



# Human Resource Management

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## About the Book

Human Resource Management is a comprehensive and student-friendly textbook designed to provide a clear understanding of the principles, practices, and evolving dimensions of managing people in organizations. This book systematically covers the core concepts of Human Resource Management (HRM), beginning with its meaning, objectives, nature, scope, and functions. It explains key areas such as Human Resource Planning, Job Analysis, Job Description and Specification, HRIS, recruitment, training and development, performance appraisal, compensation, and employee welfare in a simple and structured manner.

The book also introduces Strategic Human Resource Management (SHRM), highlighting the importance of aligning HR practices with organizational goals. Concepts such as Best Fit and Best Practices approaches, the investment perspective of HR, and Michael Porter's 5 Ps Model are clearly explained to help students understand the strategic role of HR in modern organizations.

Further, the text provides detailed insights into Industrial Relations, employee grievances, discipline, and labour welfare. Important Indian labour legislations such as the Trade Unions Act and the Industrial Disputes Act are discussed in a simplified manner to build strong legal awareness among learners.



## Acknowledgement

The authors, Dr. U. Gowsalya, *M.Com., M.Phil., Ph.D.*, Assistant Professor & Head, Department of Commerce (Honours); Dr. C. Anu, *M.Com., MBA., Ph.D.*, Assistant Professor & Head, Department of Commerce and Dr. C. Jeya Gowri, *M.Com., M.Phil., Ph.D.*, Assistant Professor, Department of Commerce, *Aladi Aruna College of Liberal Arts and Science (Co.Ed)*, Alangulam, Tenkasi, Tamil Nadu, India, wish to place on record their heartfelt thanks to the Management, Principal, and colleagues of the institution for their constant encouragement, academic support, and valuable guidance throughout the preparation of this book. The institution's commitment to excellence in education has been a continuous source of inspiration for this work.

# Table of Contents

- 1 Introduction to HRM
- 2 Strategic HRM
- 3 Industrial Relations
- 4 Organisational Development and Collective Bargaining
- 5 Employee welfare

01.

## INTRODUCTION TO HRM

1

Definition of HRM, Objectives – Importance – Nature- Scope, Role and Qualities of a HR Manager - Human Resource Planning - Meaning, Definition, Importance, Factors Affecting HRP, Process Involved in Human Resource Planning. Human Resource Information System (HRIS) – Job Analysis, Need for Job Analysis, Steps in Job Analysis, Job Description and Specification.

02.

## STRATEGIC HRM

31

Definition of Strategy, Strategic Human Resource Management (SHRM), Importance of SHRM, Difference between Traditional and Strategic Human Resource Management, “Best Fit” Approach Vs. Best Practices of SHRM, Role of HR Strategy & Practices in National, Sectorial and Organizational Context, Investment Perspective of SHRM, Porter’s 5 Ps Model.

03.

## INDUSTRIAL RELATIONS

47

Introduction to Industrial Relations - Employee Grievances Concept, Causes & Grievance Redressal Mechanism – Discipline - Concept, Aspects of Discipline & Disciplinary Procedure - Trade Unions Act 1926 - Industrial Disputes Act 1947

04.

## ORGANISATIONAL DEVELOPMENT AND COLLECTIVE BARGAINING

64

Organisation Climate – Organization Change – Organisational Development: Definition, Meaning of Organizational Development. - Collective Bargaining- Essentials of Effective Collective Bargaining

05.

## EMPLOYEE WELFARE

76

Meaning, Objectives, Philosophy, Scope, Limitations, Types of Employee Welfare, Statutory and Non-Statutory Welfare Measures, and Labour Welfare Theories- Social Security, Health, Retirement & Other Benefits

## UNIT I

### INTRODUCTION TO HRM

#### 1.1 Introduction:

- ❖ From childhood each and every individual acquire knowledge and experience on **understanding others and how to behave in each and every situation in life**. Later we carry forward this learning and understanding in **carrying and managing relations at our workplace**. The whole context of Human Resource Management revolves around this core matter of **managing relations at work place**.
- ❖ Since mid-1980's Human Resource Management (HRM) has gained acceptance in both academic and commercial circle. **HRM is a multidisciplinary organizational function** that draws theories and ideas from various fields such as **management, psychology, sociology and economics**.
- ❖ There is no best way to manage people and no manager has formulated how people can be managed effectively, because **people are complex beings with complex needs**. Effective HRM depends very much on the causes and conditions that an organizational setting would provide. Any Organization has three basic components, **People, Purpose, and Structure**.
- ❖ In 1994, a noted leader in the human resources (HR) field made the following observation: Yesterday, the company with the

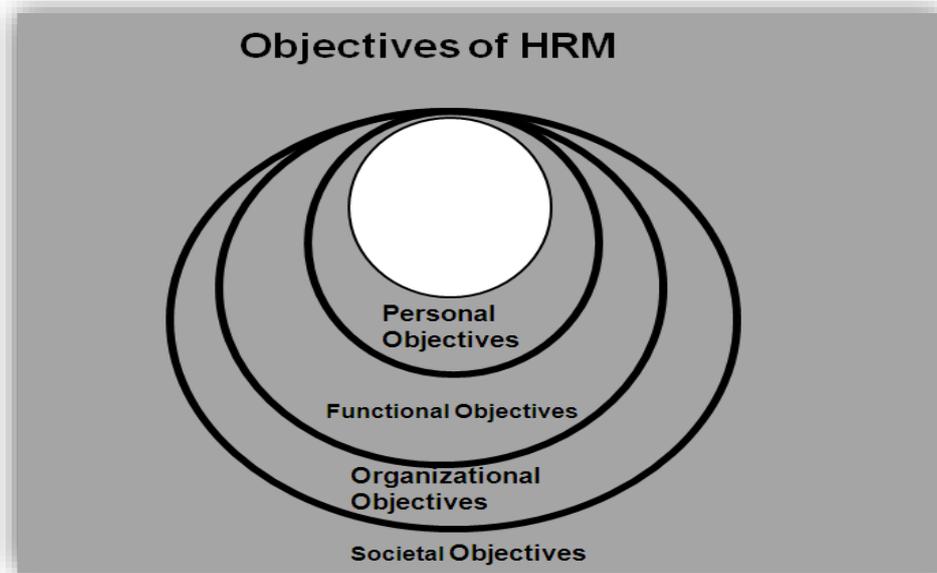
access most to the capital or the latest technology had the best competitive advantage;

- ❖ Today, companies that **offer products with the highest quality are the ones with a leg up on the competition;** But the only thing that will uphold a company's advantage tomorrow is the caliber of people in the **organization.**

## 1.2 Definition of HRM:

- ❖ **Human resources management (HRM)** is a management function concerned with **hiring, motivating and maintaining people in an organization.** It focuses on people in organizations. **Human resource management** is designing management systems to ensure that human talent is used **effectively and efficiently to accomplish organizational goals.**
- ❖ HRM is the personnel function which is concerned with **procurement, development, compensation, integration and maintenance of the personnel of an organization for the purpose of contributing towards the accomplishments of the organization's objectives.** Therefore, personnel management is the planning, organizing, directing, and controlling of the performance of those operative functions (**Edward B. Philippo**).

### 1.3 Objectives of HRM:



#### 1. Societal Objectives:

- Seek to ensure that the organization becomes **socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization.**
- The failure of the organizations to use their resources for the **society's benefit in ethical ways may lead to restriction.**

#### 2. Organizational Objectives:

- It recognizes the **role of HRM in bringing about organizational effectiveness.**
- It makes sure that HRM is not a standalone department, but rather a means to assist the organization with its primary objectives.
- The **HR department exists to serve the rest of the organization.**

### 3. Functional Objectives:

- Is to maintain the department's contribution at a level **appropriate to the organization's needs.**
- Human resources are to be adjusted to suit the **organization's demands.**
- The department's value should not become too **expensive at the cost of the organization it serves.**

### 4. Personnel Objectives:

- It is to assist employees in achieving **their personal goals**, at least as far as these goals enhance the **individual's contribution** to the organization.
- Personal objectives of employees must be met if **they are to be maintained, retained and motivated.**
- Otherwise, employee performance and satisfaction may decline giving rise to **employee turnover.**

#### 1.4 Nature of HRM:

HRM is the process of aligning the individual and the organizational goals. HRM is all about procuring the best possible employees for an organization and it does not end here.

After recruiting them, **it ensures taking good care of them so that they feel motivated to stay and give their best to their jobs.**

HRM, in its essence, consists of the following in its nature:



### 1. People centric:

It includes **people centric** functions such as recruiting, training and development, performance feedback, compensation, employee health, safety and welfare, and so on. HRM more importantly emphasizes on creating human capital.

### 2. HRM is **universal**:

It is prevalent everywhere. It is not just restricted to business organizations only. It is diversified in nature and is relevant in non-business organizations too.

### 3. Ongoing process:

- HRM is an **ongoing process**. For smooth and effective functioning of organization, there must be effective employee management.
- HRM is a continuous process of managing people and their competencies. It's a never-ending process in which manager continuously deals with people.

#### 4. Action oriented

HRM is **action oriented**. It means that it is not confined to rules, regulations and record keeping only. It aims at taking actions for quick resolution of employee's problems.

#### 5. Future oriented

HRM is **future oriented**. Effective HRM helps in achieving future organizational goals by recruiting and training competent and well-motivated employees.

### 1.5 Scope of HRM

**The scope of Human Resources Management extends to:**

- All the decisions, strategies, factors, principles, operations, practices, functions, activities and methods related to the management of people as employees in any type of organization.
- All the dimensions related to people in their **employment relationships, and all the dynamics that flow from it.**

#### 1. Human Resource Planning:

- The objective of HR Planning is to ensure that the organization has the **right types of persons at the right time at the right place.**
- It prepares human resources inventory with a view to assess **present and future needs, availability and possible shortages in human resource.**

- Thereupon, HR Planning forecast demand and supplies and identify sources of selection.

