

Evaluation of current hrm practices of dr industries business essay

[Business](#)



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ABS AthukoralaHR ExecutiveDR Industries (Pvt) LtdThe General ManagerDR Industries (Pvt) LtdNo. 40York StreetColombo 01Dear Sir,

Evaluation of current HRM Practices of DR Industries (Pvt) Ltd

I am pleased to present the report consisting the information relates to Human Resource Management Practices engaged with DR Industries (Pvt) Ltd and its streamlines to be done. This report has been prepared by me after conducting several analyses and considering all the relevant facts affect HR Function of the organization. I thank you and your management for giving me the opportunity of serving you. Yours sincerely, ABS AthukoralaHR Executive

Acknowledgement

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Executive Summary

Damro is a Sir Lankan company that own the largest furniture manufacturing facilities in the country today. Mainly the product portfolio includes wooden furniture, bedding, other plastic chairs and furniture for home and office. The company has developed its activities in India and other Parties from the Asian region. Damro is among the most important furniture manufacturers in the world producing a wide range of modern and traditional furniture since 1987. Damro success is past its ability to produce high quality furniture at affordable prices with exceptional customer service. Damro is so able to sell directly to you, and then cut in the middle man. This report evaluates the strategic objectives, HRM practices and standards of Damro and provide new perspective and suggestions for achieve more performances by benchmarking the company HRM practices with another company consists with a streamlined HR department. The key purpose of Human Resource Management is ensuring consistent alignment between the human resource functions and achieving the stated objectives while taking the full contribution of the HR available to the company. An organization's achievement of strategic objectives is contingent on employee performance. " Performance" is therefore considered as an important fact of strategic human resource management as it speaks to encouraging and rewarding work performance and behaviours that are in line with the strategic objectives. Further this report derives information of the importance of performance driven workforce to DR Industries and HR Planning and Management towards achieving future success.

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1. 0 Introduction to DR Industries (Pvt) Ltd

DR Industries (Pvt) Ltd is established in 1986 in Sri Lanka and has become one of the world's largest furniture manufacturers which offers a diverse range of modern and traditional furniture. They achieved a rapid success and have the target of expanding to over 200 showrooms globally, which already has 106 Showrooms Island wide and 50 showrooms in India. Damro's success has grown from its ability to produce high quality furniture at affordable prices with outstanding customer services. The driving force behind DR Industries (Pvt) Ltd is Mr. Damitha Ramanayake hails from a remote part of the Western Province. From the beginning, he drove Damro to be different from other furniture manufacturers of Sri Lanka, making Damro an affordable but durable furniture manufacturer, rather than targeting luxury customized furniture. Damro's cost driven strategy of furniture manufacturing demands for economies of scale in furniture manufacturing with simple low cost designs. Damro was capable of delivering a higher level of customer service from their state of the art outlets both locally and overseas. Damro was able to cut down its raw material and operational cost to a great extent by using locally available raw material and low priced timber and locating the mass scale factory in Nittambuwa, a remote part of the Western Province of Sri Lanka. Once they expanded their outlets locally and after Damro became a household brand during the last twenty years, they began their international operations by starting an outlet and franchise operation in Chennai, India. This operation expanded so rapidly that within few years with more than 50 showrooms and more than 1000 franchises,

operations have also expanded to Australia and Damro is aiming high for their future and plans to further expansions.

Vision

To be among the world's largest furniture manufacturers offering a diverse range of modern and traditional furniture C:

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Mission

Provide internationally trusted quality furniture for the people at affordable prices with outstanding customerservices

Objectives

Increase productivity to reduce waste by 13% by 2014Increased profitability by 15%, adding new brands in 2014Reduce staff turnover by 2% to 0. 5% in two yearsExpand upto 200 Showrooms GloballyTo provide maximum Convenience for the shoppersTo approve best product & service to adequately satisfy growing needs of customersTo train and develop the staff of DamroTo build long term partnership with suppliers for mutual benefitProvide a workplace where all employees and thrive and grow

Product Range

Damro produces both household as well as office furniture. The household furniture line comprise of real wood as well as plastic furniture ranging from plain plastic chairs to glamorous sofas , beds and dressing tables. Office furniture line has also expanded to various designs and varieties to suit both local and overseas furniture markets. Damro also made a strategic move by

entering into electronic goods manufacturing with the start of their new washing machine factory in Sri Lanka. Also very recently Damro entered into metal safe manufacturing and Air Conditioner Manufacturing.

