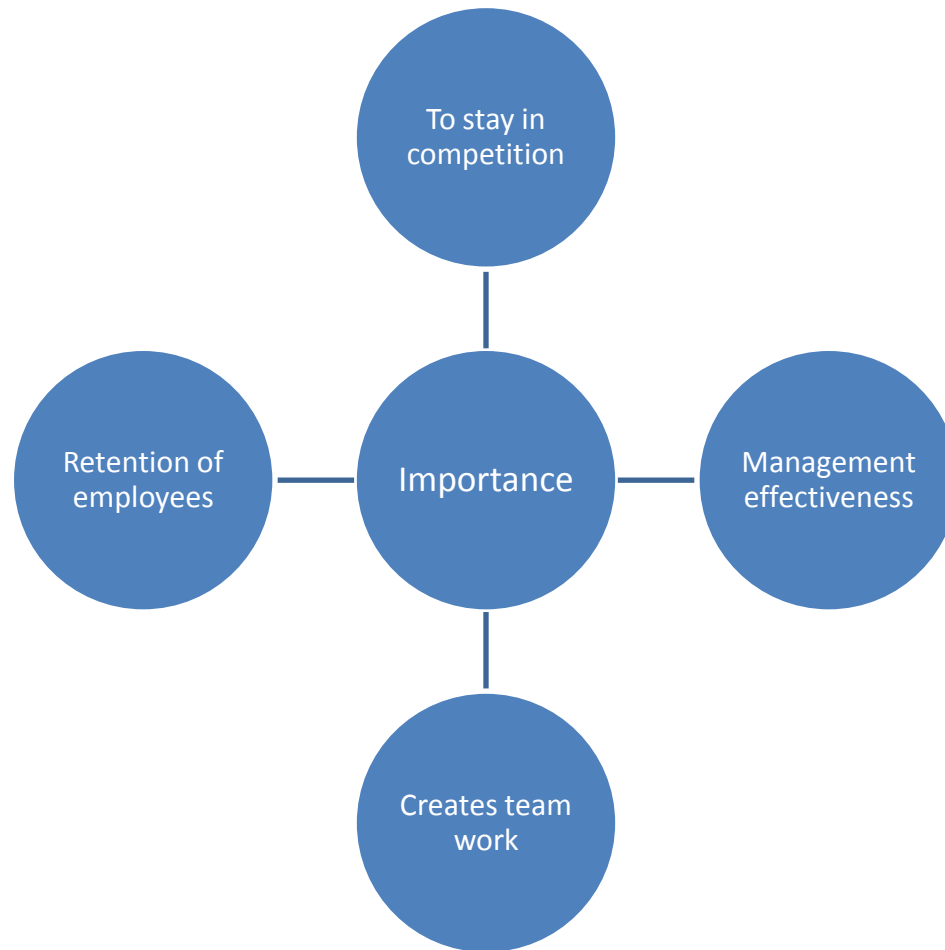
Ownership Approach

1. Labourers are given stake in the ownership of the company.
2. This approach laid the foundation of mutual sharing of responsibilities.
3. Moreover, the fruits also shared, as common.
4. This approach is concerned with producing goods and earning profits.

Participative Approach

1. This approach recognises the rights and privileges of the labourers.
2. Their state of mind is dually considered while taking any decision.
3. This approach encourages labour participation.
4. Labourers are given due recognition.

Importance of Personnel Management



Functions of Personnel Management

Managerial Functions

- Planning
- Organizing
- Directing
- Coordinating
- Controlling

Operative Functions

- Procurement
- Development
- Compensation
- Promotion, transfer and termination
- Integration
- Welfare Activities

Managerial Functions

1. **Planning:** Planning is deciding in advance that what is to be done in future. In personnel management it is considered with employing of right kind and right number of people at right place, at right time for accomplishment of the tasks of the organisation.
2. **Organizing:** It is concerned with grouping of the activities to achieve the objectives of the organization. Further each group of activity is assigned to a manager who is given authority as well to get the work done through his employees.

