Human Resource Management

Thomas Grayson

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Preface

This book has been written, keeping in view that students want more practical information. Thus, my aim has been to make it as comprehensive as possible for the readers. I would like to extend my thanks to my family and co-workers for their knowledge, support and encouragement all along.

Human resource management is concerned with the effective management of people in an organization or company in order to provide the business with a competitive advantage. It focuses on maximizing the performance of employees. It is primarily concerned with the management of people within firms while focusing on the systems and policies. The human resource department is responsible for overseeing training and development, employee-benefits design, employee recruitment, performance appraisal, and reward management. It is also concerned with organizational change and industrial relations as well as balancing the organizational practices with requirements that arise from collective bargaining and governmental laws. This book explores all the important aspects of human resource management in the present day scenario. The topics covered in this extensive book deal with the core subjects of this field. It will serve as a valuable source of reference for those interested in this field.

A brief description of the chapters is provided below for further understanding:

Chapter – Managing Human Resources

The strategic approach to the effective management of people in an organization in order to gain a competitive advantage and maximize employee performance is referred to as human resource management. The chapter closely examines the key functions and goals of human resource management to provide an extensive understanding of the subject.

Chapter – Strategies and Functions of Human Resource Management

The strategic HRM focuses on the planning of strategies in order to direct the efforts of the workforce towards the accomplishment of the objectives of the organization. Some of the important strategies in HRM are related to talent management and human capital management. All the diverse objectives and strategies of strategic HRM have been carefully analyzed in this chapter.

Chapter – Human Resource Planning and Recruitment

Human resource planning refers to a systematic process that includes forecasting the prospective demand for and supply of manpower as well as the employment of skills according to the objectives of the organization. Recruitment of human resources is involved in finding and hiring the most qualified candidate for a job opening in an efficient manner. This chapter discusses in detail these processes and concepts related to human resource planning and recruitment.

Chapter – Management Tools, Training and Development

There are numerous tools which are used for the management of human resources such as human resource information system and HR automation tools. Training and development of human resources deals with improving the efficiency of individuals, teams and organizations. This chapter discusses in detail these management tools as well as the diverse concepts related to the development and training of human resources.

Chapter – Employee Relations

The efforts that a company makes to maintain good relations between employers and employees is referred to as employee relations. It includes labor relation, labor dispute, quality for work life and grievance handling. The topics elaborated in this chapter will help in gaining a better perspective about these aspects of employee relations in human resource management.

Chapter – Applications of Human Resource Management

The primary applications of human resource management include managing the workforce and E-HRM. Workforce management ensures that the right person is doing the right job at the right time. The chapter closely examines these applications of HRM to provide an extensive understanding of the subject.

Thomas Grayson

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Managing Human Resources

The strategic approach to the effective management of people in an organization in order to gain a competitive advantage and maximize employee performance is referred to as human resource management. The chapter closely examines the key functions and goals of human resource management to provide an extensive understanding of the subject.

HUMAN RESOURCE

A human resource is a single person or employee within your organization. Human resources refer to all of the people you employ.

Human Resources is also the function in an organization that deals with the people and issues related to people such as compensation and benefits, recruiting and hiring employees, onboarding employees, performance management, training, and organization development and culture.

Human Resources staff is also responsible for advising senior staff about the impact on people (the human resources) of their financial, planning, and performance decisions. Managers rarely discuss the effect of their decisions on the people in the organizations. It is often predictable that decisions are driven by more easily measurable processes such as finance and accounting.

Human Resources evolved from the term: personnel, as the functions of the field, moved beyond paying employees and managing employee benefits.

As an organization's most significant asset, employees must be hired, satisfied, motivated, developed, and retained. The new roles of the HR employees have evolved to better fulfill these needs.

Human resources (HR) is the umbrella term used to describe the management and development of employees in an organisation. Ultimately, it's all about increasing employee performance.

Traditionally HR focused on hiring, firing and the old-school annual pay review. These days HR has been positively reframed, covering a much wider remit. Basic functions

of HR include recruitment, and onboarding, managing payroll and benefits, holiday management, training and development, employment law compliance and safety compliance.

In addition, HR today plays a significant role in developing positive business culture and improving employee engagement and productivity, both of which are critical to business success. Employee wellness and personal development are also increasingly recognised as essential aspects of HR.

Why is HR so Important?

In the small business HR is easily overlooked. Many entrepreneurs get their businesses off to a flying start, but grapple with people management as the business starts to flourish. Managing staff takes time and it requires specific skills. HR is an area of expertise many business owners lack.

Regardless of skills, for many entrepreneurs, the value of HR in business isn't always immediately apparent. With just a few employees, business leaders feel like they have their finger on the pulse when it comes to the people they hire and manage.

But as a business grows, leaders often find there just isn't time to deal with day-to-day people management and recruitment and the focus on people can easily get lost. This is the costliest mistake a small business can make. Comprehensive HR is crucial for success. Without a talented team, your business falls down.

HR covers so much more than hiring, firing and pay reviews. It encompasses all aspects of people management, communication and is pivotal in building a positive culture. Get HR right and you are half way to making your business dreams a reality.

Consider the consequences of poor HR. When employees don't feel supported, aren't being given opportunities, work long hours, and so on, their motivation to perform is impacted. Under-deliver on effective HR and it has a knock-on effect on your bottom line.

Reputation as an employer is influential in attracting talent. It also impacts on customers. Take Uber as an example – plagued by a string of HR catastrophes from sexual harassment cases to ignoring employee complaints, the resulting bad publicity has undoubtedly deterred many from working there or from using their ridesharing services. Bad HR has destroyed Uber's employer brand.

MANAGEMENT

Management can be defined as the process of administering and controlling the affairs of the organization, irrespective of its nature, type, structure and size. It is an act of creating

and maintaining such a business environment wherein the members of the organization can work together, and achieve business objectives efficiently and effectively.

Management acts as a guide to a group of people working in the organization and coordinating their efforts, towards the attainment of the common objective.

In other words, it is concerned with optimally using 5M's, i.e. men, machine, material, money and methods and, this is possible only when there proper direction, coordination and integration of the processes and activities, to achieve the desired results.

Characteristics of Management
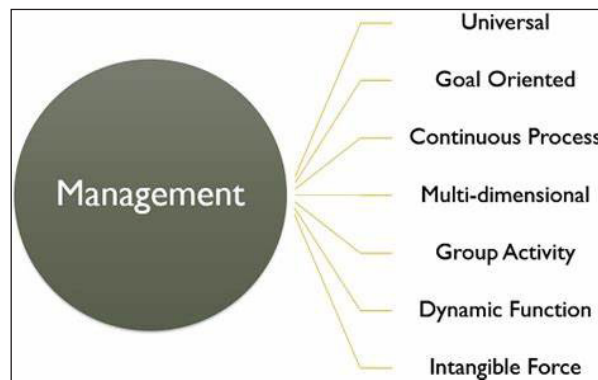
- Universal: All the organizations, whether it is profit-making or not, they require management, for managing their activities. Hence it is universal in nature.

- Goal Oriented: Every organization is set up with a predetermined objective and management helps in reaching those goals timely, and smoothly.

- Continuous Process: It is an ongoing process which tends to persist as long as the organization exists. It is required in every sphere of the organization whether it is production, human resource, finance or marketing.

- Multi-dimensional: Management is not confined to the administration of people only, but it also manages work, processes and operations, which makes it a multi-disciplinary activity.

- Group activity: An organization consists of various members who have different needs, expectations and beliefs. Every person joins the organization with a different motive, but after becoming a part of the organization they work for achieving the same goal. It requires supervision, teamwork and coordination, and in this way, management comes into the picture.

- Dynamic function: An organization exists in a business environment that has various factors like social, political, legal, technological and economic. A slight change in any of these factors will affect the organization's growth and

performance. So, to overcome these changes management formulates strategies and implements them.

- Intangible force: Management can neither be seen nor touched but one can feel its existence, in the way the organization functions.

Precisely, all the functions, activities and processes of the organization are interconnected to one another. And it is the task of the management to bring them together in such a way that they help in reaching the intended result.

Levels of Management
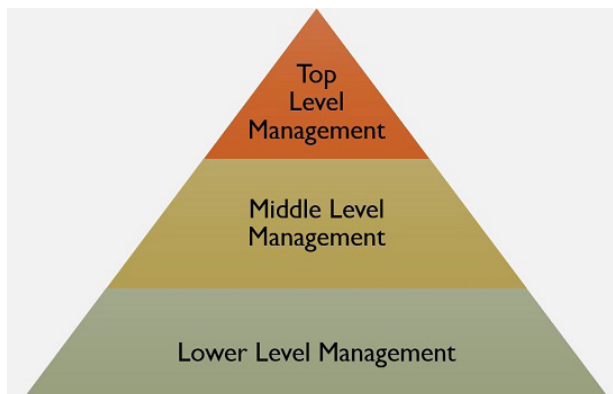
- Top-Level Management: This is the highest level in the organizational hierarchy, which includes Board of Directors and Chief Executives. They are responsible for defining the objectives, formulating plans, strategies and policies.

- Middle-Level Management: It is the second and most important level in the corporate ladder, as it creates a link between the top and lower level management. It includes departmental and division heads and managers who are responsible for implementing and controlling plans and strategies which are formulated by the top executives.

- Lower Level Management: Otherwise called as functional or operational level management. It includes first line managers, foreman, supervisors. As lower level management directly interacts with the workers, it plays a crucial role in the organization because it helps in reducing wastage and idle time of the workers, improving quality and quantity of output.

The three management levels form the management hierarchy, that represents the position and rank of executives and managers in the chart.

Functions of Management

- Planning: It is the first and foremost function of management, i.e. to decide

beforehand what is to be done in future. It encompasses formulating policies, establishing targets, scheduling actions and so forth.

- Organizing: Once the plans are formulated, the next step is to organise the activities and resources, as in identifying the tasks, classifying them, assigning duties to subordinates and allocating the resources.

- Staffing: It involves hiring personnel for carrying out various activities of the organization. It is to ensure that right person is appointed to the right job.

- Directing: It is the task of the manager to guide, supervise, lead and motivate the subordinates, to ensure that they work in right direction, so far as the objectives of the organization are concerned.

- Controlling: The controlling function of management involves a number of steps to be taken to make sure that the performance of the employees is as per the plans. It involves establishing performance standards and comparing them with the actual performance. In case of any variations, necessary steps are to be taken for its correction.

Coordination is an important feature of management which means the integration of the activities, processes and operations of the organization and synchronisation of efforts, to ensure that every element of the organization contributes to its success.

Henri Fayol's Principles of Management

Fayol presented 14 principles of management as general guides to the management process and management practice. These are as under:

- Division of work in the management process produces more and better work

with the same effort. Various functions of management like planning, organising, directing and controlling cannot be performed efficiently by a single proprietor or by a group of directors. They must be entrusted to specialists in related fields.

- Authority and Responsibility: As the management consists of getting the work done through others, it implies that the manager should have the right to give orders and power to exact obedience. A manager may exercise formal authority and also personal power. Formal authority is derived from his official position, while personal power is the result of intelligence, experience, moral worth, ability to lead, past service, etc. Responsibility is closely related to authority and it arises wherever authority is exercised. An individual who is willing to exercise authority, must also be prepared to bear responsibility to perform the work in the manner desired. However, responsibility is feared as much as authority is sought after.

- Discipline: Discipline is absolutely essential for the smooth running of business. By discipline we mean, the obedience to authority, observance of the rules of service and norms of performance, respect for agreements, sincere efforts for completing the given job, respect for superiors, etc. The best means of maintaining discipline are (a) good supervisors at all levels, (b) clear and fair agreements between the employees and the employer, and (c) judicious application of penalties. In fact, discipline is what leaders make it.

- Unity of Command: This principle requires that each employee should receive instructions about a particular work from one superior only. Fayol believed that if an employee was to report to more than one superior, he would be confused due to conflict in instructions and also it would be difficult to pinpoint responsibility to him.

- Unity of Direction: It means that there should be complete identity between individual and organisational goals on the one hand and between departmental goals inter se on the other. They should not pull in different directions.

- Subordination of Individual Interest to General Interest: In a business concern, an individual is always interested in maximising his own satisfaction through more money, recognition, status, etc. This is very often against the general interest which lies in maximising production. Hence the need to subordinate the individual interest to general interest.

- Remuneration: The remuneration paid to the personnel of the firm should be fair. It should be based on general business conditions, cost of living, productivity of the concerned employees and the capacity of the firm to pay. Fair remuneration increases workers" efficiency and morale and fosters good relations between them and the management.

- Centralisation: If subordinates are given more role and importance in the management and organisation of the firm, it is decentralisation. The management must decide the degree of centralisation or decentralisation of authority on the basis of the nature of the circumstances, size of the undertaking, the type of activities and the nature of organisational structure. The objective to pursue should be the optimum utilisation of all faculties of the personnel.

- Scalar Chain: Scalar chain means the hierarchy of authority from the highest executive to the lowest one for the purpose of communication. It states superior-subordinate relationship and the authority of superiors in relation to subordinates at various levels. As per this principle, the orders or communications should pass through the proper channels of authority along the scalar chain. But in case there is need for swift action, the proper channels of authority may be short-circuited by making direct contact (called gang plank) with the concerned authority.

- Order: To put things in an order needs effort. Disorder does not need any effort. It evolves by itself. Management should obtain orderliness in work through suitable organisation of men and materials. The principle of "right place for everything and for every man" should be observed by the management. To observe this principle, there is need for scientific selection of competent personnel, correct assignment of duties to personnel and good organisation.

- Equity: Equity means equality of fair treatment. Equity results from a combination of kindness and justice. Employees expect management to be equally just to everybody. It requires managers to be free from all prejudices, personal likes or dislikes. Equity ensures healthy industrial relations between management and labour which is essential for the successful working of the enterprise.

- Stability of Tenure of Personnel: In order to motivate workers to do more and better work, it is necessary that they should be assured security of job by the management. If they have fear of insecurity of job, their morale will be low and they cannot give more and better work. Further, they will not have any sense of attachment to the firm and they will always be on the lookout for a job elsewhere.

- Initiative: Initiative means freedom to think out and execute a plan. The zeal and energy of employees are augmented by initiative. Innovation which is the hallmark of technological progress, is possible only where the employees are encouraged to take initiative. According to Fayol. initiative is one of the keenest satisfactions for an intelligent man to experience, and hence, he advises managers to give their employees sufficient scope to show their initiative. Employees should be encouraged to make all kinds of suggestions to conceive and carry out their plans, even when some mistakes result.

- Esprit de Corps: This means team spirit. Since "union is strength", the management should create team spirit among the employees. Only when all the personnel pull together as a team, there is scope for realising the objectives of the concern. Harmony and unity among the staff are a great source of strength to the undertaking. To achieve this. Fayol suggested two things. One, the motto of divide and rule should be avoided, and two, verbal communication should be used for removing misunderstandings. Differences grow more bitter when cleared through written communication.

HUMAN RESOURCE MANAGEMENT

HRM is concerned with the human beings in an organization. "The management of man" is a very important and challenging job because ofthe dynamic nature of the people. No two people are similar in mental abilities, tacticians, sentiments, and behaviors; they differ widely also as a group and are subject to many varied influences. People are responsive, they feel, think and act therefore they can not be operated like a machine or shifted and altered like template in a room layout. They therefore need a tactful handing by management personnel.

HRM is the process of managing people of an organization with a human approach. Human resources approach to manpower enables the manager to view the people as an important resource. It is the approach through which organization can utilize the manpower not only for the benefits of the organization but for the growth, development and self satisfaction of the concerned people. Thus, HRM is a system that focuses on human resources development on one hand and effective management of people on the other hand so that people will enjoy human dignity in their employment.

HRM is involved in providing human dignity to the employees taking into account their capacity, potentially, talents, achievement, motivation, skill, commitment, great abilities, and so on. So, that their personalities are recognized as valuable human beings. If an organization can trust, depend and draw from their bank account on the strength of their capital assets, they can trust, depend and draw more on their committed, talented, dedicated and capable people. This is what the HRM is involved in every business, managerial activity or introduction.

The principal component of an organization is its human resource or 'people at work'. According to Leon C. Megginson from the national point of view Human Resources as, "the knowledge, skills, creative abilities, talents and aptitudes obtained in the population; whereas from the . view point of the individual enterprise, they represent the total of inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitudes ofits employees."

Human resource has a paramount importance in the success of any organization because most of the problems in organizational setting are human and social rather than physical, technical or economical failure. In the words of Oliver Shelden, "No industry can be rendered efficient so long as the basic fact remains unrecognized that it is principally human."

Human Resources Management is concerned with the "people" dimension in management. Since every organization is made up of people acquiring their services, developing their skills, motivating them to high level of performance and ensuring that they continue to maintain their commitment to the organization are essential to achieve organizational objectives. This is true regardless of the type of organization, government, business, education, health, recreation or social action. Getting and keeping good people is critical to the success of every organization, whether profit or non-profit, public or private.

There are two different definitions. The first definition of HRM is that "It is the process of managing people in organizations in a structured and thorough manner." This covers the fields of staffing (hiring people), retention of people, pay and perks setting and management, performance management, change management and taking care of exits from the company to round off the activities. This is the traditional definition of HRM which leads some experts to define it as a modem version of the Personnel Management function that was used earlier.

The second definition of HRM encompasses "The management of people in organizations from a macro perspective, i.e. managing people in the form of a collective relationship between management and employees." This approach focuses on the objectives and outcomes of the HRM functions. It means that the HR function in contemporary organizations is concerned with the notions of people enabling, people development and a focus on making the "employment relationship" fulfilling for both the management and employees.

In simple words, Human resource management is management function that helps manager to recruit, select, train and develop organization members. Or HRM is a process of making the efficient and effective use of human resources so that the set goals are achieved.

In general terms, Human Resource Management is "concerned with the people dimension in management. Since every organization is made up of people, acquiring their services, developing their skills, motivating them to high levels of performance and ensuring that they continue to maintain their commitment to the organization are essential for achieving organizational objectives. This is true regardless of the type of organization government business, Education, Health, regression or social action."

In the words of Dunn and Stephens, "The HRM is the process of attracting, holding and motivating all manager line and staff."

Nature of Human Resource Management

HRM is a management function that helps managers to recmit, select, train and develop members for an organization. HRM is concerned with people's dimension in organizations. The following aspects constitute the core of HRM:

- HRM Involves the Application of Management Functions and Principles. The functions and principles are applied for acquiring, developing, maintaining and providing remuneration to employees in organization.

- Decision Relating to Employees must be integrated. Decisions on different aspects of employees must be consistent with other human resource (HR) decisions.

- Decisions Made Influence the Effectiveness of an Organization. Effectiveness of an organization will result in betterment ofservices to customers in the form ofhigh quality products supplied at reasonable costs.

- HRM Functions are not confined to Business Establishments Only but applicable to non-business organizations such as education, health care, recreation and like.

HRM refers to a set of programmes, functions and activities designed and carried out in order to maximize both employee as well as organizational effectiveness.

Objectives of Human Resource Management

The primary objective of HRM is to ensure the availability of competent and willing workforce for an organization. Beyond this, there are other objectives too. Specifically, HRM objectives are four fold: Societal, Organization, Functional and personal.
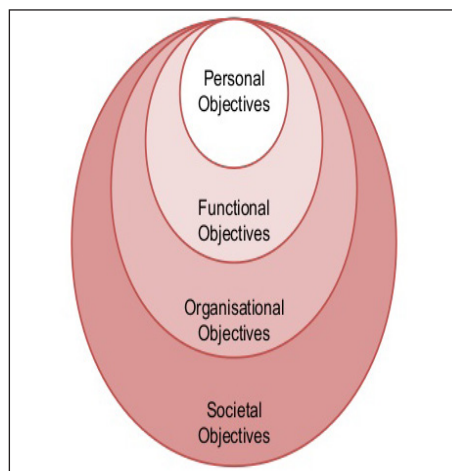
Human Resource and Personnel Management.

- Personal Objectives: To assist Employees in achieving their personal goals, at least in so far as these goals enhance the individual's contribution to the organization. Personal objectives of employees must be maintained, retained and motivated.

- Functional Objectives: To maintain the contribution of department at an appropriate level organization should fulfill the needs. Resources are wasted when HRM is either more or less sophisticated to suit the organizations demands.

- Organizational Objectives: To recognize the role of HRM in bringing about organizational effectiveness, HRM is not an end in itself but it is only a mean to assist the organization with its primary objectives organization.

- Societal Objectives: To be ethically & socially responsible for the needs and challenges of society while minimizing the negative impact of such demands upon the organization to use their resources for society's benefits in ethical ways may lead to restriction.

- Other objectives: Accomplish the basic organizational goals by creating and utilizing an able and motivated workforce.

  ◦ To establish and maintain organizational structure and desirable working relationships among all the members ofthe organization.

  ◦ Develop co-ordination among individual and group within organization to secure the integration of organization.

  ◦ To create facilities and opportunities for individual or group development so as to match it with the growth ofthe organization.

  ◦ To attain an effective utilization of human resources in the achievement of organizational goals.

  ◦ To identify and satisfy individual and group needs by providing adequate and equitable wages, incentives, employee benefits and social security and measures for challenging work, prestige, recognition, security, status.

  ◦ To maintain high employees morale and human relations by sustaining and improving the various conditions and facilities.

  ◦ To strengthen and appreciate the human assets continuously by providing training and development programs.

  ◦ To consider and contribute to the minimization ofsocio-economic evils such as unemployment, under employment, inequalities in the distribution of income and wealth and to improve the welfare ofthe society by providing employment opportunities to women and disadvantaged sections ofthe society.

  ◦ To provide an opportunity for expression and voice management.

  ◦ To provide fair, acceptable and efficient leadership.

- ◦ To provide facilities and conditions of work and creation of favorable atmosphere for maintaining stability of employment.

- ◦ To create & utilize an able & motivated work force Establish & maintain sound organizational structure Create facilities attain an effective utilization Identify & satisfy individual & group needs.

- ◦ Maintain high employee morale Training & development Opportunity for expression Provide fair, acceptable and efficient leadership Facilities and conditions.

Scope of HRM

The scope of HRM is indeed vast. All major activities in the working life of a worker - from the time of his or her entry into an organization until he or she leaves the organization comes under the preview of HRM.

The major HRM activities include HR planning, job analysis, job design, employee hiring, employee and executive remuneration, employee motivation, employee maintenance, industrial relations and prospects 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.

American Society for Training and Development (ASTD) conducted fairly an exhaustive study in this field and identified nine broad areas of activities of HRM.
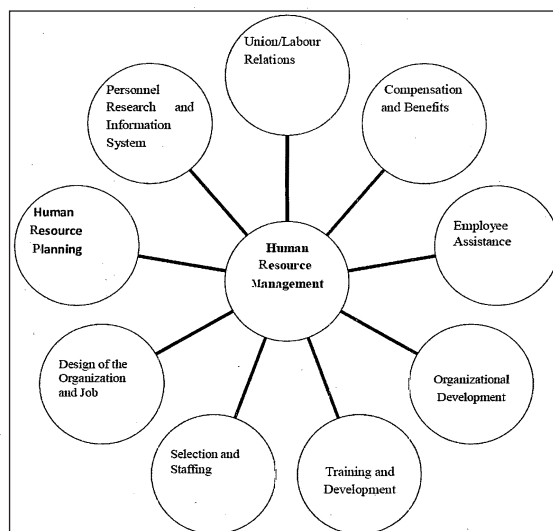
Scope of HRM.

These are given below:

    a) Human Resource Planning,

    b) Design of the Organization and Job,

    c) Selection and Staffing,

    d) Training and Development,

    e) Organizational Development,

    f) Compensation and Benefits,

    g) Employee Assistance,

    h) Union/Labour Relations,

    i) Personnel Research and Information System.

a) Human Resource Planning: The objective of HR Planning is to ensure that the organization has the right types ofpersons 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. Moreover, HR Planning forecast demand and supplies and identify sources of selection. HR Planning develops strategies both longterm and short-term, to meet the man-power requirement.

b) 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.

c) 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.

d) Training and Development: This involves an organized attempt to find out training needs of individuals to meet the knowledge and skill which is needed not only to perform current job but also to fulfill the future needs ofthe organization.

e) 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.

f) 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.

g) Employee Assistance: Each employee is unique in character, personality, expectation and temperament. By and large each one of them faces problems everyday. 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 happy.

h) Union-Labour Relations: Healthy Industrial and Labour relations are very important for enhancing peace and productivity in an organization. This is one ofthe areas of HRM.

i) Personnel Research and Information System: Knowledge on behavioral science and industrial psychology throws better insight into the workers expectations, aspirations and behavior. Advancement of technology of product and production methods have created working environment which are much different from the past.

