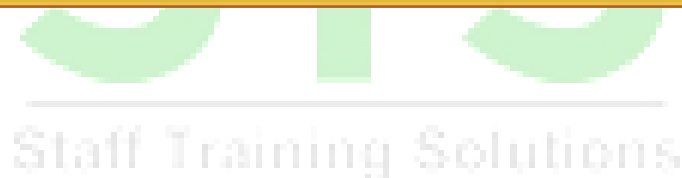




# UNIT-6

## Human Resource Management



### Learning Outcomes

**By the end of this unit the learner will be able to:**

- ✓ Explore the Techniques of Manpower Planning
- ✓ Explain the Induction and Training Process in HRM

## Unit 6

# Human Resource Management

### Introduction

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

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

### Human Resource Management

#### Concept

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

#### Growth

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

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

## Role and Functions

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

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

## Manpower Planning for Construction Companies

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

### Objectives

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

- a) To ensure optimum utilisation of available human resources;
- b) To develop the available manpower in terms of information knowledge, skills, performance, capacity and potential; and Introduction to Human Resource Management
- c) To ensure better performance and productivity.

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

- a. To determine the direct level of recruitment in each category of employees in order to plan the intake of new employees at the site;
- b. To determine training needs and frame training policies;
- c. To determine the channels of promotion for providing avenues for growth and development of employees;
- d. To determine transfer policies by ascertaining the right utilisation of manpower, placement and development of right skills.

### Techniques of Manpower Planning

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

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

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

## Line and Staff Functions

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

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

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

## Recruitment

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

- a. Preparation of Job Analysis which consists of a list of functions to be performed by the person to be recruited.
- b. Preparation of Job Descriptions which consists of putting information gathered about the job in sequential and descriptive manner.
- c. Preparation of Job Specifications, which consists of preparing details of qualification experience and personality profile of the person to be recruited.
- d. Preparation of Job Evaluation involves in valuing a particular job in terms of salary and perks; keeping in mind the nature of the role. The importance of the role in the organisation, the thrust area of the management, the qualification and experience of the employee who would be occupying the new position, the problems existing in the industry,

Manpower planning section of human resource department determines the total number of vacancies available and presents their report after the complete analysis.

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

## Sources of Recruitment

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

### Internal Sources

- a. From within department where the vacancy exists: and
- b. From other departments within the company.

### External Sources

- a. At the gate of the site;
- b. Through unsolicited applications;
- c. Through reference of employees, unions, directors and business associates;
- d. Through ex-employees/under legal obligation or otherwise:
- e. Through campus interviews:
- f. Through trade associations:
- g. Through recruiting agencies and management consultants and
- h. Through direct advertisement in newspapers, business and trade journals.

## Selection

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

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

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

## Stages of Selection

The stages required for selection of a particular category of vacancy depend upon the management philosophy, organisational systems and procedures and organisational personnel policies apart from the total number of applications received . Selection is one of the most effective and efficient methods of improving your public relations. Therefore, the stages of selection should be such that it should not only help in selection of the best candidate but at the same time, it should be fair as well.

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

- a. Sending of blank application form
- b. Screening of applications
- c. Selection Test
  - Job Knowledge Test
  - Job Skill Test
  - Job Potential Test
  - Job Interest Test<sup>3</sup>

## Placement

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

Placement is the process of placing the individual employee into a job. This is done after selection, induction, matching employees' skills, potential, ability and interest with the challenges offered. The purpose is to optimise the individual as well as organisational performance.

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

## Induction and Training

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

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

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

## Purpose of Training

The value of training can hardly be undermined by anyone but there are employees and employers who are required to be convinced as to how it helps people in their work. They may feel that training is a waste of time and money. They must be convinced and shown how training pays off. Training can be sold most

successfully by pointing out how it helps employees to perform better, how it brings in them job security, higher motivation and commitment apart from building conducive organisational culture.

## Types of Training Programmes

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

- i. **Apprentice Training:** It is a statutory obligation of the company to engage apprentice in trades which are prevalent in the company in the ratio as prescribed under the Apprentice Act. 1961.
- ii. Executive Training /Management Trainee Programmes
- iii. Induction Training Programmes
- iv. Technical Training Programmes
- v. Management Development Programmes
- vi. Internal Management Development Programmes
- vii. External Management Development Programmes

## Methods of Training

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

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

## Time Office and Establishment Functions

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

In the time office, the company provides the clocks and each employee is given an Attendance Card for the whole month on which he is supposed to mark his attendance through the clock while entering the establishment and similarly punching out his card while leaving the establishment. Most of the companies

allow the contract employees also to mark their attendance through their time office but the name of the employer shown on the attendance card is that of the contractor instead of principal employer. During the working hours as and when the employee goes out either for personal work or for official work he has to punch-out and punch-in the departure and arrival time.

