
UNIT 22 INTRODUCTION TO HUMAN RESOURCE MANAGEMENT

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22.1 INTRODUCTION

The scope of Human Resource Management (HRM) in construction industry was initially confined to project management wherein attention was paid to the requirement of manpower for the project. With the changes in business environment and growing awareness not only among the employees but also among public and various social activists, the scope of human resource management in construction industry have increased manifold. Today, it encompasses all human resource functions in construction industry like any other industry. Construction being the second largest industry in the world after agriculture and being most labour intensive in nature, it offers tremendous scope for growth and development of human resource.

This unit discusses the need and importance of human resource management in construction industry.

Objectives

After studying this unit, you should be able to

- define and discuss the role and functions of Human Resource Management (HRM),
- appreciate need for HRM in construction industry, and
- describe the importance of HRM functions for managers in construction industry.

22.2 HUMAN RESOURCE MANAGEMENT

22.2.1 Concept

Manpower is one of the most essential input in any production process alongwith money, material, machine and time. All other inputs being lifeless objects are not difficult to manage, whereas the versatility, needs, motives, emotions, feelings, anxieties, fears, etc. make understanding of human resource and its management, a major challenge for any manager. This task becomes even more difficult for a project manager or project engineer who is predominantly pre-occupied with other production and operation related problems. Mostly, he does not have the services of human resource manager available to him at the

HRM – Human Resource Management represents the whole gamut of activities relating to management of Human Resource encompassing recruitment, selection, training, induction, training & development, time office and establishment functions, industrial relations, employees welfare, employees information system, etc. It is a larger system which has HRD as one of its sub-system. HRM consists of primarily two major activities, i.e. maintenance and development of the human resource.

HRD – Human Resource Development deals with all those activities, which contribute to the growth and development of knowledge, skills, performance, capacity and capability of employees in any industry.

site. Human resource management is not only the study of various issues, concerns and problems of employees at work but it also include the factors which affect it, including their quality of life at home.

22.2.2 Growth

The objective of any employer is predominantly profit making. The employer is primarily concerned with factors affecting the productivity and production of his business enterprise. Human beings by virtue of their needs, motives, aspirations and creativity cannot be approached and managed in a stereo type manner like other means of production. Various psychologists all over the world have studied the human behaviour at work in great details. The work of psychologists like Abraham Maslow, McGregor and Fedrick Herzberg made special contribution towards the growth of human resource management, which took quantum jump after the World War II. Due to problem of shortage of goods and services faced by the society all over, the human resource management became the pivotal point in the total process of management. In India, it began in Cotton Textile Mills before World War II. In fact, even in UK, the full function began to take shape only after the World War II. In order to encourage and motivate employees for higher production and productivity, various aspects of human resource management were studied in great details.

On international scenario, the origin of human resource management as an independent discipline can be traced to the Hawthorne Experiments. It was conducted by Elton Mayo and his researchers at the Western Electric Company from 1927 to 1932 focussing on the influence of various social pressures on the productivity of the employees.

22.2.3 Role and Functions

The human resource management functions can be summarised as given below :

- (a) Employees Information System,
- (b) Recruitment and selection,
- (c) Orientation and induction of employees,
- (d) Training and development,
- (e) Time office and establishment functions,
- (f) Employees welfare,
- (g) Industrial relations, and
- (h) Maintenance of discipline.

SAQ 1

- (a) What is HRM ? Discuss its relevance in construction industry ?
- (b) How is HRM different from Personnel Management and industrial relations ?
- (c) What is HRD ? How is it different from HRM ?

22.3 MANPOWER PLANNING FOR CONSTRUCTION COMPANIES

Manpower planning is the integration of manpower policies, practices and procedure so as to achieve the right numbers of right type of people in the right jobs at the right time.

Objectives

Preparation of manpower plan of a construction company is one of the most crucial inputs in achievement of its corporate objectives. The objectives of manpower planning are as follows :

- (a) To ensure optimum utilisation of available human resources;

- (b) To develop the available manpower in terms of information, knowledge, skills, performance, capacity and potential; and
- (c) To ensure better performance & productivity.

