

**MBA (MM) First Year
Paper II**

HUMAN RESOURCE MANAGEMENT



मध्यप्रदेश भोज (मुक्त) विश्वविद्यालय – भोपाल
MADHYA PRADESH BHOJ (OPEN) UNIVERSITY - BHOPAL

Reviewer Committee

1. Dr. Mukesh Chansoriya
Prof. & Director, LNCT, Bhopal (MP)
2. Dr. Lila Simon, Associate Professor
BSSS College, Bhopal (MP)
3. Dr. Parag Dubey, Professor
NITTTR, Bhopal (MP)

.....

Advisory Committee

1. Dr. Jayant Sonwalkar
Hon'ble Vice Chancellor
Madhya Pradesh Bhoj (Open) University,
Bhopal (MP)
 2. Dr. L.S.Solanki
Registrar
Madhya Pradesh Bhoj (Open) University,
Bhopal (MP)
 3. Dr. Ratna Suryavanshi
Director, NAAC & CIQA
Madhya Pradesh Bhoj (Open) University,
Bhopal (MP)
 4. Dr. Mukesh Chansoriya
Prof. & Director
LNCT, Bhopal (MP)
 5. Dr. Lila Simon,
Associate Professor
BSSS College, Bhopal (MP)
 6. Dr. Parag Dubey
Professor
NITTTR, Bhopal (MP)
-

COURSE WRITERS

Professor PG Aquinas, Chairman, Post Graduate Department of Studies and Research in Social Work,
Mangalore University, Mangalore

Units: (1.0-1.2, 1.7-1.8, 1.9-1.13, 2.0-2.2, 2.2.1, 2.3, 2.4, 2.5-2.7, 2.7.1, 2.8-2.11, 2.11.1, 2.13-2.17, 3.5-3.7.1, 3.7.2-3.7.3,
3.8-3.10, 3.11-3.15, 4.11, 4.12, 4.13-4.17, 5.3.1, 5.4-5.5, 5.7-5.8, 5.10-5.14)

Dr. Swati Agrawal, Professor (HR & OB) Jaipuria Institute of Management, Noida

Units: (1.3-1.6, 3.0-3.4, 4.0-4.10.5, 5.9)

Professor SC Srivastava, Secretary General, National Labour Law Association

Units: (2.12, 5.0-5.2, 5.3, 5.6)

Copyright © Reserved, Madhya Pradesh Bhoj (Open) University, Bhopal

All rights reserved. No part of this publication which is material protected by this copyright notice may be reproduced or transmitted or utilized or stored in any form or by any means now known or hereinafter invented, electronic, digital or mechanical, including photocopying, scanning, recording or by any information storage or retrieval system, without prior written permission from the Registrar, Madhya Pradesh Bhoj (Open) University, Bhopal.

Information contained in this book has been published by VIKAS® Publishing House Pvt. Ltd. and has been obtained by its Authors from sources believed to be reliable and are correct to the best of their knowledge. However, the Madhya Pradesh Bhoj (Open) University, Bhopal, Publisher and its Authors shall in no event be liable for any errors, omissions or damages arising out of use of this information and specifically disclaim any implied warranties or merchantability or fitness for any particular use.

Published by Registrar, MP Bhoj (Open) University, Bhopal in 2020



VIKAS® is the registered trademark of Vikas® Publishing House Pvt. Ltd.

VIKAS® PUBLISHING HOUSE PVT. LTD.