3. Directing: Directing is concerned with issuing of directions to the workers to get the work done through them.
4. Coordinating: It integrates all the individuals and departments of the organization and helps in the achievement of the objectives of the organization.
5. Controlling: It is basically concerned with checking whether the performance is in accordance with the objectives lay down for the organization or not. Managers are required to take corrective action if the performance is not as per the standards.

Operative Functions

1. Procurement: It is concerned with employment of right number, right kind of people at right place as well as at right time. It is concerned with
 - a. Manpower planning
 - b. Recruitment
 - c. Selection
 - d. Placement
 - e. Induction

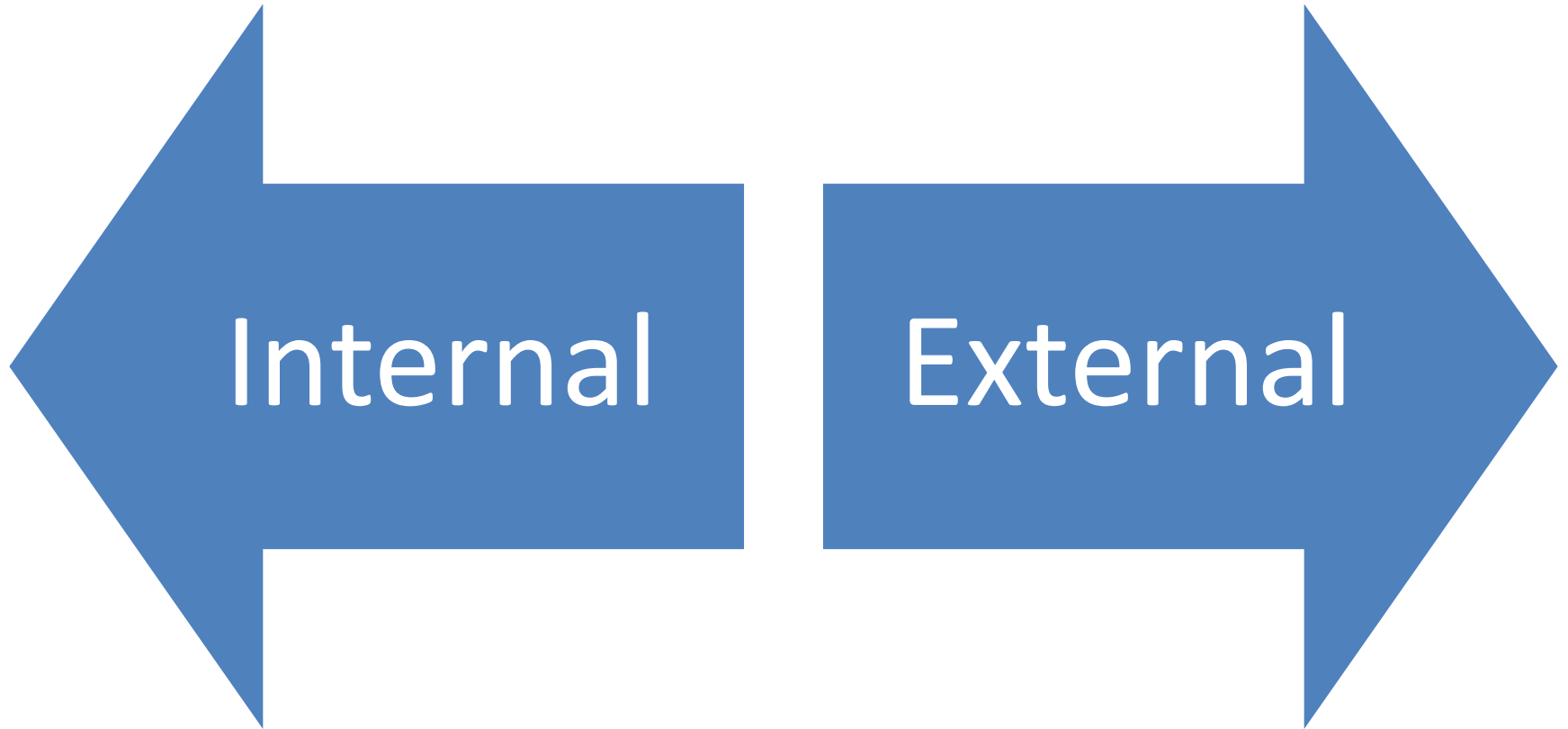
Manpower Planning

In it the assessment of manpower needed within an organization is made. This is done to have right number of employees, right quality of employees at right place as well as at right time. Current status of the manpower is also analyzed in manpower planning. Further Recruitment and selection can be done only if manpower planning has been done properly.

Recruitment

Recruitment is concerned with finding and attracting potential human resources to fill the vacancies of the organization. It is a positive process, as it is concerned with searching all the possible sources from where employees can be hired.

