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DEVELOPING HR MANUAL WITH REFERENCE TO MANUFACTURING COMPANIES IN COIMBATORE

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ABSTRACT

The HR manual of any organization is formulated to enable the managers and supervisors to accomplish the human resources obligations meted out to them efficaciously. This is done by supplying parameters and guidance for making decisions, along with supplying all staff members with user-friendly and approachable data. HR manuals are usually developed and revised by Human Resources Departments, of various companies. The company HR manual is one of the most important communication tools between your company and your employees. Not only does it set forth your expectations for your employees, but it also describes what they can expect from the company. The company HR manual and related personnel policies should be one of the first formal communications that you will have with an employee after they are hired. The manual should contain enough detail to avoid confusion, but not so much as to overwhelm. In the present era employees are very conscious about the policies and procedures of the company. Before joining the organization the employees should be aware of the policies and procedures followed in the company. HR manual briefly describes about all the policies and procedures followed in the organization.

Keywords: HR manuals, Manufacturing companies and Coimbatore

INTRODUCTION TO THE CONCEPT OF THE STUDY

A HR manual is a formalized human resources document that presents a broad overview of standard operating policies and procedures for an organization. It is an essential document that provides structure and establishes consistency and discipline in decision-making and employee behaviour. HR manual is a booklet or a piece of document that gives the reader a fair idea of the working procedures of the particular company or organization. They give guidelines on how to apply the rules and regulations that a company has set for its functioning. This kind of manual is especially useful for HR officials so that they do not break rules that may lead the company to societal and legal problems. Thus, it is quite evident that an HR manual is of some importance to organizations for smooth functioning. They also need to be reviewed and revised time and again so that the management of the company keeps up with the changing trends and also keep tract of new legal acts that may be enforced upon the working of organizations.

The HR manuals of most companies usually deal with the company policies regarding the following areas of operation. These include ways and categories of hiring support staff and academic staff, guidelines for fixed-term employment, policies for selection and recruitment, position descriptions, working hours of main and support staff, guidelines for annual leaves and sick leaves and other forms of leaves, salary packages for the various positions, guidelines to staff grievances, etc. Along with these, the other things such manuals deal with are: Selection and Recruitment, Methods of employment and working hours, Flexibility of employment and development of staff, Opportunity for equal employment, Superannuation and remuneration, Leave, Safety and occupational health, Disciplinary procedures and termination of employment, and other employment related provisions.

The HR manual is an excellent place to bring together employment and job-related information which employees need to know, such as holiday arrangements, company rules and disciplinary and grievance procedures.

It can also provide useful source of information to new staff as part of the induction process. A written HR manual gives clear advice to employees and creates a culture where issues are dealt with fairly and consistently.

STATEMENT OF THE PROBLEM

Employing staff fairly and expertly, ensuring they are properly inducted, and ensuring they are aware of the required standards of business conduct we need an effective HR manual including the policies and procedures of the organization. HR manager finds difficult to search the required information without an effective manual. And also to minimize the time indulged in explaining the policies and procedures of the organizations to the newly employed staff we require an effective HR manual explaining all the methods, policies and procedures of the organization.

OBJECTIVES OF THE STUDY

1. To identify the existing problems prevailing with regard to the existing HR manual.
2. To develop an effective HR manual which includes all the procedures and policies followed in the organization.

SCOPE OF THE STUDY

The scope of this project is to develop a HR manual with reference to Manufacturing companies limited and to discuss the various policies and procedures followed in the organization. Developing HR manual helps to understand the various methods adopted for recruitment, training, various policies and procedures followed in the organization. It also helps to save time and identify the information in a timely manner.

RESEARCH METHODOLOGY

Sampling Technique: The sample size chosen for the study is 20 and the respondents are the people of HR department. Quota sampling technique is adopted for the study.

Tools for Data Collection: Primary method of data collection is done through interview schedule administered to the respondents. Secondary method of data collection is done through the journals, books and websites.

Tools for Analysis: Percentage Analysis have been used for the study.

LIMITATIONS

- The study was conducted only in the HR department
- The data was collected only from the HR department and from the Managerial level people of the concern.