At the construction site, the above objectives can be translated as under :

- (a) To ensure right distribution of manpower in different departments working at the site so that imbalances are avoided;
- (b) To determine the direct level of recruitment in each category of employees in order to plan the intake of new employees at the site;
- (c) To determine training needs and frame training policies;
- (d) To determine the channels of promotion to provide avenues for growth & development of employees;
- (e) To determine transfer policies by ascertaining the right utilisation of manpower, placement & development of right skills; and
- (f) To control manpower cost.

Techniques of Manpower Planning

The techniques of manpower planning would depend on the stage at which the manpower planning process is introduced in the organisation. Mainly, there can be two approaches to this. They are as follows :

- (a) The planning of manpower before starting a project; and
- (b) The planning of manpower when the project is in process.

This implies that no manpower planning is done before commissioning of a project and based on the study and experience, the review and evaluation of real need takes place after the project has been commissioned.

Manpower Planning – It is a process of identifying requirement of manpower for the industry taking into account the current as well as future requirement and ensures placement of right number of people of right type at the right place at the right time.

22.3.1 Line & Staff Functions

Line functions are those functions which have direct responsibility, authority and accountability to the top management. Line functions are normally discharged by various operational departments such as production & operations, sales & marketing, purchase & materials and accounts & finance department, etc.

Staff functions are those functions which render advice on specialised issues and subjects. Staff functions are normally discharged by human resource, research & development, quality control departments, etc. These departments act in advisory capacity to various line departments to facilitate and enhance their performance.

Human resource management traditionally has been considered as a staff function only where HR Manager provides his specialised services on various aspects of human resource management to line & operation managers who are entrusted with direct responsibility, authority and accountability for producing results.

22.3.2 Recruitment

Recruitment is a process of evoking interest and response among probable candidates to apply for the vacant position. Anybody who is likely to be a prospective candidate for the job is encouraged to apply for the same. It is a positive process. The steps involved in recruitment are as follows :

- (a) Preparation of Job Analysis which consist of a list of functions to be performed by the person to be recruited.
- (b) Preparation of Job Descriptions which consist of putting information gathered about the job in sequential and descriptive manner.
- (c) Preparation of Job Specifications, which consist of preparing details of qualification, experience and personality profile of the person to be recruited.
- (d) Preparation of Job Evaluation which involves valuing a particular job in terms of salary and perks keeping in mind the criticality of the role. The importance of the role in the organisation, the thrust area of the management, the qualification and experience of the employee who would be occupying the new positions, the problems existing in the industry, etc. are some of the major considerations for job evaluation.

On the basis of study carried out by manpower planning section of human resource department of the organisation, the total number of vacancies existing in different categories of employee are ascertained.

The total vacancies conveyed to recruitment section includes the various changes which are likely to take place in future also. The recruitment action is initiated to fill up the existing total vacancies as well as preparing a wait list of suitable candidates for vacancies which may arise in future.

Sources of Recruitment

The source of recruitment varies with the categories for which the recruitment is to be undertaken. The source of recruitment also changes depending upon the nature of industry, whether it is a private sector company or public sector undertaking, its location, location of labour market, degree of specialisation expected from the prospective candidates, public image of the company etc. Some of the most common sources of recruitment are as under :

Internal Sources

- (a) From within department where the vacancy exists; and
- (b) From other departments within the company.

External Sources

- (a) At the gate of the site;
- (b) Through unsolicited applications;
- (c) Through reference of employees, unions, directors and business associates;
- (d) Through employment exchanges, SC/ST/OBC welfare associations, Zila Sainik Board, Directorate General of Resettlement of Ex-Servicemen, NGO for recruitment of physically handicapped;
- (e) Through ex-employees/under legal obligation or otherwise;
- (f) Through campus interviews;
- (g) Through trade associations;
- (h) Through recruiting agencies and management consultants; and
- (i) Through direct advertisement in newspapers, business and trade journals.