2. 0 Introduction to PM and HRM (Personal Management and Human Resource Management)

The terms " human resource management" and " human resources" have largely replaced the term " personnel management" as a description of the processes involved in managing people in organizations. Personnel management is regarded to be more administrative in nature. What it really do is the management of the work force, and contributes to an organization's success. HRM is spoken about in a much broader sense than Personnel Management. Basically it deals with developing personnel management skills. It is Human Resources Management that develops a team of employees for an organization. HRM supports in bringing the " all round development" of the people so that they can contribute their best to the organization.

Table A

3. 0 PM & HRM Practices and its functionality towards achieving stated Objectives of Organizations

Damro is a company diversified its business in furniture manufacturing. Manufacturing is the use of machines, tools and labour to make things for use or sale. Its process is all about 3M i. e. Man, Materials and Machines. An HRM strategy discloses as to how to implement the specific functions of Human Resource Management.

3. 1 Importance of HRM in Manufacturing Sector

In manufacturing sector, the companies formulate a well defined HR policy where rewards and benefits are made transparent throughout the organisation at every level. Organization development is a well planned, organization-wide effort to increase the organization's effectiveness and health. This is designing of systems to assist an organization with planning change. Those are performed by HRM Functions and have a direct linkage with Objectives of the organization. If HRM activities are carried out in proper professional manner it could result in achieving stated objectives of Damro as shown in Table B. C: UsersRajeeviDesktopimage_thumb3. png

Table B

3. 2 HR Practices and Challenges faced by HR Department

Members of HRM team should possess a pleasant personality, common sense, imagination, enthusiasm and objectivity to induce change towards HRM. They should be ready to face resistance to their ideas and dispel these with facts, patience and consideration. The Aim should be to develop acceptance through co-operation. CommunicationCommunication cannot be done to all the employees at once by mass e-mail or etc because most employees perform physical jobs and don't have desks or computers. And in a plant environment, verbal communication in any language can be difficult. Unlike in an office, there are loud noises out on the floor that can be a barrier to communication. Communicating in a manufacturing environment can be further complicated by language barriers. Career ProgressionOrganisations need to realize that the main source of competitive advantage in this global economy is to develop their human resources and not only provide them

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with new knowledge, skills and abilities but their career planning and progression has to be effectively managed in order to support the strategic implementation of HRM. Labour Crises Manufacturing sector should improve its image as a rewarding career option for young workers and women. The relative unattractiveness of the sector for young workers has become a major issue in these crises.

4. 0 Line Managers and Staff Managers

4. 1 Line Managers

Those are the managers in an organization who are responsible for the key activities of the organization (Managers in transport, accounting, or personnel divisions who provide services to the line management). Individual employees or teams of the organization straight reports to these managers and they have responsibility to the top level of management on behalf of those employees. Responsibilities carried out by line managers include, day-to-day people management managing operational costs providing technical expertise organisation of work allocation monitoring work processes checking quality dealing with customers measuring operational performance

4. 2 Staff Managers

The staff managers are in a position that supports line management. They are usually considered as specialists of some kind. (Manager-IT, Director-HR). Managers in these positions do not have the authority to tell the line staff how to do the work for which the organization exist. Instead, the staff manager is responsible for making sure all the supports are in place so the line staff are hired, trained, equipped and supported while they carry out the

actual operations. Staff management authority is very different from line management authority. While the line manager makes sure that there is revenue, the staff manager often has to spend that money to support further operations. This can lead to tensions in the workplace, especially when there is no clear understanding of the difference in the authority of the positions.

4.3 Relationship between Line and Staff Management

There are few ways of identifying the relationship between staff managers and line managers. Prescribe A staff manager can prescribe certain procedures in his specialist area. For example, he can develop and implement recruiting policies and procedures that are used across the organization. The line manager is expected to follow those organizational procedures. Concur The staff manager has the right to concur any proposal within his specialization. For example, a line manager might propose that two of his staff attend certain management courses. The staff manager of the training section can concur with this proposal as it is within his specialty. Be heard A staff manager has the right, the authority, to participate in the discussions, if not the decision-making, pertaining to his specialty. For example, the manager in HR maybe not have a vote on a new recruit, but he does have the right to voice his opinion on the suitability of the candidate. Be informed This function authorizes the staff manager to be informed within certain areas of activity. A common example of this is the position of director of finance. In operations, line manager has full authority to spend funds as he pleases within his budget, but he is required to keep the director of finance informed. In many organizations, there is a lack of clarity between the authority of the operational, line manager and that of the staff manager.

