

G.C.E. Advanced Level

Business Studies

New Syllabus



Human Resource Management

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B.Com (Hons) M.M.Spl. Dip.in.Edu.

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(National School)

Jaffna

16.1 Examines the importance and functions of human resource management**Learning Outcomes:**

- Defines human resource management
- Explains specialties of human resources in comparison to other resources.
- Explains the goals of human resource management.
- Explains the importance of human resource management.
- Lists the functions of human resource management.

Human resource management

All the activities related to utilization of human resources efficiently and effectively so as to ensure the employee satisfaction and development in order to achieve the objectives of an organization is known as human resource management.

Specific features of HR in comparing with other resources

- Vitality of human resource
- Ability to react and think
- Ability to control all other resources
- Increase in value through training
- Ability to be trained
- Behavior being complex and unable to forecast
- Ability to work in teams

Common purpose of human resource management

The common purpose of human resource management is to form and maintain a satisfied and appropriate labour force that could dedicate their maximum contribution towards the successes of the organization.

Some other specific purposes of human resource management

- Improving the employee effectiveness
- Increasing the commitment of employees
- Controlling the cost of employees (salaries, overtime, cost of recruitment, cost of dismissal)
- Employee development
- Fulfilling the legal conditions related to employees
- Employee welfare
- Recruiting employees for the jobs at the right time
- Motivation of employees
- Retention of suitable employees in the business
- Improving the industrial relations

Importance of human resource management

- Human resource can think, feel, understand and react as it is live compared to other resources.
- As human resource makes decisions regarding all the other resources it is the most important and valuable resource.
- Human resource is the vital resource that can be used to obtain long term competitive advantages and to assure the survival of the business.
- Managing human resource is not only a task of HR manager, but also it is the collective responsibility of all other managers of the business.
- Human Resource management is very important for the welfare of the society.

The functions of human resource management

- Job designing
- Job analysis
- Human resource planning / man power planning
- Recruitment
- Selection

- Hiring (Appointment)
- Induction
- Training and development
- Employee movements / changes
- Performance appraisal
- Management of payments
- Employee welfare
- Labour relations
- Disciplinary Management
- Health and safety management
- Grievances handling
- Employer and employee relations

16.2 Evaluates the necessity of job designing and job analysis

Learning Outcomes:

- Defines the job designing
- Explains the job analysis
- Lists all information included in job description and job specification.
- Prepares a job description and a job specification for a selected job.

Job designing

Arrangement of functions, duties and responsibilities assigned for a work unit of the business in order to achieve a particular objective is known as the job designing.

Relationship between task, duty and responsibility

While a task is a work activity which comprises of movements and can be identified certainly, a duty is a large part of work which comprises of many tasks which is completed by an individual. Accordingly, duty is wider than a task. Responsibility is the bond over fulfilling a task in the proper way or in the expected way.

Job analysis

- A systematic review of the features and related behaviours of a job and the qualities and qualifications that should be possessed by the employee is job analysis.
- The information taken from the job analysis issued to prepare the job description and job specification.

Job description

The statement describing the tasks, duties, responsibilities and the working conditions of a particular job is the job description.

Job specification

The document prepared containing the qualifications that should be possessed by the individuals who would be considered for recruitment is known as the job specification.

Such qualifications are as follows.

- Educational Qualification
- Professional Qualifications
- Physical Fitness
- Experience
- Specialized Skills
- Linguistic knowledge
- Attitudes and passion
- General Knowledge
- Intelligence Level

The differences between job description and job specification

Job description	Job specification
1. Describes the job	1. Describes the person who is aspirate to be engaged in the job.
2. A document on the characteristics of the job	2. A document on human characteristics that should be to fulfill the job successfully.
3. It is a list of the characteristics of a job.	3. A list of human characteristics
4. Job specification is a part of the job description.	4. Job description is not included in the job specification.

A sample of a job description

Job Description

Job Title : - Payroll Clerk

Job Code : - 225

Grade : - II

Job Location : - Administration Unit

Supervision Received: - Administration Unit

Supervision Exercised: - None

Job Purpose : - 1. Maintain files appropriately

The nature of the duty: -

1. Collect reports on employees' attendance
2. Prepare payroll
3. Prepare payroll reports
4. Computerize prepared payroll
5. Present for recommendation and approval
6. Work co-operatively with his/her employers
7. Fulfill other duties assigned by the head

Salary Scale : - Rs. 24,000/- per year (without offers)

Service Conditions : - Working from 8.30 a.m. to 4.30 p.m.

.....
Job Analyst

.....
Date

A sample of a job specification

Job Specification

Job Title : - Payroll Clerk
Job Code : - 225
Grade : - II
Job Location : - Administration Unit
Supervision Received: - Chief Clerk
Supervision Exercised: - None
Educational Qualification: -

1. Six credit passes in G.C.E. O/L examination including Mathematics and Sinhala
2. Three Credit passes in G.C.E. A/L examination in Commerce Stream/

Professional Qualification

Experience: -

Experience in working as a clerk in a firm at least for one year.