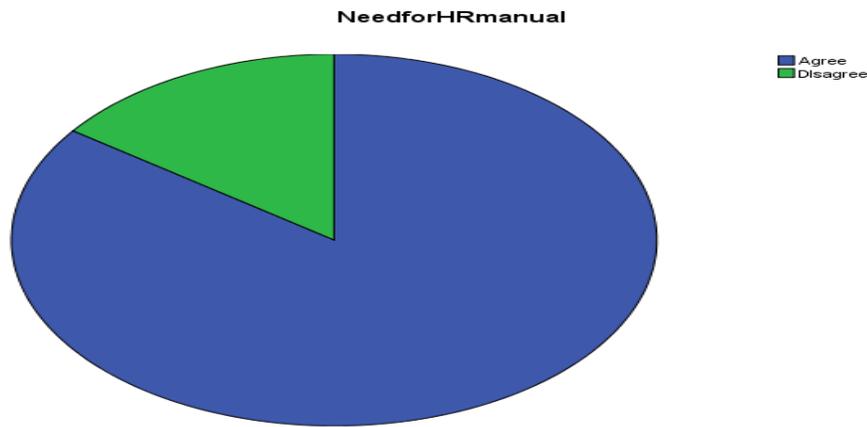
ANALYSIS AND INTERPRETATION

Distribution of respondents on the basis of need for a HR manual

Parameter	No. of Respondents	Percentage
Agree	17	85
Disagree	3	15
Total	20	100

From the above table it can be inferred that majority of the respondents (85%) agree that all companies need to have a standard HR manual.

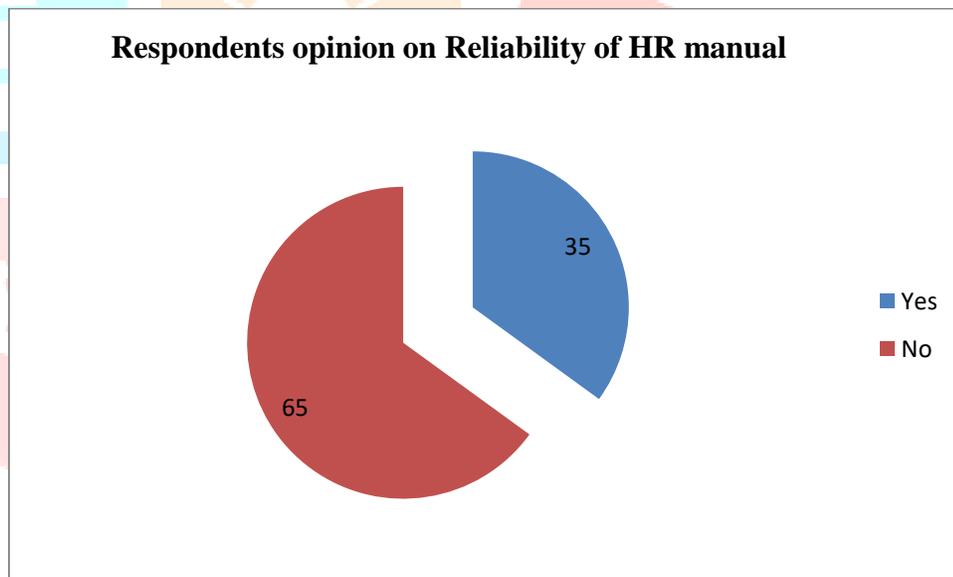
Distribution of respondents on the basis of need for a HR manual