Often, these authorities appear to overlap. This is when it is time for senior management to thoroughly review the structure and activities of the organization to make sure everyone understands his management position and the authority that goes with it.

4. 4 Production Manager as a line Manager

Production manager is the manager responsible for managing and directing production activities within the manufacturing facility. He can be identified as a line manager, since he is the person who directly responsible for coordinating the production of goods. He ensures machines are repaired and running smoothly, and manages all workers on production line. HRM Practices linked in his duty list

His Duties and Responsibilities

- Preside over the production of goods
- Analyze and reduce costs
- Order appropriate materials
- Ensure products are created on time
- Test machines for disrepair and malfunctions
- Set and meet production goals
- Purchase and calibrate machines
- Hire, train, and supervise workers
- Maximize the production process to lower costs
- Change production levels and staffing on different product lines
- Monitor product standards
- Implement and oversee quality control programs
- Implement training programs
- Work with outside suppliers to increase quality of raw materials
- Coordinate with different departments in the manufacturing plant
- Manage communication lines with all the parties involved
- Keep abreast of new technology that can be used in the production process
- Develop production schedules and duty assignments
- Ensure compliance with workplace safety programs
- Cross-train worker teams for maximum production flexibility

As shown above, line managers (Eg: Production Manager) in many organisations also carry out activities that

have traditionally fallen within the remit of HR practices such as providing coaching and guidance, undertaking performance appraisals and dealing with discipline and grievances. They also often carry out tasks such as recruitment and selection in conjunction with HR.

5.0 Job Description & Job Specification Analysis

The information collected under job analysis is, Nature of jobs required in a concern Nature/ size of organizational structure Type of people required to fit that structure The relationship of the job with other jobs in the concern Kind of qualifications and academic background required for jobs Job Analysis, helps HR manager to select right man for right job in recruitments helps him to understand extent and scope of training required in that field evaluates the job in which the worth of the job has to be evaluated avoid overlapping of authority- responsibility helps to chalk out the compensation plans for the employees helps to undertake performance appraisal effectively

Table C

Accordingly it can be identified the importance of job analysis and its related products. Both job description as well as job specification is important for managers in personnel management function. Therefore, job analysis is considered to be the primary tool of personnel management.

6.0 Key Aspects of Legal and Regularity Framework

6.1 Equal Employment Opportunity

Individuals covered under Equal Employment Opportunity laws are protected from illegal discrimination, which occurs when people who share following characteristics and are discriminated against because of them. Race, ethnic
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origin, color (African American, Hispanic, Native American, Asian)Gender (women, including those who are pregnant)Age (individuals over 40)Individuals with disabilities (physical and mental)Military experienceReligion (special beliefs and practices)The main purpose of the Equal Employment Opportunity laws is to ensure that everyone has an equal opportunity of getting a job or being promoted at work.

6. 2 Sexual Harassments

Sexual harassment is a form of Sex Discrimination that occurs in the workplace. Unwelcome sexual advances, requests for sexual favours, and other verbal or physical conduct of a sexual nature constitute a sexual harassment. Persons who are the victims of sexual harassment may use legal actions.

6. 3 Other employment laws

Several other laws impact staffing practices as well. The Fair Labor Standards Act specifies the minimum wage, overtime pay rules, and child labor regulations. Privacy laws provide legal rights regarding who has access to information about work history and job performance for employees in certain jurisdictions.

7. 0 Human Resource Planning

This can be defined as the strategy of acquiring and utilizing the human resources required by a business entity. Simply it's the process by which an organization ensures it has the Right Number of people at Right Place in Right Time, capable of effectively and efficiently completing those tasks that will help the organization to achieve its overall objectives.