22.3.3 Selection

Selection process is an elimination process with a view to select the most suitable candidate amongst all the applicants.

It is also known as negative exercise because of its elimination process. Unlike recruitment wherein more and more candidates are encouraged to apply for the vacancies, in selection process through its various stages, candidates are rejected with a view to find out the most suitable candidate.

It is a process of matching the individual qualities in terms of his knowledge, skills, capabilities and potential with the requirement of the job.

Stages of Selection

How many stages are required for selection of a particular category of vacancy depend upon the management philosophy, organisational systems & procedures and its personnel policies apart from the total number of applications received for it. Lower the category of employee, lesser the number of applications and lesser the stages of selection. Similarly, more the number of applications, more the stages of selection. Selection is one of the most effective and efficient methods of improving your public relations. Therefore, the stages of selection should be such that it should not only help in selection of the best candidate but at the same time, also it should look fair.

Following are some important stages of selection normally employed in the industry :

- (a) Sending of blank application form
- (b) Screening of applications

(c) Selection Test

- * Job Knowledge Test
- * Job Skill Test
- * Job Potential Test
- * Job Interest Test
- * Personality Test

(d) Group Discussion

(e) Interview

22.3.4 Placement

Placement is one of the functions of manpower planning department. The objective of which is to provide right type of people, in right number, at right time and at right place.

Placement is the process of placing the individual employee into a job, after his selection and induction, matching his skills, potential, ability and interest with the challenges offered by it, with a view to optimise the individual as well as organisational performance.

The objectives of placement are many folds. Each individual has a unique blend of various characteristics, which determines his adjustment in a work situation. He has a set of roles to perform from time to time. These roles call for different kinds of abilities such as job knowledge, decision making, ability to produce result, analytical ability, human relations skills, personality profile in context of the job, resourcefulness and ability to communicate, etc. which determines his success in the job. Depending upon the built-in strength and weakness of an individual employee, his placement in a particular position and department of the organisation is determined.

22.3.5 Induction and Training

Induction is the process of introducing a new employee to his job, colleagues and organisation. The process of induction differs from organisation to organisation depending on the human resource policy of the company, the position in which the new incumbent has joined and the criticality of the role etc.

People make a company. Their skills, abilities, performance on the job and productivity determine the company's profitability and its growth. The better the people are doing at their work, the more successful the company is likely to be in selling its products or services.

Training is a method of imparting information, knowledge, skills and behavioural inputs to the employee for improving and upgrading his skills, enhancing his performance and productivity and development of his potential for his own benefit as well as for the benefit of the organisation. It facilitates proper adjustment and creates understanding of an individual employee regarding his role, job and the culture of the organisation.

Purpose of Training

The value of training can hardly be undermined by anyone but there are employees and employers who are required to be convinced as to how it helps people in their work. They may feel that training is a waste of time and money. They must be convinced and shown how training pays off. Training can be sold most successfully by pointing out how it helps employees to perform better, how it brings in them job security, higher motivation and commitment apart from building conducive organisational culture.

Types of Training Programmes

The training programmes are of different types depending on the purpose for which they are conducted. The training programmes cover the entire gamut of employees from the level of workers to supervisors and managers. The contents of the programme depend on the level of participants, training needs, training objectives and organisational needs. The following types of training programmes are conducted normally in companies :

- (a) **Apprentice Training** : It is an statutory obligation of the company to engage apprentice in trades which are prevalent in the company in the ratio as prescribed under the Apprentice Act, 1961.

- (b) Executive Trainee/Management Trainee Programmes
- (c) Induction Training Programmes
- (d) Technical Training Programmes
- (e) Management Development Programmes
- (f) Internal Management Development Programmes
- (g) External Management Development Programmes

Methods of Training

The following methods are used these days for imparting training to employees. A combination of these methods is normally used to make the programme more effective and useful.