## **2. Design of Organization and Job:**

- This is the task of laying down **organization structure, authority, relationship and responsibilities.**
- This will also mean definition of work contents for each position in the organization. **This is done by “job description”.** **Another important step is “Job specification”.**
- Job specification identifies the attributes of persons who will be most suitable for each job which is defined by job description.

## **3. Selection and Staffing:**

This is the process of recruitment and selection of staff. This involves matching people and their expectations with which the job specifications and career path available within the organization.

## **4. Training and Development:**

This involves an organized attempt to find out training needs of the individuals to meet the knowledge and skill which is needed not only to perform current job but also to fulfil the future needs of the organization.

## **5. Organizational Development:**

This is an important aspect whereby “Synergetic effect” is generated in an organization i.e. healthy interpersonal and inter-group relationship within the organization.

## **6. Compensation and Benefits:**

- This is the area of wages and salaries administration where wages and compensations are fixed scientifically to meet fairness and equity criteria.
- In addition, labour welfare measures are involved which include benefits and services.

## **7. Employee Assistance:**

- Each employee is unique in character, personality, expectation and temperament. By and large each one of them faces problems every day.
- Some are personal some are official. In their case he or she remains worried. Such worries must be removed to make him or her more productive and happier.

## **8. Union-Labour Relations:**

Healthy Industrial and Labour relations are very important for enhancing peace and productivity in an organization. This is one of the areas of HRM.

## **9. Personnel Research and Information System:**

- Knowledge on behavioral science and industrial psychology throws better insight into the workers' expectations, aspirations and behaviour.
- Advancement of technology of product and production methods have created working environments which are much different from the past.

## **1.6 Role and Qualities of an HR Manager:**

- Human Resource Managers play a vital role in managing people and ensuring smooth functioning of the organization. They act as a link between management and employees.
- Their roles and qualities determine the overall effectiveness of the HR department.

### **I. Role of an HR Manager:**

#### **1. Human Resource Planning:**

- The HR manager forecasts future manpower needs based on organizational goals.
- They analyze current workforce strength, identify shortages or surpluses, and prepare plans to recruit or train employees accordingly.

#### **2. Recruitment and Selection:**

- They conduct the entire hiring process, including advertising vacancies, screening applications, conducting interviews, and selecting the most suitable candidates.
- The HR manager ensures that the right person is placed in the right job.

#### **3. Training and Development:**

- HR managers identify skill gaps among employees and design training programs, workshops, and development sessions.
- This helps employees improve their performance and grow within the organization.

#### **4. Performance Appraisal:**

- They monitor and evaluate employee performance through appraisal systems.
- HR managers provide feedback, identify high performers, and suggest improvements.
- Performance results are used for promotions, salary increments, and career planning.

#### **5. Employee Welfare and Relations:**

- Maintaining healthy employee relations is an important responsibility.
- HR managers look into employee grievances, ensure workplace safety, promote welfare schemes, and create a positive work culture.
- They work to build trust and reduce conflicts.

#### **6. Compensation and Benefits Administration:**

- HR managers design fair and competitive salary structures, bonuses, incentives, and benefits like health insurance, leave policies, and retirement plans.
- Proper compensation helps in employee satisfaction and retention.

#### **7. Legal Compliance:**

- They ensure compliance with all labour laws, industrial acts, and safety regulations.
- HR managers maintain proper records and protect the organization from legal disputes.

## **8. Strategic Partner:**

- Modern HR managers participate in strategic planning.
- They align HR policies with organizational goals, support change management, and help the organization gain competitive advantage through effective human resource practices.

## **II. Qualities of a Good HR Manager**

### **1. Strong Communication Skills**

- A good HR manager must communicate clearly with employees at all levels.
- Effective communication helps in explaining policies, resolving issues, and building trust.

### **2. Leadership Ability**

- They should be able to guide employees, motivate teams, and influence behavior positively.
- Strong leadership ensures better cooperation and higher productivity.

### **3. Decision-Making Skills**

- HR managers regularly deal with crucial decisions related to recruitment, promotions, transfers, and disciplinary actions.
- They must take fair, timely, and unbiased decisions.

### **4. Empathy and Patience**

- Understanding employee concerns and handling them sensitively is essential.
- Empathy helps in creating a supportive work environment.

## **5. Ethical and Trustworthy**

A good HR manager must maintain confidentiality, behave ethically, and treat all employees with fairness and integrity.

## **6. Problem-Solving Ability**

- Workplace conflicts, grievances, and misunderstandings require effective problem-solving skills.
- HR managers must address issues calmly and find practical solutions.

## **7. Knowledge of HR Laws and Policies**

Thorough knowledge of labour laws, company rules, HR practices, and modern HR tools is essential for efficient functioning.

## **8. Adaptability and Continuous Learning**

Since HR practices constantly evolve, HR managers must stay updated with new trends, technologies, and methods to improve HR processes.

### **1.7 Human Resource Planning (HRP)**

- Human Resource Planning (HRP) is the process of forecasting an organization's future human resource needs and developing strategies to meet those needs.
- It ensures that the organization has the right number of employees, with the right skills, in the right jobs, at the right time. HRP helps in avoiding manpower shortages as well as surpluses.

## 1.8 Meaning of Human Resource Planning

- Human Resource Planning refers to the systematic process of **analyzing the organization's manpower requirements** and making plans to ensure that adequate and skilled employees are available.
- It involves **identifying current human resources, predicting future needs, and developing strategies such as recruitment, training, and transfers to bridge the gap.**

## 1.9 Importance of HRP

**1. Ensures Adequate Manpower:** HRP helps the organization to have the required number of employees to carry out operations smoothly, preventing shortage of staff.

**2. Helps in Future Forecasting:** It predicts future employee requirements based on business expansion, new technology, retirements, resignations, or promotions.

**3. Effective Utilization of Human Resources:** HRP ensures proper allocation of employees based on their skills, leading to higher productivity and reduced labor costs.

**4. Facilitates Recruitment and Selection:** A clear manpower plan helps HR managers conduct timely recruitment and avoid last-minute hiring pressures.

**5. Supports Training and Development:** HRP identifies skill gaps and helps plan appropriate training programs to improve employee performance.

**6. Reduces Labour Costs:** By avoiding overstaffing and understaffing, HRP helps manage labor costs effectively.

**7. Helps in Organizational Growth:** HRP ensures that human resources are aligned with the organization's long-term goals, helping the company grow and remain competitive.

### 1.10 Process of Human Resource Planning (HRP)

- The **process of Human Resource Planning (HRP)** refers to the systematic steps followed by an organization to ensure that it has the right number of employees with the right skills at the right time.
- It helps in anticipating future human resource needs and preparing strategies to meet those needs effectively.

The HRP process involves the following steps:

#### 1. Analysing Organizational Objectives:

- The first step is to understand the organization's short-term and long-term goals. These may include expansion plans, new projects, technological changes, or diversification.
- HR requirements depend directly on what the organization aims to achieve. Clear organizational objectives help HR managers plan manpower accurately.

#### 2. Assessing Current Human Resources (HR Inventory):

- In this step, HR managers analyze the existing workforce by preparing a **skills inventory** that includes qualifications, experience, age, performance, and potential of employees.

- This helps in identifying the current strengths and weaknesses of the workforce and understanding how many and what types of employees are available internally.

### 3. Forecasting Future Manpower Demand:

- Demand forecasting means predicting the number and types of employees required in the future.
- Factors like workload analysis, technological changes, retirement, resignations, expansion plans, and productivity levels are considered.
- The aim is to estimate future manpower needs in terms of quantity and quality.

### 4. Forecasting Manpower Supply:

- After estimating demand, the organization must forecast **internal supply** (promotions, transfers, training, existing employees) and **external supply** (availability of candidates in the labor market).
- This step helps determine from where the organization can get the employees it needs.

### 5. Identifying Manpower Gaps:

By comparing **future demand** and **future supply**, HR managers identify whether there will be a **shortage** or **surplus** of employees.

- If there is a **shortage**, the organization plans for recruitment, training, or promotions.
- If there is a **surplus**, HR may plan for redeployment, retrenchment, voluntary retirement, or reduced hiring.

## **6. Developing Action Plans:**

Based on the identified gaps, HR develops appropriate strategies such as:

- **Recruitment and Selection** (if manpower shortage)
- **Training and Development**
- **Promotion and Transfers**
- **Outsourcing**
- **Layoff, Retrenchment, or VRS** (if manpower surplus)
- **Redesigning jobs or workload balancing**

These action plans ensure that manpower needs are met efficiently.

## **7. Implementing the HR Plan:**

- The next step is to execute the action plans.
- This includes conducting recruitment drives, scheduling training programs, reallocating employees, modifying job roles, or applying cost-cutting measures.
- Successful implementation requires coordination with all departments.

## **8. Monitoring and Evaluation:**

- HR managers regularly review the HRP process to check whether the plan is working effectively.
- If there are deviations such as unexpected resignations or changes in business conditions the HR plan is modified.
- Continuous monitoring ensures that HRP remains flexible and relevant.

## 1.11 Human Resource Information System (HRIS):

### 1. Human Resource Information System (HRIS)

- A Human Resource Information System (HRIS) is a computerized system used to collect, store, manage, and analyse information related to human resources.
- It supports HR activities such as recruitment, payroll, employee records, performance appraisal, attendance, training, and benefits.