Globalization of economy has increased competition many fold. Science of ergonomics gives better ideas of doing a work more conveniently by an employee. Thus, continuous research in HR areas is an unavoidable requirement. It must also take special care for improving exchange of information through effective communication systems on a continuous basis especially on moral and motivation. HRM is a broad concept; personnel management (PM) and Human resource development (HRD) are the parts of HRM.

Role of HRM

The role of HRM is to plan, develop and administer policies and programs designed to make optimum use of an organizations human resources. It is that part of management which is concerned with the people at work and with their relationship within enterprises.

Current Classification of HR Roles

According to R.L Mathis and J. H. Jackson several roles can be fulfilled by HR management. The nature and extent of these roles depend on both what upper management wants HR management to do and what competencies the HR staff have demonstrated. Three roles are typically identified for HR.

- Administrative

- Operational Actions

- Strategic HR

Administrative Role of HR

The administrative role of HR management has been heavily oriented to administration and recordkeeping including essential legal paperwork and policy implementation. Major changes have happened in the administrative role of HR during the recent years. Two major shifts driving the transformation of the administrative role are: Greater use of technology and Outsourcing.

Technology has been widely used to improve the administrative efficiency of HR and the responsiveness of HR to employees and managers. Moreover, HR functions are becoming available electronically or are being done on the Internet using Web-based technology. Technology is being used in most HR activities, from employment applications and employee benefits enrollments to e-leaming using Internet-based resources.

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┌─────────────────────────────┐
│        Administrative        │
│      Personnel practices     │
│    Legal compliance forms    │
│         and paperwork        │
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┌─────────────────────────────┐
│      Operational Actions     │
│      Managing employee       │
│       relationship issues    │
│       Employee advocate      │
└─────────────────────────────┘
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              ▼
┌─────────────────────────────┐
│          Strategic HR        │
│    Organizational/business   │
│           strategies         │
│    HR strategic or planning  │
│        Evaluation of HR      │
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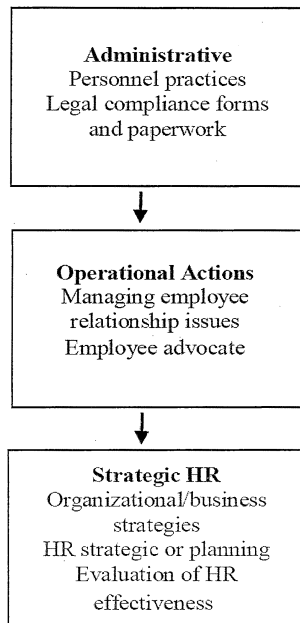
Classification of HR Roles.

Increasingly, many HR administrative functions are being outsourced to vendors. This outsourcing of HR administrative activities has grown dramatically in HR areas such as employee assistance (counseling), retirement planning, benefits administration, payroll services and outplacement services.

Operational and Employee Advocate Role for HR

HR managers manage most HR activities in line with the strategies and operations that have been identified by management and serves as employee "champion" for employee issues and concerns.

HR often has been viewed as the "employee advocate" in organizations. They act as the voice for employee concerns, and spend considerable time on HR "crisis management," dealing with employee problems that are both work-related and non work-related. Employee advocacy helps to ensure fair and equitable treatment for employees regardless of personal background or circumstances.

Sometimes the HR's advocate role may create conflict with operating managers. However, without the HR advocate role, employers could face even more lawsuits and regulatory complaints than they do now.

The operational role requires HR professionals to co-operate with various departmental and operating managers and supervisors in order to identify and implement needed programs and policies in the organization. Operational activities are tactical in nature. Compliance with equal employment opportunity and other laws are ensured, employment applications are processed, current openings are filled through interviews, supervisors are trained, safety problems are resolved and wage and benefit questions are answered. For carrying out these activities HR manager matches HR activities with the strategies of the organization.

Strategic Role for HR

The administrative role traditionally has been the dominant role for HR. A broader transformation in HR is needed so that significantly less HR time and fewer HR staffs are used just for clerical work.

Differences between the operational and strategic roles exist in a number of HR areas. The strategic HR role means that HR professionals are proactive in addressing business realities and focusing on fiiture business needs, such as strategic planning, compensation strategies, the performance of HR and measuring its results. However, in some organizations, HR often does not play a key role in formulating the strategies for the organization as a whole; instead it merely carries them out through HR activities.

Many executives, managers, and HR professionals are increasingly seeing the need for HR management to become a greater strategic contributor to the business success of organizations. HR should be responsible for knowing what the true cost of human capital is for an employer.

For example, it may cost two times key employees' annual salaries to replace them if they leave. Turnover can be controlled though HR activities, and if it is successful in saving the company money with good retention and talent management strategies, those may be important contributions to the bottom line of organizational performance.

The role of HR as a strategic business partner is often described as "having a seat at the table," and contributing to the strategic directions and success of the organization. That means HR is involved in devising strategy in addition of implementing strategy. Part of HR's contribution is to have financial expertise and to produce financial results, not just to boost employee morale or administrative efficiencies. Therefore, a significant concern for chief financial officers (CFOs) is whether HR executives are equipped to help them to plan and meet financial requirements.

The role of HR shifted from a facilitator to a functional peer with competencies in other functions and is acknowledged as an equal partner by others. The HR is motivated to contribute to organizational objectives of profitability and customer satisfaction and is seen as a vehicle for realization of quality development. The department has a responsibility for monitoring employee satisfaction, since it is seen as substitute to customer satisfaction.

According to McKinsey's 7-S framework model HR plays the role of a catalyst for the organization. According to this framework, effective organizational change is a complex relationship between seven S's.

HRM is a total matching process between the three Hard S (Strategy, Structure and Systems) and the four Soft S (Style, Staff, Skills and Super-ordinate Goals). Clearly, all the S's have to complement each other and have to be aligned towards a single corporate vision for the organization to be effective. It has to be realized that most of the S's are determined directly or indirectly by the way Human Resources are managed and therefore, HRM must be a part ofthe total business strategy.

Importance of HRM

The importance of human resource management can be discussed by Yodder, Heneman and others, from three standpoints, viz., social, professional and individual enterprise.

1. Social Significance: Proper management of personnel enhances their dignity by satisfying their social needs. This is done by: (i) maintaining a balance between the jobs available and the jobseekers, according to the qualifications and needs; (ii) Providing suitable and most productive employment, which might bring them psychological satisfaction; (iii) making maximum utilization of the resources in an effective manner and paying the employee a reasonable compensation in proportion to the contribution made by him; (iv) eliminating waste or improper 19 use of human resource, through conservation of their normal energy and health; and (v) by helping people make their own decisions, that are in their interests.

2. Professional Significance: By providing healthy working environment it promotes team work in the employees. This is done by: (i) maintaining the dignity of the employee as a 'human-being'; (ii) providing maximum opportunity for personal development; (Hi) providing healthy relationship between different work groups so that work is effectively performed; (iv) improving the employees' working skill and capacity; (v) correcting the errors of wrong postings and proper reallocation of work.

3. Significance for Individual Enterprise: It can help the organization in accomplishing its goals by: (i) creating right attitude among the employees through effective motivation; (ii) utilizing effectively the available goals of the enterprise and fulfilling their own social and other psychological needs of recognition, love, affection, belongingness, esteem and self-actualization.

4. Dynamic and growth: Oriented organization do require effective management of people in a fast - changing environment. Organizations flourish only through the efforts and competencies of their human resources. Employee capabilities must continuously be acquired, sharpened, and used.

Any organization will have proper human resource management (i) to improve the capabilities of an individual; (ii) to develop team spirit of an individual and the

department; and (iii) to obtain necessaiy co - operation from the employees to promote organizational effectiveness.

Functions of HRM

Human Resources management has an important role to play in equipping organizations to meet the challenges of an expanding and increasingly competitive sector. Increase in staff numbers, contractual diversification and changes in demographic profile which compel the HR managers to reconfigure the role and significance of human resources management.

The functions are responsive to current staffing needs, but can be proactive in reshaping organizational objectives. All the functions of HRM are correlated with the core objectives of HRM. For example personal objectives are sought to be realized through functions like remuneration, assessment etc.

HR management can be thought of as seven interlinked functions taking place within organizations, as depicted in figure.

Additionally, external forces—legal, economic, technological, global, environmental, cultural/geographic, political, and social—significantly affect how HR functions are designed, managed, and changed.

1. Strategic HR Management: As a part of maintaining organizational competitiveness, strategic planning for HR effectiveness can be increased through the use of HR metrics and HR technology. Human resource planning (HRP) function determine the number and type of employees needed to accomplish organizational goals.
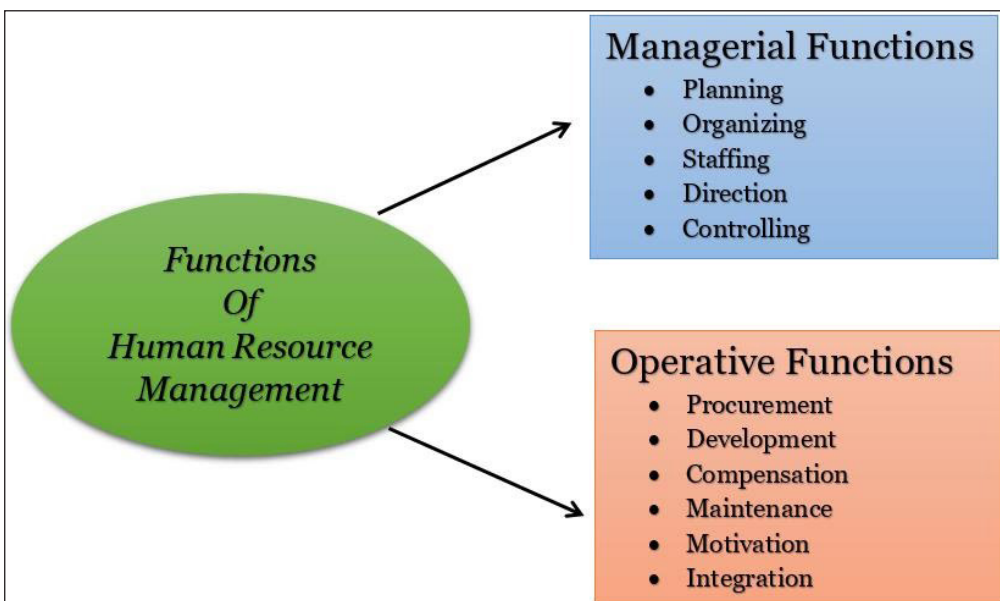
Functions of HRM.

HRP includes creating venture teams with a balanced skill-mix, recruiting the right people, and voluntary team assignment. This function analyzes and determines personnel needs in order to create effective innovation teams. The basic HRP strategies are staffing and employee development.

2. Equal Employment Opportunity: Compliance with equal employment opportunity (EEO) laws and regulations affect all other HR activities.

3. Staffing: The aim of staffing is to provide a sufficient supply of qualified individuals to fill jobs in an organization. Job analysis, recruitment and selection are the main functions under staffing.

Workers job design and job analysis laid the foundation for staffing by identifying what diverse people do in their jobs and how they are affected by them. Job analysis is the process of describing the nature of a job and specifying the human requirements such as knowledge, skills and experience needed to perform the job. The end result of job analysis is job description. Job description spells out work duties and activities of employees.

Through HR planning, managers anticipate the future supply of and demand for employees and the nature of workforce issues, including the retention of employees. So HRP precedes the actual selection of people for organization. These factors are used when recruiting applicants for job openings. The selection process is concerned with choosing qualified individuals to fill those jobs. In the selection function, the most qualified applicants are selected for hiring from among the applicants based on the extent to which their abilities and skills are matching with the job.

4. Talent Management and Development: Beginning with the orientation of new employees, talent management and development includes different types of training. Orientation is the first step towards helping a new employee to adjust himself with the new job and the employer. It is a method to acquaint new employees with particular aspects of their new job, including pay and benefit programmes, working hours and company rules and expectations.

Training and Development programs provide useful means of assuring that the employees are capable of performing their jobs at acceptable levels and also more than that.

All the organizations provide training for new and inexperienced employee. In addition, organization often provide both on the job and offthe job training programmes for those employees whose jobs are undergoing change.

Likewise, HR development and succession planning of employees and managers both are necessary to prepare for future challenges. Career planning has developed as result ofthe desire of many employees to grow in their jobs and to advance in their career. Career planning activities include assessing an individual employee's potential for growth and advancement in the organization.

Performance appraisal includes encouraging risk taking, demanding innovation, generating or adopting new tasks, peer evaluation, frequent evaluations and auditing innovation processes.

This function monitors employee performance to ensure that it is at acceptable levels or not. This strategy appraises individual and team performance so that there is a - link between individual innovativeness and company profitability. Which tasks should be appraised and who should assess employees' performance are also taken into account.

5. Total Rewards: Compensation in the form of pay, incentives and benefits are the rewards given to the employees for performing organizational work. Compensation management is the method for determining how much employees should be paid for performing certain jobs. Compensation affects staffing and in the matter of staffing; people are generally attracted to organizations offering a higher level of pay in exchange of the work performed.

To be competitive, employers develop and refine their basic compensation systems and may use variable pay programs such as incentive rewards, promotion from within the team, recognition rewards, balancing team and individual rewards etc. This function uses rewards to motivate personnel to achieve an organization's goals of productivity, innovation and profitability.

Compensation is also related to employee development in the matter of compensation; it provides an important incentive for motivating employees to higher levels of job performance in the organization.

Benefits are another form of compensation to employees other than direct pay for the work performed. Benefits include both legally required items and those offered at employer's discretion. Benefits are primarily related to the area of employee maintenance as they provide for many basic employee needs.

6. Risk Management and Worker Protection: HRM addresses various workplace risks to ensure protection of workers by meeting legal requirements and being more responsive to concern for workplace health and safety along with disaster and recovery planning.

7. Employee and Labor Relations: The relationship between managers and their employees must be handled legally and effectively. Employer and employee rights must be addressed. It is important to develop, communicate and update HR policies and procedures so that managers and employees alike know what is expected. In some organizations, union/management relations must be addressed as well.

The term labour relation refers to the interaction with employees who are represented by a trade union. Unions are organization of employees who join together to obtain more voice in decisions affecting wages, benefits, working conditions and other aspects of employment. With regard to labour relations the major function of HR personnel

includes negotiating with the unions regarding wages, service conditions and resolving disputes and grievances.

Role of HR Manager

Human Resources Manager plays a vital role in the modem organization. He plays various strategic roles at different levels in the organization. The roles of the HR Manager include roles of conscience, of a counsellor, a mediator, a company spokesman, a problem solver and a change agent.

1. The Conscience Role: The conscience role is that of a humanitarian who reminds the management ofits morals and obligations to its employees.

2. The Counsellor: Employees who are dissatisfied with the present job approach the HR manager for counselling. In addition, employees facing various problems like marital, health, children education/marriage, mental, physical and career also approach the HR managers. The HR Manager counsels and consults the employees and offers suggestions to solve/overcome the problems.

3. The Mediator: As a mediator, the HR manager plays the role of a peace-maker. He settles the disputes between employees and the management. He acts as a liaison and communication link between both of them.

4. The Spokesman: He is a frequent spokesman for or representative of the company.

5. The Problem-solver: He acts as a problem solver with respect to the issues that involve human resources management and overall long range organizational planning.

6. The Change Agent: He acts as a change agent and introduces changes in various existing programmes.

He also performs various other roles like welfare role, clerical role and fire-fighting role.

1. As a Specialist: The HR department has staff relationship with other departments/managers in the total organization. The personnel department is responsible for advising management from the Managing Director to the lowest line supervisor in all areas relating to HR management and industrial relations. HR department also performs various functions of employment, training and development. It represents the management in many ofthe relationships that affect the organization as a whole. It is also responsible for representing various workers' problems to the management.

HR department generally acts in an advisory capacity; it provides information, offers suggestions and is not responsible for the end results. The HR managers must exercise control

each and every aspect very tactfully in order to win the confidence and cooperation of all line managers. They have to persuade line managers to work with staff specialists and not against them. The authority of the HR manager should derive from concrete HR policies and programmes and from the advantages and result of accepted specialised knowledge.

The Role of the HR Manager			
HR Role	Welfare Role	Clerical Role	Fire-fighting legal Role
(a) Advisory — advising Management on effective use of human resources.	(a) Research in personnel and organisational problems.	(a) Time keeping	(a) Grievance handling.
(b) Manpower planning – Recruitment, selection etc.	(b) Managing services canteens, grain shops, transport co-operatives cereals etc.	(b) Salary and wage administration, incentives.	(b) Settlement of disputes.
(c) Training and development of line men.	(c) Group dynamics- Group counselling, motivation, leadership, communication etc.	(c) Maintenance of records.	(c) Handling disciplinary actions.
(d) Measurement and assessment of individual and group behaviour.		(d) Human Engineering – Man-Machine relationship.	(d) Collective bargaining.
			(e) Joint consultations.

2. As a Source of Help: In certain situations (when line managers lack skill or knowledge in dealing with employee problems), experienced HR managers assume line responsibility for HR matters. But it may be resented by the managers who ought to seek staff assistance in meeting their HR responsibilities. They should earn the reputation and confidence ofline managers ofbeing a source ofhelp rather than a source ofthreat to line managers. Staff assistance is likely to be effective when it is wanted rather than imposed.

3. As a Change Agent: HR Manager should work as an enabler and change agent regarding HR areas and he should be familiar with different disciplines like management, technology, sociology, psychology and organizational behaviour as organizational adaptability, viability and development are dependent on human resources development. So, the HR manager should work as a consultant of an organizational development by providing necessary information and infrastructure to the line managers. Thus, the role of HR managers is more concerned with providing information and offering advice to the decision-makers rather than making decisions.

4. As a Controller: Nevertheless, it is still true that effective HR executives advise on policies, help managers in implementing their programmes and provide services, exercise monitoring and control functions sparingly.

HUMAN RESOURCE MANAGEMENT SKILLS

Human resource professionals are one-of-a-kind. They have a certain set of skills that only HR professionals have, which is what makes them so special. The five essential human resource management skills needed to run a successful human resource department and hire the best talent on the market today are mentioned below.

Organization

One of the most important human resource management skills you must have to successfully work in HR is organization. Everyone who works in HR must be well-organized, must have strong time management and be personally efficient in order to succeed. This means that their office cannot be in shambles. Paperwork must always be filed correctly, especially when it comes to personnel files of employees.

Negotiation

The second essential human resource management skill that all HR professionals need to be successful is that of the ability to negotiate. When negotiation rolls around when an offer of employment has been extended, there typically are two differing sides. A strong HR professional will be able to work with both sides so an agreement can be reached that makes everyone involved happy.

Problem Solving and Conflict Management

The third essential human resource management skill on our list is a combination of two items; problem solving and conflict management. It is a given that not every single employee in your office will get along with their co-workers or their managers. This means that at some point, you will need to solve problems or manage conflicts. The most effective HR manager will be able to ensure that employees work together in a civil manner so work can be completed on-time and with high quality.

Communication

Communication is key in every single workplace, but it is very important in the skillset of the HR professional. If an HR manager cannot communicate to upper-level managers, to employees and to shareholders, then the company will not succeed. The communication done by HR managers is not one-fold. There are many methods of communication used by HR managers today. These include writing, speaking in front of small and large groups of people and through social media.

Multitasking

Multitasking is the fifth essential skill needed by HR managers in order to be successful

today. The HR manager is inundated with a variety of issues, questions and requests on a daily basis. Some of them might relate to others and some will be completely different issues altogether. HR managers must know how to adapt to change in the office if they want to be successful. This is part of multitasking because they will need handle an issue with an employee while also implementing a new policy from the higher-ups.

Functions of Human Resource Management

Human Resource Management functions can be classified in following three categories:

1. Managerial Functions,

2. Operative Functions,

3. Advisory Functions.

The Managerial Functions of Human Resource Management are as follows:

1. Human Resource Planning - In this function of HRM, the number and type of employees needed to accomplish organisational goals is determined. Research is an important part of this function, information is collected and analysed to identify current and future human resource needs and to forecast changing values, attitude, and behaviour of employees and their impact on organisation.

2. Organising - In an organisation tasks are allocated among its members, relationships are identified, and activities are integrated towards a common objective. Relationships are established among the employees so that they can collectively contribute to the attainment of organisation goal.

3. Directing - Activating employees at different level and making them contribute maximum to the organisation is possible through proper direction and motivation. Taping the maximum potentialities of the employees is possible through motivation and command.

4. Controlling - After planning, organising, and directing, the actual performance of employees is checked, verified, and compared with the plans. If the actual performance is found deviated from the plan, control measures are required to be taken.

The Operative Functions of Human Resource Management are as follows:

1. Recruitment and Selection - Recruitment of candidates is the function preceding the selection, which brings the pool of prospective candidates for the organisation so that the management can select the right candidate from this pool.

2. Job Analysis and Design - Job analysis is the process of describing the nature of a job and specifying the human requirements like qualification, skills, and work experience to perform that job. Job design aims at outlining and organising tasks, duties, and responsibilities into a single unit of work for the achievement of certain objectives.

3. Performance Appraisal - Human resource professionals are required to perform this function to ensure that the performance of employee is at acceptable level.

4. Training and Development - This function of human resource management helps the employees to acquire skills and knowledge to perform their jobs effectively. Training an development programs are organised for both new and existing employees. Employees are prepared for higher level responsibilities through training and development.

5. Wage and Salary Administration - Human resource management determines what is to be paid for different type of jobs. Human resource management decides employees compensation which includes - wage administration, salary administration, incentives, bonuses, fringe benefits, and etc,.

6. Employee Welfare - This function refers to various services, benefits, and facilities that are provided to employees for their well being.

7. Maintenance - Human resource is considered as asset for the organisation. Employee turnover is not considered good for the organisation. Human resource management always try to keep their best performing employees with the organisation.

8. Labour Relations - This function refers to the interaction of human resource management with employees who are represented by a trade union. Employees comes together and forms an union to obtain more voice in decisions affecting wage, benefits, working condition, etc,.

9. Personnel Research - Personnel researches are done by human resource management to gather employees' opinions on wages and salaries, promotions, working conditions, welfare activities, leadership, etc,. Such researches helps in understanding employees satisfaction, employees turnover, employee termination, etc,.

10. Personnel Record - This function involves recording, maintaining, and retrieving employee related information like - application forms, employment history, working hours, earnings, employee absents and presents, employee turnover and other other data related to employees.

The Advisory Functions of Human Resource Management are as follows:

Human Resource Management is expert in managing human resources and so can give

advice on matters related to human resources of the organisation. Human Resource Management can offer advice to:

1. Advised to Top Management: Personnel manager advises the top management in formulation and evaluation of personnel programs, policies, and procedures.

2. Advised to Departmental Heads: Personnel manager advises the the heads of various departments on matters such as manpower planning, job analysis, job design, recruitment, selection, placement, training, performance appraisal, etc.

INTERNATIONAL HUMAN RESOURCE MANAGEMENT

Due to increased globalization and easy mobility and communications between countries, companies operate at international level. Major task for organizations which operate across international boundaries is to manage the dissimilar stresses of the drive for integration and differentiation. In broader sense, International human resource management process has same activities as in Domestic HRM such as planning and staffing however domestic HRM is operated in one nation and IHRM activities are involved in different countries. International Human Resource Management is a branch of management studies that examines the design and effects of organizational human resource practices in cross-cultural contexts. It occupies an exciting position in the interstices of international business, human resource management and organizational behaviour, scholarships. Theoretical studied explained that International HRM is the interplay between three dimensions: HR activities, the types of people being employed in the organisation and the different countries that an organisation is operating in. Complexities caused by these last two variables, are what differentiates international HRM from domestic HRM, as the HR activities themselves are relatively similar.

Concept of International Human Resource Management

Broadly defined, International human resource management is the study and application of all human resource management activities as they impact the process of managing human resources in enterprises in the global environment. IHRM can be explained as "The set of distinct activities, functions and processes that are directed at attracting, developing and maintaining an MNC's human resources. It is the aggregate of the various HRM systems used to manage people in the MNC, both at home and overseas". An international organization or firm is one in which operations take place in subsidiaries overseas, which rely on the business expertise or manufacturing capacity of the parent company. Such companies or organizations bring with them their own management attitudes and business styles.