Prepared by: -

..... Date: -

Clerk of the job title

Approved by: -

..... Date: -

The head of the Department

16.3 Prepares the human resource plan necessary for the existence of an organization

Learning Outcomes:

Defines the human resources planning

Shows the importance of human resources planning

Examines the facts to be considered when planning human resources.

Lists the steps of human resources planning

Forecasts the necessity of human resource in future for a given institution.

Human resource planning

The process of determining the future employee requirements and making decisions regarding the activities to be implemented to fulfill those requirements in order to achieve the goals and objectives of an establishment is called human resource planning.

The reasons for the importance of human resources planning

- Ability to determine the future human resources requirements
- Ability to minimize labor cost by identifying excess and deficiencies in a labor and taking necessary actions for them.
- Ability to avoid unnecessary cost that may occur due to sudden recruitments.
- Ability to utilize human resources efficiently and productively.
- Ability to lead the other management functions of the organization in the expected manner.
- For the development of highly competent employees.

The steps of a process of human resource planning

• Forecasting the future human resource requirements:

Forecasting the future Human Resource Requirement is the first step of the human resource planning process. By forecasting the future influence of the factors that affect the demand of the human resources as accurately as possible, the determining of the employee requirements of the firm for the

relevant period of time is called as forecasting the human resources requirements (demand)

- **Assessing the human resource supply:**

Assessing the human resources supply is the Second Step of the process of human resources planning. Having forecasted human resources requirements forecasted, the human resources supply should be assessed to fill the determined vacancies. There are two sources for human resources supply.

- **Comparing the demand and supply of human resources:**

Comparing the demand and supply of Human Resources is the third step of the process of human resources planning. The comparison between the forecasted human resources requirements and the assessed internal human resources supply will take place in this step. Accordingly, it can be identified if there is a deficiency or an excess in human resources.

- **Developing the strategies to be implemented to recruit the human resources:**

Developing the strategies is the fourth step. Having the human resources supply and the demand compared, strategies should be decided to remove the decided surplus or the deficiency of the employees.

- **Preparing the human resource planning:**

- **Evaluating the efforts taken for human resource planning:**

Evaluating of the efforts taken for Human Resource Planning should be conducted to determine the contribution provided from human resources planning for the fulfillment of the goals and objectives of the firm.

Sources for human resource supply

Internal Supply:

The following factors will be considered in human resource supply within the firm.

- Number of employees to be promoted
- Number of employees to be transferred

External supply:

The following factors will be considered in human resource supply outside of the firm

- The nature of the labor market
- The labor demand of competitive firms

Factors to be considered in forecasting the future human resource requirements

- Demand for the particular goods or services
- Objectives of the establishment
- Production method
- Future retirements of the employees
- Number of employees to be resigned
- Number of employees getting promotions
- Future projects
- Termination of service

Forecasting demand for human resources

Forecasting the demand for human resources means deciding the number of employees required by the firm for the relevant period after estimating accurately the future effects of the factors affecting the demand for the human resources.

Benefits of human resource planning

- Deciding the future employee requirements
- Utilizing the human resources more efficiently and effectively
- Reducing the cost of employees
- Developing the employees
- Strategic planning and implementation

16.4 : Studies the ways of recruitment suitable people for employment in an organization.

Learning Outcomes:

- Defines recruitment of employees.
- Explains the ways in which personnel could be recruited
- Gives examples for internal ways of recruitment
- Gives examples for external ways of recruitment
- List the advantages and disadvantages of internal and external ways of recruitment
- Suggests the actions that can be taken for attracting employees for a selected institution.

Recruitment

- The process of attracting the job seekers with positive attitudes and capabilities supporting the achievement of organizational goals is known as recruitment. List of job seekers is prepared as a result of this process.
- The result of the recruitment process is the generating of a list of job seekers who may be selected or not for the job as new employees.

The functions of recruitment

- Recognizing vacancies for jobs
- Studying the job specifications in relation to the job analysis
- Recognizing the factors affecting the recruitment
- Preparing the application form
- Selecting the internal and external ways of recruiting
- Implementation
- Evaluation

Factors to be considered in recruitment

- Cost
- Time
- Labour market

Internal recruitment

Recruiting employees from the institute itself is the internal recruitment of employees.

Methods of internal recruitment

- **Publishing the job – notification in the notice board:**

Notifying about the vacancies by publishing advertisements in firm newspaper, magazines and on the notice boards in the firm.

- **Skill inventory (information document) / Skill list:**

For the identification of internal employees who are capable of applying for the relevant job vacancies, the usage of skill inventory prepared at man power planning by entering the skills, abilities and qualifications of employees. Introductions / referrals by internal workers

- **Intranet:**

Calling for applications through publishing the advertisement about the job vacancies in internet.