#### Features of HRIS

- Efficient data storage and retrieval
- Quick processing of employee information
- Accurate payroll and attendance management
- Better decision-making through HR reports
- Reduces paperwork and improves efficiency

#### Benefits of HRIS:

- Saves time and labour costs
- Improves accuracy of HR functions
- Enhances communication between HR and employees
- Helps in strategic HR planning.

## 1.12 Job Analysis:

- **Job Analysis** is the process of collecting and analyzing information about a job. It identifies the tasks, duties, responsibilities, skills, knowledge, and working conditions required.

- The need for job analysis arises because it forms the foundation for almost all Human Resource Management functions.
- It ensures that jobs are clearly defined and the right people are hired, trained, and evaluated.

### 1.13 Needs for Job Analysis:

#### 1. Recruitment and Selection

Job analysis provides accurate information about the job through job descriptions and job specifications.

It helps HR managers choose the best candidates by clearly defining:

- What the job requires
- What qualifications, skills, and experience are needed

This ensures the selection of the right person for the right job.

#### 2. Training and Development:

Job analysis identifies the knowledge and skills required for the job and compares them with the employee's current abilities.

This helps HR to:

- Identify skill gaps
- Design appropriate training programs
- Improve employee performance

Thus, it ensures employees are capable of performing duties effectively.

#### 3. Performance Appraisal:

Job analysis helps in setting performance standards. These standards are used to:

- Evaluate employee performance
- Provide feedback
- Reward high performers
- Identify areas that need improvement

This makes appraisal fair, objective, and measurable.

#### **4. Compensation and Salary Administration:**

Job analysis helps determine the value of each job by analyzing:

- Its difficulty level
- Responsibility involved
- Skills required
- Working conditions

This helps HR in fixing fair wages, salary structures, incentives, and benefits, ensuring internal equity and external competitiveness.

#### **5. Job Design and Redesign:**

Job analysis is essential for designing jobs scientifically. It helps managers to:

- Simplify or enlarge jobs
- Improve workflow
- Remove unnecessary tasks
- Enhance employee satisfaction and efficiency

It is also useful during technological or organizational changes.

#### **6. Employee Safety and Health:**

Job analysis identifies potential risks and hazards associated with specific tasks.

This helps HR to:

- Provide proper safety measures
- Comply with safety laws
- Design safer working conditions

It reduces accidents and promotes employee welfare.

### **7. Promotions, Transfers, and Career Planning:**

Job analysis helps HR understand the requirements of each job position.

It allows them to:

- Match employees with suitable roles
- Plan promotions and internal mobility
- Support employee career development

This ensures effective talent utilization.

### **8. Legal Compliance and Transparency:**

Accurate job analysis helps organizations comply with labour laws by ensuring:

- Fair hiring practices
- Proper job classification
- Non-discriminatory selection criteria

It provides legal protection in case of disputes related to hiring, wages, or job duties.

#### **1.14 Steps in Job Analysis**

To get accurate and useful job information, HR managers follow a series of well-defined steps. The main steps in job analysis are explained below:

### **1. Determine the Purpose of Job Analysis:**

The first step is to clearly identify why job analysis is being conducted.

It may be required for:

- Recruitment and selection
- Training and development
- Job redesign
- Performance appraisal
- Wage determination

A clear purpose helps in selecting the right methods and areas of focus.

### **2. Collect Job-Related Information:**

HR managers gather preliminary information about the job, such as:

- Job title
- Department
- Work processes
- Tools and equipment used

This gives a basic understanding of the job and prepares for detailed analysis.

### **3. Select Suitable Job Analysis Methods:**

There are different methods like:

- Observation
- Interviews
- Questionnaires
- Employee diaries
- Critical incident techniques

Selecting the right method ensures accuracy in data collection.

#### **4. Collect Data About the Job:**

In this step, detailed data is collected about:

- Tasks and duties
- Responsibilities
- Required knowledge and skills
- Working conditions
- Physical and mental demands

Both employees and supervisors provide useful inputs.

#### **5. Review and Verify the Collected Data:**

Once data is collected, it must be verified by:

- Supervisors
- Job incumbents (employees doing the job)
- HR experts

Verification ensures that the information is valid, accurate, complete, and reflects the real job.

#### **6. Prepare Job Description:**

A Job Description is prepared based on the analyzed data.

It includes details like:

- Duties and responsibilities
- Job summary
- Tools and equipment
- Working conditions
- Reporting relationships

It explains what the job involves.

## 7. Prepare Job Specification:

A Job Specification is then developed which outlines:

- Educational qualifications
- Experience
- Technical skills
- Physical and mental abilities
- Personality traits

It explains what qualities a person must have to perform the job.

## 8. Review and Update Job Analysis Periodically:

Jobs change due to:

- Technology
- New methods
- Organizational restructuring

Therefore, job analysis must be reviewed and updated regularly to ensure that job descriptions and specifications stay accurate and relevant.

### 1.15 Job Description and Job Specification:

- **Job Description and Job Specification** are the two important outcomes of the Job Analysis process.
- They provide detailed information about a job and the requirements needed to perform it.
- Both documents help HR managers in recruitment, training, performance appraisals, and compensation decisions.

## 1. Job Description:

### Meaning:

- A Job Description is a written statement that describes the job's duties, responsibilities, tasks, working conditions, and reporting relationships. It explains what the job holder is expected to do.
- It focuses on the job itself, not the person doing it.

### Contents of Job Description:

1. **Job Title** – Name of the job that identifies its role.
2. **Department/Location** – Where the job is performed.
3. **Job Summary** – A brief overview of the job's purpose.
4. **Duties and Responsibilities** – Main tasks, functions, and responsibilities.
5. **Tools and Equipment Used** – Machines or tools required for the job.
6. **Working Conditions** – Physical environment, risks, and hazards.
7. **Reporting Relationships** – Supervisors, subordinates, and team structure.
8. **Performance Standards** – Expected quality and output levels.

### Importance of Job Description:

- Helps in recruitment and selection
- Provides clarity about roles and responsibilities
- Helps in setting performance standards
- Supports job evaluation and salary decisions
- Helps avoid role confusion among employees

## 2. Job Specification

### Meaning:

- A **Job Specification** is a statement that outlines the minimum qualifications, skills, experience, and personal traits required to perform the job successfully. It explains **what type of person is suitable for the job**.
- It focuses on the **person** rather than the job.

### Contents of Job Specification:

1. **Educational Qualifications** – Degrees or certifications needed.
2. **Experience** – Number of years and type of previous work experience.
3. **Technical Skills** – Specific knowledge or abilities required.
4. **Physical Requirements** – Strength, stamina, eyesight, or other physical conditions (if necessary).
5. **Mental Abilities** – Decision-making skills, problem-solving ability, adaptability.
6. **Personality Traits** – Communication skills, leadership qualities, teamwork, etc.
7. **Special Abilities** – Creativity, language skills, computer knowledge, etc.

### Importance of Job Specification:

- Helps in selecting the right candidate
- Supports training and development planning
- Assists in employee placement and promotion
- Ensures fairness in recruitment
- Helps in performance evaluation

**PART – A**

1. Human Resource Management mainly deals with:

- a) Machines and materials
- b) Money management
- c) Management of people at work
- d) Technology management

**Answer: c**

2. Which of the following is the primary objective of HRM?

- a) Profit maximization
- b) Employee welfare
- c) Optimum utilization of human resources
- d) Cost reduction

**Answer: c**

3. HRM is considered a continuous process because:

- a) Employees frequently change
- b) It starts before recruitment and continues till retirement
- c) It is controlled by management
- d) It involves training only

**Answer: b**

4. Which function comes first in Human Resource Planning?

- a) Forecasting manpower demand
- b) Recruitment
- c) Training
- d) Performance appraisal

**Answer: a**

5. Human Resource Planning mainly helps in:

- a) Reducing labour turnover
- b) Ensuring right person for right job
- c) Increasing employee welfare
- d) Improving industrial relations

**Answer: b**

6. HRIS stands for:

- a) Human Resource Information System
- b) Human Resource Integrated System
- c) Human Relation Information Source
- d) Human Resource Internal System

**Answer: a**

7. Which of the following is NOT a factor affecting HRP?

- a) Business environment
- b) Government policies
- c) Personal life of employees
- d) Organizational objectives

**Answer: c**

8. Job Analysis provides information for:

- a) Job description and job specification
- b) Recruitment only
- c) Training only
- d) Wage payment only

**Answer: a**

9. Job Description explains:

- a) Qualities of job holder
- b) Duties and responsibilities of a job
- c) Salary structure
- d) Promotion policy

**Answer: b**

10. Job Specification refers to:

- a) Nature of work
- b) Tools and equipment
- c) Qualifications and skills required
- d) Working conditions

**Answer: c**

11. HR Manager plays the role of:

- a) Controller only
- b) Employee representative
- c) Mediator between management and workers
- d) Accountant

**Answer: c**

12. HRM is said to be people-oriented because:

- a) It deals with welfare activities
- b) It focuses on employee development
- c) It treats employees as valuable resources
- d) It controls employees

**Answer: c**

13. Which is NOT a nature of HRM?

- a) Dynamic
- b) Strategic
- c) Static
- d) Continuous

**Answer: c**

14. Manpower inventory is concerned with:

- a) Present manpower position
- b) Future manpower needs
- c) Labour cost
- d) Wage structure

**Answer: a**

15. The final step in HRP process is:

- a) Forecasting
- b) Recruitment
- c) Control and evaluation
- d) Training

**Answer: c**

### **PART- B**

1. Define Human Resource Management and explain its objectives.
2. Explain the importance of Human Resource Management.
3. Describe the nature of Human Resource Management.
4. Explain the scope of Human Resource Management.
5. Define Human Resource Planning and explain its importance.
6. What are the factors affecting Human Resource Planning?
7. Explain the need for Job Analysis.