Sources of Recruitment



Internal Sources of Recruitment

1. Promotion: Employees from within the organization are promoted to higher positions based upon their efficiency and experience.
2. Transfer: Employees are transferred from one department to another according to their capability.
3. Demotion: If an employee is not doing well ,he can be demoted.
4. Employee Referrals: Existing employees recruit the skilled candidate from his social network.
5. Previous Applicants: The persons who have previously applied for the job can be considered.
6. Retired Employees: organizations re-employ their previous employees considering their loyalty, efficiency etc.

External Sources

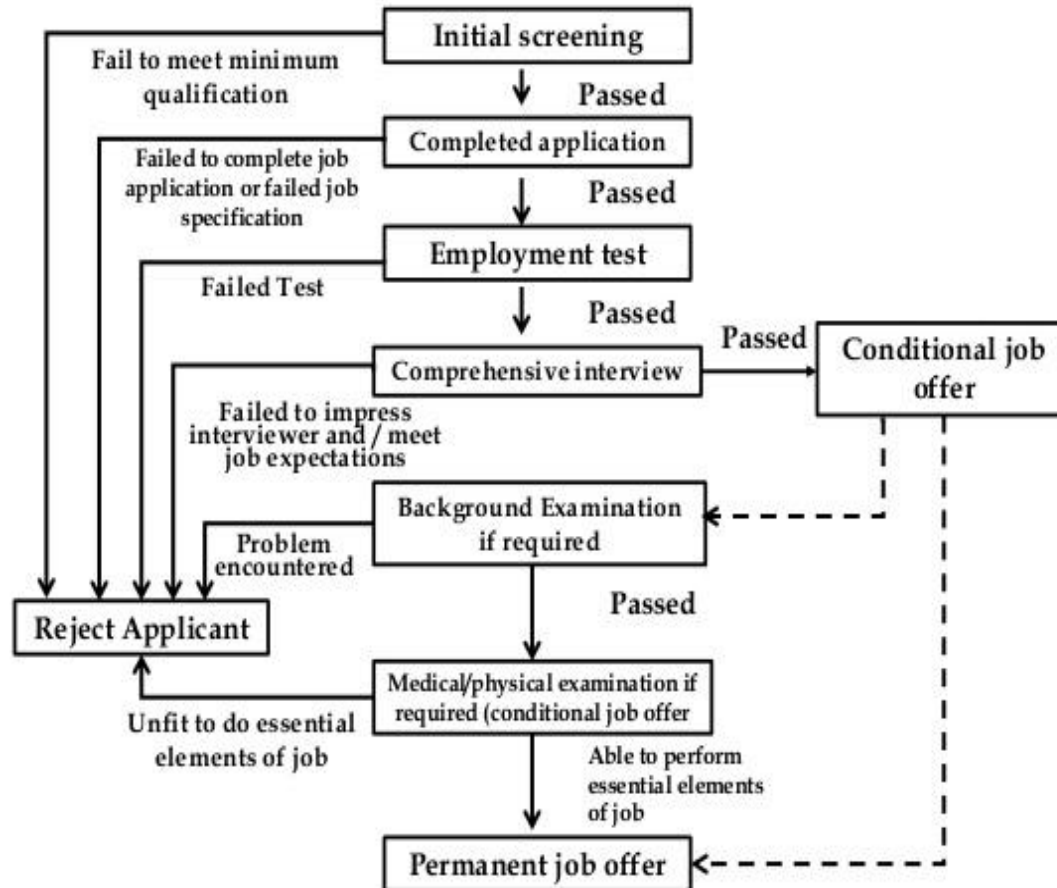
1. Re-employment: Former employees who have been laid –off or left the organization can be considered for re-employment.
2. Employment exchanges: The job seekers get themselves registered with the employment exchanges. Organization can recruit the employees from there as well.
3. Advertisement: Advertisement is usually given in newspapers, journals etc. It is the most common and effective means for hiring employees.
4. Educational Institutions: Many big industrial houses get in touch with the colleges, universities or other technical institutions for recruiting talented persons.