- **Referrals from internal employees:**

Recommending the acquainted individuals like one's associates and relations by current employees for the vacancies

- **Succession plans:**

Formal documents are maintained in a firm with regard to the facts like the qualification, experience and seniority etc. of the employees. When a vacancy arises the next most suitable individuals will be used for it.

Advantages of internal recruitment

- Workers are motivated.
- Creating good labour relations
- Ability of retaining most suitable workers
- Reduction in the cost of recruitment and hiring
- Increasing the loyalty and dedication of the employees towards the firm
- Reduction in time spent for employee induction

Disadvantages of internal recruitment

- Modern knowledge does not flow into the firm
- Incurring high cost for training
- Creating an unnecessary competition among the workers
- Chances for recruiting the most suitable individuals being less.

External recruitment

Attracting applicants from outside the institution is external recruitment.

Methods of external recruitment

- Media advertisement (electronic / printed)
- Through former employees
- Through academic and vocational institutions
- Through job agencies
- Through the internet / web pages
- Through professional associations
- Through job fairs
- Through higher educational institutes.

Advantages of external environment

- Ability to recruit individuals with latest knowledge
- Ability to recruit a large number

Disadvantages of external environment

- Obstructing motivation of existing employees
- Incurring high cost for recruitment
- Consuming more time for recruitment

16.5: Prepares the job advertisement to recruit employees

Learning Outcomes:

- Prepares a list of details included in a job advertisement.
- Shows the media where a job advertisement is advertised.
- Prepares a job advertisement for a particular job.

Job advertisement

The document prepared including the required particulars for attracting individual to the organization can be introduced as a job advertisement.

Information in a job advertisements

- Title of the post
- Name of the firm
- Age limit
- Service conditions / working conditions
- Professional and educational qualifications
- Experience
- Salary scale

Medias for job advertisement

- News paper
- Internet
- Television
- Radio
- Government gazette
- Posters
- Notice boards
- Leaflets

16.6: Suggests suitable methods to select suitable applicants from the attracted applications

Learning Outcomes:

- Defines selection
- Explains the facts to be considered when selecting employees.
- Lists the various methods of selecting
- Explains each method of selecting

Selection

Recognizing best applicants to fill the vacancies from those who were recruited is known as selection.

Methods of selection

- Evaluation of the applications
- Interviews
- IQ test (Intelligence Quotient Testing)
- Personality tests
- Practical tests
- Background tests
- Medical tests

Evaluation of applications

- The description that candidates sent to the firm for the job vacancy by mentioning his / her qualifications and feasibility is called application.
- Collecting information in writing about the academic background, training and experience about the applicant is done through the application.
- Here, the selection is done without seeing persons, considering appropriateness.

Advantages of evaluating applications

- Easy to compare the applicants
- A guidance for interviews
- Having higher validity
- Supportive in preparing the personal files of the selected candidates
- When it is necessary to get information about hand writing, and accuracy of spelling this is an appropriate method for that.

Disadvantage of evaluating applications

- Inability to access the personality factors such as the appearance, behavior, language styles etc., as applicant is not seen personally.
- It takes a long time to study the applications.
- Possibility of presenting inaccurate details

Interview

The interview method can be introduced as a Face to face verbal communicating technique through which the eligibility of the applicant for a particular job could be assessed is known as interview.

Advantages of Interview

- The candidate can be accessed based on the characteristics such as communication skills, sociability, customs & behavior
- Ability to disclose important particulars which were not include in the application
- It is possible for the applicant to be aware about the job and the institute

Disadvantages of interview

- The interviewer can purposely distort the responses provided by the applicant.
- A high cost and time consuming method
- The applicant may not show his/her real behavior
- Possibility of being biased by the interviewers
- Interview method is not suitable for some jobs
- Possibility of creating unnecessary fear in the candidate

Intelligence Quotient Testing – IQ test

IQ test is also important for selecting employees for certain jobs. Ability of facing challenges can be examined through IQ test.

Personality tests

- The testing used to measure the attitudes, passion, skills, values and norms of the candidate of the job is the personality test.
- It is important to select employees for higher level professions.

Practical tests

- The testing conducted for measuring the real ability of the selected individual to accomplish the certain task of the relevant job is the practical test.
- Practical tests are important to select employees for the jobs that practical jobs are needed.
e.g.: Computer data processors
Nursing service

Background tests

- Special investigations conducted to disclose the personal background of the applicants such as the family background, education, profession, financial and social background are known as background tests.
- This method is used to select police officers and top level management employees.

Medical tests

Tests conducted to verify the physical fitness of the applicants required to perform the functions and bear the responsibilities in connection with the job successfully are known as medical tests.

Note:

The following are considered in selecting suitable candidates whatever the methods are used.