- (a) Lecture Method
- (b) Role Play Method
- (c) Case Study Method
- (d) On the job Training
- (e) Job Rotation Method
- (f) Management Games Methods

SAQ 2

- (a) How is recruitment different from selection ? Explain various sources of recruitment and methods of selection.
- (b) What are induction, training and development process ? How does it help the organisation to develop its human resource ?

22.3.6 Over-staffing

The rapidly changing environmental conditions are continuously creating new challenges for the Indian organisations. In the wake of the ever-increasing competition, many of the established organisations are craving for survival. Because of the rising cost and falling productivity, more and more organisations have started giving serious look at their manpower with a view to cut down excess manpower. Due to the political reasons and cumbersome procedure prescribed under Industrial Disputes Act, 1947, it is practically impossible to get rid off excessive manpower or terminate the services of any employee engaged even on temporary jobs. Moreover, some of the recent judgements of Hon'ble Supreme Court have also made it obligatory for companies who are engaging contract labour in job of permanent and perennial nature to regularise the services of such contract labour. Thus, making it increasingly difficult for employer to have flexibility in deploying of manpower or to down size its manpower. Due to increasing pressure from trade unions and social activists, many organisations have started using the term right sizing instead of down sizing because down sizing has a negative connotation. Unfortunately, till now, there is no agreement or legislation which ensure a satisfactory performance by the work force. It has been observed that contract and temporary employees show good results in their work but after regularisation, their performance also reduces significantly. Some of the important reasons for excess manpower in construction industries are as under :

- (a) Bulk and unplanned recruitment in the beginning;
- (b) Political pressure to give employment to more and more persons without specific needs;
- (c) Practical difficulties in terminating the services of permanent/temporary/contract employees, etc.;
- (d) Low performance and productivity by the existing employees;
- (e) Lack of skills on the part of employees;

- (f) Lack of proper performance appraisal system;
- (g) Rigidity in deployment of manpower;
- (h) Lack of multi-skilling among employees;
- (i) Lack of investment on training and development of employees;
- (j) Lack of training and development efforts for retraining and developing existing employees;
- (k) High absenteeism rate and provision of extra people as reserves;
- (l) In-efficient production planning and control function leading to fluctuation and deployment of manpower;
- (m) Added work content due to :
 - * Defect in design;
 - * In-effective tools, facilities and manufacturing methods;
 - * Lack of planning and control (especially Process Planning & Control, Quality Control, Preventive maintenance, safety, inventory control, distribution, storage etc);
- (n) Poor systems and procedures;
- (o) Unhealthy attitude (lack of motivational factors);
- (p) Manpower imbalances (i.e. excess Manpower in one department/unit and shortage in other);
- (q) Lack of redeployment efforts;
- (r) Lack of systematic efforts in Manpower review/control (Manpower Audit).

22.3.7 Time Office and Establishment Functions

Time office is the watchdog of human resource department. It keeps details of attendance, punctuality, late coming, early going, over time, the number of times an employees has gone out of site premises, details of shifts in which he has worked, the types of leaves availed, payment of productivity linked incentive & entitlement and basis of payment of different types of allowances, preparation of muster roll and wage & salary register, etc. Normally, time office is part of establishment division of human resource department and located at the main entry gate of the site.

In the time office, the company provide the clocks and each employee is given an Attendance Card for the whole month on which he is supposed to mark his attendance through the clock while entering the establishment and similarly punching out his card while leaving the establishment. Most of the companies allow the contract employees also to mark their attendance through their time office but the name of the employer on the attendance card is to be shown that of the contractor instead of principal employer. In between his duty hours as and when the employee goes out either for personal work or for official work he has to punch-out and punch-in the departure and arrival time. His movement outside the office is authorised by his departmental head on the basis of the gate pass, which he has to deposit at the time office or security office. At construction site, the concerned worker reporting at the work is through his supervisor who allocates him duties for the day. At the time of allocating duty to the employees, their attendance are marked by their supervisor. Many large construction companies may have this system of marking of attendance by supervisor in addition to punching of card at the time office.