E-28, Sector-8, Noida - 201301 (UP)

Phone: 0120-4078900 • Fax: 0120-4078999

Regd. Office: A-27, 2nd Floor, Mohan Co-operative Industrial Estate, New Delhi 1100 44

• Website: www.vikaspublishing.com • Email: helpline@vikaspublishing.com

SYLLABI-BOOK MAPPING TABLE

Human Resource Management

Syllabi	Mapping in Book
UNIT-I <ul style="list-style-type: none">• Human Resource Philosophy - Changing Environments of HRM - Strategic Human Resource Management - Using HRM to Attain Competitive Advantage• Concept and Functions of HRM• Structuring HRM - Trending in HRM - Organisation of HR Departments - Line and Staff Functions - Role of HR Managers.	Unit-1: Overview of Human Resource Management (Pages 3-30)
UNIT-II <ul style="list-style-type: none">• Job Analysis: Methods - IT and Computerised Skill Inventory - Writing Job Specification - HR and the Responsive Organisation. Job Design, HRP.• Attracting the Talent-Recruitment, Selection and Outsourcing: Employment Planning and Forecasting - Building Employee Commitment: Promotion from within - Source, Developing and Using Application Forms - IT and Recruiting on the Internet. Socialization, Mobility and Separation.	Unit-2: Job Analysis and Attracting the Talent (Pages 31-74)
UNIT-III <ul style="list-style-type: none">• Human Resource Development - Human Resource Development System. Training Mentoring and Performance Coaching, Building Roles and Teams.• Performance Appraisal: Methods - Performance Planning and Review - Problem and Solutions - MBO Approach - The Appraisal Interviews - Performance Appraisal in Practice, Competency Mapping, Potential Appraisal - Assessment Centers.• Managing Careers: Career and Succession Planning - Managing Promotions and Transfers.	Unit-3: Human Resource Development, Performance Appraisal and Managing Careers (Pages 75-128)
UNIT-IV <ul style="list-style-type: none">• Compensation and Reward Management - Basics of Compensation - Factors Determining Pay Rate - Laws Covering Wages - Compensation Strategy, Structure and Composition - Current Trends in Compensation - Reward Management.• Pay for Performance and Financial Incentives: Money and Motivation - Incentives for Operations Employees and Executives - Organisation Wide Incentive Plans - Practices in Indian Organisations.• Benefits and Services: Statutory Benefits - Non-statutory (Voluntary) Benefits - Laws Covering Benefits - Insurance Benefits - Retirement Benefits and Other Welfare Measures to Build Employee Commitment.	Unit-4: Compensation and Reward Management (Pages 129-170)
UNIT-V <ul style="list-style-type: none">• Industrial Relation and Collective Bargaining: Trade Unions - Collective Bargaining - Future of Trade Unionism. Industrial Democracy Discipline Administration - Grievances Handling - Managing Dismissals and Separation.• Labour Welfare: Laws Covering Labour Welfare, Importance and Implications of Labour Legislations - Employee Health - Auditing HR Functions, Future of HRM Function.	Unit-5: Industrial Relation, Collective Bargaining and Labour Welfare (Pages 171-210)



CONTENTS

INTRODUCTION	1
UNIT 1 OVERVIEW OF HUMAN RESOURCE MANAGEMENT	3-30
1.0 Introduction	
1.1 Objectives	
1.2 Concept and Functions of HRM	
1.3 Changing Environment of HRM	
1.4 Strategic Human Resource Management	
1.5 Using HRM to Gain Competitive Edge	
1.6 Trends in HRM	
1.7 Organization of HR Departments and Role of HR Managers	
1.8 Line and Staff Functions	
1.9 Answers to ‘Check Your Progress’	
1.10 Summary	
1.11 Key Terms	
1.12 Self-Assessment Questions and Exercises	
1.13 Further Reading	
UNIT 2 JOB ANALYSIS AND ATTRACTING THE TALENT	31-74
2.0 Introduction	
2.1 Objectives	
2.2 Job Analysis: Methods and Job Specification	
2.2.1 HR and Responsive Organization	
2.3 Job Design	
2.4 HRP	
2.5 Employment Planning and Forecasting	
2.6 Sources of Recruitment	
2.6.1 Promotion from Within: Sources	
2.7 IT and Recruitment on the Internet	
2.7.1 Computerized Skill Inventory	
2.8 Selection Process	
2.9 Building Employee Commitment	
2.10 Developing and Using Application Forms	
2.11 Socialization	
2.11.1 Mobility	
2.12 Separation	
2.13 Answers to ‘Check Your Progress’	
2.14 Summary	
2.15 Key Terms	
2.16 Self-Assessment Questions and Exercises	
2.17 Further Reading	