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7. 1 Importance of HRP

Identify the shortfalls and surpluses in human resource capacity of the organization and defines the future personnel needs. Accordingly Damro can take actions to maintain its HR ensuring its optimum use. If any shortfalls, those can be overcome through internal / external recruitments or by following below methods. Internal transfers and promotions Training and developments Extension of the contracts of temporary staff Reducing labour turnover Labour outsourcing Productivity improvements (encouraging overtime and bonuses) Technological advancements in functions If any surplus, it can be overcome by, Encouraging labour turnover Create barriers to promotion or transfers Restricting recruitments Early recruitment incentives Eliminating overtime Employment redundancies However above surplus controlling methods might result in making conflicts (Employers and Employees) and dissatisfaction for the employees of Damro, hence not encouraged. It is better to control this by establishing streamlined HRP Process and maintain the number of staff. If there is any surplus it is better to expand the business areas and gain its advantages. This will overcome the business by eliminating the negative effects arising in using above methods. This can be very supportive in attracting the best employees for the job and will help in retaining them within the organization for long time. When these employees work within the specific job function for a long period of time his/her productivity improves and his skills levels developed gaining multiple advantages to the employee. With further support of Training and Development activities a well trained and flexible workforce can be retained. A well organized HR planning will, reduce the risks and bring competitive

advantagesdetermine future employee needs and availability of HRefficient and effective utilization of HRcontrol employee costdevelop highly competent managerial and professional employees

7. 2 Stages of HR Planning Process

Step 01

This identifies the present situation of the organization and the issue related to the Human Resource. Following Information should be gathered and properly analyzed to complete this step. Employee composition and the distribution for each departmentCurrently1, 360 employees are employed by the Damro for its business activities. It can be identified that 20% of the employees remain in contract basis appointment. Those employees are newly recruits in the probation period of six months (waiting to award the permanent employment contracts based on the performances) and the temporary maintenance staff of the production facilities. Distributions of employee population among departments (including the employees of foreign business)

Finance

Production

HR

Sales & Distribution

410 Nos. 10 Nos. 25 Nos. 260 Nos.

Maintenance

35 Nos.

Washing Machine

Furniture

Air Conditioning

90 Nos. 530 Nos. Wages of Employees Minimum wage rate for the employees in production function in probation period is Rs. 12, 000. 00 per month and after completion of six months period they are paid Rs. 20, 000. 00 with overtime payment for prior approved hours in individual basis depended on the work load of each department. Rate of labour turnover This is the No. of employees leaving the organization and being replaced. The labour turnover of the Damro is at a higher rate (6. 4%). The main reason for this can be identified as the higher workload and the conflict of salary. This is identified as a serious issue to the Damro hence stated as an Objective to " Reduce staff turnover by 2% in two years time" This result in breaking the continuity of its effective production function. Further it collects information regards to the Poverty of Employees, Laws relevant to employees and carries out SWOT and PESTLE Analysis.

Step 02

This identifies the labour requirement (Types and No. of Employees) to fulfil the quantity of products or services in which the customers are willing to purchase. Following Information should be gathered and properly analyzed to forecast the demand. Past Sales Records Customers demand i. e. sales volume of the Damro is directly affecting to the future demand of HR needed for its functioning. In customer demand goes up for the products then higher volume should be manufactured to meet the demand hence more labour is needed which means this addition should be available when necessary. Or <https://assignbuster.com/evaluation-of-current-hrm-practices-of-dr-industries-business-essay/>

else Damro cannot meet the supply to fulfil the customers' needs. Production Methods and Cost of Labour This analysing the extent to which Damro has used its machinery to the manufacturing process and what extent the labour is required. Whether the manufacturing functions is Capital Intensive or Labour Intensive. Further information relates to Capacity of Work allocated per a person, Organisational objectives and Staff Utilization should be gathered.

Step 03

This is identifying the availability of labour the organization could provide to be used at the maximum capacity to the production. Main Sources in supplying this HR is identified as Internal Supply and External Supply which we discussed in the beginning. Information is required under following heading for this step. The capacity, skills, trainability of existing staff, the structure of employees in terms of age, skills, hours of work and rates pay, Labour turnover, resignations, transfers, promotions and absenteeism, Organizational changes, Effects of external labour market (competitor activities, demographic changes, skill availability)

Step 04

When the demand and supply are forecasted, it can be identifies whether there is any gap exists between the demand and supply of HR. Information gathered in forecasted demand and supply can be used to this purpose and take actions accordingly. Negative Gap = Internal / External recruitments Positive Gap = Downsizing / de-layering staff Actions were

discussed in the beginning of this chapter where we can apply to streamline this process and close the gap.