8. Write short notes on:
- a) Job Description
  - b) Job Specification

### **PART- C**

1. Explain Human Resource Management – definition, objectives, importance, and nature.
2. Discuss the role and qualities of a Human Resource Manager.
3. Explain Human Resource Planning – meaning, importance, factors affecting HRP, and process involved.
4. Explain Human Resource Information System (HRIS) and its significance in HRM.
5. Describe Job Analysis in detail – meaning, need, steps involved, job description, and job specification.

## Unit II

### STRATEGIC HRM

#### 2.1 Definition of Strategic:

- Strategic Human Resource Management refers to the **systematic planning, development, and alignment of HR policies** and practices with the strategic goals of an organization.
- It ensures that the organization's human resources contribute effectively to achieving **long-term business objectives**.

#### 2.2 Strategic Human Resource Management (SHRM):

Strategic Human Resource Management (SHRM) refers to the process of aligning the human resource policies and practices with the strategic objectives of an organization. It focuses on developing a skilled, committed, and flexible workforce that can help the organization achieve long-term goals. SHRM integrates HR functions such as recruitment, training, performance appraisal, and compensation with the overall corporate strategy to gain a sustainable competitive advantage.

#### 2.3 Importance of SHRM:

- Strategic Human Resource Management (SHRM) refers to the alignment of HR practices with the long-term goals and strategies of an organization. It ensures that human resources contribute effectively to achieving competitive advantage.

### **1. Aligns HR with Organizational Goals:**

SHRM ensures that all HR practices such as recruitment, training, and compensation are aligned with the company's strategy.

**Example:** If a company plans to expand internationally, SHRM helps recruit employees with global experience and foreign language skills.

### **2. Enhances Organizational Performance:**

By hiring the right talent and developing their skills, SHRM improves productivity, quality, and innovation.

**Example:** Infosys invests strategically in training and skill development, resulting in higher service quality and improved client satisfaction.

### **3. Effective Human Resource Planning:**

SHRM forecasts future manpower needs based on business plans and prepares the workforce accordingly.

**Example:** A hospital expecting increased patient flow may plan strategically to hire more nurses, technicians, and doctors.

### **4. Facilitates Change Management:**

Organizations undergo changes such as digital transformation or restructuring. SHRM helps employees adapt through training, communication, and support.

**Example:** When a bank introduces digital banking, SHRM arranges training for employees to help them handle new systems.

### **5. Builds Sustainable Competitive Advantage:**

People are a unique asset that competitors cannot easily copy. SHRM develops employee skills and capabilities to gain long-term advantage.

**Example:** Google's emphasis on creativity, innovation, and flexible work culture gives it a competitive edge in the tech industry.

### **6. Improves Employee Motivation and Commitment:**

SHRM introduces strategic reward systems, career development opportunities, and employee involvement, leading to higher motivation.

**Example:** Tata Group's employee development programs enhance job satisfaction and reduce employee turnover.

### **7. Ensures Flexibility and Adaptability:**

SHRM helps the organization respond quickly to changes in the market, technology, or environment.

**Example:** During COVID-19, companies with strong SHRM practices shifted smoothly to work-from-home arrangements with proper support systems.

### **8. Promotes Better Decision-Making:**

SHRM uses HR analytics and long-term planning to make accurate and consistent HR decisions.

**Example:** Amazon uses workforce data to plan additional hiring during peak seasons like festivals.

## 2.3 Difference between Traditional and Strategic Human Resource Management:

S. No	Difference	Traditional HRM	Strategic HRM
1.	<b>Focus</b>	Focuses mainly on day-to-day HR activities such as recruitment, payroll, and employee administration.	Focuses on long-term goals and aligning HR practices with organizational strategy.
2.	<b>Time Orientation</b>	Short-term and reactive in nature. Deals with immediate employee issues.	Long-term and proactive. Plans future workforce needs based on business strategy.
3.	<b>Role of HR Department</b>	HR works as a separate department with limited involvement in business decisions.	HR is a strategic partner involved in organizational planning and decision-making.
4.	<b>Approach to Employees</b>	Employees are treated as cost to be minimized.	Employees are considered valuable assets and a source of competitive advantage.
5.	<b>Decision-Making</b>	Decisions are based on rules, procedures, and past practices.	Decisions are based on organizational goals, HR analytics, and long-term planning.
6.	<b>Scope and Responsibility</b>	Narrow, limited to functions like recruitment, training, and salary administration.	Broad, integrated with areas like organizational development, culture building, and change management.
7.	<b>Reactive vs. Proactive</b>	Reactive – responds to problems as they arise.	Proactive – anticipates challenges and prepares strategies in advance.
8.	<b>Alignment</b>	HR policies are independent and not linked to business strategy.	HR policies are completely aligned with the organization's long-term strategy.
9.	<b>Performance Measurement</b>	Focus on individual employee performance.	Focus on overall organizational performance and HR's contribution to strategic goals.
10.	<b>Type of Role</b>	Administrative and operational role.	Strategic and transformational role.

## 2.4 “Best Fit” Approach Vs. Best Practices of SHRM

### Best Fit Approach – Definition

- The Best Fit Approach in Strategic Human Resource Management (SHRM) states that HR policies and practices should **match or fit the organization’s overall strategy, structure, culture, and external environment.**
- It believes that there is no single HR practice that suits all organizations. Instead, HR practices must be customized according to the specific needs and conditions of each organization.
- HR practices must “fit” the company’s business strategy.
- HR strategy depends on factors like company goals, technology, size, market competition, and organizational culture.
- The effectiveness of HR depends on how well it supports the organization’s strategic objectives.

### Example

- If a company follows a **cost leadership strategy** (like Walmart), HR will focus on cost reduction, efficiency, strict supervision, and low-cost labor.
- If a company follows a **differentiation strategy** (like Apple), HR will focus on hiring creative talent, innovation-based rewards, and continuous skill development.

### Best Practices of SHRM:

- The Best Practices Approach in Strategic Human Resource Management (SHRM) is based on the idea that certain HR

practices are universally effective and lead to superior organizational performance.

- It believes that there is one best way to manage people, and if organizations adopt these high-performance HR practices, they will achieve better productivity, employee satisfaction, and competitive advantage regardless of their size, industry, or strategy.

### Example:

If a company provides continuous training, fair rewards, and employee involvement, it will perform better—even if it is small or large, manufacturing or service.

S. No	Difference	Best Fit Approach	Best Practices Approach
1.	Meaning	This approach states that HR policies and practices should <b>match or fit</b> the organization's overall strategy, culture, environment, and business conditions.	This approach suggests that there are <b>certain universal HR practices</b> that lead to superior performance, regardless of the organization or situation.
2.	Focus	Focuses on <b>internal and external alignment</b> with organizational context (e.g., growth strategy, market changes).	Focuses on adopting <b>common high-performance HR practices</b> such as training, empowerment, job security, performance-based rewards, etc.
3.	Key Assumption	HR practices are effective <b>only when they match organizational conditions</b> .	Certain HR practices are <b>effective everywhere</b> and guarantee improved outcomes.
4.	Examples	A <b>cost-leadership strategy</b> (like Walmart) requires HR practices such as tight supervision and cost control. A <b>differentiation strategy</b> (like Apple) requires creative hiring and innovation-based rewards.	Selective hiring Employee training and development Empowerment and employee involvement Performance-based pay Job security
5.	Advantages	Ensures HR strategy supports business goals.	Proven to improve motivation, productivity, and organizational performance.
6.	Limitations	Difficult to identify the perfect "fit." External environment keeps changing.	Ignores differences between organizations. "One-size-fits-all" may not work in every context.

## 2.5 Role of HR Strategy & Practices in National, Sectorial and Organizational Context:

- HR strategies operate at **three major levels**, and each level influences the other.
- SHRM ensures that HR policies contribute to economic and organizational goals across these contexts.

### A. National Context:

- At the national level, HR strategies focus on supporting the **country's economic development**, labour market stability, and social well-being.

### Role:

- Develops skilled manpower through education, skill training, and employment policies
- Ensures labour law compliance and decent work standards
- Supports national goals such as productivity improvement and global competitiveness
- Encourages job creation, entrepreneurship, and talent development
- Promotes national HRD initiatives (e.g., Skill India, Digital India)

### Example:

Government training schemes improve workforce skills → industries get better manpower → national productivity increases.

## **B. Sectorial (Industry) Context:**

Each industry (IT, manufacturing, healthcare, banking, etc.) has unique HR needs. HR strategies must match sector-specific demands.

### **Role:**

- Designs HR policies based on skill needs of the sector
- Ensures industry-specific training and certifications
- Addresses labour shortages or surpluses
- Helps organizations adopt best practices from industry leaders
- Supports technological adoption (e.g., automation in manufacturing, AI in IT)

### **Example:**

IT sector needs continuous upskilling in coding, cloud, AI → HR strategies focus on training and flexible work models.

## **C. Organizational Context:**

At the company level, HR strategies support the **firm's mission, vision, and competitive strategy.**

### **Role:**

- Manpower planning, recruitment, training, and retention
- Developing leadership and organizational culture
- Linking HR policies to company strategy (cost leadership, differentiation, innovation)
- Managing change, motivation, performance, and productivity
- Ensuring employee engagement and long-term growth

**Example:**

A company following innovation strategy focuses on hiring creative talent, research teams, and continuous learning programs.

**2.6 Investment Perspective of SHRM:**

The **Investment Perspective** views human resources as **valuable assets** rather than costs. It treats expenses on employees as **long-term investments** that create future benefits.

**Meaning:**

- HR activities (training, development, health, leadership programs) are considered **capital investments**.
- SHRM focuses on **long-term returns** such as higher productivity, innovation, commitment, and reduced turnover.