UNIT 3 HUMAN RESOURCE DEVELOPMENT, PERFORMANCE APPRAISAL AND MANAGING CAREERS

75-128

- 3.0 Introduction
- 3.1 Objectives
- 3.2 Human Resource Development System
- 3.3 Training: Building Roles and Teams
- 3.4 Mentoring and Performance Coaching
- 3.5 Performance Appraisal: Planning, Review and Practice
 - 3.5.1 Performance Appraisal in Practice
- 3.6 Methods: MBO Approach and Assessment Centres
- 3.7 Problems and Solutions
 - 3.7.1 The Appraisal Interviews
 - 3.7.2 Competency Mapping
 - 3.7.3 Potential Appraisal
- 3.8 Career Planning
- 3.9 Succession Planning
- 3.10 Managing Promotions and Transfers
- 3.11 Answers to 'Check Your Progress'
- 3.12 Summary
- 3.13 Key Terms
- 3.14 Self-Assessment Questions and Exercises
- 3.15 Further Reading

UNIT 4 COMPENSATION AND REWARD MANAGEMENT

129-170

- 4.0 Introduction
- 4.1 Objectives
- 4.2 Reward System and Compensation Strategies: Structure and Composition
 - 4.2.1 Basics of Compensation
 - 4.2.2 Determinants of Compensation and Reward
 - 4.2.3 Equity
- 4.3 Establishing Pay Rates
- 4.4 Strategy and Executive Compensation
- 4.5 Job Evaluation
- 4.6 Incentives for Operations Employees and Executives
 - 4.6.1 Linking Incentive Plans and Business Strategy
 - 4.6.2 Requirements for a Successful Incentive Plan
 - 4.6.3 Incentive Plans: Practices in Indian Organizations
- 4.7 Fringe Benefits
 - 4.7.1 Principles of Fringe Benefits
 - 4.7.2 Types of Fringe Benefits
 - 4.7.3 Important Fringe Benefits
- 4.8 Linking Compensation and Reward System with Strategy
- 4.9 Current Trends in Compensation-Reward Management
- 4.10 Laws Covering Wages
 - 4.10.1 Objectives of National Wage Policy
 - 4.10.2 Regulations Adopted
 - 4.10.3 Wage Policy in a Developing Economy
 - 4.10.4 Principal Constituents of a National Wage Policy
 - 4.10.5 Failure of the National Wage Policy

- 4.11 Employee Benefits and Fringe Benefits
- 4.12 Statutory and Non Statutory Benefits
 - 4.12.1 Insurance Benefits
 - 4.12.2 Retirement Benefits
 - 4.12.3 Other Welfare Measures to Build Employee Commitment
- 4.13 Answers to ‘Check Your Progress’
- 4.14 Summary
- 4.15 Key Terms
- 4.16 Self-Assessment Questions and Exercises
- 4.17 Further Reading

**UNIT 5 INDUSTRIAL RELATION, COLLECTIVE BARGAINING
AND LABOUR WELFARE**

171-210

- 5.0 Introduction
- 5.1 Objectives
- 5.2 Industrial Relations
- 5.3 Trade Unions
 - 5.3.1 Future of Trade Unionism
- 5.4 Collective Bargaining
 - 5.4.1 Discipline Administration
- 5.5 Grievance Handling
- 5.6 Industrial Democracy and Managing Dismissals and Separation
- 5.7 Laws Covering Labour Welfare: Importance and Implications
 - 5.7.1 Employee Health and Safety
- 5.8 Auditing HR Function
- 5.9 Future of HRM Function
- 5.10 Answers to ‘Check Your Progress’
- 5.11 Summary
- 5.12 Key Terms
- 5.13 Self-Assessment Questions and Exercises
- 5.14 Further Reading