Respondent’s opinion on Reliability of HR manual

Parameter	No. of Respondents	Percentage
Yes	7	35
No	13	65
Total	20	100

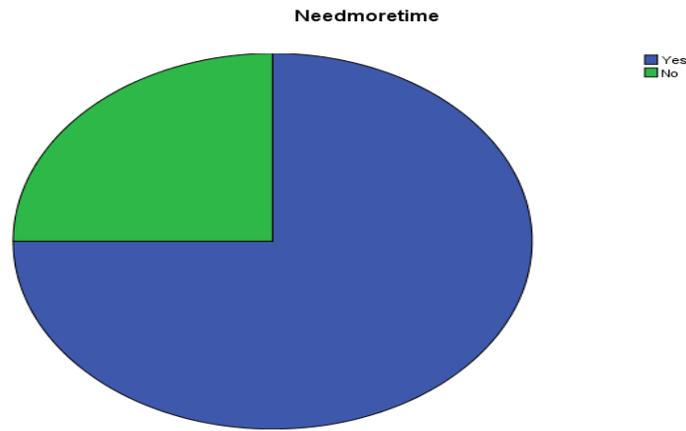
From the above table it can be inferred that majority of the respondents feel that existing HR manual doesn’t provide all information.



Respondent’s opinion with regard to Time

Parameter	No. of Respondents	Percentage
Yes	15	75
No	5	25
Total	20	100

Respondents opinion with regard to Time



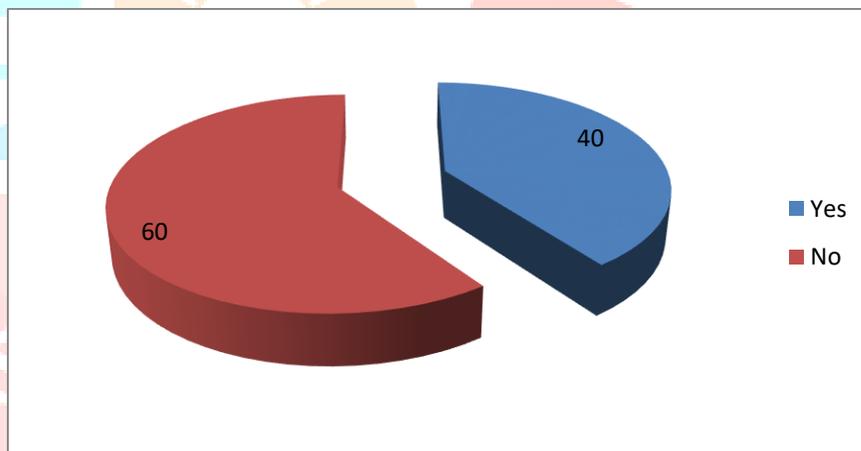
From the above table it can be inferred that majority of the respondents need more time to find the information.

Respondent’s attitude towards finding information

Parameter	No. of Respondents	Percentage
Yes	8	40
No	12	60
Total	20	100

From the above table it can be inferred that majority of the respondents doesn’t find easy to find information.

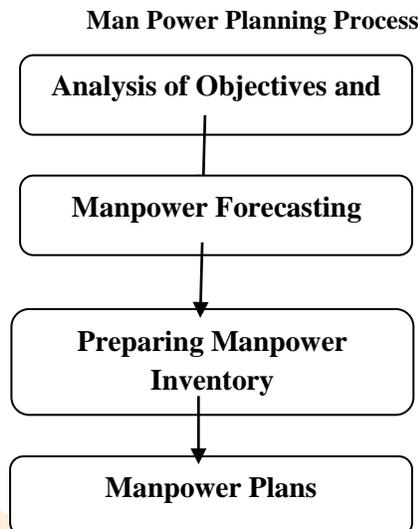
Respondent’s attitude towards finding information



HR MANUAL

MANPOWER PLANNING

To survive and prosper, an organization needs well qualified and motivated employees. This involves careful advance planning - Manpower Planning - which integrates the many diverse parts of the organization's overall manpower system.



Procedure

Step 1: Analysis of Objectives and Strategic Plans of the Company

Manufacturing companies first analysis the objectives, plans and goals of the company and then proceeds with the analysis of the demand for the company.

Step 2: Manpower Forecasting

This requirement is forecasted on the basis of production and sales budgets, work load analysis, estimated absenteeism and turnover etc. Manufacturing companies follows trend analysis to forecast the demand by examining the past trends. They take into account the past years production, number of workers and find the ratio and estimate the production and number of workers required.