5. Applications at the gate: These are the persons who approach the organization on their own. These individuals can be recruited by interviewing them by the representative of the factory.
6. Labour contractors: Labour contractors bring the required number of labourers or workers on the terms and conditions of the organization.
7. Labour unions: In some organizations where labour unions are very strong, they may recommend the appointment of certain persons.
8. Waiting list: Companies usually maintain the list of applicants who were not earlier selected. These candidates can be called for the jobs.
9. Internet: There are various sites on which candidates upload their resume. Organizations can consider those candidates.

Selection

Selection is the process of choosing the right employee for the right job. It is a negative process because it involves rejection of the candidates whose qualifications are not as per the job requirements. A sound selection policy ensures that the best candidate will be selected for the job.

SELECTION PROCESS



https://www.google.com/search?q=diagram+of+selection+process&tbm=isch&source=iu&ictx=1&fir=oAnhztRCoS1pM%253A%252CuhINPW68jDUUrM%252C_&vet=1&usq=AI4RGdGWhfyqiUsNxsGfeFqcYriZQ&sa=X&ved=2ahUKEwjc05nh2u3kAhWMuo8KHWJJC3oQ9QEwCnoECACQGA#imgrc=K86ZedqGEnR7RM:&vet=1

Selection Process

1. Initial Screening: The applications received for the job are screened and the applications which do not match with the requirements are rejected.
2. Completed Application: The employees who qualified the initial screening are asked to fill the application blank. It provides the information with respect to personal information, educational qualifications, experience, expected salary and interest in extra curricular activities as well as reference.
3. Employment Tests: Organizations hold different types of tests to judge candidate traits, abilities, likes, dislikes, intelligence, capacity to learn etc.

Aptitude Test (Capacity to learn skills required for the job)

Intelligence Test (To judge the fluency, memory and reasoning capability)

Interest Test (To know the interest of the individual)

Achievement Test (To know the level of knowledge and skill of the candidate)