Employee can move outside the office only when authorised by his departmental head on the basis of the gate pass, which he has to deposit at the time office or security office. At construction site, the concerned worker reports to his supervisor who allocates him duties for the day. At the time of allocating duty to the employees, their attendances are marked by their supervisor.

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

### Establishment Functions

Establishment division looks after all the personnel records including maintaining their personnel file. It contains all the details of an employee from the time the candidate applies for the job till his services cease with the company. Maintenance of personnel records and its quality is of extreme importance not only in effective discharge of various administrative decisions but it also helps management in ensuring effective control over its manpower.

The personnel file should contain the following documents:

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

### Influencing Factor

Depending upon the performance of any one or more factors employer has to decide on an opportunity policy by striking balance of all the following factors:

- a. Demand and supply of manpower
- b. Comparatively wage paid by other competitive companies
- c. Cost of living
- d. Job requirement / job specification
- e. Productivity of manpower
- f. Bargaining power of trade unions
- g. Government policies relating wages and salaries
- h. Reputation of the company
- i. Incentive offered
- j. Individual employees' ability

## Components of Salary

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

The basic salary and pay scale reflects intrinsic value of a job based on proper job evaluation method. The payment of dearness allowances is provided for reimbursing to some extent the expenses incurred by employees on hiring of houses and city compensatory allowances is meant to subsidise the high cost of living in metropolitan cities in comparison to other urban/rural areas. Apart from these allowances which prevail in most of the industries in public as well as private sector, each company has its own peculiar allowances depending upon its nature of operation, organizational history, value system of management and union leadership.

## Discipline

Discipline is a branch of instruction or learning. It is part of mental and moral training. It is a system of rules for conduct and behaviour according to established rules.

## Positive Discipline

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

leave office after their scheduled working hours. In such cases, their productivity and performance will definitely undergo qualitative and quantitative changes.

## Separation

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

### Voluntary Separation

- a) **Resignation** : Resignation is an act of voluntary separation arising out of the desire of the employee to leave the services of the company. It is normally resorted to by the concerned employee whenever he finds better employment or when he plans to start his own enterprise. In case of female employees, many a times it is because of family reasons and compulsion.
- b) **Voluntary Retirement on Medical Grounds**: When an employee suffers from a ailment and is unlikely to recover or where on account of ailment he/she suffers permanent partial or total disablement, this employee can apply for voluntary retirement on medical grounds. Request for such retirement is normally accompanied by recommendations of a medical doctor.
- c) **Voluntary Retirement Scheme** : Construction being labour intensive and the second largest in the world has a lot of excess manpower as a result of which many companies have introduced voluntary retirement schemes for their employees which are normally known as "Golden Hand Shake". The employee opting for retirement under this scheme gets sizable ex-gram amount over and above his other statutory dues such as provident fund, gratuity and pension.

### Involuntary Separation

- a. **Determination of Probation Period**: If the performance of an employee is not found up to the mark during his/her probation period, the employer may determine employee's probationary period. The employees who are on probation are observed by their supervisor for their performance for a specified time. After which the supervisor gives feedback. The negative feedback should follow by a letter highlighting the areas where the performance of the probationer is not found up to the mark, immediate improvement is expected in those areas.
- b. **Termination of the Service on the Basis of Disciplinary Action**: If employee indulges in any act of misconduct and On completion of the inquiry proceeding, if the charges are proved against the employee, employer may decide to award punishment of discharge.
- c. **Compulsory Retirement**: Compulsory retirement of an employee can be resorted to his employer on the following grounds:
  - (i) **On Medical Grounds**: Whenever an employee is on long leave and has already suffered permanent or partial disability, the employer may constitute a medical board who can decide the forced retirement for the employee.

- (ii) Punishment on the Basis of Disciplinary Action : If an employee is found guilty of indulging into various acts of misconduct which are duly proved on the basis of domestic inquiry, the employer can dismiss the employee.
- (iii) On the Basis of Loss of Confidence : In certain cases the employer may lose his confidence in a particular employee due to his indulgence in doubtful activities and or if there is doubt for employees' involvement in various acts of misconduct. In some situations there may not be sufficient material to hold him guilty. In such cases, employer may resort to compulsory retirement of the concerned employee on the grounds of loss of confidence.
- (iv) On the Basis of Poor Performance : Where employer finds that performance of the employee is not up to the satisfactory level. He has a discretion to compulsorily retire the employee at the age of 50 or 55 depending on the service rules or standing orders of their company.

### Further Reading:

- ✓ *Trevor Amos, Adrian Ristow, Noel J Pearse, Liezel Ristow, (2008), Human Resource Management*
- ✓ *Ronald R. Sims, (2007), Human Resource Management: Contemporary Issues, Challenges, and Opportunities*
- ✓ *Dessler Gary, (2011), Human Resource Management*
- ✓ *Robert L. Mathis, John Jackson, (2009), Human Resource Management: Essential Perspectives*

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