- Knowledge
- Attitudes
- Skills
- Mental and physical fitness

16.7: Studies the procedure of Hiring

Learning Outcomes:

- Explains the methods of hiring employees
- Explains the appointment letter related with recruitment
- Explains the necessity of an appointment letter
- Lists the facts included in an appointment letter
- Explains the induction
- Describes the probationary period.

Hiring

The process of appointing the most eligible individuals to the job is known as hiring.

The bases in which employees can be appointed

- **Permanent base:**

The recruitment of employees permanently for a job of a firm is the recruitment of employees on permanent base.

- **Temporary base:**

Recruiting employees without permanent base is the recruitment of employees on temporary base.

Letter of appointment

The legal document issued by the management after the employee is being appointed stating the details of job specifications, conditions, tasks, duties and responsibilities is known as the letter of appointment.

The importance / necessity of the letter of appointment

- Being a document that could prove the relationship between the firm and the employee.
- It could be considered as a contract in which the firm and the employee is bound legally.
- Ability to present this as an evidence in front of the law at a problematic situation created between the two parties regarding job conditions.

- The employee being able to get a wide acknowledgment regarding the tasks, duties and responsibilities of his job.
- Being a strong evidence that could be used at every time required to prove that this employee is an employee of the firm.

Important facts contained in an appointment letter

- Title of the position
- Name of the employer and the name of the employee
- Effective date of appointment
- Job conditions
- Salary scale
- Probationary period
- Number of working hours
- Benefits
- Disciplinary procedure
- Rights and privileges of the employee (EPF, ETF, Leave)
- Termination of the service
- Way to forward grievances
- Confirmation and promotions
- Signature of the employer and the signature of the employee

Induction

Introducing a newly enrolled employee to the organization and aware him/her about the job, work team, work environment and the entire organization is known as induction.

Induction techniques

- Brochures
- Leaflets
- Getting senior to speak with newly recruited employees
- Video films
- Tours inside the institute
- Lectures

Probationary period

The period of service that should be completed by a newly enrolled employee prior to be confirmed in the job is the probationary period.

The activities that management takes during probationary period in the absence of proper performance of duties and responsibilities by an employee

- Termination of service
- Warning verbally and in writing
- Extending the probationary period
- Transferring to another department

16.8: Suggest the procedures can be taken to develop and retain human resource of the organization.

Learning Outcomes:

- Explains the performance appraisal
- Lists the differences of training and development
- Describes methods of training and development separately.
- Lists the benefits of training and development to the employee and employer separately.
- Describes the employee movement.

The performance appraisal

This is the process of supervising and reporting to what extent the relevant duties are performed successfully by the employee.

Benefits of performance appraisal to employer

- To recognize the training needs
- To make decisions on promotions and transfers
- To take disciplinary actions

Benefits of performance appraisal to employees

- Enhancing the employee productivity
- Increasing the employee motivation
- Recognizing the training needs

Training

The systematic process for improvement of knowledge, skills and attitudes of the non-managerial employees, required to perform their duties well is known as training.

Development

The set of actions taken to promote the future performance of the employees than the performance level at present is regarded as development.

Differences between training and development

Training	Development
1. Providing job related knowledge, skills and attitudes to the employees at non-management level	Providing of knowledge skills and attitudes to the employees at management level
2. Preparing the employee to perform the duties and responsibilities of the current job	A process of showing pre-preparedness to perform prospective job requirements
3. These are short term programmes	These are continuing long term programmes
5. Providing knowledge and skills required for operations	Conceptual skills are provided mostly
6. The cost incurred is relatively low.	The cost incurred is relatively high.
7. Somewhat a simple program	A very wide program
8. This is related to current job	This is related to make future changes.
9. A process of reacting for the fulfillment of timely needs.	A process of pre acting for the fulfillment of prospective needs

Benefits of training and development to employer

- Improvement in employee performance and updating their knowledge and skills.
- Improvement in the quality of the output.
- Creating an employee motivation
- Enhancing employee loyalty.
- Lowering the faults and wastage incurred by employees.
- Minimizing employee absenteeism
- Minimizing employee turnover.

Benefits of training and development to employees

- Enhancing the job satisfaction
- More chances of getting promotions
- Improving the employee performance
- Improving the professional value of the employee
- More opportunities to test new skills
- Ability to gain extra benefits

Methods of training and development

- Apprenticeship training
- On the job training
- Job rotation
- Role – play
- Training and development programmes
- Simulation

Apprenticeship training

- The combination of on-the-job training and classroom training wherein the workers earn while learning the skills required. for performing the specialized job.

- Generally, the apprenticeship training is given to the technical staff such as mechanics, electricians, craftsmen, welders etc. who work under the experts of each field for longer period.
- The apprenticeship training programme lasts for 4 – 5 years until the workers becomes an expert in his field.