8.0 Job Evaluation Process

Main expectation of Employees of any organization is a fair pay. They want regular raises. In Damros' point of view it is to attract and retain talented employees in company. These employees need clarity about their roles and responsibilities as well as about what's expected from them to make a better idea about the job where it will enable them to work without conflicts and make good performances. However in return Damro is responsible for developing a fair compensation plan for all of them. Job evaluation is a tool used to evaluate the worth of each job in the company and in today's labor market. A successful job evaluation system can help to make organization's pay system equitable, understandable, legally defensible, approachable, and externally competitive. Job evaluation can be used to, develop job descriptions that meet the changing needs of organization attract desirable job candidates retain high-performing and talented employees In this process, Damro evaluate the job, not the employee who performs the job.

8.1 Factors in job evaluation

Training level or qualifications requirements Knowledge and skills requirements Complexity of tasks Interaction with various levels of the organization Problem-solving and independent judgment Accountability and responsibility Decision-making authority Degree of supervision required Cross-training requirements Working conditions Degree of difficulty in filling job

8. 2 Steps in job evaluation process of Damro

Introduce the concept of job evaluation
Obtain management approval for the evaluation
Train the job evaluation selection team
Review and select the job evaluation method
Gather information on all internal jobs
Use information to fully expand job descriptions
Use the selected job evaluation method to rank jobs hierarchically
Link the ranked jobs with your compensation system or develop a new system
Implement the job evaluation and compensation systems
Periodically review your job evaluation system and the resulting compensation decisions

8. 3 Implement job evaluation

Damro approach job evaluation from an organizational development perspective so that it helps employees accept and understand the job evaluation system properly. If they don't have a clear understanding they might worry about losing their jobs, and pay might be decreased after job comparisons and evaluations are completed.

8. 4 Create a team

To promote widespread support, understanding, and acceptance across Damro, they create a cross-functional team to work on job evaluation representing all the departments, positions and levels.

8. 5 Select the job evaluation method

Damro train those team members in the requirements of the Fair Labor Standards Act and any other best practices for selecting a proper job evaluation method. Then this team works together to evaluate and select a job evaluation method. They regularly communicate with employees

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throughout the job evaluation process. This helps employees feel a sense of ownership from the results of the job evaluation results.

8. 6 Analyse job evaluation methods

Before implementing job evaluation in Damro, they select the most appropriate job evaluation method. Most commonly used job evaluation systems are, RankingClassificationPoint evaluationFactor comparisonMarket comparisonDamro currently use " Factor comparison" method to Job Evaluation Process. In this Job evaluators rank jobs that have similar responsibilities and tasks according to points assigned to compensable factors (skills required, level of decision-making authority, number of reporting staff members, and working conditions). Then analyze jobs in the external labor market to establish the market rate for such factors. Different Jobs of Damro are then compared to the benchmark jobs according to the market rate of each job's compensable factors to determine the salaries. Advantage-This method results in customized job-rankingDisadvantage-Compensable factor comparison is a time-consuming process

9. 0 Factors determining the pay of Damro

9. 1 Education

Education is one of the most important factors in determining the wage or salary for a job. In general, the more education you have, the greater your income will be. Normally when people are recruited to an organization what they mainly look at is the educational qualifications of the person, but when it comes to a company like Damro in Manufacturing industry what they mainly focused is the practical experience and the performance level of the

employee. But for managerial positions this is considered as a pay determination factor.

9. 2 Experience

Workers taking entry-level jobs without previous experience or and in the probation period will typically earn less than experienced workers with developed job skills. Work experience often allows workers to take on more responsibility or apply for positions that are not available to those with less experience. If workers have Professional certifications and other credentials Damro is ready to grant special benefits (pay raises).

9. 3 Market Prices

Salary rates paid by other companies in manufacturing industry is gathered by Damro by using market surveys and they try to provide a competitive salary rate for their employees enabling them to attract more and more better employees.