Many construction companies have adopted computerised attendance marking machines where the concerned employee is given an identity card with magnetic tape which he has to sweep through the computerised attendance marking machine. The advantage of this new technology is that it is temper proof apart from the fact that no one can mark other's attendance until or unless they are in the position of having the identity card of that person. Another advantage of this system is that it gives computerised statement showing the late coming, early going, automatic calculation of salary and allowances. Thus, it is most cost effective proposition.

Establishment Functions

Establishment division looks after all the personnel records including maintaining their personnel file. It contains all the details of an employee from the time he

applies for the job till his services cease with the company. Maintenance of personnel records and its quality is of extreme importance not only in effective discharge of various administrative decisions but it also helps management in ensuring effective control over its manpower.

The personnel file should contain the following documents :

- Application for the job;
- Copy of offer of appointment and appointment letter;
- Report of the medical check-up and report of verification of antecedents;
- Joining report for duty and posting order;
- Nomination form under PF, Pension, ESI/Workmen Compensation Act and settlement of dues;
- Report on probation and confirmation letter;
- Annual performance appraisal reports;
- Letter of commendation, appreciation, warning, disciplinary action, etc.;
- Copy of resignation letter/discharge/superannuation/retirement;
- Details of settlement of dues and contact address.

22.3.8 Wage and Salary Administration

The concept of wage and salary is being used in industries as if these are synonym words. Although both the words represent payment of compensation in lieu of selling your services to the employer but the difference lies in the frequency of payments received. If it is received on a daily basis, it is called as wages and if it is received on a monthly, fortnightly or weekly basis, then it is called as salary. There is usually no guarantee of continuous employment in case of employees who receive wages.

In India, salaries are mostly paid to employees on monthly basis as fortnightly or weekly payments are not so popular. Under Payment of Wages Act, 1936, although it could be paid on weekly or fortnightly or monthly basis, but not beyond a periodicity of over a month (Section 4 of the Act). Any establishment or factory employing less than 1000 employees is required to make the payment on or before 7th day of the following month (Section 5 of the Act).

The compensation package of the organisation should be such that it should not only help in retaining the employee, but it should also help them in achieving their personal goals. While it is true that no organisation can take the care of all the personal needs of the employees, but it has no right to survive, if it cannot pay the minimum wages prescribed by the Government (Crown Aluminium Works Case). An agreement reducing the minimum wages under the Minimum Wages Act, 1948 is void. Similarly, payment of wages less than the minimum wages on ground of less performance or output is also illegal. The employer may fix any reasonable sum specifying the quantity of work which must be turned out by the workman during the day, but if the workmen does not turn out the work in conformity with such norms, the employer may take disciplinary action against him and remove or dismiss him, but he cannot pay him anything less than minimum wages. The workman who cannot work for more than half a day or so, is not entitled to get what is paid to other workmen for their full day work. Subnormal workmen are not entitled to full minimum wage without performance of a normal day's work.

As per the Fair Wage Committee, appointed by the Government of India in 1948, evolving a national wage policy is very complex and difficult task, but not impossible. However, committee classified the wages into following three categories :

Minimum Wage

To cover the bare physical needs of food, shelter and clothing of workmen and his family with a view that his efficiency is preserved.

Living Wage

To provide for the worker and his family, not merely the basic essential needs of food, clothing and shelter but also education for his children, medical facilities, saving for old age and sickness period, amenities for luxury and comfort for him and his family members.

A wage to be somewhere between the living wage and minimum wage depending upon our economic development. The lower limit of the fair wage must obviously be little more than minimum wage and the upper limit is what we should strive to achieve as our ideal goal. Between these two limits, the actual fair wage depends on number of factors such as economic development and growth of country, demand and supply of labour, technology adopted, nature of industry and its location, its capacity to pay, productivity of labour and its bargaining power etc.

Wage and Salary Policy

The question of evolving an optimum wage policy is as difficult for an organisation as fixing the price of the product/services. Whether a company should pay a slightly higher pay and allowances than the average pay & allowance of the industry or it should be in consonance of industry's average or less than it. Either of these decisions are not so simple for the company as it will have tremendous bearing on the morale, performance, productivity and turnover of its employees.