Human resource managers of such organizations cannot afford to ignore the international influences on their work. International human resource management play significant role in providing solution to global business issues. Theorists explained that International HR management denotes to an extension of HR that relates to having people working abroad. These can be either expatriate staff, those who are recruited from or work within their own home countries (locally recruited staff), or even third country nationals (individuals from neither the 'parent' nor 'home' country, but rather a third country. The kinds of organizations in which this is the case can range from those with a small office or subsidiary based abroad, to major multinational corporations, international public-sector organizations, or international NGOs (charities) with sites all over the world. It can also encompass an organization working in a joint partnership with another organization overseas. Alternatively it could be a home based organization with overseas offices or a company with selected departments which are offshore. The differences between IHRM and HRM is that IHRM is being unpredictable and influenced more by external factors, requiring more functions, having continuously changing perspectives, requiring more intervention in employees' personal lives, and being more risky.

Major Functions of International Human Resource Management

In International human resource management, there are five functional areas that include recruitment and selection, development and training, performance evaluation, remuneration and labor relations. In the first function of IHRM, Recruitment and selection, company employs new qualified candidates for international operations. Selection requires choosing from this pool the candidate whose qualifications most closely match the job requirements. Staffing is a complex function of international human resource management. In an global firms, the managing and staffing approach strongly affects the type of employee the company prefers. In a company with an ethnocentric approach, parent country nationals usually staff important positions at headquarters and subsidiaries. In recruitment and selection methods, firms consider both headquarters' practices and those widespread in the countries of its subsidiaries. Local culture also have great impact on recruitment and selection practices, and in some countries, local laws require a specific approach. In choosing the suitable candidate, it is needed to make balance between internal corporate consistency and sensitivity to local labor practices.

Another significant function of IHRM is Development and training which is aimed to offer sufficient training to personnel in a company and enable them to fulfil their goals, as well as show better performance and growth with their work. At global level, human resource development experts must have responsibility for training and development of employees located in subsidiaries around the world, specialized training to prepare expatriates for assignments abroad, and lastly development of a special group of worldwide minded managers. International human resource development programs may be done in two ways

such as centralized and decentralized. In a centralized approach, training originates at the headquarters and corporate trainers travel to subsidiaries, often adapting to local situations. This fits the ethnocentric model. A geocentric approach is also centralized, and trainers could be sent from various positions in either the headquarters or subsidiaries to any other location in the company. In a decentralized approach, training is given locally, following a polycentric model. When training is decentralized, the cultural backgrounds of the trainers and trainees are usually similar. Local people develop training materials and techniques for use in their own area. It is important that trainer must be qualified.

Performance evaluation is the effective function of international human resource management. In companies, the performance evaluation is regularly performed for administration or development intentions. Usually, administration conduct evaluation when there is doubt of performance of candidate and there is a need of performance evaluation on work conditions of employees, promotions, rewards and/or layoffs. In multinational companies, performance appraisals are usually done annually and use a standardized evaluation form. Performance evaluation is complex task for International HR managers because the organization must evaluate employees from different countries working in different subsidiaries. Performance evaluation depends on the organization's overall human resource management strategy.

Remuneration and benefits is other functional approach of IHRM. Remuneration of employees plays an important role in hiring new employees because pay is the major source of people to live in the world. To develop an international system of compensation and benefits, firms have two primary concerns. The first is comparability. A good compensation system disperses salaries to employees that are internally equivalent and competitive within the marketplace. The international organization must also consider the salaries of people who may transfer from other locations. The second major concern is cost. Organizations struggle to reduce all expenses, and payroll is one of the largest.

Lastly, the labor relations function of IHRM which describes the role of management and workers in the workplace. In many countries, the government regulates labor relations practices.

Laurent recommends that international approach to human resource management would require numerous steps, Firstly, an explicit recognition by the parent organization that its own peculiar ways of managing human resources reflect some of the assumptions and values of its home culture. Secondly, an clear recognition by the parent organization that its peculiar ways are neither universally better nor worse than others, but are different and likely to exhibit strengths and weaknesses, particularly abroad. Next step is unambiguous recognition by the parent organization that its foreign subsidiaries may have other preferred ways of managing people that are neither intrinsically better nor worse, but could possibly be more effective locally. Next step is preparedness from headquarters not only to acknowledge cultural differences, but also to take action in order to make them discussable and therefore useable. Last step is

developing genuine belief by all parties that more creative and effective ways of managing people could be developed as a result of cross-cultural learning.

Some people consider international HRM is similar to expatriate management. But IHRM has more importance and it includes more activities as compared to just the management of expatriates. It involves the international management of people. Although International HR managers assume the same activities as their domestically-based colleagues, the scope and intricacy of these tasks will depend on the extent of internationalisation of the organisation. Moving in global economy, organisations have to amend their traditional ways of managing people. The human factor is progressively more acknowledged as critical to organizational success. Theorists, Bohlander and Snell commented that "In the past, observers feared that machines might one day eliminate the need for people at work". Actually, just the opposite has been occurring. People are more important than earlier time.

In fast-growing economies, it is easy to access money and technology than good people. Competitive advantage belongs to companies that know how to attract, select, deploy, and develop talent. In multinational companies, major objective of HRM function is to make certain that the most effective use is made of its human resources. To accomplish this, HR professionals undertake a range of activities around sourcing, development, reward and performance management, HR planning, employee involvement and communications. If the organisation has a strategic HR function, these activities will support and inform organisational strategy. HR professionals are also used extensively in organisational change and development initiatives. For international organisations, these HR activities need to be co-ordinated across both the home country and different national subsidiaries and to take into account the needs of both parent country nationals (PCNs), host country nationals (HCNs) and third country nationals (TCNs).

Model of IHRM
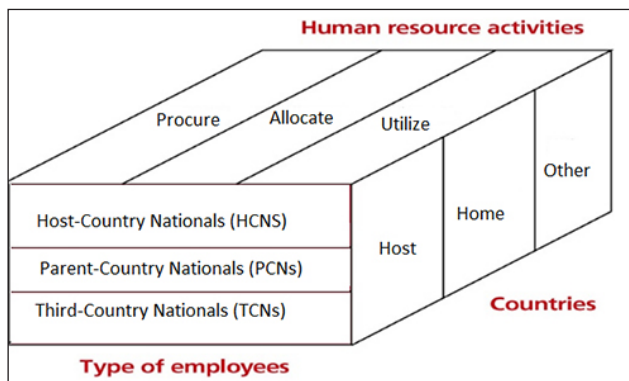
The role of the IHR manager will differ and it depends on the international orientation of the organisation. It is critical that managers must be able to interpret international organisational strategy and develop IHR policies and practices which support that

focus. As a strategic partner, the IHR manager should equally advise senior management of any mismatch between stated organisation internationalisation goals and actual IHR practice. In order to enhance the competitive advantage of firm, the IHR professionals must focus on their international competencies and learn about the basics of global business.

International Human Resource Management

Strategies of International Human Resource Management
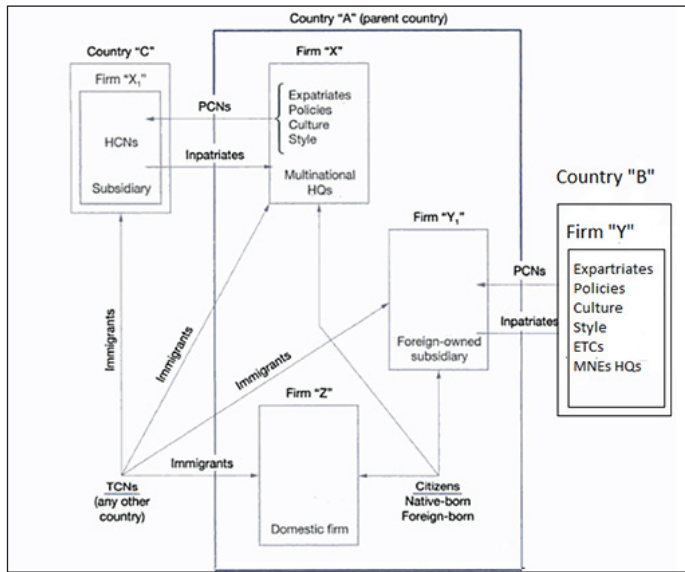
To respond major challenges in business, International HR executives are forced to formulate strategies and practices that will make their organizations successful. At the macro level, strategic global HRM is used to ensure that the organization overarching values, objectives and goals are supportedby the HR policies, procedures and practices. At the meso level, HR executives are mainly concerned to deal with issues relating to unions in the host country. At the micro level, HR executives are attempting to foster a global mindset among the workforce through developing HR competencies and business-related.

While implementing an IHR strategy, management team must ascertain the current and intended nature of international operations in the organisation (multi-domestic, international, global or transnational. Managers should determine the extent to which HR policies and practices should be standardised or localised in accordance with overall organisational strategy. They must assess the extent to which local cultural, social, political, economic and legal factors will impinge on any attempts to apply standard HR policies if integration is a key factor in organisational strategy and ensure a computerised database of global human resources is used if integration is desired. In formulation of IHRM strategy, it is recommended to work with the senior management team to identify the competencies required to achieve global organisational objectives and also

work with national HR and line managers to formulate IHR policies and practices in the key areas of sourcing, development and reward which will embed a transnational mindset in the organisation.

Major Issues/Challenges of International Human Resource Management

A crucial challenge for all international organisations is the need to achieve target in relation to the competing demands of global integration and co-ordination versus local responsiveness, the "global versus local" debate. Main challenges in IHRM include high failure rates of expatriation and repatriation, Deployment, getting the right mix of skills in the organization regardless of geographical location, Knowledge and innovation dissemination and managing critical knowledge and speed of information flow, Talent identification and development and identify capable people who are able to f unction effectively, Barriers to women in IHRM, International ethics, language (e.g spoken, written, body). Other challenges are Different labor laws, Different political climate, and different stage of technological advancement, different values and attitudes e.g. time, achievement risk taking, Roles of religion e.g. sacred objects, prayer, taboos, holidays, etc, Educational level attained, Social organizations e.g. social institutions, authority structures, interest groups, status systems.

Major issues for IHRM include the variety of international organizational models that exist, the extent to which HRM policy and practice should vary in different countries, the problem of managing people in different cultures and environments, the approaches used to select, deploy, develop and reward expatriates who could be nationals of the parent company or 'third-country nationals' (TCNs), nationals of countries other than the parent company who work abroad in subsidiaries of that organization. Cultural and environmental diversity is main problems in international HRM. Haley stated that in culture where people are emphasized, it is the quality of international relationships which is important. In cultures where ideologies are emphasized, sharing common beliefs is more important than group membership. Emphasizes that there are a number of cultural dimensions that affect international operations. Recognize various HR areas that may be affected by national culture such as decisions on what makes an effective manager, giving face-to-face feedback, readiness to accept international assignments, pay systems and different concepts of social justice, approaches to organizational structuring and strategic dynamics.

These cultural differences mentioned gave the saying 'think globally and act locally'. This means that an international balancing act is essential, which leads to the important assumption given and that denotes 'Balancing the needs of co-ordination, control and autonomy and maintaining the appropriate balance are critical to the success of the multinational company.'

Challenges of IHRM

Ulrich proposed that to accomplish this balancing act, there are six capabilities that enable firms to integrate and concentrate international activities and also separate and adopt local activities that include being able to determine core activities and non-core activities, achieving consistency while allowing flexibility, building global brand equity while honouring local customs, obtaining leverage (bigger is better) while achieving focus (smaller is better, sharing learning and creating new knowledge andengendering a global perspective while ensuring local accountability.

Other problems are managing international assignments, employee and family adjustment, selecting the right person for international task, culture and communication barrier. Challenges of IHRM are clarifying taxation issues, coordinating foreign currencies, exchange rates, compensation plans, working directly with the families of employees, more involvement in employees personal life, facility etc. Different HR systems for different geographic locations. More complex external constituencies, foreign Governments, political and religious groups, heightened exposure to risks such as health, terrorism, legal issues, human and financial consequences of mistakes.

Issues in Supply of International Human Resource
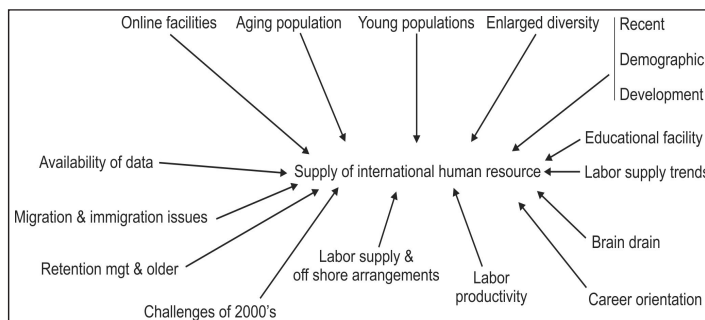
Laurent stated that "in order to build, maintain and develop the corporate identity, multinational organizations need to strive for consistency in their ways of managing people on a worldwide basis. Yet, and in order to be effective locally, they also need to adapt those ways to the specific cultural requirements of different societies. While the global nature of business may call for increased consistency, the variety of cultural environments may be calling for differentiation."

From a business perspective, forces for global integration include operational requirements, strategic co-ordination and multinational customers. In contrast, forces for local responsiveness include highly diverse consumer requirements, tailored distribution channels and broader social and political constraints to market entry. From an HR perspective, there are many factors constraining the use of standardised HR practices including differing national business systems, labour laws, national HR practice, education systems and national cultural norms. Organisations still want to implement standardised HR systems internationally. Their option depends on their stage of internationalisation and international mindset. Major barriers to effective global HRM are variations, perception, of HR, Attitude and actions of headquarters towards, HR, resistance to change, cultural differences in learning and teaching styles.

To summarize, International human resource management has important role in a company to survive in global business. International HRM scrutinizes the way in which international organisations manage their human resources across these different national contexts. It is a Procuring, Allocating, and Effectively utilizing human resources in a multinational corporation, while balancing the integration and differentiation of HR activities in foreign locations. HR managers have to sort out problems with globalisation and internationalisation due to dissimilar cultures, different policies or procedures, language and legislation. The International HRM assists in organizational remodel as it plays a role of innovator. International human resource management professionals have not only begun to frame their research in terms of organization theories, they are also increasingly using the international context to extend existing theories.

E-HUMAN RESOURCE MANAGEMENT

E-HRM is the integration of all HR systems and activities using the web based technologies. Simply, when HR uses the Internet or related technologies to support their activities, procedures, processes, then it becomes an E-HRM.

Through E-HRM, the HR manager can get all the data compiled at one place and can make the analysis and decisions on the personnel effectively.

Types of E-HRM

Speaking about the types, there are three kinds of E-HRM:

- Operational E-HRM: It is concerned with the operational functions of HR such as payroll, employee personal data, etc.

- Relational E-HRM: It is concerned with the supporting business processes Viz. Training, recruitment, selection, etc.

- Transformational E-HRM: It is concerned with the HR strategies and its activities such as knowledge management, strategic orientation.
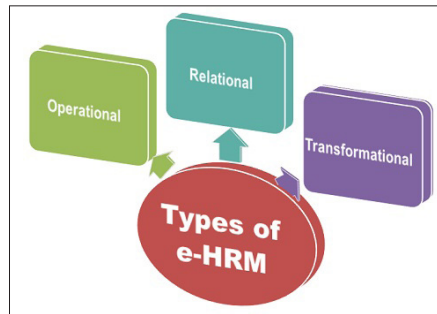
Through E-HRM, the main activities that could be performed online are Recruitment, Selection, Training, Performance Management, Compensation. The detailed description of these activities is given in figure.

E-HRM Activities

1. e-Recruitment: Also known as online Recruiting, is being widely used by companies these days. Through e-Recruitment, companies usually hire the candidates using the internet as a medium.

   The common practice of facilitating the online recruitment is by uploading the recruitment information on the company's official website or hiring the online recruitment websites to serve the purpose. Monster.com, Naukri.com, Times-job.com are some of the well renowned online recruitment websites.

2. e-Selection: The HR department using the online selection process must ensure that each step complies with the procedural requirements viz. Project steps, vendor selection, assessment steps, feedback to the candidates, etc.The purpose of E-selection is to utilize the maximum human capital at a reduced cost and in less time.

3. E-Performance Management: Many companies make use of web-based technology to evaluate the performance of an individual. This can be done either

using the computer monitoring tool, wherein the complete working of an individual can be recorded, or through writing the reviews and generating the feedback on the employee's performance using the web portal.

4. E-Learning: It means using the internet or organization's intranet to facilitate the training and development programmes for the workforce. Getting the online modules of training, a large number of employees can be covered irrespective of their locations.

5. E-Compensation: An organization using the compensation management online enables it to gather, store, analyze, and distribute the compensation data or information to anyone at anytime. Also, the individual can access electronically distributed compensation software, analytic tools, from any place in the world.

Thus, with the help of E-HRM, the records of all the employees sitting in different geographical locations can be stored and also the new candidates could be hired from any part of the world.

GOALS OF HUMAN RESOURCE MANAGEMENT

All businesses require capital to begin operations, whether to rent a building, purchase equipment or pay for electricity. But perhaps the most essential requirement for running a business is human capital – the employees hired to make the company run. Human resource departments are all about not only acquiring and managing this important company investment, but ensuring that it is developed and sustained. An HR department that sets clear goals for managing its company's workforce will make great strides toward ensuring the company's success.

Maintain Productivity with Workforce Planning

One of the primary goals of the HR department is to maintain productivity by providing the company with an adequate number of skilled and efficient workers. A good HR manager should continually analyze the workload and know where there are potential problems with manpower and when it's time for additional help. Similarly, understanding turnover within the company will help to identify problem areas and allow for policy corrections or other adjustments.

To speed the hiring process, an overall staffing plan should be a key element in the HR office. Not only should there be a complete job description for each role within the company, but a clear understanding of the type of personalities that will fit well in your corporate culture. When the HR manager is intimately familiar with the company's personnel needs they will be able to attract and hire the most qualified candidates for open positions.

Develop Evaluation Processes and Training Programs

Retaining a skilled workforce should be a key focus within the department since employees are the business's most valuable resource. Workers who are appropriately compensated and feel that they can develop professionally are among the most satisfied. Increasing the number of training and professional development programs in your company will create a more skilled and productive staff.

Employees also like frequent feedback; they desire to know if they are performing their jobs well. Rather than a performance review ,which can convey an ominous tone, a "designing my success" review helps employees to honestly evaluate weaknesses and strive for improvements while setting goals for future advancement. These career assessments will also help the HR department to be connected with the developing skills of their employees – knowledge that may be helpful when it comes time to fill open management positions.

Increasing Employee Engagement

Companies function well when employees are working at their best and they feel valued as important members of the corporate mission. Along with upper management, it is the HR department's job to develop and foster a corporate culture where employees feel included, engaged and eager to perform well in order to achieve company-wide goals. Particularly, in a large company, individual departments need to feel that their work contributes to the overall good. In other words, the maintenance department should know it's just as important to the company's success as the guys in research on the fourth floor.

Policy Creation and Education

Every organization should maintain a formalized set of policies and procedures. The human resource department is often the creator of these policies as employees are expected to appropriately relate to fellow workers and be in compliance with company and sometimes government regulations. HR staff should continually be on top of emerging regulations within their company's industry and seek to maintain compliance as necessary.

Compliance can only be achieved, however, if employees are aware of the requirements and understand corporate expectations. For example, certifications must be regularly tracked and updated. Also safety guidelines and operational procedures must be clearly communicated and enforced to ensure not only worker safety, but also to protect the company from potential liabilities.

Streamline Processes for Efficiency

Another goal of the HR department should be to streamline routine processes so that more time can be spent on people-focused activities. Human resources management

systems are software programs that allow repetitive tasks to be completed easily and more efficiently than if performed manually. Tasks such as job posting, scheduling, time tracking, computing payroll and routine communications about corporate policies can all be handled by these specifically design programs to free up time for other people-facing HR roles.

EMERGING CHALLENGES IN HUMAN RESOURCE MANAGEMENT

Organizational environment is dynamic. Organization has to perform its activities in dynamic environment and hence, HRM needs to work in complex situations. With change in external factors, organizational objectives need to be modified or changed. HRM always has to analyze and understand these changes and has to operate activities accordingly.

Changes in environment i.e. political, socio-cultural economic and technological have added complexities in functions of HRM more rapidly. Such complexities are the major challenges that need to face by HRM. Some of the major emerging challenges of HRM are discussed below:

Globalization

Organizations nowadays, are no more limited within national boundary. They are extending their area of business operation to other countries as well. Without extending business up to global market, organization can not utilize various resources. This has created a big challenge to HRM. Innovation of new technology has added more challenges to make updated information system. Product like cycles are getting shorter. Global market is being an open platforms for all producers which has added the challenge in quality and price of product. Employees are getting job opportunities over the world which has added risk of employee scarcity. Globalization affects in the product choice and preference which is adding pressure in the innovation and development. HRM need to cope all these challenges at regular basis.

Technological Change

Leading global organizations are investing huge capital in technology innovation. New technology has changed the way of doing the things as well it reduces the cost of the product significantly. Because of changes in technology, organizations are supposed to train their human resources to cope with those changes. At one hand, human resource management need to work for making employees ready to accept changes at the other hand, it needs to work hard to train its employees.

Work Forces Diversity

Because of globalization, organization need large number of manpower, skilled, semi skilled, and unskilled manpower need to be hired at large number. Legal compliance is forcing to hire with various diversities. Large global organizations hire employees from different countries. Such work force obtained from different ethnicity, caste, religion, socio-economic background etc. creates challenge to manage. HRM is responsible to understand their heterogeneous needs and plan for the common motivating tools to satisfy them.

Complexities

Organization are getting bigger day by day. They are extending product like and depth. Organizations need to innovate and offer new products to customer. For this, large number of job centers need to be added which creates complexity in managing the organizational structure. Complexities are added with innovation and development, increasing size of employees changing expectation of employees as well as customers, etc. Human resource management needs to settle such complexities.

Detaching Behavior of Employees

Most of the employees are driven by individual objectives rather than organization objectives. They may refuse their responsibilities in many cases. They always search for better opportunities. Employees never let to know their plan to management. So, organization should compromise to handle human resource. This major task is to be conducted by HRM. Planning regarding employee acquisition development, utilization and maintenance may not fit in such situation.

Temporary Workforce

Many people enjoy working temporarily as they can spend time as their wish. Temporary workforce can be easy for financial planning but such employees cannot be trusted for the organizational crisis. In critical situation organizations face shortage of human resources. Training and development programs cannot initiated to such employees. Training and development programs become financial burden and employees can quit their job at nay point of time. Any planning for such employee becomes worth less and because of lack longevity feelings, quality at work cannot be trusted to satisfy customers.

Change Management

Most of the human resource refuse or resist change in their job, job center, job mates, working procedure as well as organizational environment. But, HRM has to manage change in order to cope with the change to entire business environment. Competent and committed employees in the organization need to be used for the organizational

need. Because of the resistivity in the employees, it becomes really challenging. HRM initiates different motivational tools to make them to accept the change.

Ethic and Social Responsibilities

Ethic and social responsibilities are the growing concern of HRM. The most important ethical concern of HRM is to know how an organization should treat human resources and how to groom them for organizational productivity. HRM is responsible to use best leadership guidance for cultural training to employees to maintain ethical behavior and social responsibility. To maintain organizational benefit and bearing social responsibility are conflicting actions.

2

Strategies and Functions of Human Resource Management

The strategic HRM focuses on the planning of strategies in order to direct the efforts of the workforce towards the accomplishment of the objectives of the organization. Some of the important strategies in HRM are related to talent management and human capital management. All the diverse objectives and strategies of strategic HRM have been carefully analyzed in this chapter.

STRATEGIC HUMAN RESOURCE MANAGEMENT

The concept of Strategic Human Resource Management or SHRM can be well understood in the contrast with the conventional HRM, that shows, in the conventional HRM the responsibility to manage the people-oriented activities rest on the staff specialist in the organization. Whereas in the case of strategic human resource management, any person who is responsible to manage people of the organization, irrespective of his functional area, is the HRM manager.

Thus, in SHRM, there is an HR manager who plans the strategies to direct the efforts of the people towards the accomplishment of the organizational objectives. The strategic human resource management asserts that human capital is a major component of the competitive advantage, and they are responsible to give shape to the strategic plans. Also, they should be well informed about the plans and strategies intended to take the organization towards its goals.