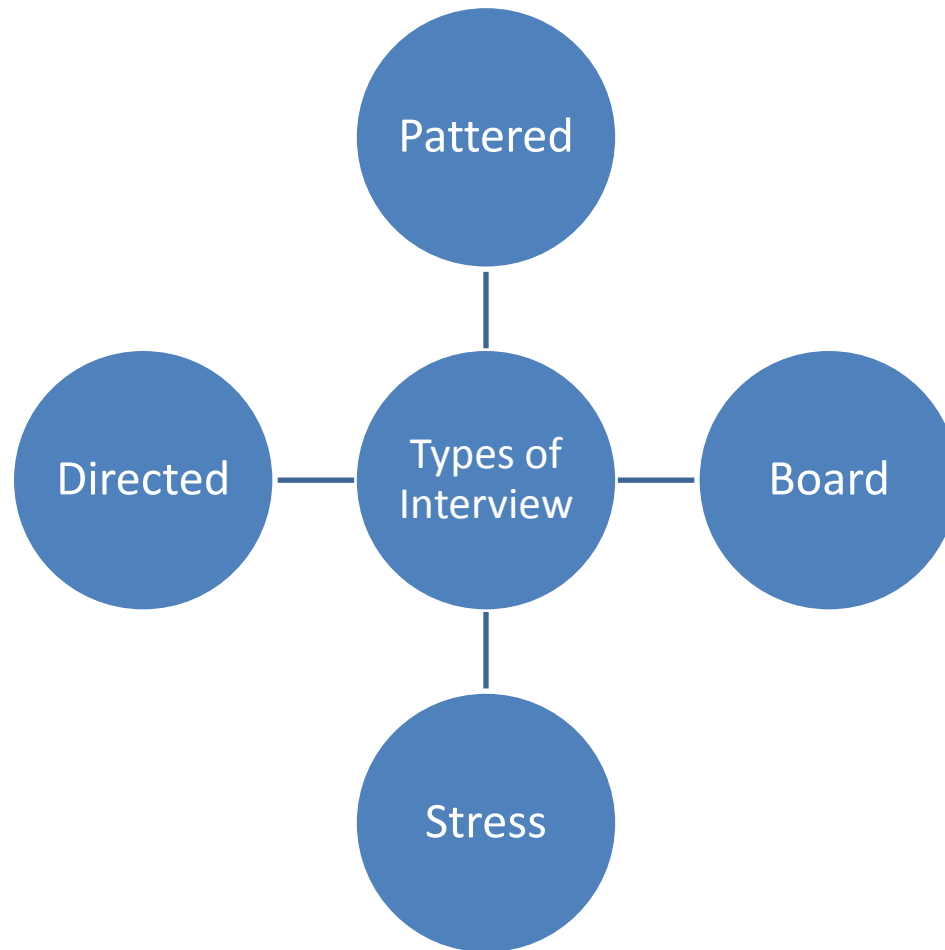
Personality Test (To judge self-confidence, temperament, initiative, dominance of the candidate)

4. Comprehensive interview: It is the face to face conversation between a panel of interviewers and the interviewee. There are various types of interviews like

Objectives of Interview

1. To judge the mannerism, knowledge and confidence of the worker.
2. To provide opportunity to the employee to know about the job as well as organization.
3. To judge the overall suitability of the candidate for the job
4. To check the information provided by the candidate with his testimonials.

Types of INTERVIEW



Explanation of types of Interviews

1. Pattered Interview: In this type of interview questions are already prepared with their answers. Candidate is asked question. His answer is matched with standard answer to decide his suitability for the job.
2. Directed Interview: Questions are asked on the basis of the job for which the person is being hired.
3. Stress Interview: In this, stress is deliberately put on the employee to judge his emotional stability.
4. Board Interview: In this, a candidate is reviewed by a group of interviewers to assess his caliber. All the interviewers are specialist in their specific fields.

5. Background Examination: Employees are asked to give two references from whom the information about the candidate can be gathered.
6. Medical Examination: After the candidate has been finally selected, his physical examination is done to ascertain his physical fitness and well being.
7. Final selection: When candidate crosses all the hurdles, he will be selected and an appointment letter will be issued to him to join his duty

- d. Placement: After being selected an employee will be placed on this right job.
- e. Induction: A new employee is required to be introduced with the existing employees, organizational policies, rules as well as location of the canteen, washrooms etc.

2. Training and Development

a. Training

This function is performed in order to prepare the employees for the job or to increase their efficiency. It is a technique of improving the skill and knowledge of the employees.

According to Edwin B. Flippo, “ Training is an act of increasing the knowledge and skill of an employee for doing a particular job.”

Traits of Training

1. To prepare the employees for their jobs.
2. To acknowledge them with new methods of doing the tasks.
3. To increase the efficiency and effectiveness of the employees.
4. To make the employees aware about the policies and objectives of the organization
5. To enable the workers to do their tasks independently.
6. To develop decision making capability among the employees.

Importance of Training

1. Training increases the productivity of the employees.
2. When the productivity will increase, it will increase the sales which ultimately help in increasing profits of the organization, this will ultimately benefit employees in terms of financial benefits and non-financial benefits.
3. Training will boost the morale of the employees.
4. It will also help in reduction of supervisory cost.
5. Training will create a feeling of belongingness among the employees, which will help in creating better human relations within the organization.
6. Training will reduce the occurrence of accidents, which will improve the health and safety of employees.
7. Training makes the workforce loyal and committed.