**Key Features:**

- Employees are seen as **human capital**
- HR investment increases **organizational capability**
- Focus on developing skills, knowledge, and competencies
- Long-term benefits over short-term cost saving
- Supports sustainable competitive advantage

**Examples:**

- Investing in training leads to improved performance
- Leadership development reduces future skill shortages
- Health and wellness programs reduce absenteeism
- Incentives and career growth improve retention

## 2.7 Porter's 5 Ps Model of SHRM:

Michael Porter proposed a framework analysing how HR strategy influences competitive success. The **5 Ps** stand for:

### 1. Philosophy

- Core beliefs and values about managing people
- Guides overall HR approach
- Example: “Employees are assets” philosophy promotes development-oriented HR policies

### 2. Policies

- Formal HR rules and guidelines
- Includes recruitment, training, compensation, performance appraisal strategies
- Policies must align with organizational goals

### 3. Programs

- HR initiatives designed to achieve specific objectives
- Examples: training programs, wellness programs, career development programs

### 4. Practices

- Actual activities performed by managers and employees
- Reflect how HR policies are implemented in the workplace
- Example: real performance feedback, employee involvement

### 5. Processes

- Procedures and methods through which HR activities are carried out
- Ensures consistency, transparency, and fairness

- Example: performance evaluation system, grievance handling process

**PART-A**

1. Strategy refers to:

- a) Day-to-day operational decisions
- b) Short-term planning
- c) Long-term plan to achieve organizational goals
- d) Employee welfare activities

**Answer: c**

2. Strategic Human Resource Management (SHRM) mainly focuses on:

- a) Administrative HR activities
- b) Alignment of HR practices with business strategy
- c) Payroll and compensation
- d) Employee discipline

**Answer: b**

3. The main objective of SHRM is to:

- a) Reduce HR costs
- b) Improve employee satisfaction
- c) Achieve competitive advantage through people
- d) Increase workforce size

**Answer: c**

4. Which of the following is a feature of SHRM?

- a) Short-term orientation
- b) Reactive approach
- c) Proactive and future-oriented approach
- d) Isolated HR practices

**Answer: c**

5. Traditional HRM differs from SHRM mainly in terms of:

- a) Employee relations
- b) Time orientation
- c) Salary structure
- d) Welfare measures

**Answer: b**

6. In Traditional HRM, HR practices are:

- a) Integrated with business strategy
- b) Reactive and operational
- c) Long-term oriented
- d) Investment-focused

**Answer: b**

7. The “Best Fit” approach in SHRM emphasizes:

- a) Universal HR practices
- b) Matching HR strategy with business strategy
- c) Employee empowerment only
- d) High-performance work systems

**Answer: b**

8. The “Best Practices” approach suggests:

- a) HR practices should vary across organizations
- b) Certain HR practices lead to superior performance in all organizations
- c) HR practices depend on environment only
- d) No standard HR practices exist

**Answer: b**

9. Which of the following is NOT a Best Practice of SHRM?

- a) Extensive training
- b) Performance-based pay
- c) Job insecurity
- d) Employee involvement

**Answer: c**

10. HR strategy at national level is influenced by:

- a) Organizational culture
- b) Labour laws and government policies
- c) Company objectives
- d) Departmental goals

**Answer: b**

11. Sectorial HR strategy mainly focuses on:

- a) National economy
- b) Industry-specific workforce needs
- c) Individual employee needs
- d) Organizational culture

**Answer: b**

12. Investment perspective of SHRM treats employees as:

- a) Cost centers
- b) Liabilities
- c) Valuable assets
- d) Temporary resources

**Answer: c**

13. Porter's 5 Ps Model of strategy includes all EXCEPT:

- a) Plan
- b) Ploy
- c) Position
- d) Profit

**Answer: d**

14. HR practices contribute to organizational strategy by:

- a) Increasing bureaucracy
- b) Supporting competitive advantage
- c) Reducing employee involvement
- d) Focusing only on compliance

**Answer: b**

15. Which role of HR focuses on long-term organizational success?

- a) Administrative expert
- b) Employee champion
- c) Strategic partner
- d) Welfare officer

**Answer: c**

**PART-B**

1. Define Strategy and Strategic Human Resource Management (SHRM).
2. Explain the importance of Strategic Human Resource Management.
3. Distinguish between Traditional HRM and Strategic HRM.
4. Explain the “Best Fit” approach of SHRM.
5. Explain the “Best Practices” approach of SHRM.
6. Describe the role of HR strategy in the national context.
7. Explain the investment perspective of SHRM.
8. Write a short note on Porter’s 5 Ps Model of strategy.

**PART-C**

1. Define Strategic Human Resource Management and explain its importance in modern organizations.
2. Compare Traditional HRM and Strategic HRM in detail.
3. Explain the “Best Fit” approach and “Best Practices” approach of SHRM with suitable examples.
4. Discuss the role of HR strategy and HR practices in national, sectorial, and organizational contexts.
5. Explain the investment perspective of SHRM and Porter’s 5 Ps Model of strategy.

## UNIT – III

### INDUSTRIAL RELATIONS

#### 3.1 Introduction to Industrial Relations

##### **Meaning:**

- Industrial Relations (IR) refers to the relationship between employers, employees, and the government, and the methods used to regulate these relationships in industries.
- It focuses on maintaining peaceful, productive, and cooperative relations among all stakeholders.

##### **Definition:**

According to Dale Yoder, “IR is the process of relationship between employees and management which grows out of employment.”

##### **Features of Industrial Relations:**

- **Three-party relationship** – workers, employers, and the government.
- **Industrial democracy** – promotes participation in decision-making.
- **Conflict and cooperation** – balances both through negotiation.
- **Rules and regulations** – governed by labour laws.
- **Continuous process** – operates throughout the employment cycle.

##### **Objectives of Industrial Relations:**

- Maintain industrial peace and harmony.
- Reduce industrial disputes through negotiation.

- Safeguard the interest of workers and employers.
- Improve productivity and efficiency.
- Promote employee welfare and social justice.

### **Importance:**

- Ensures stable industrial environment.
- Minimizes absenteeism, turnover, and strikes.
- Encourages teamwork and participative management.
- Contributes to national economic development.

## **3.2 Employee Grievances – Concept, Causes & Grievance**

### **Redressal Mechanism:**

#### **Concept of Grievance:**

- A grievance is a formal complaint by an employee regarding dissatisfaction related to work, workplace practices, or management decisions.
- It may be real, imaginary, or disguised.

#### **Definition:**

Beach defines grievance as “*any dissatisfaction or feeling of injustice related to one’s job.*”

### **Causes of Grievances**

#### **1. Organizational Causes**

- Poor working conditions
- Improper tools or equipment
- Workload imbalance
- Poor communication

## 2. Managerial Causes

- Unfair treatment
- Victimization
- Lack of recognition
- Harsh supervision

## 3. Economic Causes

- Wage issues
- Bonus disputes
- Overtime payment issues

## 4. Policy Causes

- Violation of company rules
- Ambiguous HR policies

## Grievance Redressal Mechanism

### 1. Open Door Policy

Employees directly approach the manager.

### 2. Step-Ladder Procedure

Grievance moves from supervisor → manager → HR → topmanagement.

### 3. Grievance Committee

Joint committee of management and workers.

### 4. Formal Procedure (Standard Steps):

1. Step 1: Employee reports grievance to supervisor.
2. Step 2: Supervisor investigates and responds.
3. Step 3: If unsatisfied, grievance goes to HR manager.
4. Step 4: Grievance committee reviews the issue.
5. Step 5: Final decision by top management.

### 3.3 Discipline – Concept, Aspects & Disciplinary Procedure:

#### Concept of Discipline:

- Discipline means maintaining **orderly behaviour** and ensuring employees follow rules, procedures, and standards.

#### Definition:

- According to Ordway Tead, “*Discipline is the force that prompts individuals to observe rules.*”

#### Aspects of Discipline:

##### 1. Positive Discipline:

- Encourages self-discipline.
- Focuses on training, motivation, and communication.

##### 2. Negative Discipline

- Involves punishment for rule violation.
- Aims to correct disobedience.

##### 3. Individual Discipline

- Related to personal behaviour at work.

##### 4. Group Discipline

- Maintaining discipline in teams and departments.

#### Disciplinary Procedure (As per Standing Orders Act & ILO)

##### 1. Preliminary Investigation:

Check if the complaint is valid.

##### 2. Issue of Charge Sheet:

Employee receives written details of misconduct.

##### 3. Suspension Pending Enquiry (if required)

Only in serious cases.

#### 4. Domestic Enquiry:

- Notice to employee
- Opportunity to defend
- Enquiry officer conducts fair hearing

#### 5. Enquiry Report:

Findings submitted to management.

#### 6. Show Cause Notice:

Employee is asked to explain why punishment should not be given.

#### 7. Decision & Punishment:

Warning, fine, suspension, demotion, dismissal.

#### 8. Right to Appeal

Employee may appeal to higher authority.

### 3.34 Trade Unions Act, 1926:

- The **Trade Unions Act, 1926** is the first comprehensive legislation enacted in India to provide **legal recognition, protection, and regulation** to trade unions.
- Before this Act, trade unions had no legal status, and union leaders could be prosecuted for criminal conspiracy under the Indian Penal Code.
- To protect the rights of workers and encourage the formation of strong and responsible trade unions, the Government of India introduced this Act, which came into force on **1st June 1927**.

- The **primary objective** of the Act is to **give legal status to trade unions**, regulate their internal functioning, protect them from civil and criminal liabilities, and promote healthy industrial relations.
- The Act applies to the entire country and covers unions of both workers and employers.