The SHRM looks after an effective human resource planning wherein the human capital is properly managed along with the development of efficient process capabilities. The HRM manager makes sure that the HR strategies are well integrated with the business strategies as a whole.

The aim of SHRM is to have a balance between the interest of stakeholders, the employees in general, owners and management of the organization. Thus, an HRM manager

should plan the HR strategies keeping people in mind and considering the aspirations or desires of all the members, who are directly or indirectly related to the organization.

Also in the conventional HRM, the focus is on motivating the employees to perform their tasks efficiently, provided the firm complies with the employment laws, whereas the strategic human resource management goes beyond it and look at the relationship between the internal and external constituent groups.

Typically, these strategies are guided by the overall strategies of the business and serve to help the business attain its long-term goals via its staff. These strategies can be divided into four key areas:

- Talent,
- Leadership,
- Planning,
- Performance Culture.

Talent and Human Capital

Talent represents the human capital of an organization and is crucial to the success of that business. It is an important asset that the business should strive to maintain. How does the human resources management system help with these? By having a comprehensive staffing blueprint. The human resources department should forecast the staffing needs of the business in the future while also recruiting, hiring, and keeping the best talent in the organization. The most successful businesses in the world pride themselves in hiring the best talent in the world.

In order to do this effectively, the HRM department needs to identify the various competencies required for each job, such as the skills, abilities, and knowledge required to perform various tasks effectively. This will allow them to draw detailed job descriptions that will ultimately guide them to find the best people for the job.

Leadership of an Organization

The leadership of the organization is likened to what the head is to a body. It is through leadership that a business succeeds or fails in its endeavors. The HRM department plays a key role in the leadership of the organization because it is tasked with finding the best executives to steer the business in the right direction.

An HRM department that can boast past success in choosing the right executives will generally find it easier to convince the board of its recruits the next time an executive is required. In order to do this job effectively, HR managers need to be active in an advisory capacity when engaging with other organizational leaders so as to give their input on what is best for the company's future.

Human Resources Planning

The HRM department plays an important role in helping the business to plan for the future. Take employees, for example: by conducting regular surveys of the employees to determine employee satisfaction, the HRM department can give important insights to business leaders on what needs to be done in the future to contribute to a happier workplace.

Performance Metrics and Corporate Culture

An organization with well-defined performance metrics is an organization with high potential for success. The HRM department plays a role in this, as well. Through developing well-defined performance metrics, regular performance evaluations, and schemes to reward employees for high performance and creativity in accomplishing their tasks, the HRM department will create a high-performance culture where the interests of the employees are aligned with those of the business, and they are genuinely motivated to do their best. Employees who feel appreciated by their companies and receive recognition for their achievements in the workplace are likely to want to do more.

TALENT MANAGEMENT

Talent and talent management have rarely been as important to the success of organisations as they are today. A global and mobile workforce, multi- generational organisations and a more diverse, empowered workforce- have changed the workplace. Talent professionals today work in a dynamic and ever changing environment that requires a skilful crafting of talent strategy if the organisation is going to maximise the potential of its workforce. A key to this will be an understanding of the context within which talent and talent management take place. This knowledge will help to underpin the development of a talent strategy.

There has been a significant change in the way that talent and employee engagement are viewed. An environment that has been described as consisting of VUCA i.e. the Volatility, Uncertainty, Complexity and Ambiguity of the environment also impact how large organisations deal with their talent programmes.

Identifying the factors that result from these forces will allow the talent strategy to be placed in a realistic context. Those that impact on talent management in the NHS are a blend of those common to all large organisations- such as demographic change and competition in world labour markets- and a set of unique challenges which arise from the political and economic environment. Four contextual factors are important and these are discussed below:

1. Demographic change with particular reference to Generation Y: Demographic change will affect both talent and employee engagement because declining birth rates and

increasing longevity have created an unprecedented generational mix. Balancing the different development and career expectations of a multi-generational workforce affects the types of talent decision and hence the nature of talent management.

The demographic make-up of the NHS and other large organisation workforces is likely to consist of traditionalists whose perceived goal was to build a legacy; baby boomers whose perceived goal was 'to put their stamp on things;' Generation X whose goal was to maintain independence and Generation Y whose perceived focus was to 'create life and work that has meaning.' These different generational identities translated into distinct workplace behaviours in the relationship with the organization; the relationship with authority; the relationship with colleagues the preferred work style; the type of management style that is prevalent and the different learning styles.

Generation Y- also referred to as Gen Y, the internet or dot.com generation, millennials, generation next, echo boomers, generation net, and nexters- is a demographic group has attracted particular attention for those involved in talent management. They might constitute 10-15% of the NHS workforce and this group could be the largest ever to enter the workforce. They have shared social and historical experiences which are different from their generational predecessors and may well become the most high-performing generation in history. Weyland The key for organisations is to find out how to unlock their potential and develop them in a way that maximises their potential.

2. Labour markets and global competition for talent: The second contextual factor concerns the competition for talent since there is a shortage of talent across the world. Even during the period of recession there was a demand for talented people and skills shortages in specific industries or professions were notable. Plus, there was a tendency for highly skilled people and specialists to remain with an organisation as economic uncertainty prevailed. But as the world economy has moved into a period of growth, this demand has increased. The outcome is an imbalance between the demand for talent and the supply for talent. Recognising such a trend is important for the NHS which itself competes on world labour markets for people with specialist skills.

Hence the combination of a diverse, multi- generational, mobile workforce with new demands on how they work within their organisations provides a compelling reason for organisations to ensure that they have an understanding of such labour markets and that these are factored into the development of a talent strategy.

The implications for talent management of the global competition for talent are both internal and external. There will be a need to identify and retain talented people in specific technical or specialist areas; at the same time as offering a talent proposition that appeals to all members of the workforce in an inclusive way. The response will be a range of robust tools for the identification of talent whether this is internal or external and effective development once the talent is in place.

3. The importance of creating a strategic narrative within which talent can flourish: Then third area of context arises because of organisational transformation and change. The changes in the demographics of the workforce and the competition to attract and retain talented people mean that the organisation has to put forward a powerful story about the prospects and opportunities that exist within its boundaries. This can be referred to as a strategic narrative and falls into the responsibility of the organisation's leaders and managers. Such a narrative will also have implications for employee engagement and this will be dealt with in a later NHS leadership Academy Insight.

As organisations go through change and transformation the importance of this narrative increases. The NHS is no exception to this principle and there will be a need for leaders and managers at multiple levels to drive through this change including that which is taking place in a wide range of business units, multi-disciplinary teams, departments, hospitals and of 'networks and systems.' In particular the creation of a culture, shared by all, focused on putting the patient first; the integration of essential common shared values into all processes, the development of 'fundamental standards;' accountability of leaders and senior managers, transparency and candour in the organisation and the enhancement of leadership recruitment, education training and support. Effective talent management can contribute to the identification and development of these leaders and managers as well as creating an environment in which all employees are regarded as talent and can support the changes that are taking place.

Identifying what leadership means in the NHS context and the competences required in each of the leadership groups will enable the supply of talent to fill these posts and the talent strategy to do so can then be focussed accordingly. The NHS Leadership Academy's new development programmes will provide the foundation on which the success of a future talent strategy will be built.

4. The need to respond to transformation and change: Talent management is taking place in an environment with a sharp focus on public sector spending. This has manifested itself in the call for more integrated services. The emphasis in the NHS is on outcomes, delivery and strong commissioning. The 'greater freedom, responsibility and ability to move the English NHS in a more public oriented, locally responsive and public health oriented direction,' caused by the new processes will inevitably reflect on leadership skills and the competences of managers to achieve their objectives. Having talent at all levels that can deal with these complex issues will be a vital factor in delivering success. In addition, the need to engage managers in the transformation process and the emphasis on a 'values based' approach mean that all managers need leadership skills and finally, there is the emphasis on measures of effectiveness during public sector service transformation- with the implication that managers would have these measures as part of their performance. This context provides a dynamic background within which talent management in the NHS will take place.

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Understanding how talent management can help the organisation to achieve its objectives in this environment will be important.

Importance of Talent and Talent Management

That is why for all organisations, the attraction, development, management and retention of talent is an important driver of success. The context outlined above means that this is a vital assumption if the NHS is to achieve its stretching objectives. But there are many challenges.

The belief that, can be enhanced by having effective talent management. For many organisations talent and talent management are high on the corporate agenda. There is a good business case for a strategic approach and CEOs as well as HR directors regard talent management as a priority.

In the first place an organisation's strategy will be difficult to achieve without the right people in the right place at the right time with the right skills. Talent management is crucial to this assumption. Secondly, talent management can deliver operational benefits. In the NHS, McKinsey found that effective talent management was one of the factors that could be positively correlated with a range of performance indicators. Supporting and developing the NHS workforce through inclusive talent management processes will ultimately have a positive impact on patient care.

But to deliver a talent strategy effectively will require skilful crafting on behalf of talent professionals. A worldwide shortage of talent; an imbalance between the demand for talent and its supply- no one country has the ability to 'grow enough'; key skills shortages caused by the huge demand of knowledge economies and significant changes in workforce demographics have combined to form a perfect storm of factors that will influence the approach to talent.

Organisations will need a clear definition of what they mean by talent and talent management; a case that outlines the reasons for prioritising talent as a business critical issue and talent/HR professionals who can provide insights into the benefits to the organisation of a strong talent focus. This will require talent management in the 21st Century that is different to talent management in the 20th Century.

Hence, to be successful in this type of volatile environment will require talent professionals who can provide insights into the dynamics of labour markets and the implications on the ways in which talent can be managed; ensure that talent management is aligned to the organisation's business strategy and build a talent strategy that takes

account of a diverse, flexible, multi-generational mobile workforce in a way that is on time and in budget. This is a significant challenge. A start point for this is having clarity about what is meant by the term talent in the unique context of the organisation.
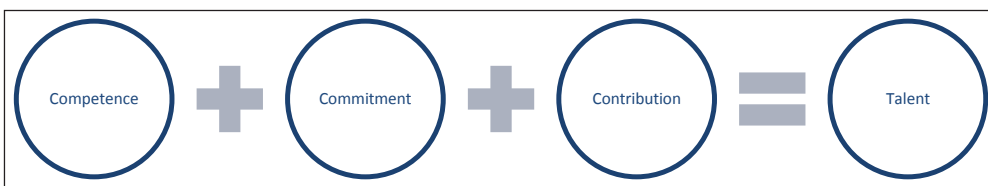
Talent

Talent strategy and its implementation will vary, depending on what definition is chosen. One that applies to those at the top of the organisation and those defined as high potentials for example is very different to one in which all employees are regarded as talent regardless of role or organisational level. There are implications for individual development, performance enhancement, workforce planning and succession planning.

And so there is a need to create a definition of exactly what is meant by the term 'talent' and an organisation wide buy in to the definition. Once these are in place there will be greater clarity about where resources should be targeted in order to maximise the potential of talented people. But there are a wide variety of definitions in place.

At one level, talent has been defined using the classic performance/potential interchange that is a feature of, amongst other things, the nine box talent grid and consists of 'those individuals who can make a difference to organisational performance either through their immediate contribution or, in the longer-term, by demonstrating the highest levels of potential.' This might be seen as the core definition of talent.

Whilst both performance and potential are important, Ulrich felt that a further contributor was that of a person's commitment. At another level therefore, the key component parts of what makes up talent in an individual can be seen in the formula shown.

The Talent Formula (After Ulrich 2011)

In both of these definitions, talent is characterised by the skills and contribution of an individual and how they relate to the achievement of the organisation's objectives. Whilst these may appear to be a framework within which it will be a straightforward matter to define talent, the reality can be different. The unique experiences of each organisation will also influence how talent is defined.

The point was reinforced in a review of talent management in European organisations which found that HR professionals and business managers had a range of views about what constituted talent and concluded that:

'For some, talent is about high performance and potential of a selected number of

people to move up the organization into senior leadership or managerial positions. For others, talent is an inclusive term which refers to all employees.'

Further evidence of the disparity of views about talent definition was provided by McKinsey in their follow up to the ground breaking 'War for Talent' research of the late 20th Century. They also found that there were several variants of how talent was defined. Each had implications for focus, resource allocation and management.

- The first definition was one in which it was assumed that everyone in the organisation should be regarded as 'talent.' This option provides for 'leverage of the full potential of the workforce,' with an upside of inclusivity and no discrimination. There is a complexity to this view based on the sheer number of employees that may be included in the process. There is also a process management and cost issue.

- The second definition was that 'talent includes employees on various career tracks and levels.' In this type of definition talent management is dealt with by a process of segmenting the workforce and targeting each segment with a variety of strategies and practices.

- The third defined talent as top management, high potentials and specialists on all levels. Early identification of talent is a characteristic of this approach. This could be viewed as an 'exclusive approach' and had the same philosophy as their fourth definition which was high potentials independent of hierarchy level.

- The fourth definition was more inclusive and referred to all those with high potential as part of their talent programme regardless of where they sit in the organisation and at what level.

A most comprehensive perspective on how an organisation could segment its workforce to ensure a breadth of talent development was offered by Ulrich and Smallwood who proposed a model for segmenting the workforce to facilitate the development of a talent strategy. They worked on the assumption that everyone who worked in the organisation should be considered to be a talent. Nevertheless, there would need to be different interventions for specific groups such as:

Executives would require customised learning experiences including participation in external groups, executive coaching and targeted training. They would also have a particular interest in succession planning.

- Leadership cadre: This is the next generation of executives who would have development activity focused on subject areas such as shaping the future, making things happen, engaging today's talent and building the next generation of talent.

- High potentials are those 'in key positions throughout all levels of the organization. They may be technically proficient or they may be in key front line

managerial roles. They have a large capacity for future growth.' For this group of talent task forces or special projects; mentoring by executives and specific targeted skills training are features of talent development.

- All employees have talent: That is why it is important that a talent culture permeates throughout the organisation and that the opportunity to develop further is available to all.

What is Talent? (After Ulrich and Smallwood)
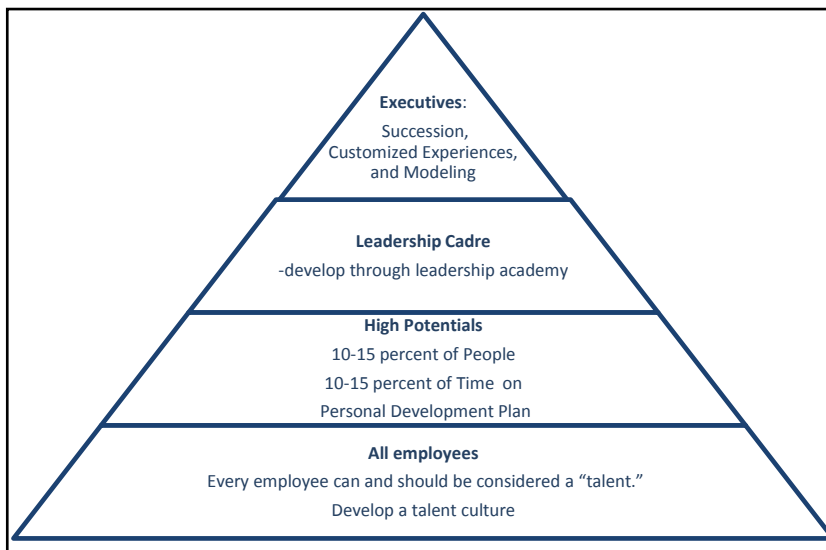
What becomes clear from this discussion is that there is no one 'correct' definition of talent that can be applied to all organisations. A growing opinion is that the diverse nature of the modern workforce means that the choice between either inclusive or exclusive, as extremes on a talent continuum looks increasingly anachronistic. Instead, organisations will try to adopt both positions simultaneously. Such an approach means having policies and practices that maximise the development of all employees whilst at the same time ensuring that there are enough people developed specifically for senior management or technical roles. Talent is becoming a non- hierarchical concept.

The many different interpretations of what talent actually means suggests that the definition of talent should be specific to the context of the organisation in which talent management is taking place.

Talent in the NHS

The concepts of talent and talent management in the NHS have evolved over time.

The NHS recognised that a systematic approach to the management of talent would address three of the key leadership challenges of 'recruiting and retaining Chief

Executives; a more diverse or inclusive leadership or an 'NHS of all the talents'; and benefits in terms of organisational performance, as organisations can achieve competitive advantage through people.' On the one hand there is a perspective that leads to a commitment to support the development of talent which focuses on top management and high potential individuals. The NHS uses an evidence based approach to the identification of people at this level. But on the other hand there is recognition of the need to maximise the potential of all members of the NHS workforce. And hence the interpretation of talent in the NHS in an 'inclusive' way applying to everyone who works in the organisation. The argument for an exclusive approach is to ensure a pipeline of those able to fill leadership and managerial positions; the argument for the inclusive approach is that 'organizations reach prime performance when they recognise, value, develop and use the unique talents of all their people in the delivery of their objectives'.

In recent times there has been an inclination towards inclusivity whilst not neglecting the need to develop senior managers among the many things that contribute to the success of the NHS is willingness by managers to identify and nurture talent. there will always be employees who have skills, talents and potential, which if encouraged could make a significant contribution to the organizational vision. It is no exaggeration to suggest that everyone employed within the service has something to offer.

Hence many considered that the NHS should adopt a broad approach to talent (where development should be cascaded throughout the workforce) in addition to that of focusing on leaders and managers. In this respect the NHS appear to be in the position that was advocated by Ulrich and Smallwood.

The NHS perspective in 2014 is that talent management should consider the whole of the workforce. This is consistent with evidence from other global organisations where inclusivity is becoming the predominant talent philosophy. The challenge is then to put in place effective talent management systems and processes.

What is Talent Management?

It has been argued that the need to identify, develop and retain talent has never been more important. This reality forces organizations to approach talent as a critical resource that should be 'managed' in order to achieve optimum results. Hence the process of talent management has been defined by the CIPD as:

'The systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to an organisation, either in view of their 'high potential' for the future or because they are fulfilling business/ operation-critical roles'.

The US Society for Human Resource Management explained talent management as:

'The implementation of integrated strategies or systems designed to increase workplace

productivity by developing improved processes for attracting, developing, retaining and utilizing people with the required skills and aptitude to meet current and future business needs'.

In these scenarios, talent is described in a broad sense, but there is still fairly selective and leans towards high potentials and those in business critical roles. A view reinforced by the definition of talent management that included 'all organizational activities for the purpose of attracting, selecting, developing, and retaining the best employees in the most strategic roles (those roles necessary to achieve organizational strategic priorities).' Vaiman et al In these definitions the need for a systematic, integrated approach to talent management with the implication of measureable outputs has been identified. Nevertheless, there has been a broadening of the definitions of talent and talent management which has led to an expansion of both the scope of the subject i.e which people are covered; and the scale of the subject i.e. what is included in the term talent management.

Whereas once 'talent management' was mainly concerned with recruitment of those in leadership positions and high potentials, it is now a much broader 'essential management practice' covering organisational capability, individual development, performance enhancement, workforce planning and succession planning at multiple levels. Developing a talent strategy that is inclusive in its scale and scope is at the heart of Human Resource Management and the role of people in delivering competitive advantage or organisational success at the heart of business management.

Amongst the ways in which talent management can be part of this strategic narrative are:

- Having a clear definition of talent for the purposes of talent management and ensuring 'buy in' throughout the organisation.

- Ensuring that there is an evidence based business case for investment in talent management that includes quantitative and qualitative labour market data, demographic analysis, benchmarking and where possible a Return on Investment in Talent (ROIT).

- Having a dialogue at Executive level about talent management and ensuring that this is a strategic process.

- Engaging all of those in the HR community to talent management to deliver efficiently and in a 'joined up' way 12 NHS Leadership Academy Talent and Talent Management Insights.

- Respecting the different experiences in the various parts of the organisation but trying, where possible, to have agreement on the fundamentals including talent definition, talent development criteria, and an employee value proposition based on the benefits of joining and staying with the organisation.

These approaches will support the preparation of a compelling case to develop a planned and systematic methodology to talent management.

In complex organisations the business case will take account of the differences in strategic priorities as well as the differences across national or regional contexts for how talent should be managed in the areas where they operate. In this respect getting the balance between national and regional requirements requires some skill. It was because of this complexity that the conclusion was reached that 'while firms tend to recognise the importance of talent management, they often fail to manage it effectively.' Talent management requires expert crafting if it is to be implemented successfully in large organisations.

Component Parts of Talent Management
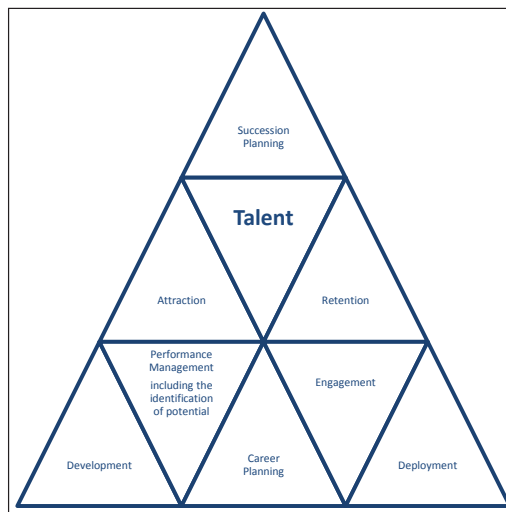
A more inclusive definition of talent management ie a whole workforce approach brings with it additional considerations. Amongst these are the necessary tools to facilitate talent processes to ensure that all individuals have the opportunity to maximise their potential. These include regular conversations between members of the workforce and managers; mentoring or performance coaching; and skills and knowledge development for future roles.

The component parts of talent management across a broad range of definitions are summarised. The tools are used to support a process by which talent management takes place in talent loop consisting of:

- Attracting talent: Concerns how potential applicants view the organisation and whether they share enough of the values of that organisation to wish to join. In the modern organisation there is a strong emphasis on two elements- the Employee Value Proposition and the Employer Brand- which have a strong influence on the image that the organisation projects to the labour market. The leadership Academy Insight 2 will deal with these two elements in more detail. The use of social media is an increasingly important part of the attraction process and knowledge of how the potential of this approach can be maximised is part of the role of the talent professional.

- Developing talent: Is the second part of the talent loop and consists of the talent management activities designed to maximise the potential of individual employees. Possible development interventions include education to maintain or stretch performance; continuing professional development; formal programmes on leadership and management; coaching and mentoring and development projects.

- Managing talent: If there is a culture whereby managers care for the development of members of their teams then there is an increasing chance that the organisation will be able to deliver to its objectives. Hence there is the need to link talent management to wider performance management processes. Being effective in this is important because the manager is often the interface between talent management systems and their implementation. Success is dependent on both being effective. An inclusive approach to talent management means that managers will be skilled in constructive conversations from which will stem development activity and ultimately the maximisation of individual performance.

- Evaluating talent: The final part of the talent loop is concerned with the evaluation of talent management processes. This is about the use of systems and processes for tracking talent and the development of measures of effectiveness of any talent management initiatives.

A critical determinant for the success of talent management, whether it is through the talent loop or other talent processes, is to ensure that whatever activity is undertaken it is aligned to the organisation's overall strategy.

Talent on Demand-aligning Talent Strategy to the Organisational Strategy

In 2010 the World Federation of People Management Associations together with Boston Consulting Group concluded in their Creating People Advantage report that an effective talent strategy would help organisations to deal with the ' new state of high volatility' and that it was imperative that the talent strategy was aligned with the wider organisational strategy. This alignment is a foundation on which successful talent management can be built and there is a strong business case for taking a strategic approach to talent management. Talented people could facilitate building a high performance workplace; encourage a learning organisation; add value to the 'employer of choice' and branding agenda and contribute to diversity management.