Types of Training

1. Induction or orientation training: In this training employee is introduced with the existing employees of the organization as well as with the working conditions prevailing within the organization.
2. Job training: In this, employees are instructed to enable them to handle machines, tools and equipments in order to avoid accidents, working delay, wastage of material and time etc.
3. Promotional training: In this existing employees are trained for higher level jobs within the organization. Promotion increases the morale of the employees.
4. Refresher training: The existing employees need to be updated with the new technologies, new methods of doing the tasks. So, refresher training is arranged to provide them with an opportunity to improve their skill and knowledge.
5. Corrective training: When an employee violates any rule of the organization, he is given corrective training.

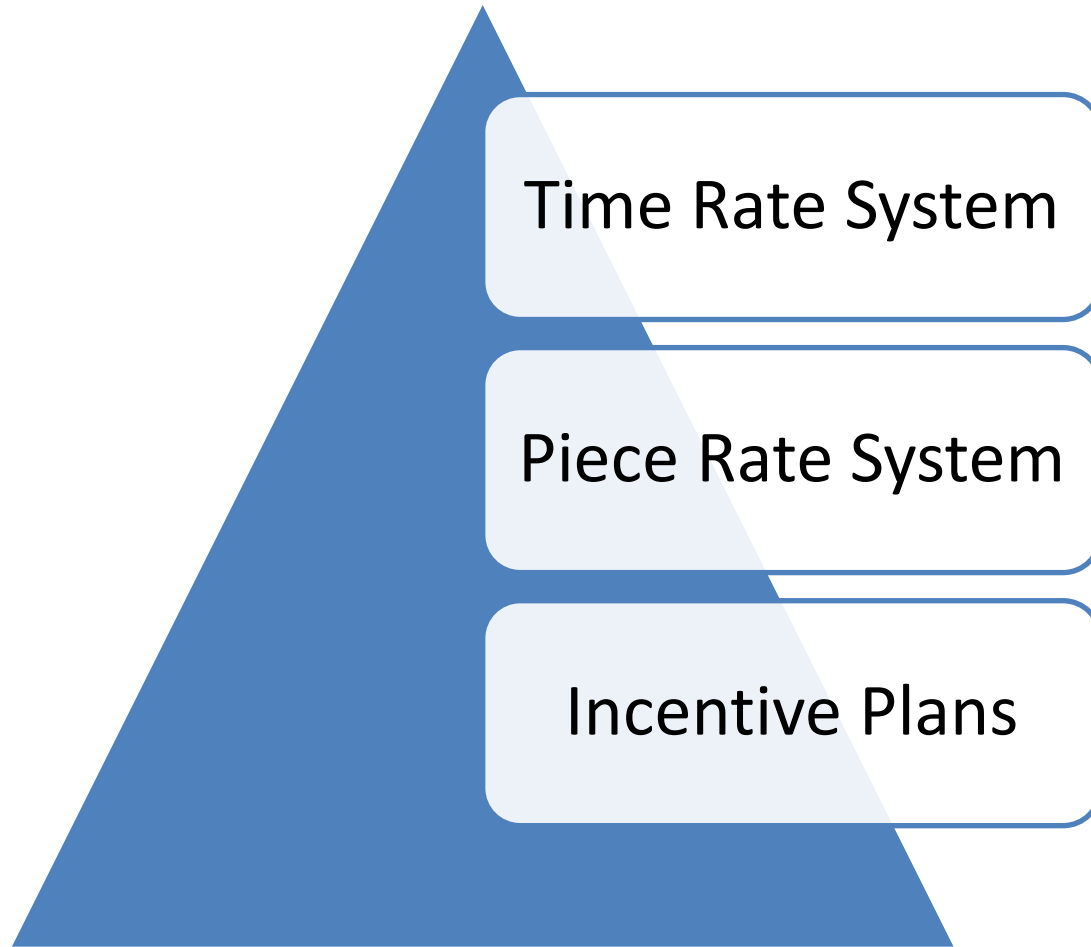
b. Development

Development involves the overall growth of the employees in all respects. It increases the skill and competence of the employees. Persons working at top and middle level undergo development programmes. In it basically off-the job methods of development are used like lectures, conferences and brainstorming.