### **Objectives of the Act:**

1. To provide a legal framework for registration and functioning of trade unions.
2. To confer protection and immunity to registered unions and their members for lawful union activities.
3. To ensure democratic functioning and financial transparency of unions.
4. To encourage collective bargaining and protect workers from unfair labour practices.

### **Definition of Trade Union:**

Section 2(h) defines a trade union as a temporary or permanent combination formed to regulate the relations between workers and employers, or between workers and workers, or employers and employers. This definition covers unions formed for improving working conditions, wages, and overall welfare.

### **Registration of Trade Unions:**

Registration is **not mandatory** but essential for obtaining legal benefits.

The major provisions related to registration are:

- Minimum **7 members** are required to apply for registration.
- The application must include the union's **name, address, rules** and details of office-bearers.
- The Registrar verifies the documents and grants a certificate of registration, giving the union a legal corporate status.
- After registration, the union becomes a **body corporate** with perpetual succession, common seal, and the right to own property, enter contracts, and sue or be sued.

### **Rights and Privileges of Registered Trade Unions:**

The Act grants important rights:

- 1. Immunity from Criminal Conspiracy (Section 17):** Members and office-bearers are protected from prosecution for agreements made in furtherance of trade disputes, provided the actions are lawful.
- 2. Immunity from Civil Suits (Section 18):** A registered union is protected from civil suits for actions such as inducing workers to strike or breach of contract, as long as it is done in contemplation of a trade dispute.
- 3. Right to Maintain Funds:** Unions can maintain general funds for administrative purposes and political funds for political activities.
- 4. Right to Collective Bargaining:** Registered unions can negotiate with employers regarding wages, working conditions, and welfare measures.

### **Duties and Responsibilities of Trade Unions:**

The Act requires unions to follow rules that promote transparency and democracy:

- Maintain accurate books of accounts.
- Submit annual returns to the Registrar.
- Maintain a list of members and office-bearers.
- Follow their own constitution and rules.

### **Cancellation of Registration:**

The Registrar may cancel registration if the union:

- Obtained registration by fraud,
- Violates provisions of the Act,
- Is unable to maintain minimum membership.

### **Significance of the Act:**

- The Trade Unions Act, 1926 is a landmark law that strengthened the labour movement in India. It provided unions with **legal recognition, protection from unfair charges**, and encouragement to function democratically.
- By legitimizing collective bargaining and ensuring workers' rights, the Act contributes to industrial peace, justice, and balanced economic development.

### **3.35 Industrial Disputes Act, 1947:**

The **Industrial Disputes Act, 1947** is a landmark legislation enacted by the Government of India to provide a legal framework for the **investigation, prevention, and settlement** of industrial disputes. The Act came into force on **1st April 1947** and aims to promote **industrial peace**, ensure **fair labour practices**, and maintain **harmonious relations** between employers and

employees. It applies to the entire country and covers all industries notified by the government.

### **Meaning of Industrial Dispute:**

According to the Act, an **industrial dispute** refers to any conflict or disagreement between **employers and employees**, or between **employees themselves**, relating to employment, wages, working conditions, dismissal, or any other terms of employment. Disputes may arise due to wage issues, bonus, retrenchment, indiscipline, or dissatisfaction with management policies.

### **Objectives of the Act:**

The main objectives include:

1. To secure industrial peace and harmony.
2. To ensure just and fair conditions of work.
3. To provide effective machinery for the prevention and settlement of disputes.
4. To regulate strikes and lockouts.
5. To safeguard workers against unfair dismissal, layoff, retrenchment, and closure.
6. To promote collective bargaining and reduce industrial unrest.

### **Authorities Under the Act:**

To settle disputes effectively, the Act provides several adjudicatory and conciliatory authorities:

#### **1. Works Committee (Section 3)**

Consists of representatives of employers and employees. Its role is to promote good relations and discuss day-to-day issues.

## **2. Conciliation Officer (Section 4)**

Appointed by the government to mediate and bring both parties together for amicable settlement.

## **3. Board of Conciliation (Section 5)**

A multi-member board created to promote smoother conciliation in complicated cases.

## **4. Court of Inquiry (Section 6)**

A fact-finding body that investigates matters of industrial importance.

## **5. Labour Courts (Section 7)**

Deals with matters such as dismissal, misconduct, and interpretation of standing orders.

## **6. Industrial Tribunals (Section 7A)**

Handles wider issues like wages, allowances, bonus, and working conditions.

## **7. National Tribunal (Section 7B)**

Appointed for disputes of national importance or those affecting multiple states.

## **Methods of Settlement of Industrial Disputes**

### **1. Conciliation**

A neutral third party helps both sides reach a mutually acceptable solution.

### **2. Arbitration**

Both parties agree to refer the dispute to an impartial arbitrator whose decision is binding.

### 3. Adjudication

Courts such as Labour Courts and Tribunals give legally binding judgments.

#### Regulation of Strikes and Lockouts

The Act regulates strikes and lockouts to prevent disruption of essential services. Certain conditions must be followed:

- Notice must be given before striking in public utility services.
- Strikes and lockouts are prohibited during conciliation and adjudication proceedings.
- Illegal strikes may lead to penalties.

#### Provisions Relating to Layoff, Retrenchment, and Closure

The Act provides special protections to workers:

- Employers must give **notice and compensation** before layoff or retrenchment.
- Establishments with 100+ workers need **government permission** for retrenchment or closure.
- Workers affected by closure are entitled to compensation.

#### Significance of the Act

- The Industrial Disputes Act, 1947 plays a crucial role in maintaining industrial harmony and stability.
- It protects workers from exploitation and unfair practices while balancing employers' rights.
- By providing multiple dispute-settlement mechanisms, regulating strikes, and ensuring job security, the Act

promotes productivity, industrial growth, and socio-economic development.

- It remains one of the most important labour laws in India.

**PART – A**

1. Industrial Relations mainly deals with the relationship between:

- a) Employer and customers
- b) Employer and government
- c) Employers and employees
- d) Employees and society

**Answer: c**

2. A grievance is best defined as:

- a) A dispute between two workers
- b) Any dissatisfaction or feeling of injustice felt by an employee
- c) A legal case filed in court
- d) A strike by workers

**Answer: b**

3. Which of the following is NOT a cause of employee grievance?

- a) Wage dissatisfaction
- b) Poor working conditions
- c) Effective communication
- d) Unfair supervision

**Answer: c**

4. The primary purpose of grievance redressal mechanism is to:

- a) Punish employees
- b) Suppress employee complaints
- c) Resolve employee complaints promptly and fairly
- d) Increase discipline

**Answer: c**

5. Discipline in industrial relations means:

- a) Punishment of workers
- b) Obedience to rules and regulations
- c) Workers' participation
- d) Wage control

**Answer: b**

6. Which of the following is a positive aspect of discipline?

- a) Fear of punishment
- b) Self-control and willingness to follow rules
- c) Strict supervision
- d) Use of force

**Answer: b**

7. Disciplinary procedure should be based on the principle of:

- a) Speed over fairness
- b) Natural justice
- c) Favoritism
- d) Arbitrary action

**Answer: b**

8. The principle of natural justice includes:

- a) Immediate punishment
- b) Right to be heard
- c) No written notice
- d) Secret inquiry

**Answer: b**

9. The Trade Unions Act was enacted in the year:

- a) 1919
- b) 1926
- c) 1935
- d) 1947

**Answer: b**

10. The main objective of the Trade Unions Act, 1926 is to:

- a) Control trade unions
- b) Provide legal recognition and protection to trade unions
- c) Set wages
- d) Prevent strikes

**Answer: b**

11. The minimum number of members required to form a trade union is:

- a) 5
- b) 7
- c) 10 or 10% of workers (whichever is less)
- d) 15

**Answer: c**

12. The Industrial Disputes Act, 1947 applies to:

- a) Agricultural workers only
- b) Government servants only
- c) Industrial establishments
- d) Self-employed persons

**Answer: c**

13. Which of the following is a machinery for settlement of industrial disputes?

- a) Labour courts
- b) Trade unions
- c) Police department
- d) NGOs

**Answer: a**

14. Strike and lockout provisions are covered under:

- a) Trade Unions Act, 1926
- b) Factories Act, 1948
- c) Industrial Disputes Act, 1947
- d) Payment of Wages Act

**Answer: c**

15. Collective bargaining is primarily conducted by:

- a) Individual workers
- b) Government officials
- c) Trade unions
- d) Labour courts

**Answer: c**

## **PART-B**

1. Explain the concept of Industrial Relations.
2. Define employee grievance and explain its causes.
3. Explain the grievance redressal mechanism in an organization.
4. Define discipline and explain its importance in industrial relations.
5. Explain the aspects of discipline.
6. Describe the steps involved in a disciplinary procedure.
7. Explain the objectives of the Trade Unions Act, 1926.
8. Write a short note on the Industrial Disputes Act, 1947.

## **PART-C**

1. Explain Industrial Relations and discuss its importance in modern organizations.
2. Explain the concept of employee grievances, their causes, and grievance redressal mechanism.
3. Discuss discipline in industry – concept, aspects of discipline, and disciplinary procedure.
4. Explain the Trade Unions Act, 1926 – objectives, features, and provisions.
5. Explain the Industrial Disputes Act, 1947 and describe the machinery for settlement of industrial disputes.

## UNIT IV

### Organisational Development and Collective Bargaining

#### 4.1 Organisational Climate

- Organisational Climate refers to the collective **perceptions, attitudes and feelings that employees** have about their **work environment, policies, leadership, and interpersonal relationships** within the organisation.
- It represents the “**atmosphere**” or “**personality**” of an organisation as experienced by its members.
- Unlike culture, which reflects deep-rooted values, climate is about how employees currently perceive organisational practices and behaviour.
- A **positive climate** exists when employees feel supported, respected and motivated. It is characterised by openness, trust, teamwork, fairness, opportunities for growth and consistent communication.
- A **negative climate**, on the other hand, is marked by conflict, lack of recognition, poor communication, authoritarian leadership, and unclear expectations.
- A favourable climate leads to **high morale, increased productivity, job satisfaction, creativity, and lower absenteeism and turnover**. A poor climate results in stress, dissatisfaction, reduced performance and frequent conflicts.