To do so there is a case for building processes that supply 'talent on demand' in recognition of the need for a constant source of talented people to create and deliver strategy. The implication is that an organisation that has talented people whose objectives are strategically and operationally aligned will deliver business or service benefits. These include:
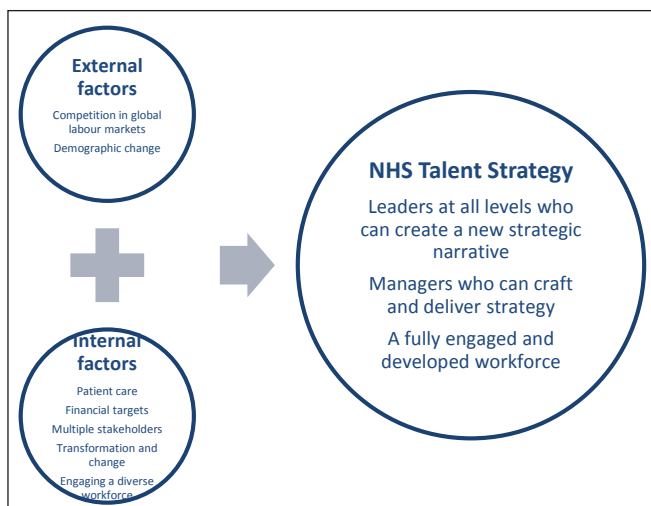
- For investors because their perception of talented people running the organisation would give them confidence that their investment would lead to a good return.

- For clients and users of the organisation's services; there is evidence of correlation between employee performance and 'customer' attitude - talent management can contribute to the maximisation of performance and at the same time the maximisation of potential.

- For the organisation since the implementation of business objectives and strategy in a complex world would be better delivered by talented people.

- Community Reputation would be enhanced and protected if the organisation was run by well developed talented people.

The critical importance of talent means that organizations can no longer be reactive in its supply to deliver business strategy. 'Tackling the current talent management challenges requires organisations to view talent management as a critical activity aligned with the organisation's business strategy that aims to attract, develop and retain talented employees. Talent management incorporates several critical system components such as workforce planning, hiring and recruiting, career development, performance management and succession management, to name but a few. True integration of these system components is crucial to getting the most of the talent management process.' The conclusion is that organisations need strategically to manage talent flows so that appropriately skilled individuals are available and aligned with the right jobs.

Aligning Talent Strategy to Organizational Strategy in the NHS

In the context of the NHS this alignment is important for the continuing delivery of excellence in NHS services as well as the relevant development of leaders and managers and succession planning. Shows the relationship between talent and organisational strategy.

External factors
Competition in global labour markets
Demographic change

Internal factors
Patient care
Financial targets
Multiple stakeholders
Transformation and change
Engaging a diverse workforce

NHS Talent Strategy
Leaders at all levels who can create a new strategic narrative
Managers who can craft and deliver strategy
A fully engaged and developed workforce

Alignment of Talent Strategy with Organisational Strategy in the NHS.

From the range of talent management studies in the NHS amongst which that of Powell et al. is the most prominent, it's possible to reach conclusions about how alignment of talent strategy with the NHS organisational strategy can be achieved. Amongst these are:

- The need for clarity about who takes responsibility for talent management in the NHS. The transformation of all organisations creates shifts in responsibilities and accountabilities. It's important that at these times some clarity about talent responsibility during and after the transformation is important. In a later NHS Leadership Academy Insight we will talk about talent management during transformation and change that covers how this might be achieved.

- The move towards taking a more inclusive approach to how talent is defined. The demographic make-up of the NHS means that talent management will need to address development and retention in a multi- generational, mobile workforce in a competitive labour market. Such an environment favours inclusivity and talent management that addresses a broad section of the workforce rather than a narrow one.

- An awareness of, and belief in the benefits of talent management at all levels.

- A critical part of an inclusive talent management process will be effective performance management which includes elements of appraisal and personal development. Since performance objectives and targets will be aligned to those of the organisation as a whole, then it is important that every member of the NHS workforce has the opportunity for a two may conversation to allow the maximisation of performance and potential.

- It is possible to include a wide variety of talent management and development activities to enhance the prospect of alignment. During times of organisational transformation such activities as coaching and mentoring, membership of change projects and development roles can be powerful contributors to change. It is possible to converge talent objectives- leadership or manager development; opportunities to maximise potential through job rotation or skills development- with organisational objectives- skilled people in project roles to manage change.

From the above we can see that there has been progress in ensuring that talent strategy in the NHS is closely aligned with the organisation's strategy.

The importance of the measurement of talent management initiativesrelevance, alignment and measurement.

Evidence based HR is gaining in importance and there is pressure on those responsible for talent management to make sure that effective measures are in place. Organisations are increasingly looking to demonstrate 'analytical literacy' in their strategic

decision-making. The CIPD's RAM approach (CIPD 2013) concluded that the effectiveness of talent management activities could be summarised as needing:

- Relevance: How talent management could meet new opportunities and challenges.

- Alignment: Because 'alignment with organisational strategy and its marketing and finance strategies and other dimensions of corporate strategy gives focus, purpose and relevance'.

- Measurement: Which may be 'a mixture of evaluation methods such as return on investment (ROI) and broader measures of expected change and improvement such as return on expectation, and to link learning outcomes to key performance indicators (KPIs)'.

There are sound organisational reasons why consideration should be given for better measurement of the financial and non-financial return on investment in talent. And this is why 'talent intelligence' is gaining increasing traction; in particular because 'HR departments are under more pressure than ever to justify any investment in new systems or initiatives. Accurate, accessible and relevant data is therefore a must for any HR director looking to secure support for new projects.' There are various approaches that HR professionals can take to evaluate whether their investment in talent is delivering value for the business.

In the first instance, financial measures should be complemented by 'more intangible benefits, such as improved levels of morale, employee engagement, retention or market reputation.'

Secondly those interested in measuring the benefits of talent management were advised to 'bring the outside in' and look beyond traditional HR measures, such as retention and diversity, in order to embrace outcomes from outside HR, such as business performance metrics including productivity, revenue or margin, and from outside the organization, such as reputation with customers, competitors and potential employees, market share or market capitalization.'

It is possible to categorise these various measures into four areas; process; internal benefits (tangible), internal benefits (intangible) and external benefits as shown in table.

Talent Intelligence Potential measures used in determining the progress or success of talent management initiatives.

In conclusion, the measurement of talent management remains an area where neither academic research nor organisational practice has made sufficient headway to deal with the necessary 'business' case increasingly demanded by organisations. Progress in measurement will be necessary to complete the process of talent management.

Process Advantages	Internal Benefits- Tangible I	Internal benefits-Intangible	External Benefits
• Difference in the cost of talent management against cost of recruitment. • Better tracking of organisational talent to fill critical roles. • Better alignment of individual resource allocation against organisational objectives and kpi's. • Segmentation into talent pools for more efficient management.	• Availability of talent to deliver business strategy. • Increase success in achieving project outcomes. • Improvements in productivity. • Return on investment in talent (roit). • Availability of talent to deliver business strategy. • Improvement of retention rates. • Lower turnover at senior levels of management. • Increased employee satisfaction. • Increased diversity of leadership group.	• Facilitates 'a focus on strategic capabilities and strategic jobs as the focal point of workforce management'. • Facilitates the answer to the question; 'what are the key strategic positions in our organization, and how should they be managed?' • Better succession management to senior positions. • Increased creativity and innovation to solve organisational challenges.	• Improved corporate reputation. • Improved patient care. • Improved external stakeholder relations.

Role of Talent Professionals

Strategic Positioners and Change Champions

Critical to the success of the development and delivery of talent management during organisational transformation is the role played by talent professionals. To help in the achievement of this it's important that there is role clarity and an agreed modus operandi between three key stakeholders in the talent management process; these are talent and leadership professionals; HR business partners and line managers (on this latter point Cheese has suggested that amongst the key processes to enhance the talent approach is an understanding of how to encourage and reward line managers for nurturing talent).

It's imperative that there is a common understanding of this point to ensure that the organisational outcomes from its talent management initiatives are achieved.

A framework for clarifying the new role of HR in defined six new HR competency domains has been outlined by Ulrich et al as critical components of the delivery of effective human resources strategy. Of these, three in particular are relevant to talent management during organisational transformation and these are discussed below; (the others being credible activist, capability builder and technology proponent).

Strategic Positioner

Talent professionals will need to ensure that talented people are regarded in a strategic way i.e. they are critical to the achievement of the organisation's long term

objectives. The role of talent and indeed HR professionals will be to make that there is a persuasive argument of acceptance for this. This will include drawing in knowledge and evidence from outside the organisation- 'since high performing HR professionals think and act from the outside/inside. They understand the general business conditions (e.g. social, technological, economic, political, environmental and demographic trends) that affect their industry and geography,' they focus on the need to serve key customers by knowing their expectations, and aligning organization actions to meet customer needs. It will also involve an understanding of the internal culture and dynamics of the organisation. For the NHS this means recognising the transformation that is taking place and taking account of their implications for talent and talent management.

Combining outside in thinking and internal insight will facilitate the talent professional acting as a strategic positioner.

This observation applies to both commercial organisations but is as relevant to those in the public sector too and determine strategic responses to customer expectations.

Change Champion

Requirements (such as maximising potential), utilise talent during the change process and ensuring that development in change management is included as part of the talent 'curriculum.' The key activities of the role will be:

- To ensure that organisation's actions with respect to talent are integrated and sustained through disciplined change processes. The appointment process is normally used as an example of this point. The change champion role of the talent professional will be to devote energy to the change whilst advocating consistency in the identification of talent for line or project roles.

- Secondly the change champion role will be to 'make an organization's internal capacity for change match or lead the external pace of change to make change happen.' Effective talent management and development can create individuals with the capacity, knowledge, skills and behaviours to make change happen at pace when it is necessary to do so.

- Change champions also initiate change i.e. they 'build a case for why change matters, overcome resistance to change, engage key stakeholders in the process of change, and articulate the decisions to start change.'

- Finally they then put effort into sustaining change by institutionalizing change through putting resources into developing talent with the ability to adapt to change, knowledge of organisation development that will be agile enough to deal with change and communication of talent messages that emphasize the importance of change.

As change champions, talent professionals will contribute to the creation of an organisation that is 'agile, flexible and responsive' through outstanding talent management. They will do this by using talent management to facilitate change to build sustainable, long term value for the organisation. For the NHS this means using talent management in support of transformation.

Human Resource Innovator and Integrator

And the third aspect of the role of talent professionals can be derived from the proposition that those involved in talent management should be both innovators and integrators through building innovative practices into 'unified solutions that solve business problems.' They must have the latest insights on key talent practice areas -talent sourcing, talent development; the performance management process, and organisation design through teamwork and organisation development.

These three constitute three of the most important areas of focus on the part of talent professionals and will be critical during times of transformation.

Talent Poaching

The Talent Poaching, also known as the Employee Raiding, is the tactic adopted by the firms to sweep away or raid the experienced employees of the competing firms.

In simple words, luring the talented staff of the competitor, generally in the same industry, with an objective to save a training cost and gain the competitive advantage over the competing firms.


Talent poaching.

Talent Poaching Strategies

Direct Sourcing: The firms can maintain the data of all the efficient employees working at different levels in the competing firms. This can be done by maintaining the data

warehouse wherein, the Competitor's Organization structure, the employee details (Viz. Employee name with his designation, job profile, work experience, and annual performance) is recorded.This information can serve as the basis for the talent poaching. This whole procedure of maintaining the data is done internally, i.e. within the organization.
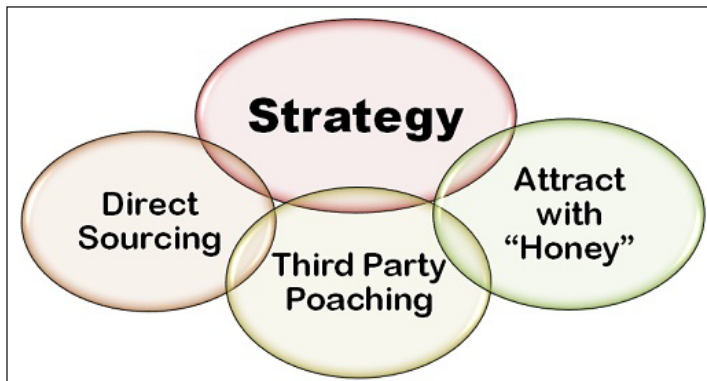
Third Party Poaching: The companies can also raid the efficient staff of the competing firms through the consultancy agencies.These agencies hire the experienced employees for the company in exchange for some amount of commission.

Attract them with "Honey": The Honey strategy is supported with a number of channels that drive candidates or experienced professional to join the organization. These are:

- Employment Branding Channel: Identifying the employers attributes and characteristics that are required to recruit high-level talent of the industry. Then positioning its image among the prospective candidates.

- Employee Referral Channel: The employees of the firm can be one of the best sources of talent poaching. The organizations can seek recommendations from its employees regarding the efficient personnel employed with the competing firm.

- Events Channel: Every organization attends one or the other recruitment events or the trade shows where it can demonstrate its attributes or efficiency with which it carries out its operations.

- Magnet Hire Channel: Under this method, the top performer is identified through the polling system, and then working is done to attract that person to join the organization.

- Boomerang Channel: This strategy is adopted by the firms to lure back its ex-employees who are currently working with any of the competing firms, which results in bringing in a pool of knowledge about the competitor in terms of organizational structure, the corporate strategies, and management practices.

- Internet Channel: Nowadays, the internet has become an essential part of life, the companies can fetch information about the efficient staff through a web network.

The Talent poaching is considered to be an unethical approach due to its objective of attracting the competitor's staff by offering the lucrative pay packages, auxiliary benefits and other terms and conditions, with the intention to kill the competition.

In order to keep the talent poaching ethical, the companies can hire the consultancy agencies who recruit the experienced staff of the competing firms, on its behalf. By doing so, the company can escape the blame of raiding the efficient employees of the rivalry firms.

HUMAN CAPITAL MANAGEMENT

HCM is concerned with obtaining, analysing and reporting on data that inform the direction of value-adding people management, strategic, investment and operational decisions at corporate level and at the level of front line management. It is, as emphasized by Kearns, ultimately about value.

HCM is concerned with purposeful measurement, not just measurement. The defining characteristic of HCM is the use of metrics to guide an approach to managing people that regards them as assets and emphasizes that competitive advantage is achieved by strategic investments in those assets through employee engagement and retention, talent management and learning and development programmes. HCM provides a bridge between HR and business strategy.

Concept of Human Capital

Individuals generate, retain and use knowledge and skill (human capital) and create intellectual capital. Their knowledge is enhanced by the interactions between them (social capital) and generates the institutionalized knowledge possessed by an organization (organizational capital). These concepts of human, intellectual, social and organizational capital are explained below.

Human Capital

Human capital consists of the knowledge, skills and abilities of the people employed in an organization. The term was originated by Schultz who elaborated his concept in 1981 as follows: 'Consider all human abilities to be either innate or acquired. Attributes which are valuable and can be augmented by appropriate investment will be human capital.' A more detailed defi nition was put forward by Bontis et al, as follows.

Scarborough and Elias believe that: 'The concept of human capital is most usefully viewed as a bridging concept – that is, it defines the link between HR practices and business performance in terms of assets rather than business processes.' They point out that human capital is to a large extent 'non-standardized, tacit, dynamic, context dependent and embodied in people'. These characteristics make it difficult to evaluate human capital bearing in mind that the 'features of human capital that are so crucial to firm performance are the flexibility and creativity of individuals, their ability to develop skills over time and to respond in a motivated way to different contexts'.

It is indeed the knowledge, skills and abilities of individuals that create value, which is why the focus has to be on means of attracting, retaining, developing and maintaining the human capital they represent. Davenport comments that:

> "People possess innate abilities, behaviours and personal energy and these elements make up the human capital they bring to their work. And it is they, not their employers, who own this capital and decide when, how and where they will contribute it. In other words, they can make choices. Work is a two-way exchange of value, not a one-way exploitation of an asset by its owner".

The choices they make include how much discretionary behaviour they are prepared to exercise in carrying out their role (discretionary behaviour refers to the discretion people at work can exercise about the way they do their job and the amount of effort, care, innovation and productive behaviour they display). They can also choose whether or not to remain with the organization.

Constituents of Human Capital

Human capital consists of intellectual, social and organizational capital.

Intellectual Capital

The concept of human capital is associated with the overarching concept of intellectual capital, which is defined as the stocks and flows of knowledge available to an organization. These can be regarded as the intangible resources associated with people which, together with tangible resources (money and physical assets), comprise the market or total value of a business. Bontis defines intangible resources as the factors other than financial and physical assets that contribute to the value-generating processes of a firm and are under its control.

Social Capital

Social capital is another element of intellectual capital. It consists of the knowledge derived from networks of relationships within and outside the organization. The concept of social capital has been defined by Putnam as 'the features of social life – networks,

norms and trust – that enable participants to act together more effectively to pursue shared objectives'. It is important to take into account social capital considerations, that is the ways in which knowledge is developed through interaction between people. Bontis et al point out that it is flows as well as stocks that matter. Intellectual capital develops and changes over time and a signifi cant part is played in these processes by people acting together.

Organizational Capital

Organizational capital is the institutionalized knowledge possessed by an organization that is stored in databases, manuals, etc. It is often called 'structural capital', but the term 'organizational capital' is preferred by Youndt because, he argues, it conveys more clearly that this is the knowledge that the organization actually owns.

Significance of Human Capital Theory

The added value that people can contribute to an organization is emphasized by human capital theory. It regards people as assets and stresses that investment by organizations in people will generate worthwhile returns. Human capital theory is associated with the resource-based view of the firm as developed by Barney. This proposes that sustainable competitive advantage is attained when the firm has a human resource pool that cannot be imitated or substituted by its rivals. Boxall refers to this situation as one that confers 'human capital advantage'. But he also notes that a distinction should be made between 'human capital advantage' and 'human process advantage'. The former results from employing people with competitively valuable knowledge and skills, much of it tacit. The latter, however, follows from the establishment of difficult to imitate, highly evolved processes within the firm, such as cross-departmental cooperation and executive development. Accordingly, 'human resource advantage', the superiority of one firm's labour management over another's, can be thought of as the product of its human capital and human process advantages.

Human capital theory helps to:

- Determine the impact of people on the business and their contribution to shareholder value;

- Demonstrate that HR practices produce value for money in terms, for example, of return on investment;

- Provide guidance on future HR and business strategies;

- Provide data that will inform strategies and practices designed to improve the effectiveness of people management in the organization.

Human Capital Measurement

Human capital measurement has been defined by IDS as being 'about finding links, correlations and, ideally, causation, between different sets of (HR) data, using statistical techniques'. As Becker et al emphasize:

> "The most potent action HR managers can take to ensure their strategic contribution is to develop a measurement system that convincingly showcases HR's impact on business performance. They must understand how the firm creates value and how to measure the value creation process".

The primary aim of HCM is to assess the impact of human resource management practices and the contribution made by people to organizational performance. Methods of measuring impact and contribution based upon human capital data have therefore to be developed.

Need for Human Capital Measurement

There is an overwhelming case for evolving methods of valuing human capital as an aid to people management decision making. This may mean identifying the key people management drivers and modelling the effect of varying them. The need is to develop a framework within which reliable information can be collected and analysed such as added value per employee, productivity and measures of employee behaviour (attrition and absenteeism rates, the frequency/severity rate of accidents, and cost savings resulting from suggestion schemes).

Becker et al refer to the need to develop a 'high-performance perspective' in which HR and other executives view HR as a system embedded within the larger system of the firm's strategy implementation. They state that: 'The firm manages and measures the relationship between these two systems and firm performance.'

Reasons for the Interest in Measurement

The recognized importance of achieving human capital advantage has led to an interest in the development of methods of measuring the value and impact of that capital.

However, three voices have advised caution about measurement. Leadbeater observed that measuring can 'result in cumbersome inventories which allow managers to manipulate perceptions of intangible values to the detriment of investors. The fact is that too few of these measures are focused on the way companies create value and make money'. The Institute of Employment Studies emphasized that reporting on human capital is not simply about measurement. Measures on their own such as those resulting from benchmarking are not enough; they must be clearly linked to business performance.

Research carried out by Professor Harry Scarborough and Juanita Elias of Warwick University found that it is not what organizations decide to measure that is important but the process of measurement itself. As they noted:

> "In short, measures are less important that the activity of measuring – of continuously developing and refining our understanding of the productive role of human capital within particular settings, by embedding such activities in management practices, and linking them to the business strategy of the firm".

This sentiment is echoed by Donkin, when he says, 'It is not the measuring itself that is the key to successful human capital management but the intentions behind the measuring and the resulting practices that emerge.

Approaches to Measurement

Three approaches to measurement are described below:

Human Capital Index – Watson Wyatt

On the basis of a survey of companies that have linked together HR management practices and market value, Watson Wyatt identified four major categories of HR practice that could be linked to increases in shareholder value creation. These are:

Total rewards and accountability	16.5 per cent
Collegial, flexible workforce	9.0 per cent
Recruiting and retention excellence	7.9 per cent
Communication integrity	7.1 per cent

Organizational Performance Model – Mercer HR Consulting

Nalbantian et al the organizational performance model developed by Mercer HR Consulting is based on the following elements: people, work processes, management structure, information and knowledge, decision making and rewards, each of which plays out differently within the context of the organization, creating a unique DNA. If these elements have been developed piecemeal, as often happens, the potential for misalignment is strong and it is likely that human capital is not being optimized, creating opportunities for substantial improvement in returns. Identifying these opportunities requires disciplined measurement of the organization's human capital assets and the management practices that affect their performance. The statistical tool, 'Internal Labour Market Analysis' used by Mercer draws on the running record of employee and labour market data to analyse the actual experience of employees rather than stated HR programmes and policies. Thus gaps can be identifi ed between what is required in the workforce to support business goals and what is actually being delivered.

Human Capital Monitor – Andrew Mayo

Andrew Mayo has developed the 'human capital monitor' to identify the human value of the enterprise or 'human asset worth', which is equal to 'employment cost × individual asset multiplier'. The latter is a weighted average assessment of capability, potential to grow, personal performance (contribution) and alignment to the organization's values set in the context of the workforce environment (i.e. how leadership, culture, motivation and learning are driving success). The absolute figure is not important. What does matter is that the process of measurement leads you to consider whether human capital is sufficient, increasing, or decreasing, and highlights issues to address. Mayo advises against using too many measures and instead, to concentrate on a few organization-wide measures that are critical in creating shareholder value or achieving current and future organizational goals. A number of other areas for measurement and methods of doing so have been identified by Mayo. He believes that value added per person is a good measure of the effectiveness of human capital, especially for making inter-firm comparisons. But he considers that the most critical indicator for the value of human capital is the level of expertise possessed by an organization. He suggests that this could be analysed under the headings of identified organizational core competencies. The other criteria he mentions are measures of satisfaction derived from employee opinion surveys and levels of attrition and absenteeism.

Human capital measures and their possible uses is given in table.

Measures	Possible use – analysis leading to action
Work-force composition – sex, race, age, full-time, part-time.	Analyse the extent of diversity Assess the implications of a preponderance of employees in different age groups, eg extent of loses through retirement Assess the extent to which the organization is relying on part-time staff.
Length of service distribution.	Indicate level of success in retaining employees Indicate preponderance of long or shortserving employees Enable analyses of performance of more experienced employees to be assessed.
Skills analysis/assessment – graduates, professionally/technically qualifi ed, skilled workers.	Assess skill levels against requirements Indicate where steps have to be taken to deal with shortfalls.
Attrition – employee turnover rates for different categories of management and employees.	Indicate areas where steps have to be taken to increase retention rates Provide a basis for assessing levels of commitment.
Attrition	Support business case for taking steps to reduce attrition.
Absenteeism/sickness rates.	Identify problems and need for more effective attendance management policies.
Average number of vacancies as a percentage of total workforce.	Identify potential shortfall problem areas.
Total pay roll costs (pay and benefits).	Provide data for productivity analysis.
Compa-ratio – actual rates of pay as a percentage of policy rates.	Enable control to be exercised over management of pay structure.

Percentage of employees in different categories of contingent pay or pay-ment-byresult schemes.	Demonstrate the extent to which the organization believes that pay should be related to contribution.
Total pay review increases for different categories of employees as a percentage of pay.	Compare actual with budgeted payroll increase costs Bench-mark pay increases.
Average bonuses or contingent pay awards as a % of base pay for different categories of managers and employees.	Analyse cost of contingent pay Compare actual and budgeted increases Benchmark increases.
Outcome of equal pay reviews.	Reveal pay gap between male and female employees.
Personal development plans completed as a percentage of employees.	Indicate level of learning and development activity.
Training hours per employee.	Indicate actual amount of training activity (note that this does not reveal the quality of training achieved or its impact).
Percentage of managers taking part in formal management development pro-grammes.	Indicate level of learning and development activity.
Internal promotion rate (% of promo-tions filled from within).	Indicate extent to which talent management programmes are successful.
Succession planning coverage (% of managerial jobs for which successors have been identified).	Indicate extent to which talent management programmes are successful.
Percentage of employees taking part in formal performance reviews.	Indicate level of performance management activity.
Distribution of performance ratings by category of staff and department.	Indicate inconsistencies, questionable distributions and trends in assessments.
Accident severity and frequency rates.	Assess health and safety programmes.
Cost savings/revenue increases result-ing from employee suggestion schemes.	Measure the value created by employees.