3. Compensation

As an employee is contributing for the achievement of the objectives of the organization he needs to be compensated. If an employee is adequately compensated his performance and efficiency will increase, he will become more loyal, his absenteeism will reduce. There are various methods of compensating the employees like time rate system, piece rate system and incentive plans.

Methods of Compensation



Time rate system: Under this system wages or salaries are fixed on the basis of time for which an employee is working for the organization. For example: an employee is paid Rs.100 for one hour. If he will work for five hours he will get RS.500, if he will work for eight hours he will get Rs.800.

Piece rate system: In this an employee is paid on the basis of number of units manufactured by him like company pays Rs.20 for manufacturing one unit, if an employee manufactures 50 units he will get Rs.1000.

Incentive method: Under this some minimum wages are fixed for the employees for certain level of output, but if his performance will increase the limits he will get extra like Rs. 500 wages are fixed for eight hours and for producing 50 units. If an employee produce more than fifty he will get Rs. 20 for every extra piece manufactured. If any employee manufactures sixty units he will get:

$$\text{Rs}500+(60-50)*20= \text{Rs}.700$$

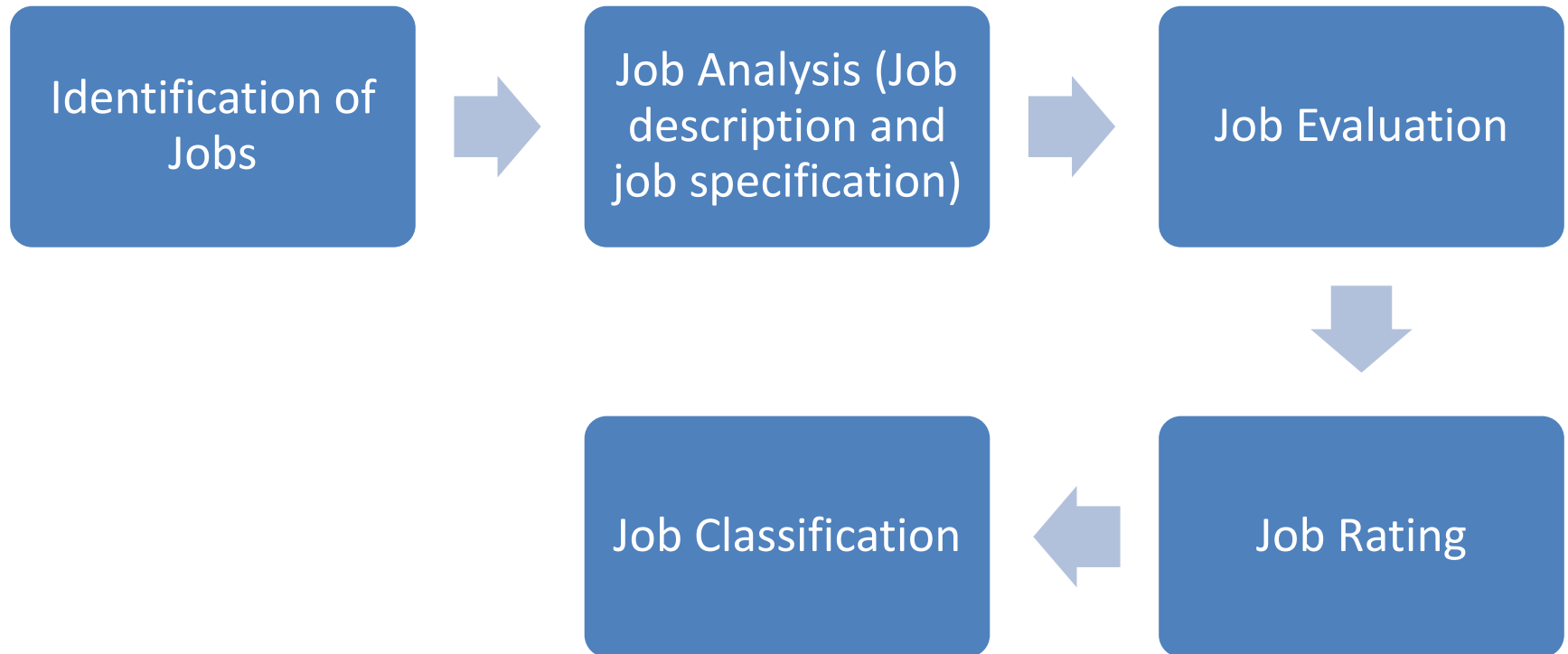
Before deciding compensation, it is necessary to evaluate the job. Job evaluation is a systematic process to determine the worth of the job in terms of money.