Advantages of apprenticeship training

- Earn while learning
- Mastering in a particular job field
- Varied career choices
- Increased confidence
- Maximum learning
- Gaining the real life experience
- Improved productivity
- Mentor support

Limitations of apprenticeship training

- Less wages
- Minimum graduation required to enter into some apprenticeship program
- Better opportunities in full time programme

On-the-job training

It is a technique wherein the workers i.e. operative staff, is given the direct instructions, to perform the jobs on the actual work floor.

Off-the-job training

It is a training method wherein the workers / employees learn their job roles away from the actual work floor.

Role play

This type of training is essential in the case of customer services. under this, trainees assure roles and enact as per the given situations. It is alsoe called as socio-drama or psycho-drama.

Employee movements

Changing the job / position of the employee is known as employee movements.

Methods of employee movements

- **Promotion:**
 - Promotion means an employee of an organization being appointed to a higher position than the previous one.
 - The promotion is generally a movement to another position which consists of more duties and responsibilities than the previous position.
- **Transfers:**
 - Replacing an employee for the same job can be called as transfer.
 - Transfer is a movement that takes place in horizontal direction.
- **Dismissal:**

Discontinuing the service of an employee due to factors or a fact which cannot be controlled by the management of the organization is the dismissal.
- **Termination (Redundancy):**

Moving out of the service when the age of the employee is completed is the termination of the service.
- **Demotion:**

16.9: Examines the evaluation criteria of the success of human resource management

Learning Outcomes:

- Lists the evaluation criteria of human resource management functions
- Explains each criterion briefly
- Defines industrial relations
- Lists the benefits of good industrial relations.
- Explains the consequences of poor industrial relations.

Criteria for evaluating the performance HRM

- Labour turnover
- Absenteeism of employees
- Labour productivity
- Industrial relations

Employee turnover

The rate at which employees leave that firm during a particular period is known as labour turnover / employee turnover.

$$\text{Labour turnover} = \frac{\text{No. of employees left during a period}}{\text{Average No. of employees employed in that period}} \times 100$$

Employee absenteeism

The lost in service due to employees not attending to the job is known as labor absenteeism / Being absent of employees from work is known as employee absenteeism.

Some instances where the firm doesn't get the service

- Not attending to duty
- No provision of service after reporting to the duty.
- Having more time for internal
- Arriving late
- Departing before the due time

Labour productivity

It is the relationship between the employee inputs and outputs. It can be calculated as follows.

$$\text{Labour productivity} = \frac{\text{Output}}{\text{No. of employees}} \times 100$$

Industrial relations

Any type of professional relations between the two parties of employees and employers (good or bad) are known as industrial relations.

Benefits of good labour relations

- Enhancing the employee productivity of the institute
- Minimizing the employee disputes
- Minimizing the wastages of resources
- Decreasing the absenteeism of employees
- Creating a motivated team of workers
- Decreasing the labour turnover

Consequences of bad labour relations

- Interruption to production process
- Declining the employee productivity
- Diminishing the morale of the employees / Demoralizing of employees
- Wasting of resources
- Decreasing the efficiency and effectiveness of the entire firm

16.10: Examines Employee grievances

Learning Outcomes :

- Defines employee grievances.
- Gives examples for the reasons of employee grievances.
- Lists the benefits that can be received by a business by handling employee grievances.
- Identifies the negative consequences of inability of a business to handle employee grievances.
- Lists the methods of identifying employee grievances.
- Names the methods/strategies for handling employee grievances.
- Lists out the steps to handle employee grievances.

Employee Grievances

- Employee grievances are the mental discontent or dissatisfaction of an employee or a group of employees regarding the job or working environment.

- It can be either expressed or unexpressed (Said or unsaid). Grievances directly affect the employee performance. These hinder the achievement of organizational goals. Employee grievances are the early stage of industrial disputes. Therefore, the necessary steps should be taken to handle/manage the employee grievances at the early stages.

Reasons for the employee grievances

- **Following are some of the job related reasons.**
 - Assignment of the tasks and duties to the employee which are not related to his Job Description.
 - Employing him of a job that mismatches his knowledge and skills.
- **Reasons related to work condition:**
 - Changing the work place or working hours.
 - Having unhealthy or unsafe work environment at the workplace
- **Reasons related to Human Resource Management Policies, procedures and strategies.**
 - Salary, wages and incentives
 - Provision of the promotion to someone else which had been entitled to a qualified employee. Policies and procedures related to promotions, demotions, transfers, termination from the job, etc...
 - Unavailability of a formal promotion procedure.
- **Reasons related to violation of rules and regulations of the organization**
 - Taking tough or unreasonable disciplinary actions against violation of disciplines.
 - Breach of the conditions in collective agreements by the management
- **Reasons relating to unnecessary personal behavior**
 - Unattainable expectations or having nonrealistic goals.
 - Wrong attitudes regarding senior officers
 - Employee over estimation regarding himself.
- **Reasons beyond the job or work environment.**
 - Reasons relating to family.
 - Reasons relating to other. competitive businesses.