Human Capital Internal Reporting

Analysing and reporting human capital data to top management and line managers will lead to better informed decision making about what kind of actions or practices will improve business results, increased ability to recognize problems and take rapid action to deal with them, and the scope to demonstrate the effectiveness of HR solutions and thus support the business case for greater investment in HR practices. The process of reporting the data internally and the inferences obtained from them is therefore a vital part of HCM. It is necessary to be clear about what data is required and how it will be communicated and used.

The factors affecting the choice of what should be reported in the form of metrics are:

- The type of organization – measures are context dependent;
- The business goals of the organization;
- The business drivers of the organization, ie the factors that contribute to the

achievement of business goals, such as increases in revenue, control of costs, customer service, quality, innovation, expansion through mergers and acquisitions, product development and market development;

- The existing key performance indicators (KPIs) used in the organization;

- The use of a balanced scorecard which enables a comprehensive view of performance to be taken by reference to four perspectives: financial, customer, innovation and learning and internal processes;

- The availability of data;

- The use of data – measures should only be selected that can be put to good use in guiding strategy and reporting on performance;

- The manageability of data – there may be a wide choice of metrics and it is essential to be selective in the light of the above analysis so that the burden of collecting, analysing and evaluating the data is not too great and people do not suffer from information overload; remember that the cost of perfection is prohibitive, the cost of sensible approximation is less.

Human capital information is usually reported internally in the form of management reports providing information for managers, often through the intranet and on dashboards. However, this information will not be valued by managers unless:

- It is credible, accurate and trustworthy;

- They understand what it means for them personally and how it will help them to manage their team;

- It is accompanied by guidance as to what action can be taken;

- They have the skills and abilities to understand and act upon it.

It is not enough simply to give managers and other stakeholders information on human capital. It must be accompanied by effective analysis and explanation if they are going to understand and act upon it in the interests of maximizing organizational performance.

Human Capital External Reporting

The EC Accounts Modernization Directive requires companies to prepare a business review. This has to disclose information that is necessary for the understanding of the development, performance or position of the business of the company including the analysis of key financial and other performance indicators, and information relating to environmental and employee matters, social and community issues, and any policies of the company in relation to these matters and their effectiveness.

A framework for external reporting has been produced by the CIPD.

Principle	Features of framework
Add value to the decision making undertaken by stakeholder groups in respect of human capital, with value added exceeding the costs of information gathered.	Information should be relevant to the identification of human capital and should be available in both narrative form and as quantitative indicators The information-gathering requirement should be clearly defined and should not be too costly.
Balance the advantages of comparability with other organizations with the need for flexibility to reflect particular contexts.	There should be a distinction between primary and secondary indicators.
Provide information on possible institutional barriers to the effective development and utilization of human capital within firms.	Indicators to highlight possible barriers to the under-utilization of human capital based on sex, age or race.
Reflect the dynamic and context-dependent nature of human capital.	There should be multiple categories of indicators to reflect the acquisition, development, management and performance of human capital.
Be future-oriented to highlight the contribution of human capital to future performance.	The framework should incorporate information on both the near-term and the long-term, highlighting both investments in and depreciation of human capital. It should provide information not only on human capital stocks but also on the management and utilization of the flow of human capital.

LEADERSHIP OF AN ORGANIZATION

Leadership is a process by which a person influences others to accomplish an objective and directs the organization in a way that makes it more cohesive and coherent. This definition is similar to Northouse's definition — Leadership is a process whereby an individual influences a group of individuals to achieve a common goal. Leaders carry out this process by applying their leadership knowledge and skills. This is called Process Leadership. However, we know that we have traits that can influence our actions. This is called Trait Leadership, in that it was once common to believe that leaders were born rather than made. While leadership is learned, the skills and knowledge processed by the leader can be influenced by his or hers attributes or traits; such as beliefs, values, ethics, and character. Knowledge and skills contribute directly to the process of leadership, while the other attributes give the leader certain characteristics that make him or her unique. Skills, knowledge, and attributes make the Leader, which is one of the:

Four Factors of Leadership

There are four major factors in leadership:

Leader

You must have an honest understanding of who you are, what you know, and what you can do. Also, note that it is the followers, not the leader or someone else who determines

if the leader is successful. If they do not trust or lack confidence in their leader, then they will be uninspired. To be successful you have to convince your followers, not yourself or your superiors, that you are worthy of being followed.

Followers

Different people require different styles of leadership. For example, a new hire requires more supervision than an experienced employee does. A person who lacks motivation requires a different approach than one with a high degree of motivation. You must know your people. The fundamental starting point is having a good understanding of human nature, such as needs, emotions, and motivation. You must come to know your employees' be, know, and do attributes.

Communication

You lead through two-way communication. Much of it is nonverbal. For instance, when you "set the example," that communicates to your people that you would not ask them to perform anything that you would not be willing to do. What and how you communicate either builds or harms the relationship between you and your employees.

Situation

All situations are different. What you do in one situation will not always work in another. You must use your judgment to decide the best course of action and the leadership style needed for each situation. For example, you may need to confront an employee for inappropriate behavior, but if the confrontation is too late or too early, too harsh or too weak, then the results may prove ineffective.

Also note that the situation normally has a greater effect on a leader's action than his or her traits. This is because while traits may have an impressive stability over a period of time, they have little consistency across situations. This is why a number of leadership scholars think the Process Theory of Leadership is a more accurate than the Trait Theory of Leadership.

Various forces will affect these four factors. Examples of forces are:

- Your relationship with your seniors.
- The skill of your followers.
- The informal leaders within your organization.
- How your organization is organized.

Bass' Theory of Leadership

Bass' theory of leadership states that there are three basic ways to explain how people

become leaders. The first two explain the leadership development for a small number of people. These theories are:

- Some personality traits may lead people naturally into leadership roles. This is the Trait Theory.

- A crisis or important event may cause a person to rise to the occasion, which brings out extraordinary leadership qualities in an ordinary person. This is the Great Events Theory.

- People can choose to become leaders. People can learn leadership skills. This is the Transformational or Process Leadership Theory. It is the most widely accepted theory today and the premise on which this guide is based.

Total Leadership

What makes a person want to follow a leader? People want to be guided by leaders they respect and who have a clear sense of direction. To gain respect, they must be ethical. A sense of direction is achieved by conveying a strong vision of the future.

When people are deciding if they respect you as a leader, they do not think about your attributes, rather, they observe what you do so that they can know who you really are. They use this observation to tell if you are an honorable and trusted leader or a self-serving person who misuses authority to look good and get promoted. Self-serving leaders are not as effective because their employees only obey them, not follow them. They succeed in many areas because they present a good image to their seniors at the expense of their workers.

Principles of Leadership

To help you be, know, and do, follow these eleven principles of leadership . The later chapters in this Leadership guide expand on these principles and provide tools for implementing them:

- Know yourself and seek self-improvement - In order to know yourself, you have to understand your be, know, and do, attributes. Seeking self-improvement means continually strengthening your attributes. This can be accomplished through self-study, formal classes, reflection, and interacting with others.

- Be technically proficient - As a leader, you must know your job and have a solid familiarity with your employees' tasks.

- Seek responsibility and take responsibility for your actions - Search for ways to guide your organization to new heights. And when things go wrong, as they often tend to do sooner or later — do not blame others. Analyze the situation, take corrective action, and move on to the next challenge.

- Make sound and timely decisions - Use good problem solving, decision making, and planning tools.

- Set the example - Be a good role model for your employees. They must not only hear what they are expected to do, but also see. "We must become the change we want to see" - Mahatma Gandhi.

- Know your people and look out for their well-being - Know human nature and the importance of sincerely caring for your workers.

- Keep your workers informed - Know how to communicate with not only them, but also seniors and other key people.

- Develop a sense of responsibility in your workers - Help to develop good character traits that will help them carry out their professional responsibilities.

- Ensure that tasks are understood, supervised, and accomplished - Communication is the key to this responsibility.

Attributes of Leadership

If you are a leader who can be trusted, then those around you will grow to respect you. To be such a leader, there is a Leadership Framework to guide you:

Environment

Every organization has a particular work environment, which dictates to a considerable degree how its leaders respond to problems and opportunities. This is brought about by its heritage of past leaders and its present leaders.

Goals, Values and Concepts

Leaders exert influence on the environment via three types of actions:

- The goals and performance standards they establish.

- The values they establish for the organization.

- The business and people concepts they establish.

Successful organizations have leaders who set high standards and goals across the entire spectrum, such as strategies, market leadership, plans, meetings and presentations, productivity, quality, and reliability.

Values reflect the concern the organization has for its employees, customers, investors, vendors, and surrounding community. These values define the manner in how business will be conducted.

Concepts define what products or services the organization will offer and the methods and processes for conducting business.

These goals, values, and concepts make up the organization's personality or how the organization is observed by both outsiders and insiders. This personality defines the roles, relationships, rewards, and rites that take place.

Roles and Relationships

Roles are the positions that are defined by a set of expectations about behavior of any job incumbent. Each role has a set of tasks and responsibilities that may or may not be spelled out. Roles have a powerful effect on behavior for several reasons, to include money being paid for the performance of the role, there is prestige attached to a role, and a sense of accomplishment or challenge.

Relationships are determined by a role's tasks. While some tasks are performed alone, most are carried out in relationship with others. The tasks will determine who the role-holder is required to interact with, how often, and towards what end. Normally the greater the interaction, the greater the liking. This in turn leads to more frequent interactions. In human behavior, its hard to like someone whom we have no contact with, and we tend to seek out those we like. People tend to do what they are rewarded for, and friendship is a powerful reward. Many tasks and behaviors that are associated with a role are brought about by these relationships. That is, new task and behaviors are expected of the present role-holder because a strong relationship was developed in the past, either by that role-holder or a prior role-holder.

Culture and Climate

There are two distinct forces that dictate how to act within an organization: culture and climate.

Each organization has its own distinctive culture. It is a combination of the founders, past leadership, current leadership, crises, events, history, and size. This results in rites: the routines, rituals, and the "way we do things." These rites impact individual behavior on what it takes to be in good standing (the norm) and directs the appropriate behavior for each circumstance. The climate is the feel of the organization, the individual and shared perceptions and attitudes of the organization's members. While the culture is the deeply rooted nature of the organization that is a result of longheld formal and informal systems, rules, traditions, and customs; climate is a shortterm phenomenon created by the current leadership. Climate represents the beliefs about the "feel of the organization" by its members. This individual perception of the "feel of the organization" comes from what the people believe about the activities that occur in the organization. These activities influence both individual and team motivation and satisfaction, such as:

- How well does the leader clarify the priorities and goals of the organization? What is expected of us?

- What is the system of recognition, rewards, and punishments in the organization?

- How competent are the leaders?

- Are leaders free to make decisions?

- What will happen if I make a mistake?

Organizational climate is directly related to the leadership and management style of the leader, based on the values, attributes, skills, and actions, as well as the priorities of the leader. Compare this to "ethical climate" — the feel of the organization about the activities that have ethical content or those aspects of the work environment that constitute ethical behavior. The ethical climate is the feel about whether we do things right; or the feel of whether we behave the way we ought to behave. The behavior (character) of the leader is the most important factor that influences the climate.

On the other hand, culture is a long-term, complex phenomenon. Culture represents the shared expectations and self-image of the organization. The mature values that create tradition or the "way we do things here." Things are done differently in every organization. The collective vision and common folklore that define the institution are a reflection of culture. Individual leaders cannot easily create or change culture because culture is a part of the organization. Culture influences the characteristics of the climate by its effect on the actions and thought processes of the leader. But, everything you do as a leader will affect the climate of the organization.

Process of Great Leadership

The road to great leadership that is common to successful leaders:

- Challenge the process - First, find a process that you believe needs to be improved the most.

- Inspire a shared vision - Next, share your vision in words that can be understood by your followers.

- Enable others to act - Give them the tools and methods to solve the problem.

- Model the way - When the process gets tough, get your hands dirty. A boss tells others what to do; a leader shows that it can be done.

- Encourage the heart - Share the glory with your followers' hearts, while keeping the pains within your own.

Management and Leadership Theories, Models and Gurus

Corporate Governance

Corporate Governance is fascinating, hugely dynamic, and very far-reaching. It grew as a concept in response to increasingly serious corporate scandals of the late 1900s, and

remains strongly concerned with these areas of corporate risk. The ideas surrounding Corporate Governance are increasingly useful for small organizations as well as the very biggest. Corporate Governance also offers interesting perspectives for leadership, authority, ego, wealth creation, greed, risk, responsibility, ethics, morality, etc., and how these issues reconcile or conflict with organizational and market dynamics, and the needs of society, environment, quality of life, economic health, etc.

Psychological Contract

The Psychological Contract is an increasingly relevant aspect of workplace relationships and wider human behaviour. Descriptions and definitions of the Psychological Contract first emerged in the 1960s, notably in the work of organizational and behavioural theorists Chris Argyris and Edgar Schein. Many other experts have contributed ideas to the subject since then, and continue to do so, either specifically focusing on the the Psychological Contract, or approaching it from a particular perspective, of which there are many. The Psychological Contract is a deep and varied concept and is open to a wide range of interpretations and theoretical studies.

Maslow's Hierarchy of Needs

Each of us is motivated by needs. Our most basic needs are inborn, having evolved over tens of thousands of years. Abraham Maslow's Hierarchy of Needs helps to explain how these needs motivate us all. Maslow's Hierarchy of Needs states that we must satisfy each need in turn, starting with the first, which deals with the most obvious needs for survival itself. Only when the lower order needs of physical and emotional well-being are satisfied are we concerned with the higher order needs of influence and personal development.

Love and Spirituality in Management and Business

Love in business and work means making decisions and conducting oneself in a way that cares for people and the world we live in. So why is love (or spirituality) such a neglected concept in business? It hasn't always been so.

Organizational Change, Training and Learning

Modern principles for organizational change management and effective employee training and development. These principles are for forward-thinking emotionally mature organizations, who value integrity above results, and people above profit. This is not to say that results and profit don't matter, of course they do. The point is that when you value integrity and people, results and profit come quite naturally.

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Human Resource Planning and Recruitment

Human resource planning refers to a systematic process that includes forecasting the prospective demand for and supply of manpower as well as the employment of skills according to the objectives of the organization. Recruitment of human resources is involved in finding and hiring the most qualified candidate for a job opening in an efficient manner. This chapter discusses in detail these processes and concepts related to human resource planning and recruitment.

HUMAN RESOURCE PLANNING

Human Resource Planning is a systematic process of forecasting both the prospective demand for and supply of manpower, and employment of skills with the objectives of the organization. It can also be termed as the method of reviewing the manpower necessities to ensure that right kind of skills is made available to the organization.

The main purpose of HRP is to set the goals and objectives of the company. In other words, it is to have the precise number of employees, with their skills matching the requirements of the organization, so that the organization can move towards its goals. Chief objectives of Human Resource Planning are as follows:

- Guarantee ample supply of resources, whenever there is a need for it.

- Make sure that the current manpower in the company is being used properly.

- To foresee the potential requirements of manpower at various skill levels.

- Evaluate excess or scarcity of resources that are available at a given point of time.

- Predict the impact of technological changes on the resources as well as on the kind of jobs they do.

- Manage the resources that are already employed in the organization.

- Ensure that there is a lead time available to pick and train any supplementary human resource.

Need for Human Resource Planning

The need of HRP may arise because of the following reasons:

- In India, unemployment is a grave concern. Scarcity of manpower and that too with the required skill sets and competence, has given rise for need of Human Resource Planning.

- It comes handy for smooth and continuous supply of workers when a huge number of employees is retiring, or leaving the company or maybe they are incapable of working due to psychological or physical ailments.

- There is a need for Human Resource Planning when there is an increase in employee turnover, which is obvious. Some examples of this turnover are promotions, marriages, end of contract, etc.

- Technological changes lead to a chain of changes in the organization, right from skill sets product methods and administration techniques. These changes lead to an overall change in the number of employees required and with entirely different skill set. It is here that the Human Resource Planning helps the organization deal with the necessary changes.

- Human Resource Planning is required to meet the requirements of diversification and growth of a company.

- There is a need for Human Resource Planning in downsizing the resources when there is a shortage of manpower. Similarly, in case of excess resources, it helps in redeploying them in other projects of the company.

Importance of Human Resource Planning

After the need for HRP, it is apt to discuss the importance of it. A few are mentioned below:

- It gives the company the right kind of workforce at the right time frame and in right figures.

- In striking a balance between demand-for and supply-of resources, HRP helps in the optimum usage of resources and also in reducing the labor cost.

- Cautiously forecasting the future helps to supervise manpower in a better way, thus pitfalls can be avoided.

- It helps the organization to develop a succession plan for all its employees. In this way, it creates a way for internal promotions.

- It compels the organization to evaluate the weaknesses and strengths of personnel thereby making the management to take remedial measures.

- The organization as a whole is benefited when it comes to increase in productivity, profit, skills, etc., thus giving an edge over its competitors.

Human Resource Planning Process
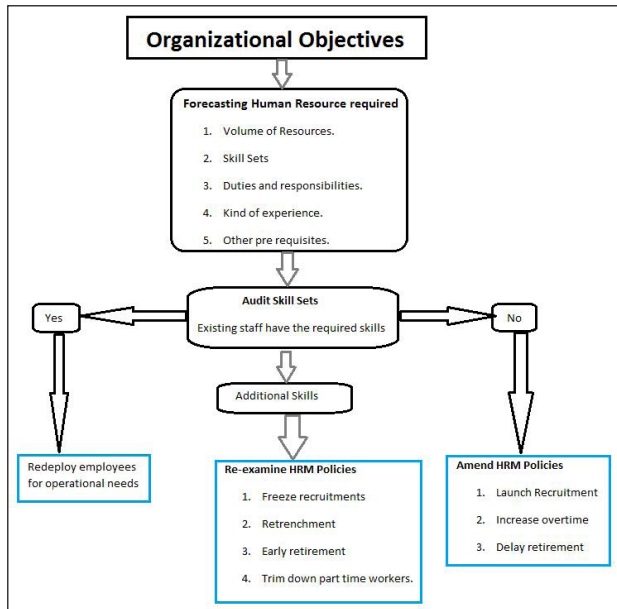
Need for Human Resource Planning process.

In any Human Resource Planning model there are three key elements which the management should adhere to:

1. Forecasting recruitment needs: There are a number of ways in forecasting your business needs, to know the exact number of employees required to run the business. Factors to be considered are the economical situation of any given country, internal and external factors of an organization and the demand for the products.

2. Evaluate Supply: In estimating this, there are two aspects, one is the evaluation of the internal resources and the other is the prospective or external resources. Among the two, external factors require extra care, these include education, unemployment rate and law that is in existence. Evaluating these factors very closely will help the organization in filling the right resources at the right time with the right skill set.

3. Supply and demand balance: This element of Human Resource Planning is very important, as striking a balance between these two forces will help the organization in understanding if there is shortage or excess of employees available in a particular group. It also helps in understanding as to the need of full time or part time needs of the organization.

Benefits of Human Resource Planning

The objective of Human Resource Planning is to make the organization reach the desired manpower position from the current manpower position, by forecasting the demand for and supply of human resources in the near future.

There are several benefits of Human resource planning that led its scope to expand across the different business organizations.

1. The human resource planning helps in forecasting the future needs of the manpower and not only this, but it also helps in anticipating the vacancies arising in the near future.

2. It is cost effective, i.e. the enterprise can anticipate the shortage and surplus of manpower and can control the imbalance, that may become unmanageable or expensive.

3. Better planning for the employee development. Through human resource planning, the skills of the existing employees can be improved by giving them timely training and development opportunities.

4. Training programs become more effective since the manpower gaps, arising out of shortage or surplus, can be determined through the manpower planning and the training can be imparted accordingly.

5. It helps to make the strategic decisions related to the hiring and training of the manpower, in the case of shortage and layoff, termination or replacement of the manpower, in a case of surplus.

6. Through Human Resource planning, the idle arising out of vacancy can be reduced and thus the overall performance of the business remains unaffected.

Thus, through human resource planning the firms can effectively manage the manpower requirements (both current and future) and also helps in reducing the lead time spent on searching the prospective candidate for the vacant position.

Limitations of Human Resource Planning

The Human Resource Planning is concerned with maintaining and recruiting the human resources with the requisite quantity and the quality, to fulfill the demand and supply arising in the near future.

In spite of its benefit of keeping the organization's manpower position balanced, there are a few limitations of Human Resource Planning, which are discussed below.

1. The future is uncertain. There are several external factors viz. Technological, political, cultural, etc. that affects the employment opportunities. Therefore, the management can consider the human resource planning as a guiding factor and can not rely completely on it.

2. With the surplus manpower, the companies try to remove this imbalance using termination, layoff, removal of the existing employees. This could create a sense of insecurity among them, and that would result in the loss of their faith in the company.

3. The human resource planning is time-consuming since it collects the complete information regarding the personnel requirements of each department and then finds the suitable sources to satisfy the needs.

4. The human resource planning is an expensive process. All the activities carried out from the time the manpower need arises till the final placement of employees, consumes lot of time and is very expensive.

Thus, the firm must carry out the human resource planning cautiously since it is accorded with several limitations that can adversely affect the overall functioning of the firm.

JOB ANALYSIS

A job may be understood as a division of total work into packages/positions. According to Dale Yoder, "A job is a collection or aggregation of tasks, duties and responsibilities which as a whole, is regarded as a regular assignment to individual employees and which is different from other assignments". Thus, a job may be defined as a group of positions involving some duties, responsibilities, knowledge and skills.

Each job has a definite title based on standard trade specialisations within a job. Each job is different from other jobs like peon, clerk, supervisor, and accountant, manager, etc. A job may include many positions. A position is a particular set of duties and responsibilities regularly assigned to an individual.

Job analysis refers to the process of collecting information about a job. In other words, it refers to the anatomy of the job. Job analysis is performed upon ongoing jobs only. It contains job contents. For example, what are the duties of a supervisor, grade II, what minimal knowledge, skills and abilities are necessary to be able to adequately perform this job? How do the requirements for a supervisor, grade II, compare with those for a supervisor, grade I? These are the questions that job analysis answers.

According to Jones and Decothis "Job analysis is the process of getting information about jobs: specially, what the worker does; how he gets it done; why he does it; skill, education and training required; relationship to other jobs, physical demands; environmental conditions".

Edwin B. Flippo has defined job analysis as the process of studying and collecting information relating to the operations and responsibilities of a specific job. The immediate products of this analysis are job descriptions and job specifications".

In the opinion of Herbert G. Hereman III, et. al., "A job is a collection of tasks that can be performed by a single employee to contribute to the production of some product or service provided by the organisation. Each job has certain ability requirements (as well as certain rewards) associated with it. Job analysis is the process used to identify these requirements". Now, job analysis can be defined as an assessment that describes jobs and the behaviours necessary to perform them.

There are two major aspects of job analysis:

These are:

1. Job Description

2. Job Specification

A brief description of these follows:

Job Description

Job description is prepared on the basis of data collected through job analysis. Job description is a functional description of the contents what the job entails. It is a narration of the contents of a job. It is a description of the activities and duties to be performed in a job, the relationship of the job with other jobs, the equipment and tools involved, the nature of supervision, working conditions and hazards of the job and so on.

All major categories of jobs need to be spelled out in clear and comprehensive manner to determine the qualifications and skills required to perform a job. Thus, job description differentiates one job from the other. In sum, job description is a written statement of what a job holder does, how it is done, and why it is done.

Purposes of Job Description

Job description is done for fulfilling the following purposes:

1. Grading and classification of jobs

2. Placement and Orientation of new employees

3. Promotions and transfers

4. Outlining for career path

5. Developing work standards

6. Counselling of employees

7. Delimitation of authority

Job Specification

While job description focuses on the job, job specification focuses on the person i.e, the job holder. Job specification is a statement of the minimum levels of qualifications, skills, physical and other abilities, experience, judgment and attributes required for performing job effectively. In other words, it is a statement of the minimum acceptable qualifications that an incumbent must possess to perform a given job. It sets forth the knowledge, skills and abilities required to do the job effectively.