According to International Labour Organization, “Job evaluation is an attempt to determine and compare demands which the normal performance of a particular job makes on normal workers without taking into account the individual abilities or performance of the workers concerned.”

Objectives of Job Evaluation

- To determine the worth of the job in terms of money with reference to all other jobs in the organization.
- To wage structure should be equitable, those who do more should get more compensation.
- The promotion system should be objective in the organization.
- Employees should be ethical and duty conscious

Process of Job Evaluation



1. Identification of Jobs: In this stage the various jobs within the organization are identified to estimate their worth in terms of money.
2. Job Analysis: In this the job is properly analysed to have information about the various aspects of job.

Job Description: In it the features of the job are identified like job title, job location, job summary, machines, tools and equipments, working environment etc.

Job Specification: In it the qualities of an individual necessary to perform the job are identified like education, health, physical fitness, mental and other abilities.

3. Job Rating: Job rating is done in order to determine the relative worth of the job in terms of money. There are various methods of job rating.

Methods of Job Rating

- Ranking method: the jobs are ranked in order of their nature or importance. The order may flow from highest to the lowest or from lowest to the highest.
- Grading method: in this method the grades are established and then jobs are placed in these grades in the order of importance from highest to the lowest or from lowest to the highest.
- Point method: under this methods characteristics of the jobs are identified and then points are assigned to these characteristics on the basis of their importance in the job. By adding all the points the overall point value of the job is determined which help in job evaluation.

- Factor comparison method: under this method job is ranked several times on the basis of compensatable factors like mental ability, physical health, skill required, responsibility etc. Then rating are added to compute the worth of the job.
4. Job classification: in this all the jobs are classified according to their worth. Highly paid jobs are classified at the top level of the hierarchy.

4. Promotion, transfer and termination

- Promotion: If any employee is doing well he or she can be promoted to higher level within the organization. It will increase the salaries of the employees who are being promoted to higher levels and increases the morale, efficiency and effectiveness of the employees.
- Transfer: In this an employee is usually transferred to same position in some other department within the organization or if any organization is establishing new operations at some other place, he may be transferred there.
- Termination: If an employees performance is not as per the standards expected, he can be removed from his position.

In all these cases the performance of the employee needs to be evaluated in order to make correct decision.

5. Integration

It is necessary to integrate employees with the organization because it will create good environment and good work culture which will ultimately help in making organization a success. It will also reduce absenteeism, accidents, labour turnover and operating errors and increase morale and productivity.

6. Welfare Activities

Organizations are required to provide welfare services to the employees of the organization like medical facilities, entertainment facilities, recreational facilities, counselling, canteen, rest room, crech facilities, education to the children of employees, group insurance of the labourers etc. In addition to this labourers should be allowed to engage in collective bargaining with the management. Management should try to create team spirit among the workers and ensure effective communication system

Conclusion

Personnel management deals with the recruitment, selection, training , development and compensation determination of the workers in order to achieve the objectives of the organization. It ensures optimum utilization of the human resources of the organization. Personnel management is also responsible for creating good working relations in the organization

Thank You