The benefits received by a business through handling employee grievances successfully

- Decreasing of employee turnover
- Controlling of employee absenteeism
- Minimizing of Trade Union actions
- Having industrial harmony by strengthening industrial relations
- Increasing the goodwill of the business

Negative effects faced by a business for not handling employee grievances properly

- Increasing labor/employee turnover.
- Increasing the absenteeism of the employees.
- Industrial disputes due to weak industrial relations.
- Decreasing of employee productivity.
- High cost of hiring employees frequently to cover the job vacancies.

Methods to identify the employee grievances

- Exit interviews
- Suggestion Box
- Attitude Survey

The Strategies/Methods that can be used to handle / manage employee grievances

- Formal grievance handling procedure.
- Through the immediate supervisor
- Having an Open-Door Policy
- Joint Committee Method
- Counseling
- Appointing an Ombudsman
- Arbitration

The steps of handling employee grievances

- Listening about the grievance carefully.
- Collecting the accurate information of the grievance and the related employee.
- Discussing the relevant matters with the employee.
- Listening to the employee carefully
- Accepting the matters said by employee if they are true.
- Build trust in the employee.

16.11: Examines the importance of Discipline Management

Learning Outcomes :

- Defines Discipline Management.
- Explains the importance of discipline management.
- Lists the anti-disciplinary actions or misconducts.
- Inquires the procedures that can be taken by a business to avoid misconducts.

Discipline

The standard or employers' expected behavior from the employee to carry on a business organization formally and legally can be called as discipline. Or else the good behavior of the employee is called discipline.

Disciplinary management

Disciplinary management means the development, operating and maintenance of a disciplinary procedure is called as discipline management.

Anti-disciplinary actions or misconducts that can frequently happen in a business organization

- Willful damages to the organizational resources
- Not reporting to the work without prior permission
- Late attendance to the work
- Leaving the work place without prior permission
- Showing a fraudulent illness

- Sleeping at work
- Negligence and less attention towards the job
- Disturbing the safety and health measures of the business
- Taking liquor at the work place
- Bribery and corruption
- Insulting or threatening the employer or the colleges

Disciplinary Actions taken by a business

- Verbal warning
- Written warning
- Fines or recharging the loss
- Suspension from the job temporary
- Transferring from the job as a disciplinary action
- Holding of salary increment or making it delaying
- Demotion from the post
- Termination from the job

The importance of Discipline Management

- Minimizing the disputes among colleagues
- Decreasing conflicts in between employer and employees
- Ability to manage the human resource of the business properly with maximum efficiency and effectiveness
- To maintain employee behavior in accordance with the rules and regulations of the organization
- To create expected employee performance and to maintain it continuously.

16.12: Values the employee health and safety

Learning Outcomes :

- Defines employee health and safety
- Shows the importance of employee health and safety
- Lists the disadvantages of weak management of the employee health and safety to the employer.
- Shows the benefits of health and safety management to the employer.

Health

The perfect mental and physical fitness of the employee to perform the tasks, duties and responsibilities of his job is called as health.

Safety

Protecting the employees from all the hazards causing the health of the employee is called safety.

Factors and hazards affecting employee health and safety

- Job related accidents (Deafness, Weak eyesight, loss of the parts of the body, burnings, Electric shocks etc.)
- Job related diseases (Cancer, Breathing problems, Poisoning, etc.)
- Organizational stress

The importance of employee health and safety

- Ability to irradiate or minimize vocational health and safety related issues
- Ability to get rid of the legal compliances relating to employee health and safety
- A healthy workforce contributes to increase the efficiency of the organization
- Increasing the image of the business

The disadvantages of weak health and safety management, to the employer

- Increasing the premium of health insurance scheme of the employees due to frequent payment of compensation by the insurance companies.
- Increasing of compensation payments.
- Increasing charges for legal requirements
- Dissatisfaction and unrest of the employees increases
- Decreasing employee productivity
- Decreasing quality of the employees
- The damages to the tools increases
- Increasing the experiences of medical charges

- Damaging the goodwill of the business
- Increasing the employee absenteeism and turnover

Benefits of health and safety management to the organization

- Increasing the moral of employees
- Minimizing the cost of expenses relating to the legal requirements
- Minimizing employee turnover
- Increasing the productivity of the business
- Developing a strong industrial relation
- Organizations who purchase from other organizations give priority to
- Those which engage in health and safety management

16.11: Investigates the Industrial Relations

Learning Outcomes:

- Lists out the benefits of good labor relations
- Examines the consequences of bad labor relations
- Lists out the rights, duties and responsibilities of employers and employees
- Introduces Industrial disputes and gives reasons to such disputes.
- Shows the effects of industrial disputes to the employer, employee and the consumers separately.
- Introduces Trade Unions and lists the objectives and functions of it.
- Introduces Trade Unions of employers and employees
- Introduces Trade union actions and describes the trade union actions
- Explains the actions that can be taken by an employer avoid trade union actions,
- Identifies a collective agreement and shows the benefits of it to the employee and employer separately.