Job specification specifies the physical, psychological, personal, social and behavioural characteristics of the job holders. These contents of the job specification are contained in table.

Usages of Job Specification

The usages of job specification include:

1. Personnel planning

2. Performance appraisal

3. Hiring

4. Training and development

5. Job evaluation and compensation

6. Health and safety

7. Employee discipline

8. Work scheduling

9. Career planning

Contents of Job Description and Job Specification

The contents of job description and job specification are presented in the following table.

Job Description	Job specification
A statement containing items	A statement if human qualifications necessary
Such as:	To do the job. Usually contains such items as:
• Job title	• Education
• Location	• Experience
• Job summary	• Training
• Duties	• Judgement
• Machines, tools, and equipment	• Initiative
• Materials and forms used	• Physical effort
• Supervision given or received	• Physical skills
• Working conditions	• Responsibilities
• Hazards	• Communication skills
	• Emotional characteristics
	• Unusual sensory demands such as sight, smell, hearing.

Job Evaluation

Job evaluation is a comparative process of establishing the value of different jobs in a hierarchical order. It allows one to compare jobs by using common criteria to define the relationship of one job to another. This serves as basis for grading different jobs and developing a suitable pay structure for them.

It is important to mention that job evaluation cannot be the sole determining factor for deciding pay structures because job evaluation is about relationships, and not absolutes. The techniques used for job evaluation include ranking, job classification, points rating, etc.

Why job analysis?

Job analysis is useful for overall management of all personnel activities. The same is specified as follows:

Human Resource Planning

The estimates the quantity and quality of people will be required in future. How many and what type of people will be required depends on the jobs to be staffed.

Job-related information available through job analysis is, therefore, necessary for human resource planning.

Recruitment and Selection

Recruitment succeeds job analysis. Basically, the goal of the human resource planning is to match the right people with the right job. This is possible only after having adequate information about the jobs that need to be staffed. It is job analysis that provides job information. Thus, job analysis serves as basis for recruitment and selection of employees in the organisation.

Training and Development

Job analysis by providing information about what a job entails i.e., knowledge and skills required to perform a job, enables the management to design the training and development programmes to acquire these job requirements. Employee development programmes like job enlargement, job enrichment, job rotation, etc.

Placement and Orientation

As job analysis provides information about what skills and qualities are required to do a job, the management can gear orientation programmes towards helping the employees learn the required skills and qualities. It, thus, helps management place an employee on the job best suited to him/her.

Job Evaluation

The job evaluation refers to determination of relative worth of different jobs. It, thus, helps in developing appropriate wage and salary structures. Relative worth is determined mainly on the basis of information provided by job analysis.

Performance Appraisal

Performance appraisal involves comparing the actual performance of an employee with the standard one, i.e., what is expected of him/her. Such appraisal or assessment serves as basis for awarding promotions, effecting transfers, or assessing training needs. Job analysis helps in establishing job standards which may be compared with the actual performance/contribution of each employee.

Personnel Information

Increasing number of organisations maintain computerised information about their employees. This is popularly known as Human Resource Information System (HRIS). HRIS is useful as it helps improve administrative efficiency and provides decision

support. Information relating to human resources working in the organisation is provided by job analysis only.

Health and Safety

Job analysis helps in identifying and uncovering hazardous conditions and unhealthy environmental factors such as heat, noise, fumes, dust, etc. and, thus, facilitates management to take corrective measures to minimise and avoid the possibility of accidents causing human injury.

Process of Job Analysis

Job analysis is as useful is not so easy to make. In fact, it involves a process.

Though there is no fool-proof process of making job analysis, following are the main steps involved in job analysis:

Organisational Job Analysis

Job analysis begins with obtaining pertinent information about a job'. This, according to Terry is required to know the makeup of a job, its relation to other jobs, and its contribution to performance of the organisation.

Such information can be had by dividing background information in various forms such as organisation charts i.e., how the particular job is related to other jobs; class specifications i.e., the general requirement of the job family; job description i.e., starting point to build the revised job description, and flow charts i.e., flow of activities involved in a particular job.

Selecting Representative Jobs for Analysis

Analysing all jobs of an organisation is both costly and time consuming. Therefore, only a representative sample of jobs is selected for the purpose of detailed analysis.

Collection of Data for Job Analysis:

In this step, job data features of the job and required qualifications of the employee are collected. Data can be collected either through questionnaire, observation or interviews. However, due care should be taken to select and use the method of data collection that is the most reliable in the given situation of the job.

Preparing Job Description

The job information collected in the above ways is now used to prepare a job description. Job description is a written statement that describes the tasks, duties and responsibilities that need to be discharged for effective job performance.

Preparing Job Specification

The last step involved in job analysis is to prepare job specification on the basis of collected information. This is a written statement that specifies the personal qualities, traits, skills, qualification, aptitude etc. required to effectively perform a job. The job analysis process discussed above is now delineated in figure.
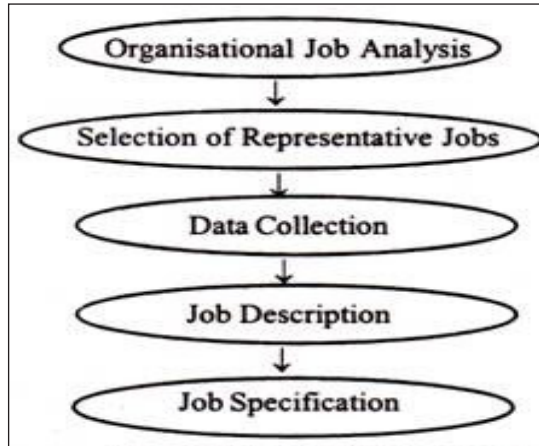
JOB DESIGN

Job design follows job analysis i.e. it is the next step after job analysis. It aims at out-lining and organising tasks, duties and responsibilities into a single unit of work for the achievement of certain objectives. It also outlines the methods and relationships that are essential for the success of a certain job. In simpler terms it refers to the what, how much, how many and the order of the tasks for a job/s.

Job design essentially involves integrating job responsibilities or content and certain qualifications that are required to perform the same. It outlines the job responsibilities very clearly and also helps in attracting the right candidates to the right job. Further it also makes the job look interesting and specialised.

There are various steps involved in job design that follow a logical sequence, those that were mentioned earlier on. The sequence is as follows:

1. What tasks are required to e done or what tasks is part of the job?

2. How are the tasks performed?

3. What amount are tasks are required to be done?

4. What is the sequence of performing these tasks?

All these questions are aimed at arriving upon a clear definition of a specific job and thereby make it less risky for the one performing the same. A well defined job encourages feeling of achievement among the employees and a sense of high self esteem.

The whole process of job design is aimed to address various problems within the organisational setup, those that pertain to ones description of a job and the associated relationships. More specifically the following areas are fine tuned:

1. Checking the work overload.

2. Checking upon the work under load.

3. Ensuring tasks are not repetitive in nature.

4. Ensuring that employees don not remain isolated.

5. Defining working hours clearly.

6. Defining the work processes clearly.

The above mentioned are factors that if not taken care of result into building stress within the employees.

Benefits of Job Design

The following are the benefits of a good job design:

1. Employee Input: A good job design enables a good job feedback. Employees have the option to vary tasks as per their personal and social needs, habits and circumstances in the workplace.

2. Employee Training: Training is an integral part of job design. Contrary to the philosophy of "leave them alone' job design lays due emphasis on training people so that are well aware of what their job demands and how it is to be done.

3. Work/Rest Schedules: Job design offers good work and rest schedule by clearly defining the number of hours an individual has to spend in his/her job.

4. Adjustments: A good job designs allows for adjustments for physically demanding jobs by minimising the energy spent doing the job and by aligning the manpower requirements for the same.

Job design is a continuous and ever evolving process that is aimed at helping employees make adjustments with the changes in the workplace. The end goal is reducing dissatisfaction, enhancing motivation and employee engagement at the workplace.

WORKFORCE PLANNING

Workforce planning is a continual process used to align the needs and priorities of the organization with those of its workforce to ensure it can meet its legislative, regulatory, service and production requirements and organizational objectives. Workforce planning enables evidence based workforce development strategies.

Workforce planning is an outcome of a tight partnership between human resource management and the finance organization and it is related to the systematic identification and analysis of what an organization is going to need in terms of the size, type, experience, knowledge, and skills of its workforce to achieve its objectives. It is a process used to generate business intelligence to inform the organization of the current, transition and future impact of the external and internal environment on the organization; as well as a key input into the budgeting process.

- Strategic workforce planning: Usually covers a three to five year forecast period, aligned to business needs and outcomes. It focuses on identifying the workforce implications, current, transition and future of business strategic objects and includes scenario planning.

- Operational workforce planning: Usually covers the next 12–18 months and should align with the time-frame of the business planning cycle. It is the process and systems applied to gathering, analyzing and reporting on workforce planning strategy.

Workforce Analytics Approach

An analytical approach is important as it provides a fact based method of understanding workforce behaviors. This analysis typically includes reviewing employee recruitment, promotion and turnover patterns. The analysis also uncovers the hidden causes of overtime, absenteeism, and low productivity.

Classification

Workforce plan can be classified in three ways:

- Long term/Yearly Plan: It focuses on budgeting, financial planning, and investment planning.

- Medium Term/Monthly plan: Analysis of requirement like workload and headcount planning.

- Short Term/Weekly plan: It is on weekly or intra-day basis for material control, loading, and scheduling.

Steps

There are fundamental activities that make up a workforce plan:

- Getting Started: Establishing the team, building the business case; linking corporate, business, finance and workforce strategy; establishing communication plan to engage stakeholders; segmenting the workforce against strategic priorities; reviewing existing data; identifying information gaps; identifying future focused business scenarios.

- Environment Scan: Environmental scanning is a form of business intelligence. In the context of workforce planning, it is used to identify the set of facts or circumstances that surround a workforce situation or event.

- Current Workforce Profile: Current State is a profile of the demand and supply factors both internally and externally of the workforce the organization has today.

- Transition Workforce Profile: Demand and supply factors for the transition from current to future workforce.

- Future Workforce View: Future View is determining the organization's needs considering the emerging trends and issues identified during the Environment Scanning.

- Analysis and Targeted Future: Once critical elements are identified through quantitative and qualitative analysis, the future targets that are the best fit in terms of business strategy and is achievable given the surrounding factors (internal/external, supply/demand) are determined.

- Risk Assessment and Risk Mitigation: The process is about determining appropriate actions to manage risk assessment and identify risk mitigation strategies to deliver the targeted future.

- Action plan to embed strategic workforce planning into business planning process.

- Monitor and measure impact of strategic workforce planning on business outcomes.

JOB EVALUATION

A job evaluation is a systematic way of determining the value/worth of a job in relation to other jobs in an organization. It tries to make a systematic comparison between jobs to assess their relative worth for the purpose of establishing a rational pay

structure. Job evaluation needs to be differentiated from job analysis. Job analysis is a systematic way of gathering information about a job. Every job evaluation method requires at least some basic job analysis in order to provide factual information about the jobs concerned. Thus, job evaluation begins with job analysis and ends at that point where the worth of a job is ascertained for achieving pay equity between jobs and different roles.

Process

The process of job evaluation involves the following steps:

- Gaining acceptance: Before undertaking job evaluation, top management must explain the aims and uses of the programme to managers, emphasizing the benefits. Employees and unions may be consulted, depending on the legal and employee relations environment and company culture. To elaborate the program further, presentations could be made to explain the inputs, process and outputs/benefits of job evaluation.

- Creating job evaluation committee: It is not possible for a single person to evaluate all the key jobs in an organization. Often a job evaluation committee consisting of experienced employees, union representatives and HR experts is created to set the ball rolling.

- Finding the jobs to be evaluated: Every job need not be evaluated. This may be too taxing and costly. Certain key jobs in each department may be identified. While picking up the jobs, care must be taken to ensure that they represent the type of work performed in that department, at various levels.

- Analysing and preparing job description: This requires the preparation of a job description and also an analysis of job specifications for successful performance.

- Selecting the method of evaluation: The method of evaluating jobs must be identified, keeping the job factors as well as organisational demands in mind. Selecting a method also involves consideration of company culture, and the capacity of the compensation and benefits function or job evaluation committee.

- Evaluating jobs: The relative worth of various jobs in an organisation may be determined by applying the job evaluation method. The method may consider the "whole job" by ranking a set of jobs, or by comparing each job to a general level description. Factor-based methods require consideration of the level of various compensable factors (criteria) such as level and breadth of responsibility, knowledge and skill required, complexity, impact, accountability, working conditions, etc. These factor comparisons can be one with or without numerical scoring. If there is numerical scoring, weights can be assigned to

each such factor and scores are associated with different levels of each factor, so that a total score is determined for the job. All methods result in an assigned grade level.

Installing the Programme

Once the evaluation process is over and a plan of action is ready, management must explain it to employees and put it into operation.

Reviewing Periodically

In the light of changes in environmental conditions (technology, products, services, etc.) jobs need to be examined closely. For example, the traditional clerical functions have undergone a rapid change in sectors like banking, insurance and railways, after computerisation. New job descriptions need to be written and the skill needs of new jobs need to be duly incorporated in the evaluation process. Otherwise, employees may feel that all the relevant job factors - based on which their pay has been determined - have not been evaluated properly.

For job evaluation to be practicable it is necessary:

- That jobs can be easily identified;

- That there are sufficient differences between different jobs; and

- That agreements know the relative importance or worth of different jobs can be negotiated between the enterprise and its employees and/or their representatives.

Methods

There are primarily three methods of job evaluation: (1) ranking, (2) classification, (3) Factor comparison method or Point method. While many variations of these methods exist in practice, the three basic approaches are described here.

Ranking Method

Perhaps the simplest method of job evaluation is the ranking method. According to this method, jobs are arranged from highest to lowest, in order of their value or merit to the organization. Jobs can also be arranged according to the relative difficulty in performing them. The jobs are examined as a whole rather than on the basis of important factors in the job; the job at the top of the list has the highest value and obviously the job at the bottom of the list will have the lowest value. Jobs are usually ranked in each department and then the department rankings are combined to develop an organizational ranking. The variation in payment of salaries depends on the variation of the nature of the job performed by the employees. The ranking method is simple to understand and practice and it is best suited for a small organization. Its simplicity however works to its

disadvantage in big organizations because rankings are difficult to develop in a large, complex organization. Moreover, this kind of ranking is highly subjective in nature and may offend many employees. Therefore, a more scientific and fruitful way of job evaluation is called for.

Classification Method (Grading Method)

According to this method, a predetermined number of job groups or job classes are established and jobs are assigned to these classifications. This method places groups of jobs into job classes or job grades. Separate classes may include office, clerical, managerial, personnel, etc. Following is a brief description of such a classification in an office.

- Class I - Executives: Further classification under this category may be Office Manager, Deputy office manager, Office superintendent, Departmental supervisor, etc.

- Class II - Skilled workers: Under this category may come the Purchasing assistant, Cashier, Receipts clerk, etc.

- Class III - Semiskilled workers: Under this category may come Stenotypists, Machine-operators, Switchboard operator etc.

- Class IV - Unskilled workers: This category may comprise peons, messengers, housekeeping staff, Daftaris, File clerks, Office boys, etc.

The job grading method is less subjective when compared to the earlier ranking method. The system is very easy to understand and acceptable to almost all employees without hesitation. One strong point in favour of the method is that it takes into account all the factors that a job comprises. This system can be effectively used for a variety of jobs. The weaknesses of the Grading method are:

- Even when the requirements of different jobs differ, they may be combined into a single category, depending on the status a job carries.

- It is difficult to write all-inclusive descriptions of a grade.

- The method oversimplifies sharp differences between different jobs and different grades.

- When individual job descriptions and grade descriptions do not match well, the evaluators have the tendency to classify the job using their subjective judgements.

Factor Comparison Method or Point Method

This method is widely used and is considered to be one of the reliable and systematic approach for job evaluation in mid and large size organisations. Most consulting firms adopt this method, which was pioneered by Edward Hay in 1943. Here, jobs are

expressed in terms of key factors. Points are assigned to each factor after prioritizing each factor in order of importance. The points are summed up to determine the wage rate for the job. Jobs with similar point totals are placed in similar pay grades. The procedure involved may be explained thus:

1. Select key jobs: Identify the factors common to all the identified jobs such as skill, effort, responsibility, etc.

2. Divide each major factor into a number of sub factors. Each sub factor is defined and expressed clearly in the order of importance, preferably along a scale. The most frequent factors employed in point systems are:

   - Skill (key factor): Education and training required, Breadth/depth of experience required, Social skills required, Problem-solving skills, Degree of discretion/use of judgment, Creative thinking;

   - Responsibility/Accountability: Breadth of responsibility, Specialized responsibility, Complexity of the work, Degree of freedom to act, Number and nature of subordinate staff, Extent of accountability for equipment/plant, Extent of accountability for product/materials;

   - Effort: Mental demands of a job, Physical demands of a job, Degree of potential stress. The educational requirements (sub factor) under the skill (key factor) may be expressed in the order of importance.

3. Find the maximum number of points assigned to each job (after adding up the point values of all sub-factors of such a job).

   This would help in finding the relative worth of a job. For instance, the maximum points assigned to an officer's job in a bank come to 540. The manager's job, after adding up key factors + sub factors points, may be getting a point value of say 650 from the job evaluation committee. This job is now priced at a higher level.

4. Once the worth of a job in terms of total points is expressed, the points are converted into money values keeping in view the hourly/daily wage rates. A wage survey is usually undertaken to collect wage rates of certain key jobs in the organization.

Market Pricing

Market pricing is the process for determining the external value of jobs, allowing you to establish wage and salary structures and pay rates that are market sensitive. Job matching session is conducted.

Merits and Demerits

The point method is a superior and widely used method of evaluating jobs. It forces raters to look into all key factors and sub-factors of a job. Point values are assigned to all factors in

a systematic way, eliminating bias at every stage. It is reliable because raters using similar criteria would get more or less similar answers. The methodology underlying the approach contributes to a minimum of rating error. It accounts for differences in wage rates for various jobs on the strength of job factors. Jobs may change over time, but the rating scales established under the point method remain unaffected. On the negative side, the point method is complex. Preparing a manual for various jobs, fixing values for key and sub-factors, establishing wage rates for different grades, etc., is a time consuming process, According to Decenzo and Robbins, "the key criteria must be carefully and clearly identified, degrees of factors have to be agreed upon in terms that mean the same to all rates, the weight of each criterion has to be established and point values must be assigned to degrees". This may be too taxing, especially while evaluating managerial jobs where the nature of work (varied, complex, novel) is such that it cannot be expressed in quantifiable numbers.

Limitations of Vendors

Job evaluation is not completely scientific:

1. Different job evaluators may reach different results, requiring validation.

2. More complex systems, such as point factor, may be difficult to explain to managers or employees.

Concept of Job Evaluation

What is job design? As we just explained, job analysis provides job-related data as well as the skills and knowledge required for the incumbent to perform the job. A better job performance also requires deciding on sequence of job contents. This is called 'job design'. Job design is a logical sequence to job analysis. In other words, job design involves specifying the contents of a job, the work methods used in its performance and how the job relates to other jobs in the organisation.

A few definitions on job design are produced here with a view to help you understand the meaning of job design in a better manner. Michael Armstrong has defined job design as "the process of deciding on the contents of a job in terms of its duties and responsibilities, on the methods to be used in carrying out the job, in terms of techniques, systems and procedures, and on the relationships that should exist between the job holder and his superiors, subordinates and colleagues".

Mathis and Jackson have defined job design as "a process that integrates work content (tasks, functions, relationships), the rewards(extrinsic and intrinsic), and the qualifications required (skills, knowledge, abilities) for each job in a way that meets the needs of employees and organisations."

Popplewell and Wildsmith define job design in these words: "involves conscious efforts to organise tasks, duties, and responsibilities into a unit of work to achieve certain objectives".

Having gone through the above definitions of job design, it can now be described as a deliberate attempt made to structure both technical and social aspects of the job to attain a fit between the individual (job holder) and the job. The very idea is that job should be designed in such a way as to enable employees to control over the aspects of their work. The underlying justification being that by doing this, it enhances the quality of the work life, harnesses the potential of the workers in a more effective manner and thereby improves employee performance.

Techniques for Designing Jobs

Basically, there are four techniques used in the design of jobs. These include Job simplification, Job enlargement, Job enrichment and Job rotation.

Job Simplification

Job simplification is a design method whereby jobs are divided into smaller components and subsequently assigned to workers as whole jobs. Simplification of work requires that jobs be broken down into their smallest units and then analysed. Each resulting sub-unit typically consists of relatively few operations. These subunits are then assigned to the workers as their total job. Many fast food restaurants such as McDonald's, Burger King and KFC use simplification because employees can learn tasks rapidly; short work cycles allow task performance with little or no mental effort and low-skilled and low-paid employees can be hired and trained easily.

On the negative side, job simplification results in workers experiencing boredom, frustration, alienation, lack of motivation and low job satisfaction. This, in turn, leads to lower productivity and increased cost.

Job Enlargement

Job enlargement expands a job horizontally. It increases job scope; that is, it increases the number of different operations required in a job and the frequency with which the job cycle is repeated. By increasing the number of tasks an individual performs, job enlargement increases the job scope, or job diversity. Instead of only sorting the incoming mail by department, for instance, a mail sorter's job could be enlarged to include physically delivering the mail to the various departments or running outgoing letters through the postage meter.

Efforts at job enlargement have met with less than enthusiastic results. As employee who experienced such a redesign on his job remarked, "Before we had one lousy job. Now, through enlargement, we have three!" So while job enlargement attacks the lack of diversity in overspecialised jobs, it has done little to provide challenge or meaningfulness to a worker's activities.

Job Rotation

Job rotation refers to the movement of an employee from one job to another. Jobs

themselves are not actually changed, only the employees are rotated among various jobs. An employee who works on a routine job moves to work on another job for some hours/days/months and returns to the first job. This measure relieves the employee from the boredom and monotony, improves the employee's skills regarding various jobs and prepares worker's self-image and provides personal growth. However, frequent job rotations are not advisable in view of their negative impact on the organisation and the employee.

Job Enrichment

Job enrichment, as currently practiced in industry, is a direct outgrowth of Herzberg's Two Factor Theory of motivation. It is, therefore, based on the assumption that in order to motivate personnel, the job itself must provide opportunities for achievement recognition, responsibility, advancement and growth. The basic idea is to restore to jobs the elements of interest that were taken away under intensive specialisation. Job enrichment tries to embellish the job with factors that Herzberg characterised as motivators: achievement, recognition, increased responsibilities, opportunities for growth, advancement and increased competence. There is an attempt to build into jobs a higher sense of challenge and achievement, through vertical job loading. Job enrichment has four unique aspects:

- It changes the basic relationship between employees and their work. Interesting and challenging work, as studies have proved, can be a source of employee satisfaction.

- It changes employee behaviours in ways that gradually lead to more positive attitudes about the organisation and a better self-image. Feeling of autonomy and personal freedom help employees view their jobs in a favourable way.

- It helps the employer to bring about organisational changes easily, securing employee cooperation and commitment.

- Job enrichment can humanise an organisation. 'Individuals can experience the psychological that comes from developing new competencies and doing a job well. Individuals are encouraged to grow and push themselves.'

RECRUITMENT

Recruitment refers to the overall process of attracting, shortlisting, selecting and appointing suitable candidates for jobs (either permanent or temporary) within an organization. Recruitment can also refer to processes involved in choosing individuals for unpaid roles. Managers, human resource generalists and recruitment specialists may be tasked with carrying out recruitment, but in some cases public-sector employment agencies, commercial recruitment agencies, or specialist search consultancies are used

to undertake parts of the process. Internet-based technologies which support all aspects of recruitment have become widespread.

Process

- Job analysis for new jobs or substantially changed jobs, a job analysis might be undertaken to document the knowledge, skills, abilities and other characteristics (KSAOs) required or sought for the job. From these the relevant information is captured in a person specification.

- Sourcing is the process of attracting or identifying candidates.

- Screening and selection.

Sourcing

Sourcing is the use of one or more strategies to attract or identify candidates to fill job vacancies. It may involve internal and/or external recruitment advertising, using appropriate media, such as job portals, local or national newspapers, social media, business media, specialist recruitment media, professional publications, window advertisements, job centers, or in a variety of ways via the internet.