Step 3: Preparing Manpower Inventory

Analysis of current manpower supply may be undertaken by department, by function, by occupation or by level of skill or qualifications. Manufacturing companies follows staffing table technique to find out the size and quality of personnel available within the organization. Staffing table shows the number of employees at each job. It tries to classify the employees based on age, sex, position, experience, qualifications, skills etc. This table also indicates whether the existing employees are properly utilized or not.

Step 4: Manpower Plans

After preparing man power inventory the next phase is they plan how the organisation can obtain these people. After determining the gaps in manpower, programmes and strategies are developed for recruitment ,selection, training, transfers, promotion and appraisal so that the future manpower requirements can be met.

RECRUITMENT

Procedure

Manufacturing companies will follow a standardized procedure for recruitment of its Human Resources.

This procedure in brief is as follows

1. Raising of Manpower Indent Form (MIF)
2. Identifying Sources of employment
3. Receipt of resume
4. Initial Screening
5. Call for test/Interview

Step 1: Raising of Manpower Indent Form (MIF)

MIF is a form that contains the desired specifications of the employee to be recruited. It will detail the Job specification, Job responsibilities and necessary qualification, experience, and skills required for the specified post. Filling up the MIF is the best time to review the skills inventory required in the department for the next few months or years. The MIF will also ensure that the department head gives some thought to the position he/she is filling up. The HOD-HR will send as many MIFs to the departmental heads as the number of positions to be filled in that department. The departmental heads will return the completed MIF's to the HOD-HR by the specified date after they have had sufficient time to fill up the indents.

Step 2: Identifying Sources of Employment

Based on the specifications in the MIF, the HR department will start the recruitment process. The recruitment would be done through the following medium

i. External sources

This would involve recruitment through advertisements and expert recommendations and referrals. The advertisements for the required post will appear in major national and regional newspapers and business magazines. The contents of the advertisement will be well structured giving a brief profile of the company, nature of the job, requisite skills, qualification and experience. All specifications and parameters related to the position being advertised would be clearly stated so as to screen unwanted applicants at the initial stages.

ii. Internal sources

Manufacturing companies fill in the vacancy position through transfers, promotions and upgrading of the existing employees wherever possible.

c. Receipt of Resume and Initial Screening

The last date for receipt of resumes/ applications will be specified in the advertisements. Once the applications are received, it is screened by the HOD-HR. Based on this, suitable candidates will be sent an interview call letter by the HR department.

SELECTION

2 Procedure

Manufacturing companies will follow a standardized procedure for selection of personnel. The steps of this procedure appear as follows :

1. Formation of the selection committee
2. Administration of test
3. Interview
4. Decision regarding Selection of candidates.
5. Letter of Offer

Step 1: Formation of Selection Committee

The persons who will constitute the selection committee will depend upon the position for which the interview will be conducted. The selection committee will consist of the ED, HOD-HR, and concerned HOD of the department may also be called to assess the candidate. Final approval of all candidates lies with the ED. The HOD-HR will inform the respective HOD of their role on the committee. An appropriate date for the interview/test will be fixed with the consent of all and the selection committee informed of the same. HOD-HR will be responsible for coordinating with the selection committee members.

Step 2: Administration of tests

Various tests like the Language test, Performance test, Aptitude test, Intelligence test and Personality test can be conducted, if required, depending upon their relevance and applicability for different positions. The Human Resource Department will design the above tests in consultation with the respective HODs. The responsibility of administering the tests in the proper manner will be with the HOD-HR. The HOD-HR will administer the tests, tally the scores and send the same to the selection committee before the final decision on the candidates is taken. These tests can also be used to screen out candidates in the initial stages. Thus only those candidates who qualify in the tests may be interviewed.

Step 3: Interview

After the test, the short listed candidates will be interviewed by the selection committee. Irrespective of the position being filled, Interviews will be conducted. Each members of the selection committee will fill up one rating form for each of the candidates.

Step 4: Decision regarding Selection of Candidates

The selection committee will meet, at the earliest, after all the interviews are over, to decide on the final candidates to be selected. The points scored in the tests and interviews will be tallied and the final decision for the selected candidate will be taken. The list will be forwarded to the ED for approval. The ED will return the list to the head of the HR department to send the letter of offer.