## 4.2 Organisational Change:

- Organisational Change refers to any **planned or unplanned** alteration in the **structure, processes, strategies, culture, technology**, or people of an organisation.
- It is a continuous process through which **organisations adapt to internal and external pressures** in order to improve effectiveness and remain competitive. Change may be minor or transformational, gradual or sudden, but it always aims to enhance organisational performance.

### Types of Organisational Change

#### 1. Planned Change:

Initiated by management deliberately to improve operations, introduce new technology, restructure departments or modify policies.

#### 2. Unplanned Change:

Occurs suddenly due to unexpected events such as strikes, political changes, natural disasters or market crises.

#### 3. Incremental Change:

Small, continuous improvements like updating procedures or revising job roles.

#### 4. Transformational Change:

Major, organisation-wide reforms such as mergers, digitisation, culture change or business model redesign.

### Process of Organisational Change

**Kurt Lewin's Three-Stage Model** is widely used:

**1. Unfreezing:**

Preparing employees for change by creating awareness, reducing resistance and explaining the need for change.

**2. Changing (Transition):**

Implementing new structures, systems, methods or technologies through training, communication and support.

**3. Refreezing:**

Reinforcing and stabilising the change by integrating it into policies, culture and reward systems.

**Resistance to Change:**

Employees may resist change due to fear of the unknown, job insecurity, habits, lack of trust, poor communication or inadequate training.

**Managing resistance** requires open communication, employee involvement, training, counselling, incentives and leadership support.

**Importance of Organisational Change:**

- Improves adaptability and competitiveness
- Enhances productivity and innovation
- Responds to market and technological shifts
- Ensures organisational survival and growth
- Builds a flexible and learning-oriented workforce

**4.3 Organisational Development:**

**Organisational Development (OD)** is a **planned, systematic and long-term effort** undertaken by management to improve an

organisation's effectiveness, adaptability and health through changes in its processes, culture, and human behaviour. It uses knowledge from **behavioural sciences** such as psychology, sociology and management to bring about meaningful and sustainable change.

**Definition:**

Organisational Development is defined as *“a planned process of change in an organisation's culture through the use of behavioural science techniques”* aimed at improving organisational performance, problem-solving capability and employee well-being.

**Meaning of Organisational Development:**

OD is essentially about improving the way people work together and how the organisation as a whole function. It focuses on:

- Interpersonal relations
- Communication patterns
- Group dynamics
- Leadership development
- Culture building
- Continuous learning and improvement

The basic idea is that an organisation can be made more effective by changing attitudes, values, skills and structures in a planned manner.

**Objectives of OD:**

- Improve organisational performance and efficiency
- Enhance employee satisfaction and teamwork
- Develop a culture of openness, trust and collaboration
- Increase adaptability to change
- Strengthen leadership and decision-making processes

## 4.4 Collective Bargaining:

### Meaning of Collective Bargaining:

- Collective Bargaining refers to the **process of negotiation** between employers and employees (usually represented by trade unions) in order to determine the **terms and conditions of employment**.
- It is a joint decision-making mechanism where both parties discuss issues such as wages, working hours, job security, benefits, work rules, and grievance procedures.
- The term was introduced by Sidney and Beatrice Webb, who described it as a method of resolving conflict through cooperation rather than confrontation.
- Collective bargaining **aims to promote industrial democracy, reduce industrial disputes, and create a harmonious relationship between management and labour**.
- It encourages mutual understanding, fair settlement of employee demands, and long-term industrial peace. It is based on the principles of give-and-take, voluntary negotiation, mutual trust, and compromise.

## 4.5 Essentials of Effective Collective Bargaining

For collective bargaining to be successful, certain essential conditions must be fulfilled:

**1. Strong and Representative Trade Union:** An effective bargaining process requires a trade union that is **democratic, responsible, and**

**well-organized.** It must genuinely represent the interests of employees. Weak or fragmented unions reduce the effectiveness of negotiations and can lead to unstable agreements.

**2. Willingness to Bargain:** Both management and union must show **willingness and readiness to negotiate.** A cooperative attitude and a positive approach are necessary. If either side is rigid or unwilling to compromise, the bargaining process will fail.

**3. Mutual Trust and Good Faith:** Collective bargaining functions smoothly only when there is **trust, honesty, and transparency** between both parties. “Bargaining in good faith” means sharing relevant information, respecting each other’s viewpoints, and avoiding misleading or aggressive tactics.

**4. Clear Objectives and Issues:** Both sides must enter the negotiation process with **clearly defined goals,** proper preparation, and knowledge of issues. The union must understand employee expectations, and management must analyse cost implications and long-term outcomes.

**5. Flexible Attitude:** Successful bargaining requires **flexibility.** Neither side should insist on extreme demands. Willingness to adjust positions and find a middle path ensures win-win agreements.

**6. Supporting Legislative Framework:** A favourable legal environment (like the **Trade Unions Act, 1926** and **Industrial Disputes Act, 1947**) promotes collective bargaining by giving **legal recognition to trade unions** and providing rules for dispute resolution.

**7. Effective Communication:** Open, continuous communication helps prevent misunderstandings. Both parties must share accurate data on productivity, costs, and working conditions.

**8. Implementation and Follow-up:** The final agreement must be **put into writing**, communicated to employees, and properly implemented. A review mechanism should be in place to monitor compliance and address future problems.

**PART - A**

1. Organisational climate refers to:

- a) Formal structure of an organisation
- b) Employees' perception of work environment
- c) Financial position of the organisation
- d) Organisational objectives

**Ans: b**

2. Which factor does NOT influence organisational climate?

- a) Leadership style
- b) Communication system
- c) Employee motivation
- d) Market price of shares

**Ans: d**

3. Organisational change mainly occurs due to:

- a) Internal and external forces
- b) Employee welfare
- c) Trade unions
- d) Organisational culture alone

**Ans: a**

4. Planned change in an organisation is known as:

- a) Random change
- b) Natural change
- c) Organisational Development
- d) Individual change

**Ans: c**

5. Organisational Development is a:

- a) Short-term process
- b) Continuous process
- c) Legal process
- d) Financial process

**Ans: b**

6. OD focuses mainly on:

- a) Machines and technology
  - b) Human behaviour
  - c) Legal rules
  - d) Profit maximisation
- only

**Ans: b**

7. Which of the following is an OD intervention?

- a) Job evaluation
- b) Sensitivity training
- c) Wage fixation
- d) Cost control

**Ans: b**

8. The main objective of organisational change is to:

- a) Reduce labour cost
- b) Improve organisational effectiveness
- c) Increase rules
- d) Control employees

**Ans: b**

9. Collective bargaining is a process between:

- a) Government and employers
- b) Employers and employees
- c) Employers and trade unions
- d) Management and trade unions

**Ans: d**

10. Collective bargaining aims at:

- a) Conflict creation
- b) Mutual agreement
- c) Legal punishment
- d) Strikes only

**Ans: b**

11. Which is an essential condition for effective collective bargaining?

- a) Lack of trust
- b) Strong leadership
- c) Government interference
- d) Weak trade unions

**Ans: b**

12. Which level of collective bargaining deals with wages and working conditions?

- a) National level
- b) Industry level
- c) Enterprise level
- d) international level

**Ans: c**

13. Organisational climate is closely related to:

- a) Employee morale
- b) Company profit
- c) Share market
- d) Government policy

**Ans: a**

14. Resistance to change occurs mainly due to:

- a) Job security fear
- b) High salary
- c) Promotion
- d) Welfare facilities

**Ans: a**

15. The success of collective bargaining depends on:

- a) Mutual trust and cooperation
- b) Strikes and lockouts
- c) Court decisions
- d) Political pressure

**Ans: a**

### **PART – B**

1. Define organisational climate and explain its importance.
2. What is organisational change? Explain its objectives.
3. State the causes of organisational change.
4. Define Organisational Development (OD).
5. Explain the nature of Organisational Development.
6. What is collective bargaining?
7. State the importance of collective bargaining.
8. Explain the role of trade unions in collective bargaining.

### **PART - C**

1. Explain the concept, factors and importance of organisational climate.
2. Discuss organisational change – meaning, causes and resistance to change.

3. Define Organisational Development and explain its objectives and characteristics.
4. Explain the process and techniques of Organisational Development.
5. Define collective bargaining and explain the essentials of effective collective bargaining.

## UNIT V

### Employee welfare

#### 5.1. Meaning of Employee Welfare:

- Employee welfare refers to the **services, facilities, and benefits** provided by employers to employees to improve their **working conditions, living international-being**.
- It includes both monetary (bonus, medical benefits) and non-monetary (canteen, safety, recreation) measures that ensure employees are healthy, satisfied, and motivated.

#### 5.2. Objectives of Employee Welfare:

1. **Improve standard of living**– Provide amenities that enhance employees' physical and social well-being.
2. **Increase employee productivity**– A healthy worker delivers better output.
3. **Reduce absenteeism and turnover**– Welfare measures create loyalty and reduce employee movement.
4. **Ensure safety and health**– Provide safe working conditions to avoid accidents and diseases.
5. **Create positive work environment**– Promote harmony, cooperation, and morale among employees.
6. **Compliance with laws**– Help the company follow labour welfare regulations.
7. **Motivate employees**– Welfare acts as a non-financial incentive.