Based on studies undertaken from time to time in different parts of the country both in public as well as in private sectors, it has been proved beyond doubts that pay and allowances are accountable for more than 60% industrial disputes in our country. Thus the issue of determining wage and salary policy is not only complicated but is highly sensitive.

The policy of wage and salary deals with issues such as what percentage of salary should be given in the form of basic pay and what percentage in forms of various allowances like dearness allowance, house rent allowance, city compensatory allowance, conveyance allowance or other special allowance etc. What should be the bifurcation of the total salary of employees in terms of monthly payment and long term retirement benefits, although benefits like gratuity, provident fund, pension scheme and deposit linked Insurance plan are statutory obligation of the employer for sizeable number of workmen and few managerial employee depending on their salaries and the respective coverage of each act.

Influencing Factors

Depending upon the predominance of any one or more factors, employer has to decide on an appropriate policy by striking balance among all the following factors :

- (a) Demand and supply of manpower;
- (b) Capacity of industry to pay;
- (c) Comparative wages paid by other competitive companies;
- (d) Cost of living;
- (e) Job requirement/job specification;
- (f) Productivity of manpower;
- (g) Bargaining power of the trade unions;
- (h) Government policy relating to wage & salary;
- (i) Reputation of the company;
- (j) Incentive offered to employees; and
- (k) Individual employee's ability.

Components of Salary

Over a period of time, the salary has been divided into various components in the form of allowances wherein each allowance is given for a specific purpose to fulfil a particular need of employees.

The basic salary and pay scale reflects the intrinsic value of a job based on proper job evaluation method. The payment of dearness allowance is to off set the impact of increase in cost of living. House rent allowance is provided for reimbursing to some extent the expenses incurred by employee on hiring of house and city compensatory allowance is meant to subsidise the high cost of living in metropolitan cities in comparison to other urban/rural areas. Apart from these allowances which prevail in most of the industries in public as well as private

sectors, each company has its own peculiar allowances depending upon its nature of operation, organisational history, value system of management and union leadership.

SAQ 3

What is reward and compensation policy ? Should it be linked with the productivity of the employee or not ? Explain.

22.3.9 Discipline

Discipline is a branch of instruction or learning. It is part of mental and moral training. It is a system of rules for conduct; behaviour according to established rules. When we got freedom, our Constitution in its preamble decided to develop our country as a Sovereign, Democratic Republic on Socialistic pattern, inspired by humanistic impulse. Over last 50 years after adoption of the Constitution of India, the human values and human orientation of all our social, business and political systems have degraded very fast. Selfishness and self-centredness have done the biggest harm to the nation as a result of which in spite of being the second largest reservoir of scientific and technological manpower, we are not able to alleviate the suffering of our people. We are still fighting for fulfillment of their basic needs. Our people have to sit calmly and consider one basic question: how to infuse values into our national life and to overcome problems challenging our national aim of total human development.

One of the major drawback of our Constitution is that it has full chapter on fundamental rights and how these rights are to be protected whenever there is any infringement but there is no chapter or even mention of fundamental duties of our citizens, thus making our people more conscious about their rights rather than duties. It is needless to stress that no society can ensure rights without fulfillment of the duties by its citizens.

A logical extension of this type of thinking has also been inflicted on our business organisations, where both management as well as union demand their respective rights without fulfilling their respective duties towards each other. The result is quite obvious and they blame each other for poor discipline and low productivity. In order to break this stalemate, both the parties have to indulge into a deliberate process of participation on issues of common interest of both of them, the tone for which has to be set by management by initiating the process of information sharing, consultation, joint decision making and ultimately self management or self discipline in phased manner. Even various Labour Laws prevalent in our country recognise this principle. The framing and certification of standing order or the company under Industrial Employment (Standing Orders) Act, 1946, constitution of works committee, grievance resettlement machinery, bipartite negotiation etc. are in accordance with the above mentioned principle of participation in enforcing discipline in the industry.

