

Department of Commerce (CA)

CLASS: II M.Com. (CA)

SEMESTER: 4

HUMAN RESOURCE MANAGEMENT (18MCC43E)

UNIT 3

Promotion - Performance Appraisal - Job Evaluation - Merit rating - Job Satisfaction - and morale - Motivation - Need - Maslow's theory of motivation - X, Y and Z theories

Reference Book

Human Resource Management

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PROMOTION

Meaning:

It is the transfer of an employee to a job that pays more money or that enjoys more preferred status.

Purpose of promotion

1. To retain skilled and talented employees
2. To attract qualified employees
3. To improve employee loyalty
4. To build employee morale
5. To motivate employee
6. To recognise good performance
7. To improve job satisfaction
8. To develop competitive spirit
9. To promote human relations

Factors to be considered for promotion:

1. Performance level of employees
2. Educational Qualification
3. Knowledge and skill level
4. Interest to acquire new skills
5. Initiative to improve performance
6. Capacity to take up challenging work
7. Ambition
8. Regularity in attendance
9. Intelligence
10. Judgement & Leadership

Types of Promotion

↓
Horizontal
Promotion

↓
Vertical
Promotion

↓
Dry
Promotion

Basis of promotion:

1. Promotion based on Seniority
2. Promotion based on merit

Merits of promotion

1. Recognition of skill
2. Retention
3. Attraction of talent
4. Inspiration
5. Loyalty and commitment
6. Utilisation of skills
7. Powerful motivational tool
8. Interest in training
9. Aids growth
10. Improved job satisfaction
11. Better employee relations

PERFORMANCE APPRAISAL

Meaning: It is the systematic and periodical assessment of employee performance.

Features:

1. It is not one time process.
2. It is goal oriented.
3. It is a link between strategy and results.
4. It aims at spotting employee potential.
5. It is the basis for HR actions.
6. It is not a fault finding exercise.
7. It is future oriented.
8. It can be formal or informal.
9. It is a measure to improve performance.

Characteristics of effective performance appraisal:

1. Clarity of objectives
2. Fair
3. Reliable and valid
4. Standardisation
5. Attention on behaviour
6. Viability
7. Trained appraisers
8. Mutual trust
9. Focus on development
10. Suited to company
11. Timely feedback
12. Recognition and reward
13. Economical and less time consuming
14. Proper documentation.

JOB EVALUATION

Meaning

It is a systematic process for determining the relative worth of jobs in an organisation. Purpose is to find how much an employee should be paid for the work he does.

Principles

- ① Rating of job not rating of employee
- ② Good evaluation should be based on clear, detailed and up to date job descriptions
- ③ Factors selected for job evaluation should be less
- ④ Factors should be clearly defined.
- ⑤ The objectives and advantages should be explained to employees.
- ⑥ weightage should not be disclosed to foreman or supervisors.

Objectives

- ① Pay should be based on qualification, experience and effort
- ② There should be consistency of overall wage structure

- ③ Establishment of a sound wage foundation
- ④ Consistency in wage policy
- ⑤ Establishing sound salary differentials
- ⑥ Same wage to all employees doing similar job
- ⑦ Avoid discrimination based on gender, caste, religion
- ⑧ Periodic review is must
- ⑨ Simplify wage negotiations between union & employees
- ⑩ Reduce grievances and labour turnover
- ⑪ Better relation between management and employees.

Methods of job evaluation

1. Ranking method
2. Job grading method
3. Point Method
4. Factor Comparison method

Benefits of Job Evaluation.

- ① Helps to fix right pay
- ② Aids to clearly define different jobs
- ③ Enables selection of suitable candidates
- ④ Useful to avoid inequalities
- ⑤ Enables healthy relationship between management employees.