Employer-Employee relationship / Industrial Relationship

Any type of professional relations between the two parties of employees and employers (good or bad) are known as industrial (labor) relations.

Employee

Any person who has come to an agreement to work under an employer in receiving some salary or wage any base or a contract is called an employee.

Employer

The person who engages some person or a group of persons on some salary or wage is called employer.

Advantageous / uses of a good labor relation

- Minimizing resource wastage
- Increasing labor productivity
- Minimizing employee turnover
- Minimizing employee absenteeism
- Having a motivated workforce
- Minimizing industrial disputes

Consequences of bad labor relations

- Weakens the business process due to strikes, and labor crisis
- Declining the employee productivity
- Diminishing the morale of the employees
- Wasting of resources
- Dropping the efficiency and effectiveness of the entire firm

Rights of employees

Rights of employees can be treated as entitlements and privileges received by the employees from service agreements, ordinances, acts etc., to perform their tasks properly.

E.g: To receive salaries sufficient for the service and a sound work environment.

Getting leave entitlements

Ensuring safety from work related health problems and accidents

Establishment of trade unions

Responsibilities of employees

- Working towards the achievement of organizational goals.
- Behaving well at the work place
- Performing the duties in accordance with the service agreement
- Using organizational resources carefully

Duties of employees

- Performing employee duties properly
- Working eagerly towards the development of the business
- Not revealing business secrets to outsiders
- Protecting the goodwill of the business and developing it.

Rights of employees

- Ability to function in accordance with the prevailing regulations
- Getting the work done in accordance with the service agreement
- Right of terminating employees when there is excess of employees or when the employees are not suitable for the business.
- Organizing as trade unions to protect themselves from the threatening situations of the industry.

Responsibilities of employers

- Paying agreed salary
- Maintenance of a strong disciplinary procedure
- Maintenance of reasonable salary scales and a pleasant work environment
- Providing of training, development and employee welfare facilities
- Paying the salary on the given date or prior to that.
- Clear comprehending of the business goals (Not in TIM)

Duties of employers

- Fulfilling employee responsibilities properly
- Assuring job security
- Creating a suitable work environment
- Listening to the employees' reasonable requests and solving them.

Industrial disputes

Job-related disputes between employers and employees are known as industrial disputes.

Reasons for the industrial disputes

- Providing the job or not
- Service conditions
- Positions of the job

Effects faced by the employer due to industrial dispute

- Inability to carry on business activities continuously
- Damaging the goodwill of the business
- Disturbing the industrial harmony
- Losing the market share
- Inability to compete with the competitors
- Financial losses and damages to the resources of the organization.

Negative consequences of the industrial disputes to the employee

- Not receiving salary on time.
- Decreasing the living standard.
- The good relationship with the employer damages due to the breach of industrial harmony.
- Disturbing the future promotions, training, scholarships, etc.

Negative consequences of industrial disputes to the customers

- Increasing the price of the relevant product,
- Having a scarcity of that product in the market
- Inability to consume that product.
- Consumer has to consume low quality products.

Trade union

An organization voluntarily established by the employers or employees of a particular industrial field in order to gain and protect their professional rights is known as trade union.

Aims of a trade union

- To gain a reasonable salary and a pleasant working environment
- To get the working hours reduced
- To get protection from job related accidents and health problems
- To participate in management decisions made in the firm
- To assure job security
- To get education and training
- To gain relief for sick, retired or employees on strike

Trade union actions

- Collective bargaining
- Work-to-rule
- Go-slow
- Working dressed with a black stripes
- Abstain from working over time
- Sit-ins
- Boycott
- Sabotage
- Picketing
- Fasting
- Taking leaves collectively
- Token strikes
- Continuous strikes

Collective bargaining

The negotiating process between the management and the trade union in order to achieve the aims of employees is called collective bargaining.

Work-to-rule

- Following every single rule and regulation and doing a small quantity of work is known as work-to-rule.

- It is about performing the authorized duties only that have been assigned legally. This slows down work and adds costs to the firm. Here the employees do not attend the needed tasks of the firm excepting what he has been legally assigned.

Go-slow

- Go-slow occurs when workers deliberately work slowly.
- Even though the job is performed accurately, it takes a longer time. This results in slowing down of the business activities. The cost and the inefficiency of the business increases.

Working dressed with a black stripes

Working with a black strip tied in the hand or head is another method of showing the protest.

Abstain from working overtime

Abstain from working overtime means workers refusing to work more than their normal working hours.

Sit-ins

Sit-ins means employees do not allow to close the business premises and also they do not perform duties. Even though the employees are in the business premises they do not engage in any business activity.