9. 4 Sales Commissions

Only the sales staffs of the Damro showrooms are eligible for sales commissions depends on the sales volume of individual showrooms. This rate is set as 2. 5% from the sales.

9. 5 Minimum Wage

The minimum wage is a federally mandated wage floor that forces businesses to pay workers a certain wage. Damro had their self-stated salary floor rate as a minimum wage rate so that they can attract more employees and they are not disappointed.

9. 6 Special Non-Financial Benefits

Other than the financial benefits there are lots of non financial benefits given to the staff members of Damro. In a time of a funeral they are given Rs. 20, 000. 00 for the expenditure and in time of a wedding they are given a car for both days if requested by an employee. 300 Nos. of chairs also provided from the part of Damro in any of these occasions.

10. 0 Designing an Effective Rewarding System leading to the Motivation

Introduction of Performance based rewarding system for employees in all levels

Today, larger no. of successful organisations are achieving better results, and greater employee engagement, by linking reward directly to performance. Currently in Damro, only the sales people are rewarded under this approach. Instead of that, it can be highly effective if it is introduced to reward all the staff in all levels, and in all functions. A well-structured performance-based reward system can improve Damros business. Creating such a reward culture can be identified as an important tool for achieving success because it can unlock employee potential, retain and motivate the high- performers, and ultimately deliver healthier financial results. This might bring benefits to the Damro as follows. Clear goal alignment Performance based reward allows directly align the employees in achieving stated business goals. Communicating the goals, and tracking each employee's progress against them, is essential, and delivers a range of positive results. Employees are more productive, and focused on achieving the right things for Damro Develop a shared responsibility among employees, as goals are

cascaded to everyone in the organisation. Managers monitor employees' progress and provide necessary trainings to keep performance focused development and career planning. This is focusing on the training and development activities required to achieve the objective on time. This will help to increase the capability of the employees, and lead to improved business results. Damro can work with employees to plan and develop their careers through identifying and unlocking employee hidden skills. Increased employee engagement and motivation. As Damro provide greater clarity to the employees about its business goals, and the expectations of their individual results and reward, they will become more focused on their performance. Relationship with them will improve, and become easier to manage by giving them the support to develop their capability by regularly performance reviews and by providing recognition and feedback. Employees will feel more engaged with the organisation, and motivated to perform at maximum levels. They will want to go the extra mile for their own benefit, and for the good of the business – knowing that managers truly value their efforts. Without doubt, this will lead to both individual and organisation-wide success. Improved retention. If employees are engaged, motivated, and rewarded appropriately, they will want to stay with an organisation. In a well-structured system, managers have easy access to all the information they need to reward individuals for actual performance. This allows them to track that performance against defined expectations, and reward accordingly. That way, employees can directly influence their own financial reward. Most importantly, a well-structured performance-based reward system, can save Damro thousands of rupees each year, by helping to avoid rewarding

individuals whose performance does not contribute to the achievement of business goals. Other than these following actions can be taken in to account when setting the rewarding system. Providing meals for the staff Providing daily transportation services Providing Uniform Annual bonuses depending on the profit levels achieved Above actions will resulting in motivating the existing employees and attract new potential employees to Damro. Costs attached to those are inconsiderable when it comes to the employees' motivation attached with the performances.

11. 0 Cessation of Employment

The employer can terminate the employee for any or no reason at all, as long as he does not violate the contract or employment and the laws stated by the legislations. There are many reasons for termination. It can be voluntary as well, when an employee decides to leave a company for some reason. Resignation An employee can resign, or terminate his own employment, for a number of reasons. (Dissatisfaction with job, received a better offer elsewhere, moving for a new place or any other personal reasons). If the employee resigns, the employer (Damro) should determine the cause for resignations and should ask for the resignation in writing. Layoff If the company is undergoing financial problems or if a particular job no longer needed, Damro might lay off employees. But this should be fair and legal (Employers must give employees advance notice of plant closings and mass layoffs prior to stated time by law). This gives the employees and their families' time to adjust to the employment loss and to seek alternatives. Merger/Buyout A merger or a buy-out usually requires changes within the organizational structure, which might affect employment.