Step 5: Letter of Offer

The letter of offer will inform the candidate of his/ her selection. It will contain details of the post, grade and scale of pay being offered to the candidate. It will also contain any special terms and conditions of appointment. The selected candidate will send a copy of the letter duly signed indicating that he/ she will join on the appointed date and time. If certain terms are unacceptable to him/ her, then he/ she may inform accordingly so that negotiations may be conducted, if required. The selected candidate need to sign a bond for 4 years. The letter of Offer duly signed by the selected candidate will constitute the Letter of Acceptance.

EMPLOYEE RELATIONS**Definition**

Employee Relations means “the relation between an employee and an employer in the course of running of an industry and may project itself to spheres which may transgress to the areas of quality control, marketing, price fixation, and disposition of profits among others. Employee Relations (ER) is thus a very vast area and covers a wide variety of activities.

Hence, in this manual, it is being split into the following heads

- a. Grievance Handling.
- b. Disciplinary Procedures.

Grievance Handling

Grievance may have some basis in fact, may be a distortion of facts or be a figment of someone’s imagination. In any event they must be dealt with in a systematic manner. Prompt handling of employees grievance is essential for maintaining a contented employee group and avoid ER problems.

The following procedure will be followed by the company for Grievance Handling:

- a. Any employee who has a grievance arising out of his/ her employment will first bring it up verbally with the immediate supervisor who will act on it immediately.
- b. If it cannot be settled within a week’s time the employee will put it in writing in Grievance Procedure Form and forward the same through his/ her immediate supervisor to the Departmental Head concerned.
- c. If for any reason, the Departmental Head is not able to resolve it, he/ she will give a reply within 10 days in writing indicating the reasons.
- d. At the next level, the employee will send the grievance in writing to the HOD – HR who will try to resolve it at his/ her level or any other level.
- e. If it is related to policy decision the Head of HR will take the approval of ED for final decision. The reply will be sent to the employee after the final decision in writing.

SEPARATION AND EXIT**Discharge and Termination of Services**

An employee may be discharged from the services or his/ her services may be terminated at any time by giving appropriate notice or by payment of wages/ salaries from the period of notice thereof.

The notice period shall be as under :

- a. Non-management staff One month

b. Management staff Two months

Dismissal is the termination of an employee's service on account of a disciplinary action. It is resorted to only when an employee is held guilty of misconduct.

Resignation

An employee can relinquish his/ her employment with the company by tendering a written notice in the form of a resignation letter. It should contain the reason for separation and the date from which it is desired to be effective. The employee is required to give two months' notice or an amount equal to two months' salary in lieu of the notice. The resignation should necessarily be routed through the respective departmental head and sent to the HR Department.

Retirement

As a matter of general policy and terms and conditions of employment the company will affect the retirement of employees from the services of the company on attaining the age of Superannuation. The retirement age of the employees of the company would be 58 year. The company shall inform the concerned employee sufficiently in advance about their forthcoming retirement and assist him/ her with necessary advice suggestions and such other measures considered appropriate. The HR department will take into consideration discharge, dismissal, resignation, and retirement, from the services of employees for the purpose of Manpower Planning.

Exit Interview

As a matter of policy and normal practice, an exit interview will be conducted for every outgoing employee, except in case of dismissal. The exit interview will precede the release of the employee. The objective of such interview will be to obtain the views of the out-going employees in respect of the prevailing systems, procedures, and practices of the Company with a view to take suitable corrective action wherever necessary and ascertain the reason for resignation, in case of resignation. The views expressed by the out-going employee will be maintained in strict confidence and duly recorded.

FINDINGS

- Majority of the respondents (85%) agree that all companies need to have a standard HR manual.
- Majority (65%) of the respondents feel that existing HR manual doesn't provide all information.
- Majority of the respondents (75%) need more time to find the information.
- Majority of the respondents(60%) doesn't find easy to find information.

CONCLUSION

It is concluded that, in the present era employees are very conscious about the policies and procedures of the company. Before joining the organization the employees should be aware of the policies and procedures followed in the company. HR manual briefly describes about all the policies and procedures followed in the organization.

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