Discipline – A Dynamic Concept

The concept of discipline has been undergoing changes with the changing values of the society and industry. It has been customary for a subordinate to get up from his seat, moment the boss passes from there. Similarly the subordinate is not suppose to take the seat until and unless he offers him the chair. Smoking in front of your boss was considered the biggest misconduct and no subordinate could ever think of doing it. It was autocratic work culture where a subordinate was as good as a slave and he was not suppose to make any suggestion, advise or express any opinion unless it is specially sought for.

From one extreme we seem to have reached to other extreme of our work culture today where boss and subordinate not only call each other by first name but openly express their views, opinion and suggestions. At times the manner in which they discuss the issue, a third person may get feeling that probably they are fighting with each other. All the frills of physical discipline seems to be gradually disappearing and giving way to mental discipline where people have to be much more organised, methodical and deliver results within a time bound commitment. The concern for task have increased many fold and in order to enable the employee

to fulfil it, the concerns from him also have increased. From autocratic style of leadership, the business moved to democratic style and now gradually moving towards Laissez Faire style of leadership where the interference and supervision from the boss is minimum and the high maturity and sense of responsibility of the subordinates ensures timely result. In the changed environment, the manager has to bring appropriate changes in his own leadership styles and adopt the role of counsellor, mentoring and guide rather than acting as authority figure. The emphasis has to be on educating rather than enforcing.

Positive Discipline

The positive discipline emerges from the right attitude to your work, your colleagues, your company and to life in general. Many a times, we consciously or subconsciously force our own biased values and judgment on our employees under the garb of discipline. Managers have to set their own examples before they could expect from them disciplined behaviour. Many a times, we ourselves break the rule which we expect them to follow. Discipline has to be uniformly applied on everybody in the organisation irrespective of his position or status. It has to flow from the top of the organisation. A manager who himself comes late to office, has no moral right to expect his employees to come in time. In any case, since he himself will not be there to observe his employees, he will never get the true picture of late coming in his department. Many managers argue in such situation that they are not answerable to their employees. True, they are not reporting to them but definitely answerable to them. They have no right to preach what they themselves do not practice and if they still insist on such discipline, the employees not only lose respect for the boss but also for the discipline. Many of them report in time and leave office after their scheduled working hours. In such cases, their productivity and performance will definitely undergo qualitative and quantitative changes.

Apart from contributing to the stability objective of the organisation, positive discipline motivate the sincere and loyal workers to perform better by fostering feeling of togetherness and unity among them. As a business manager one should always keep in mind to avoid unnecessary discipline and not to insist for things which are not directly related to the working of organisation. Educating and convincing employees about the reasonableness of rules and regulations help the management in its implementation. Many a times, it is the poor personnel policy of the organisation. Better communication channels through staff circulars, notice boards, in-house journals and communication meetings on a sectional basis also help to avoid misunderstanding among employees.

It is seen that very often we forget to reward the good behaviour of the employee than to punish him for his poor behaviour. What is required on the part of management is a dual approach where positive discipline should be promoted by educating employees about the rules and regulations of the company as well as to caution them regarding various acts of misconduct. The service rules booklet should be given to every employee on the date of joining the organisation and in the induction programme, the reasonability of rules and regulations should be explained to them to seek their understanding and co-operation in implementing it. The availability of rule book in most of our organisations is not only a problem for workers alone but also for managers.

SAQ 4

What is the importance of discipline in industry ?

22.3.10 Separation

Separation of an employee from his company could be for a variety of reasons, some of which are voluntary and some are involuntary as per the following details :

Voluntary Separation

- (a) *Resignation* : Resignation is an act of voluntary separation arising out of the desire of the employee to leave the services of the company. It is normally

resorted to by the concerned employee whenever he finds better employment or when he plan to start his own enterprise. In case of female employees, many a times it is because of family reasons and compulsion.