### 5.3. Philosophy of Employee Welfare:

The philosophy behind employee welfare is based on the belief that:

#### **a) Labour is a human asset**

Employees are not machines; their well-being is essential for organizational success.

#### **b) Social responsibility of business**

Companies have a moral duty to care for workers and contribute to society.

#### **c) Mutual benefit**

Welfare creates a win-win situation:

- Employees get comfort, security, and satisfaction
- Employers gain productivity, loyalty, and reduced labour problems

#### **d) Humanitarian approach**

Welfare reflects concern, empathy, and respect for employee dignity.

#### **e) Long-term development**

Good welfare measures help employees grow physically, mentally, and socially.

### 5.4. Scope of Employee Welfare:

Employee welfare covers a wide range of activities:

#### **a) Intra-mural (inside workplace)**

- Canteen facilities
- Rest rooms

- Drinking water
- First-aid and medical care
- Washrooms, lockers
- Safety equipment
- Work environment (lighting, ventilation)

### **b) Extra-mural (outside workplace)**

- Housing facilities
- Transportation
- Educational support
- Recreation clubs
- Sports and cultural programmes

### **c) Statutory welfare**

Required by law:

- Provident fund
- ESI
- Maternity benefits
- Gratuity
- Safety measures under Factories Act

### **d) Non-statutory welfare**

Voluntary benefits provided by the employer:

- Insurance schemes
- Training and counselling
- Canteen subsidy
- Wellness programmes

## 5.5 Types of Employee Welfare:

Employee welfare refers to the various services, benefits, and facilities provided by employers to improve employees' health, comfort, and efficiency. The welfare measures can be classified into different types based on nature, source, and purpose of the benefits.

### 1. Statutory Welfare Measures:

These are welfare facilities **required by law**. Every employer must provide them as per various labour legislations such as the Factories Act, Employees State Insurance Act, and Maternity Benefit Act.

Examples:

- Drinking water, washrooms, lighting, and ventilation
- First-aid facilities
- Safety equipment and measures
- Canteen facilities in large factories
- Crèche facilities for female workers
- Welfare officers
- ESI, PF, Maternity benefits

**Purpose:** Ensure basic safety, health, and hygiene at the workplace.

### 2. Non-Statutory (Voluntary) Welfare Measures:

These are **optional** benefits provided by employers voluntarily to improve employee satisfaction and loyalty.

Examples:

- Subsidized canteen and food coupons
- Transport facilities
- Insurance schemes

- Health check-ups and wellness programmes
- Loan facilities
- Uniforms and protective clothing
- Recreation clubs and sports activities

**Purpose:** Promote goodwill, reduce turnover, and enhance organisational culture.

### **3. Intra-Mural Welfare Measures (Inside the Workplace):**

These facilities are provided **within the factory or office premises** to improve working conditions.

Examples:

- Clean drinking water
- Sanitation, restrooms, and sitting arrangements
- Safe working environment
- Proper lighting, ventilation, and temperature control
- Canteen and rest shelters
- First-aid rooms and medical care
- Work-related safety tools and devices

**Purpose:** Ensure comfort, safety, and convenience while at work.

### **4. Extra-Mural Welfare Measures (Outside the Workplace):**

These are welfare schemes provided **outside the organisation** to improve the living standards of employees and their families.

Examples:

- Housing facilities or housing allowance
- Transportation or bus services
- Educational assistance for employees' children

- Recreation facilities like sports clubs, gyms, libraries
- Children's education, scholarships, and daycare
- Community programmes and cultural functions

**Purpose:** Improve social life and reduce stress on employees.

### **5. Social Security Welfare Measures:**

These benefits protect employees against **economic and social risks** such as sickness, old age, injury, and unemployment.

Examples:

- Provident Fund (PF)
- Pension and Gratuity
- Employee State Insurance (ESI)
- Maternity benefits
- Compensation for accidents (Workmen Compensation Act)
- Unemployment benefits

**Purpose:** Provide long-term financial security and social protection.

### **6. Labour Welfare Based on Origin:**

This classification is based on who provides the welfare measures.

**a) Employer-Sponsored Welfare:** Facilities provided directly by the employer. (e.g., canteen, transport, insurance)

**b) Government-Sponsored Welfare:** Schemes provided by government departments.(e.g., PF, ESI, health schemes, housing boards)

**c) Voluntary/NGO-Sponsored Welfare:** Provided by voluntary organisations, unions, NGOs.(e.g., adult education, counselling services)

## **7. Recreational and Cultural Welfare Measures:**

These measures focus on employees' mental relaxation and emotional well-being.

Examples:

- Sports events, tournaments
- Cultural programmes and festivals
- Music, indoor games, picnics
- Social gatherings and celebrations

**Purpose:** Reduce stress and encourage social bonding.

## **5.6 Social Security, Health, Retirement & Other Benefits:**

### **1. Social Security Benefits**

Social security refers to the protection provided to employees against social and economic risks such as sickness, accident, maternity, disability, old age and death. Important social security measures include Employees' State Insurance (ESI), Provident Fund, Workmen's Compensation, Maternity Benefit, Gratuity and Pension schemes. These benefits ensure income security and social justice.

#### **Objectives:**

- To provide income security
- To protect employees against unforeseen risks
- To ensure social justice
- To promote employee morale and loyalty

#### **Major Social Security Measures:**

- Employees' State Insurance (ESI)

- Provident Fund (PF)
- Workmen's Compensation
- Maternity Benefit
- Gratuity
- Pension schemes

### Importance:

- Reduces insecurity among workers
- Improves industrial relations
- Enhances productivity

### 2. Health Benefits:

Health benefits aim at maintaining the **physical and mental well-being** of employees. These include **medical and hospital facilities, health insurance, sick leave with pay, first-aid facilities, safety measures and periodical health check-ups**. Proper health benefits reduce absenteeism and increase productivity.

### Types of Health Benefits:

- Medical and hospital facilities
- Health insurance
- Sick leave with pay
- First-aid facilities
- Safety and accident-prevention measures
- Periodical health check-ups

### Objectives

- To maintain employee efficiency
- To reduce absenteeism and accidents
- To improve quality of work life

### **3. Retirement Benefits:**

Retirement benefits provide financial security after retirement. Major retirement benefits are Provident Fund, Pension, Gratuity, Superannuation fund and retirement insurance. These benefits ensure a dignified life after retirement and motivate employees during their service period.

#### **Major Retirement Benefits**

- Provident Fund
- Pension
- Gratuity
- Superannuation fund
- Retirement insurance

#### **Objectives**

- To provide post-retirement income
- To reduce fear of old age
- To motivate employees during active service

#### **Importance**

- Encourages long-term commitment
- Promotes job satisfaction
- Ensures social security in old age

### **4. Other Benefits:**

Other benefits are supplementary welfare measures such as **leave benefits, bonus, housing facilities, transport facilities, educational assistance, canteen and recreation facilities, insurance and**

**childcare facilities.** These benefits improve morale and employer–employee relations.

**Examples:**

- Leave benefits (earned leave, casual leave, sick leave)
- Bonus and incentive schemes
- Housing facilities
- Transport facilities
- Educational assistance
- Canteen and recreation facilities
- Insurance benefits
- Childcare facilities

**Objectives:**

- To improve morale and motivation
- To reduce stress and fatigue
- To strengthen employer–employee relations

**PART – A**

1. Employee welfare mainly aims at improving:

- a) Company profit
- b) Employee discipline
- c) Employees' working and living conditions
- d) Production technology

**Answer: c**

2. Which of the following is a non-monetary welfare measure?

- a) Bonus
- b) Medical allowance
- c) Canteen facility
- d) Overtime wages

**Answer: c**

3. Welfare measures provided inside the workplace are known as:

- a) Extra-mural welfare
- b) Social security welfare
- c) Intra-mural welfare
- d) Statutory welfare

**Answer: c**

4. Which welfare measure is statutory in nature?

- a) Transport facility
- b) Recreation club
- c) Provident Fund
- d) Housing loan

**Answer: c**

5. Employee welfare helps reduce:

- a) Production cost
- b) Absenteeism and labour turnover
- c) Industrial disputes only
- d) Capital investment

**Answer: b**

6. The philosophy of employee welfare considers labour as:

- a) A cost factor
- b) A liability
- c) A human asset
- d) A temporary resource

**Answer: c**

7. Which Act provides safety measures as statutory welfare?

- a) Payment of Wages Act
- b) Factories Act
- c) Trade Unions Act
- d) Industrial Disputes Act

**Answer: b**

8. Welfare measures provided voluntarily by employers are called:

- a) Statutory welfare
- b) Government welfare
- c) Non-statutory welfare
- d) Social security welfare

**Answer: c**

9. Which of the following is a retirement benefit?

- a) Sick leave
- b) Gratuity
- c) First-aid facility
- d) Transport allowance

**Answer: b**

10. Recreational welfare measures mainly aim to:

- a) Increase wages
- b) Improve technical skills
- c) Reduce stress and encourage social bonding
- d) Enforce discipline

**Answer: c**

### **PART – B**

1. Define Employee Welfare and explain its meaning.
2. State and explain the objectives of employee welfare.
3. Explain the philosophy of employee welfare.
4. Distinguish between statutory and non-statutory welfare measures.
5. Explain intra-mural and extra-mural welfare measures with examples.
6. What is social security? Explain its objectives.
7. Write a short note on health benefits provided to employees.

**PART – C**

- 1.Explain the scope of employee welfare in detail.
- 2.Discuss the types of employee welfare measures with suitable examples.
- 3.Explain social security, health, and retirement benefits available to employees.
- 4.Describe the importance of employee welfare for employees and employers.
- 5.Explain labour welfare based on origin and recreational welfare measures.



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