- ⑥ Helps to identify training needs
- ⑦ Aids in identifying top performers
- ⑧ Improves morale and satisfaction

Disadvantages

- ① Trade union might oppose job evaluation
- ② Job ratings might be subjective not fair
- ③ Some jobs may fit with more than one grade
- ④ employees may worry about job insecurity
- ⑤ Some job evaluation systems are time consuming
- ⑥ It might be difficult for employees to understand leading to mistrust

Merit Rating

It is a technique of measuring the worth of an employee with reference to job requirements

Methods of Performance Appraisal

Traditional Methods

1. Rating Scale
2. Ranking method
3. Check list method
4. Critical incident method
5. Forced choice method
6. Forced distribution method
7. Essay method
8. Paired comparison method

Modern Methods

1. 360° Feedback
2. MBO
3. Assessment centres
4. Behaviourally Anchored Rating Scale (BARS)

Problems in Performance Appraisal

1. May be affected by personal bias of superiors
2. Lack of knowledge of superiors
3. Lack of uniform criteria
4. Qualitative factors are difficult to measure

MORALE AND JOB SATISFACTION

JOB SATISFACTION

It is the extent to which like or dislike their jobs. It contributes to the efficiency and effectiveness of business firms.

Nature or features of Job Satisfaction

- ① It is influenced by both internal and external factors
- ② It is related to the way how people feel about their jobs
- ③ It is closely linked to an individual's behaviour in the work spot.

④ Job represents a combination of positive or negative feelings that workers have towards their work

⑤ It is associated with a personal feeling of achievement

⑥ It is not the same as motivation

⑦ Job satisfaction results in positive behaviours.

Elements of Job Satisfaction

① Job related factors

② Firm performance

③ Job performance

④ Problems with role perceptions

Factors influencing Job Satisfaction

Personal Factors

- 1) Age
- 2) Gender
- 3) Educational Qualification
- 4) Experience
- 5) Capacity of employees
- 6) Fulfillment of expectations

Organisational Factors

- 1) Working conditions
- 2) Growth opportunities
- 3) Work load
- 4) Stress
- 5) Interpersonal relationship
- 6) Fair remuneration
- 7) Job Security
- 8) Nature of job

Benefit of Job Satisfaction

1. Improved productivity
2. Reduced absenteeism
3. Low Labour Turnover
4. Lower accident rate
5. Strong loyalty
6. Lower stress
7. Better image and reputation
8. Lesser grievances
9. Happy life
10. Better healthy
11. Better industrial relations

Effects of Job dissatisfaction

1. Lower production
2. Higher absenteeism
3. Increased Labour Turnover
4. Higher accident rate
5. Lack of loyalty
6. Poor image of firm
7. Difficult to attract talent
8. Higher stress
9. Poor physical health
10. Poor mental health
11. Unhappiness and frustration
12. Frequent strike

MORALE

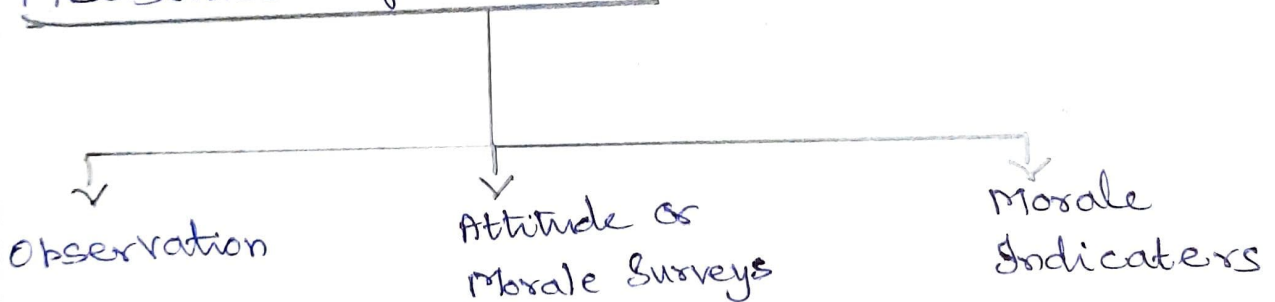
Meaning

It is a mental condition of groups and individuals which determines their attitude

Characteristics

- 1) It is a psychological concept
- 2) It is intangible
- 3) Levels are not constant
- 4) It is a relative concept
- 5) It is based on motivation
- 6) It indicates the attitude of employees
- 7) It may be high or low

Measures of morale



Benefits of High morale

1. Better physical and mental health
2. Psychological Satisfaction
3. Commitment and dedication
4. Effective Communication
5. Improved discipline
6. Low absenteeism and turnover
7. Better co-operation