- (b) *Voluntary Retirement on Medical Grounds* : Whenever an employee is sick for a very long time or he suffers from a ailment wherefrom he is not likely to recover or where on account of ailment he/she suffers permanent partial or total disablement, he applies for voluntary retirement on medical grounds. Request for such retirement is normally accompanied by recommendations of a medical doctor.
- (c) *Voluntary Retirement Scheme* : Construction being labour intensive and the second largest in the world has a lot of excess manpower as a result of which many companies have introduced voluntary retirement scheme for their employees which are normally known as "Golden Hand Shake". The employee opting for retirement under this scheme gets sizable ex-gratia amount over and above his other statutory dues such as provident fund, gratuity and pension.

Involuntary Separation

- (a) *Determination of Probation Period* : If the performance of an employee is not found up to the mark during his probation period, the employer may determine his probationary period. There is a system of appraising the performance of the probationer twice during the period of probation on the basis of which he is given feedback by his immediate supervisor. The negative feedback should follow by a letter highlighting the areas where the performance of the probationer is not found upto the mark and immediate improve is expected in those areas. On completion of second report on probation either the employer has to decide about determination of his period of probation or extend it if there is no improvement in his performance.
- (b) *Termination of the Service on the Basis of Disciplinary Action* : If employee indulges in any act of misconduct he is chargesheeted for the same by his employer. On completion of the inquiry proceeding, if the charges are proved against the employee, employer may decide to award punishment of discharge or dismissal to the chargesheeted employee.
- (c) *Compulsory Retirement* : Compulsory retirement of an employee can be resorted to his employer on the following grounds :
 - (i) *On Medical Grounds* : Whenever an employee is on long leave he has already suffered permanent partial disablement or permanent total disablement, the employer may constitute a medical board on whose recommendation, the employee may be compulsory retired on medical grounds.
 - (ii) *As Punishment on the Basis of Disciplinary Action* : If an employee is found guilty of indulging into various acts of misconduct which are duly proved on the basis of domestic inquiry, the employer may award him the punishment of compulsory retirement from the service.
 - (iii) *On the Basis of Loss of Confidence* : In certain cases the employer may loose his confidence in a particular employee due to his indulgence into doubtful activity or being in arena of doubt for involvement in various acts of misconduct. There may not be sufficient material to hold him guilty. In such cases, employer may resort to compulsory retirement of the concerned employee on the grounds of loss of confidence.
 - (iv) *On the Basis of Poor Performance* : The employer has a discretion to compulsorily retire those employees at the age of 50 or 55 depending on the service rules or standing orders of their company, if it finds that performance of an employee is not up to the satisfactory level.

Superannuation

It is an act of retiring an employee on his achieving the age of superannuation. Normally, it used to be 58 years of age that has been extended to 60 years recently on the recommendation of the 5th Pay Commission by Government of India. However, keeping in mind the low level of performance and low commitment to the job of the employees in government and public sector, news keeps on appearing in newspapers that government is thinking of reverting back to the old

age of superannuation at 58 years of age. In most of the multinationals and even in some private sector companies, the superannuation age is 55 years.

SAQ 5

What is voluntary and involuntary separation ? Discuss with examples.

22.4 SUMMARY

In this unit, we have discussed human resource management as a concept, its definition, how it is grown with the passage of time and its role and functions. Manpower planning being one of the essential component of HRM, it involves line & staff functions, recruitment & selection procedure, induction, training & development procedure, what is overstaffing and how to deal with various problems arising out of it. It also covers the study of time office and establishment functions which are of paramount importance in order to ensure that the manpower not only report on time but a proper and adequate record of their attendance, performance, pay and various allowances and its revision from time to time. It also maintains record of any letter of commendation or letter of warning or any other severe punishment given to the employee for indulging in any act of misconduct. The personnel file of an employee is closed with separation of his service from the company whether on voluntary or involuntary basis.

In the next unit, we will be discussing the major labour legislations applicable to construction industry and various problems associated with their implementation.

22.5 ANSWERS TO SAQs

Refer the relevant preceding text in the unit or other useful books on the topics listed in the section "Further Reading" given at the end of the block to get the answers of the self-assessment questions.