Sit-ins

Boycott means stoppage of work of both employees and machines to stop the business operational process.

Sabotage

Sabotage means locking up of the machineries by the employees or removing a small part of the machines to avoid its functioning.

Picketing

Picketing is a protesting of the employees showing banners, posters, notices in free times like lunch break. Picketing is used to give some hint to the employer regarding a strike.

Fasting

A fast happens when the employees protest in the public areas to win their demand without consuming any food or drink.

Token strike

Being away from duties during a particular period such as a day or a half-day, after informing the management is considered as a token strike.

Continuous strike

Employees completely stop working due to failure of gaining their demands through negotiations or any other protesting campaigns is known as a continuous strike.

Negative consequences of a strike to the employers

- Breaking down of the production process
- Decreasing the sales/ inability to supply the orders on time.
- Damaging the goodwill of the business.
- Weak cash flowing into the business and facing liquidity problems
- Decreasing the number of customers and also customers shift to the competitors.
- Losing the suppliers
- Decreasing the profit
- Decreasing of profitability due to employee unrest.
- Weak Industrial relation
- Increasing labor turnover.
- Losses due to the stoppage of machineries.
- Being degrade in the professional field.
- Decreasing the employee earnings or not receiving salary or other incentives
- Sometimes the employee has to face disciplinary actions.

Following are some of the negative consequences of strikes to the economy

- Increasing social problems
- It disturbs the of civil life of public
- The scarcity of products in the market.
- Increasing the prices of products
- Decreasing the quality of products

Actions that can be taken by the employers to avoid Industrial Actions

- **Lockout:**

Employers can close the work place, temporary stop of work of employees, terminate some employees from the job, in order to obey them to the ideas of him. This is called as Lock out.

- **Vacated of Post-VOP:**

The employer does not allow employees who engaged in strike, to come to work and he considers that they have already left the job. This is called vacated of post.

- **Strike Replacement:**

Strike replacement means the duties of the employees in the strike are covered using the employees who are not representing the trade union.

- **Mutual Aid Pact:**

Mutual aid pact means obtaining the financial aid from the other organizations who engage in the same industry to cover the lost income in the strike period.

- **Shift of Production:**

Shift of production means the shifting of production activities to the other branches which are not in strike or branches in any other country.

Collective agreement

- The agreed settlement between employers and employees in connection with a particular dispute is known as the collective agreement.

- This is an agreement which has been prepared to avoid Industrial Disputes and to safeguard the privileges, rights and responsibilities of employees and employers.
- This is a result of collective bargaining and once the agreement is published in the government gazette with the approval of Commissioner of Labor it becomes a legal document. Normally this agreement is valid for a period of 3 years.

Aims of a collective agreement

- Safeguarding the privileges, rights and responsibilities of the employees and employers
- Creating industrial harmony by preventing industrial disputes.
- Obtaining more benefits than the ones which have been provided by industrial acts and ordinances.

Benefits of a collective agreement to the employer

- Ability to solve industrial disputes easily.
- The survival of the business is ensured.
- Ability to understand the self-responsibility.
- Ability to manage the business without any difficulty.
- As industrial issues are solved in common there is no need of individual concern over the employees.
- Ability to create a loyal and satisfied group of employees.

Benefits of a collective agreement to the employee

- Ensuring that the agreed privileges and benefits will be received.
- Protecting employee rights
- Ability to receive better benefits than the ones entitled by the industrial acts and ordinances.
- Ability to clearly understand the self -responsibility and rights.
- Ensuring the employees' safety

16.14: Investigates the criteria of evaluating the efficiency of Human Resource Management

Learning Outcomes:

- Lists the criteria on evaluating Human Resource Management.
- Explains each criterion

Criteria that can be used to evaluate the success of Human Resource Management

- Labor Turnover
- Employee Absenteeism
- Labor Productivity
- Industrial Relations

In addition to the above methods, there are another two methods.

- Human Resource Accounting
- The HR Scorecard Method

Labor Turnover

- The rate at which employees leave the firm during a particular period is known as labor turnover / employee turnover.
- Labor turn over can be computed as follows.

$$\text{Labour Turover} = \frac{\text{No. of employees left during the period}}{\text{Average No. of employees employed during the period}}$$

Employee absenteeism

- Employees getting absent from work or being present without performing their duties can be known as employee absenteeism.
- Absenteeism can be calculated as follows.

$$\text{Employee absenteeism} = \frac{\text{No. of working days lost due to absenteeism}}{\text{No. of available working days}}$$

Situations that can be considered as absenteeism

- Nonattendance at work
- Being present but not performing the duty
- Taking more time as the interval

- Late attendance to the work
- Leaving the work place earlier

Labor productivity

- Labour productivity is the relationship between the employee inputs and the outputs.
- Labour productivity can be computed as follows.

$$\textit{Labour productivity} = \frac{\textit{Output}}{\textit{Labour Input}}$$