Negative effects of low morale

1. Poor physical and mental health
2. Overall dissatisfaction
3. Lack of commitment and loyalty
4. Lack of motivation
5. Indiscipline
6. High absenteeism and labour turnover
7. Lack of co-operation
8. High grievances
9. Lack of interest

MOTIVATION

Meaning

It is the desire within an individual that stimulates him or her to action

Characteristics

1. Internal feeling
2. Continuous process
3. Goal oriented
4. Complex process
5. Motives change
6. Financial or non-financial
7. Differs from satisfaction

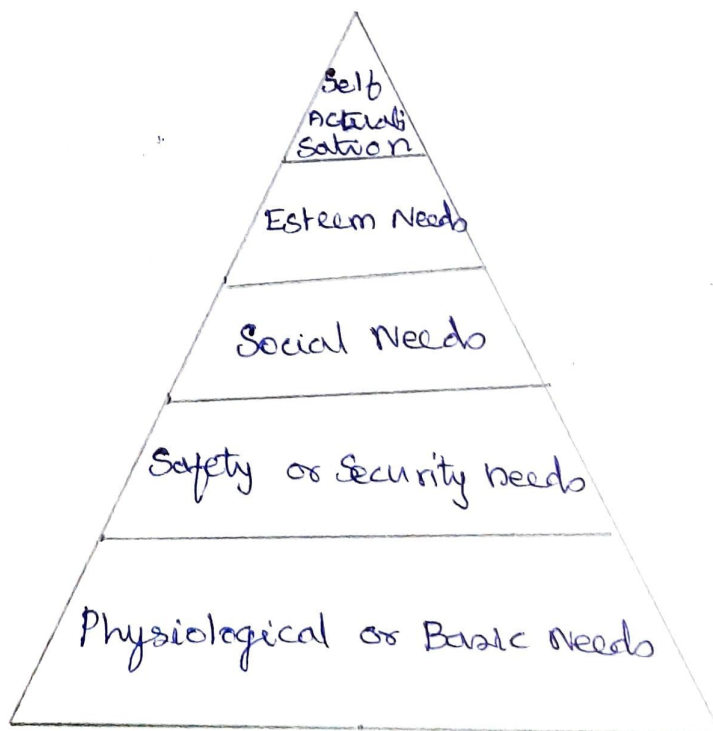
THEORIES OF MOTIVATION

Abraham Maslow's Need Hierarchy theory

In 1943 he suggested his theory. In this he identified five sets of human needs arranged in a hierarchy of their importance and priority.

The following is the order of needs.

1. Physiological needs or Basic needs
2. Safety needs
3. Social needs
4. Esteem needs
5. Self actualisation needs



Features:

1. Human needs are infinite and never ending
2. Psychological, social and security are lower level
Self esteem and actualisation are higher level needs
3. Human needs have a hierarchy
4. Satisfied needs are not motivators

Merits

1. It provides a framework to understand human needs
2. It is suggested that managers should identify the need level of employees before deciding upon motivation factors

Demerits

1. It is too simplistic
2. May not be applicable to all cultures
3. It lacks research evidence
4. Difficult to measure
5. Man has multiple needs difficult to specify and measure its extent
6. Needs cannot be satisfied by step by step.

DOUGLAS Mc GREGOR'S X and Y Theory

He has different views on human behaviour

Theory X - It assumes employees dislike work

1. Most people are lazy and dislike work
2. People try to avoid responsibility
3. Most people lack ambition
4. They have no self-direction.
5. They are self-centered
6. They lack creativity
7. They are not bright.

Theory Y - Work is natural to human beings like playing

1. Employees do not dislike work
2. They have responsibility
3. They are ambitious
4. They have creativity
5. They need not be supervised
6. People are self motivated
7. Potentials of employees are only partly utilise

WILLIAM MOUCHI'S Theory Z

He developed his theory after studying American and Japanese management practices.

Features

1. Strong company philosophy and culture
2. Life time employment
3. Strong bond between organisation and employees
4. Horizontal mobility
5. Employee participation
6. Job rotation
7. Cooperation
8. Informal control

This theory was combined by the philosophies of American and Japanese management practices