Although the employer is not legally required to do so, some employers offer a severance package to employees terminated under these circumstances. For Cause Damro can terminate the employee due to violations of the company policy or behaves in a manner that jeopardises the company or co-workers. Poor Performance The employer can terminate the employee if he consistently fails to meet the standards associated with the position. Before terminating the employee, the employer should advise him of his performance deficiencies and give him a reasonable amount of time to correct them.

12. 0 Impact of Legal and Regulatory Framework of Employment Cessation

12. 1 Termination of Employment

The Termination of Employment of Workmen Act No 45 of 1971 was introduced by the Government of Sri Lanka under Security Ordinance a set of emergency regulations to control retrenchments. How to Terminate Services of employee by the Employer No employer shall terminate the scheduled employment of any workman without the prior written consent of the workman or the prior written approval of the Commissioner of Labour. Employers & Workmen not covered by the Act An employer by whom less than 15 workmen on an average have been employed during the last six months or if employee has been employed for less than 180 continuous periods of 12 months commencing from the date of employment.

Consequences of Termination in Breach of Act The Commissioner may order the employer to continue to employ the worker from a specified date in the same capacity & to pay wages and all the benefits. If Employer fails to

comply with that he is guilty offence and liable to conviction & imprisonment. Further he is required to pay a fine Rs. 50 for each day in delay.

13. 0 Gain better Performance by looking at better performed organizations

Slimline (PVT) Ltd

The Slimline was established under the MAS Holdings at 1993. MAS holding is an organization operates in textile and apparel manufacturing sector from 1986. Today it has become a world leading name by secure its position within the Top 10 of all intimates manufactures in the world. It was founded by Amalean brothers and still privately owned by the Amalean family. Slimline is one of its 7 large manufacturing facilities. With time Slimline became the largest garment employing 4800 directly maintained personals, and about 5000 employees maintained indirectly with supplying various support services. The basic goal of the Slimline is satisfying the customers. It has affected mostly their success so far. They consider the reason behind its successive goals attainment is their valuable human resources. That's why they constantly evaluate employees and launch programs to develop their skills and performances. They have built a safe and attractive working atmosphere within the workplaces to motivate the employees. Management function of the MAS is very famous within other organizations due to its effective functionality and there is a special reference regards to its HR management function. Accordingly Slimline (Pvt) Ltd is selected to compare with DR Industries (Pvt) Ltd in Recruitment, Selection and Performance Evaluation Practices.

14. 0 Recruitment and Selection Process

Recruitment is the process of identifying that the organisation needs to employ someone up to the point at which application forms for the post have arrived at the organisation. Selection then consists of the processes involved in choosing from applicants a suitable candidate to fill the post. Recruiting individuals to fill particular posts within a business can be done either internally by recruitment within the firm, or externally by recruiting people from outside. Both of the companies used to go for external recruitments due to the higher number of labour requirement in time to time for the operations. Further External recruitment makes it possible to draw upon a wider range of talent, and provides the opportunity to bring new experience and ideas in to the business. However there is a risk that company may end up getting someone who proves to be less effective in practical aspect than they did in the interview situation. When it comes to selections, Slimline has a well-organized procedure than the DR Industries. The streamlined HR department of Slimline and its effective functioning is identified as the reason behind this systematic achievement. DR Industries normally select the employees by pre-advertised walking interviews. This process takes lots of time consuming because they have to interview all the candidates who are presenting in the day of the interview. But when it comes to Slimline they do a bio data analysis prior to the interview. After that they shortlist the candidates and ask them to present for the interview in a specified date. Then these people will be interviewed by a proper interview panel consists of members of the organization. Depends of the job categories the interview panel varies. However this is considered as an effective and a systemic

approach hence DR Industries should consider in streamlining its recruitment and selection procedure as per the Procedures followed by Slimline. It would save more time and benefits more for the organizations.

15. 0 Measuring of Employee Performance

Employee performance should be evaluated regularly. Employees want feedback so that they can know what their supervisors think about their work. Regular performance evaluations not only provide feedback to employees, but also provide employees with an opportunity to correct deficiencies. Evaluations help in making key personnel decisions, such as the following Justifying promotions, transfers, and terminations, Identifying training needs, providing feedback to employees on their performance, determining necessary pay adjustments.

Table D

16. 0 Employment Exit Procedures

The purpose of an employee exit policy is to gain the perspective of an employee during his time with a company and to document the reason he decided to leave.

Table E