Alternatively, employers may use recruitment consultancies or agencies to find otherwise scarce candidates—who, in many cases, may be content in the current positions and are not actively looking to move. This initial research for candidates—also called *name generation*—produces contact information for potential candidates, whom the recruiter can then discreetly contact and screen.

Referral Recruitment Programs

Referral recruitment programs allow both outsiders and employees to refer candidates for filling job openings. Online, they can be implemented by leveraging social networks.

Employee Referral

An employee referral is a candidate recommended by an existing employee. This is sometimes referred to as referral recruitment encouraging existing employees to select and recruit suitable candidates results in:

- Improved candidate quality ('fit'), and retention (which in the call center industry is around 45% annually.). The one-to-one direct relationship between the candidate and the referring employee and the exchange of knowledge that takes place allows the candidate to develop a strong understanding of the company, its business and the application and recruitment process. The candidate is thereby enabled to assess their own suitability and likelihood of success, including "fitting in."

- Reduces the considerable cost of third parties service providers who would have previously conducted the screening and selection process. An op-ed in *Crain's* in April 2013 recommended that companies look to employee referral to speed the recruitment process for purple squirrels, which are rare candidates considered to be "perfect" fits for open positions.

- The employee typically receives a referral bonus, and is widely acknowledged as being cost effective. The Global Employee Referral Index 2013 Survey found that 92% of the participants reported employee referrals as one of the top recruiting sources for recruiting.

- As candidate quality improves and interview to job offer conversion rates increase, the amount of time spent interviewing decreases, which means the company's Human Resources headcount can be streamlined and be used more efficiently. Marketing and advertising expenditures decrease as existing employees source potential candidates from the existing personal networks of friends, family and associates. By contrast, recruiting through 3rd-party recruiting agencies incurs a 20–25% agency finder's fee – which can top $25K for an employee with $100K annual salary. Referral recruiting can be free (or cost a fraction).

There is, however, a risk of less corporate creativity: An "overly homogeneous" workforce is at risk for "fails to produce novel ideas or innovations."

Social Network Referral

Initially, responses to mass-emailing of job announcements to those within employees' social network slowed the screening process.

Two ways in which this improved are:

- Making available screen tools for employees to use, although this interferes with the "work routines of already time-starved employees".

- "when employees put their reputation on the line for the person they are recommending".

Screening and Selection

Various psychological tests can assess a variety of KSAOs, including literacy. Assessments are also available to measure physical ability. Recruiters and agencies may use applicant tracking systems to filter candidates, along with software tools for psychometric testing and performance-based assessment. In many countries, employers are legally mandated to ensure their screening and selection processes meet equal opportunity and ethical standards.

Employers are likely to recognize the value of candidates who encompass soft skills, such as interpersonal or team leadership, and the level of drive needed to stay engaged. In fact, many companies, including multinational organizations and those that recruit from a range of nationalities, are also often concerned about whether candidate fits the prevailing company culture and organization as a whole. Companies and recruitment agencies are now turning to video screening as a way to notice these skills without the need to invite the candidates in physical. Screening as a practice for hiring has undergone continual change over the years and often organizations are using video to maintain the aforementioned standards they set for themselves and the industry.

Disabled Candidates

The word disability carries few positive connotations for most employers. Research has shown that employer biases tend to improve through first-hand experience and exposure with proper supports for the employee and the employer making the hiring decisions. As for most companies, money and job stability are two of the contributing factors to the productivity of a disabled employee, which in return equates to the growth and success of a business. Hiring disabled workers produce more advantages than disadvantages. There is no difference in the daily production of a disabled worker. Given their situation, they are more likely to adapt to their environmental surroundings and acquaint themselves with equipment, enabling them to solve problems and overcome adversity as with other employees. The U.S. IRS grants companies Disabled Access Credit when they meet eligibility criteria.

Diversity

Many major corporations recognize the need for diversity in hiring to compete successfully in a global economy. The challenge is to avoid recruiting staff who are "in the likeness of existing employees".

Recruitment Process Outsourcing

Recruitment process outsourcing (RPO) is a form of Business process outsourcing (BPO) where a company engages a third party provider to manage all or part of its recruitment process.

Approaches

Internal recruitment or internal mobility refers to the process of a candidate being selected from the existing workforce to take up a new job in the same organization, perhaps as a promotion, or to provide career development opportunity, or to meet a specific or urgent organizational need. Advantages include the organization's familiarity with the employee and their competencies insofar as they are revealed in their

current job, and their willingness to trust said employee. It can be quicker and have a lower cost to hire someone internally.

An employee referral program is a system where existing employees recommend prospective candidates for the job offered, and usually, if the suggested candidate is hired, the employee receives a cash bonus.

Niche firms tend to focus on building ongoing relationships with their candidates, as the same candidates may be placed many times throughout their careers. Online resources have developed to help find niche recruiters. Niche firms also develop knowledge on specific employment trends within their industry of focus (e.g., the energy industry) and are able to identify demographic shifts such as aging and its impact on the industry.

Social recruiting is the use of social media for recruiting.

Mobile recruiting is a recruitment strategy that uses mobile technology to attract, engage and convert candidates.

Some recruiters work by accepting payments from job seekers, and in return help them to find a job. This is illegal in some countries, such as in the United Kingdom, in which recruiters must not charge candidates for their services (although websites such as LinkedIn may charge for ancillary job-search-related services). Such recruiters often refer to themselves as "personal marketers" and "job application services" rather than as recruiters.

Using multiple-criteria decision analysis tools such as analytic hierarchy process (AHP) and combining it with conventional recruitment methods provides an added advantage by helping the recruiters to make decisions when there are several diverse criteria to be considered or when the applicants lack past experience; for instance, recruitment of fresh university graduates.

Multi-tier Recruitment Model

In some companies where the recruitment volume is high, it is common to see a multi tier recruitment model where the different sub-functions are grouped together to achieve efficiency.

An example of a 3 tier recruitment model:

- Tier 1: Contact/Help desk - This tier acts as the first point of contact where recruitment requests are being raised. If the requests are simple to fulfil or are queries in nature, resolution may take place at this tier.

- Tier 2: Administration - This tier manages mainly the administration processes.

- Tier 3: Process - This tier manages the process and how the requests get fulfilled.

Strategies

A recruitment strategy is a plan an organization enacts to form a recruiting process and establish a candidate pool. An organization uses recruitment strategies to identify a hiring vacancy, establish a timeline, and identify goals throughout the recruitment process. Recruitment strategies are typically the responsibility of the human resources department.

General

Organizations define their own recruiting strategies to identify who they will recruit, as well as when, where, and how that recruitment should take place. Common recruiting strategies answer the following questions:

- What type of individuals should be targeted?

- What recruitment message should be communicated?

- How can the targeted individuals best be reached?

- When should the recruitment campaign begin?

- What should be the nature of a site visit?

Practices

Organizations develop recruitment objectives, and the recruitment strategy follows these objectives. Typically, organizations develop pre- and post-hire objectives and incorporate these objectives into a holistic recruitment strategy. Once an organization deploys a recruitment strategy it conducts recruitment activities. This typically starts by advertising a vacant position.

Professional Associations

There are numerous professional associations for human resources professionals. Such associations typically offer benefits such as member directories, publications, discussion groups, awards, local chapters, vendor relations, government lobbying, and job boards.

Professional associations also offer a recruitment resource for human resources professionals.

E-Recruitment

E-Recruitment, also called as Online Recruitment, is the process of hiring the potential candidates for the vacant job positions, using the electronic resources, particularly the internet.

Nowadays, companies make use of the internet to reach a large number of job seekers and hire the best talent for the company at a less cost, as compared to the physical recruitment process.

E-Recruitment includes the entire process of finding the prospective candidates, assessing, interviewing and hiring them, as per the job requirement. Through this, the recruitment is done more effectively and efficiently.

Generally, the job vacancies are advertised on the world wide web (www), where the applicants attach their CV or resume, to get recognized by the potential recruiters or the employers.

The companies undertake their online promotional activities via their official websites, wherein the complete information about the corporation is enclosed. Through this information, the prospective candidate could decide whether to be a part of a firm or not. Thus, the firm's official website is considered to be an essential element of E-Recruitment.

Advantages of E-Recruitment

- Low cost per candidate, as compared to the physical recruitment process.

- Wide geographical coverage, i.e. the candidates can be hired from any part of the world.

- Beneficial for both the employer and the job seeker, the corporations can find the prospective candidates through their CVs attached to world wide web, and similarly, the candidates can search the employer through their job vacancy advertisement posted on the internet.

- Less time required in hiring the potential candidate for the firm.

- Right people for the right job can be easily found through E-Recruitment, by matching the candidate's CVs with the job profile.

- The recruitment process becomes more efficient and easy to record details of the applicant.

The E-Recruitment software and systems are available, through which the entire recruitment process becomes automated. One of the systems is the Recruitment Management System, which is a portal that involves hiring the candidates online and each step involved in the recruitment process is automatized.

COMPENSATION AND BENEFITS

Compensation and benefits (C&B) is a sub-discipline of human resources, focused on employee compensation and benefits policy-making. While compensation and benefits

are tangible, there are intangible rewards such as recognition, work-life and development. Combined, these are referred to as total rewards . The term "compensation and benefits" refers to the discipline as well as the rewards themselves.

Basic Components of Employee Compensation and Benefits

Employee compensation and benefits are divided into four basic categories:

1. Guaranteed pay: A fixed monetary (cash) reward paid by an employer to an employee. The most common form of guaranteed pay is base salary. Guaranteed pay also includes cash allowances (housing allowance, transport allowance, etc.), differentials (shift differentials, holiday differentials) and premiums (night shift, etc).

2. Variable pay: A non-fixed monetary (cash) reward paid by an employer to an employee that is contingent on discretion, performance, or results achieved. The most common forms of variable pay are bonuses and incentives.

3. Benefits: Programs an employer uses to supplement employees' compensation, such as paid time off, medical insurance, company car, and more.

4. Equity-based compensation: Stock or pseudo stock programs an employer uses to provide actual or perceived ownership in the company which ties an employee's compensation to the long-term success of the company. The most common examples are stock options.

Guaranteed Pay

Guaranteed pay is a fixed monetary (cash) reward. The basic element of guaranteed pay is base salary which is paid on an hourly, daily, weekly, bi-weekly, semi-monthly or monthly rate. Base salary is provided for doing the job the employee is hired to do. The size of the salary is determined mainly by 1) the prevailing market salary level paid by other employers for that job, and 2) the performance of the person in the job. Many countries, provinces, states or cities dictate a minimum wage. Employees' individual skills and level of experience leave room for differentiating income levels within a job-based pay structure.

In addition to base salary, allowances may be paid to an employee for specific purposes other than performing the job. These can include allowances for transportation, housing, meals, cost of living, seniority, or as payments in lieu of medical or pension benefits. The use of allowances varies widely by country, as well as job level and the nature of job duties.

Variable Pay

Variable pay is a non-fixed monetary (cash) reward that is contingent on discretion,

performance, or results achieved. There are different types of variable pay plans, such as bonus schemes, sales incentives (commission), overtime pay, and more.

An example where this type of plan is prevalent is how the real estate industry compensates real estate agents. A common variable pay plan might be the sales person receives 50% of every dollar they bring in up to a level of revenue at which they then bump up to 85% for every dollar they bring in going forward. Typically, this type of plan is based on an annual period of time requiring a "resetting" each year back to the starting point of 50%. Sometimes this type of plan is administered so the sales person never resets or falls down to a lower level. It also includes Performance Linked Incentive which is variable and may range from 130% to 0% as per performance of the individual as per his key result areas (KRA).

Benefits

There is a wide variety of benefits offered to employees such as Paid Time-Off (PTO), various types of insurance (such as life, medical, dental, and disability), participation in a retirement plan (such as pension or 401(k)), or access to a company car, among others. Some benefits are mandatory which are regulated by the government while others are voluntarily offered to fulfill the need of a specific employee population. Benefit plans are typically not provided in cash but form the basis of an employees' pay package along with base salary and bonus.

In the United States, "qualified" employee benefit plans must be offered to all employees, while "non-qualified" benefit plans may be offered to a select group such as executives or other highly-paid employees. When implementing a benefit plan, HR Departments must ensure compliance with federal and state regulations. Many states and countries dictate different minimum benefits such as minimum paid time-off, employer's pension contribution, sick pay, among others.

Equity-based Compensation

Equity-based compensation is an employer compensation plan using the employer's shares as employee compensation. The most common form is stock options, yet employers use additional vehicles such as restricted stock, restricted stock units (RSU), employee stock purchase plan (ESPP), and stock appreciation rights (SAR). A stock option is defined as "a contract right granted to an individual to purchase a certain number of shares of stock at a certain price (and subject to certain conditions) over a defined period of time."

Intangible Benefits

An employee may receive intangible benefits, such as a desirable work schedule. That could be a schedule that is controlled by the employee and can be adjusted to accommodate occasional non-work activities, or one that is highly predictable, which makes it easier for the employee to arrange childcare or transportation to work.

Access to training programs, mentorship, opportunities to travel or to meet other people in the same field, and similar experiences are all intangible benefits that may appeal to some employees.

Pay Aggregates

Various combinations of the above four categories are referred to as pay aggregates. Common aggregates are explained below.

Together, guaranteed and variable pay comprise total cash compensation. The ratio of base salary to variable pay is referred to as the pay mix. For example, a person receiving a bonus equal to 25% of base salary would have an 80/20 pay mix. Organizations often set the total cash compensation for sales people at a market level, then they split the total cash compensation into the base salary component and the incentive component following a 70/30 pay mix, while other (non-sales) employees may have a 90/10 pay mix.

Total guaranteed package or fixed cost to company are aggregates that include guaranteed pay and benefits. This represents the total fixed cost of the reward package and is useful for budgeting. All forms of variable pay (annual bonus and equity compensation) are excluded from this aggregate.

Total direct pay refers to total cash compensation plus equity compensation. Benefits are excluded from this aggregate. Total direct pay includes all the elements that may be negotiated by a job candidate, especially for senior executive positions where annual and long-term incentives are more substantial.

Total compensation would include all four categories: guaranteed pay (salary and allowances), variable pay, benefits and equity compensation.

Remuneration is a term often used to refer to total cash compensation or total compensation.

Total rewards would include total compensation as well as intangible benefits such as culture, leadership, recognition, workplace flexibility, development and career opportunity.

External Equity

External equity refers to the similarity of the practices of other organization of the same sector. If perceived like this, it can be said that the program is considered competitive or externally equitable. Usually, these comparisons are done in external labor markets where the wages vary. There are various factors that contribute to create these differences, for example, geographical location, education and work experience.

Internal Equity

Internal equity is employees' perception of their duties, compensation, and work

conditions as compared with those of other employees in similar positions in the same organization. As this comparison is always made within the company, problems with internal equity can result in conflict among employees, mistrust, low morale, anger and even the adoption of legal actions. Workers can make the evaluation of internal equity regarding two main points. On the one hand, procedural justice is the person's perceived fairness of the process (assigned tasks) and procedures used to make decisions about him/her. On the other hand, distributive justice refers to the perceived fairness in the distribution of outcomes (salaries). The classic objectives of equity based compensation plans are retention, attraction of new hires and aligning employees' and shareholders' interests with the long-term success of the company.

Organizational Place

In most companies, compensation & benefits (C&B) design and administration falls under the umbrella of human-resources.

HR organizations in large companies are typically divided into three sub-divisions: HR business partners (HRBPs), HR centers of excellence, and HR shared services. C&B is an HR center of excellence, like staffing and organizational development (OD).

Main Influencers

Employee compensation and benefits main influencers can be divided into two: Internal (company) and external influencers.

The most important internal influencers are the business objectives, labor unions, internal equity (the idea of compensating employees in similar jobs and similar performance in a similar way), organizational culture and organizational structure.

The most important external influencers are the state of the economy, inflation, unemployment rate, the relevant labor market, labor law, tax law, and the relevant industry habits and trends.

Bonus Plans Benefits

Bonus plans are variable pay plans. They have three classic objectives:

1. Adjust labor cost to financial results: The basic idea is to create a bonus plan where the company is paying more bonuses in 'good times' and less (or no) bonuses in 'bad times'. By having bonus plan budget adjusted according to financial results, the company's labor cost is automatically reduced when the company isn't doing so well, while good company performance drives higher bonuses to employees.

2. Drive employee performance: The basic idea is that if an employee knows that his/her bonus depend on the occurrence of a specific event (or paid according

to performance, or if a certain goal is achieved), then the employee will do whatever he/she can to secure this event (or improve their performance, or achieve the desired goal). In other words, the bonus is creating an incentive to improve business performance (as defined through the bonus plan).

3. Employee retention: Retention is not a primary objective of bonus plans, yet bonuses are thought to bring value with employee retention as well, for three reasons: a) a well designed bonus plan is paying more money to better performers; a competitor offering a competing job-offer to these top performers is likely to face a higher hurdle, given that these employees are already paid higher due to the bonus plan. b) if the bonus is paid annually, employee is less inclined to leave the company before bonus payout; often the reason for leaving (e.g. dispute with the manager, competing job offer) 'goes away' by the time the bonus is paid. the bonus plan 'buy' more time for the company to retain the employee. c) employees paid more are more satisfied with their job (all other things being equal) thus less inclined to leave their employer.

The concept saying bonus plans can improve employee performance is based on the work of Frederic Skinner, perhaps the most influential psychologist of the 20th century. Using the concept of Operant Conditioning, Skinner claimed that an organism (animal, human being) is shaping his/her voluntary behavior based on its extrinsic environmental consequences – i.e. reinforcement or punishment.

This concept captured the hearts of many, and indeed most bonus plans nowadays are designed based on it, yet since the late 1940s a growing body of empirical evidence has suggested that these *if-then* rewards do not work in a variety of settings common to the modern workplace. The failings of the bonus plan often relate to rewarding the wrong behaviour. For example, managers who keep to the status quo, fire valuable (expensive) employees, and engage in immoral business practices can achieve better short-term financial outcomes (and therefore a bonus) than a manager who is attempting to innovate his or her way to higher profits. When bonus plans are poorly thought out, they have the potential to damage employee performance and cause regulatory headaches. However, despite their failings, employees (and many employers) still view an effective bonus plan as the single greatest motivator in the workplace.

Forms of Online Promotion for Recruitment

An Email/Message List

Interested people sign up to hear about vacancies as and when they arise. This is an excellent, targeted way of getting out information to those who have already stated an interest, however the recruitment market changes very quickly and an email/message list can be out of date quickly.

Social Media

Facebook, Twitter and so forth can be excellent tools for disseminating news about a job vacancy and providing a link to more information. However, with the appropriate infrastructure in place in the form of 2,000– 5,000 followers as a minimum, any such news is going to be slow to spread. Simply putting something on social media is not achieving anything at all unless it is disseminated well by those followers.

Online Jobs Listings

There are now, with perhaps only a small exaggeration, nearly as many online lists of job vacancies as there are vacancies themselves. They have become a popular way of raising advertising revenue and are regularly promoted through social media. Many need to be treated with caution however, as they are as keen to entice users to click on their external advertisements and links as they are for them to click on their actual job vacancy advertisements.

Website

For recruitment, the website is the ideal place to make available all the documentation and information prospective candidates need. They can also be the place where applications are registered and forms are completed. However, they are only the information source, promotion to get people to that website is far more important.

LinkedIn

This massive database of people marketing themselves — presenting their online CV in effect — is rarely used by recruiters other than to check a person is who they say they are. Potentially, we could ask people to apply by simply sharing their LinkedIn profile.

Applying for jobs online makes the process very easy for the recruiter. All the information, in the format requested and completely standardised is immediately available to the recruiter and can easily be forwarded to all members of the recruiting team. The one drawback is that only those people who are au fait with computers and working online will excel at the task of applying when these may be skills that are not needed at all in the posts being offered. Any recruitment that only allows for online recruitment is potentially excluding the small but significant proportion of people who do not have those skills or who do not have access to the internet.

One problem that is becoming common is those recruiters who, through a very successful social media campaign end up with far more applicants than they were expecting. It is important to plan ahead and know what to do if this is the case.

Potentially, recruitment is now much cheaper to carry out, and our ability to reach a far wider range of people is now, literally, at our finger tips. However, it is not enough

to rely solely on online methods without a pre-existing mature social media profile twinned with more traditional methods — such as media advertising and recruitment agencies — to ensure genuine diversity of approach.

SELECTION

Employee selection is the process of choosing most appropriate candidate for the specified position among the perspective candidates. It aims to select right man at the right job. The selection process follows the optimum fit between the job and the person. It follows recruitment but it is different in certain cases. Selection process starts with the completion of recruitment process.

Selection function is much crucial function of management as it is responsible to choose the best candidates among all applicants. It improves the efficiency and productivity of the organization if right men are selected to right position but it creates the situation of organizational accident if wrong candidates are selected.

To be effective selection, following things must be fulfilled as a minimum criteria:

- Clearly mentioned job description.

- Clear job specifications for each vacant post.

- Scientific selection process defined to different steps to each position.

- Selection standard and validation of selection test.

- Understanding legal formalities.

- Large number of applicants for the vacant post.

For our purpose, selection is a process of screening only the qualified candidates who have applied for the vacant post. It is negative process as it rejects all the unqualified or less qualified applicants. Selection process consists of different steps on series where every step rejects certain candidates for selecting the best one.

Employee Selection Process in HRM

Selection of employees is the complex decision making process. It is concerned with selection of best applicant and rejecting less competent and less suitable applicant through large number of applicant. There is no any fixed method and process that can be universally applicable which guarantee for the selection of only best candidates. Organization can follow different processes and methods as per demand and culture of organization and types of employees to be selected. However, selection

passes through different stages as it is a process. Selection process in general, can be explained as below:

Application from Evaluation

Applicants must submit application form along with different information. Application form contains name, age, educational qualification, training, experience, and expected job salary, hobbies, reference persons etc. In this first step, all the application forms should be evaluated and only those application forms which fulfill the minimum requirement as per job specification are selected for second step. Some application forms which do not fulfill all requirement should be rejected. Selected candidates from this step are called short listed candidates. So, through the step, only eligible candidates for further selection process are selected.

Preliminary Interview

In this second step, only short listed candidates are called for the (preliminary) interview. From this interview, general objective of applying in the organization, personal interest, career goals, and general attitude toward jobs etc. of candidates are evaluated. For this purpose, short listed candidates need to face interview. Some candidates who have lower performance, qualification and skills than organizational need; they are rejected from this step.

Selection Tests

Selected candidates from preliminary interview are required to appear in written examination. On the basis of level of job, nature and responsibility and number of applicants, different types of selection tests can be used. Intelligence, test, personality test, attitude and interest test, professional test, personality test are some common selection tests which can be used on the basis of nature of organizational need. From this process, whether the candidate is suitable for organizational objectives or not, can be judged. Skills and qualification required for the job are judged from selection tests. If minimum expected quality is not maintained, candidates will be rejected.

Selection Interview

Successful candidates from selection test now should have to face a comprehensive interview. In this step, candidates require to appear in face to face interactions. In this step intelligence, speech delivery, capacity for understanding problem, capacity of motivation, etc. of candidates can be judged. This is a major interview as this interview provides information regarding the suitability of candidates for the job. This interview contains questions on the basis of job description and job specification.

Interview can be structured, semi structured or unstructured. In structured interview, all questions to ask to candidates are prepared in advance. Same question should be asked to all candidates. Structured interview may be monotonous. Unstructured interviews are contextual i.e. final questions are created from the interview environment. Unstructured interviews may be out of track. Such interviews may not be sufficient to select right man with required skills. In semi structured questionnaire, some basic questions are asked to all candidates and other questions can be created from interview environment.

Reference Check

Candidates who are successful in selection interview, now will be confirmed their reference and/or background investigation. HR department consults with reference persons listed by candidates in their application form. By this process, HR department can be confirmed about performance of candidates in their related field. HR department gets information regarding honesty, discipline and regularity or reasons to quit the previous job by employees.

Physical Examination

After completing all above steps, successful candidates now have to appear in physical tests. Depending upon the nature of job, physical strength of candidates becomes more important. All the candidates should not have any severe disease. They should be physically and mentally fit.

Decision Making

After completing all above steps of selection process, now management make decision of final selection. Management prepares appointment letter with congratulating successful candidates. Management provides appointment letter with stating job description, salary and benefits, authority and accountability etc. Such candidates will now be informed to join their job from specific dates.

Employee Selection Tests in HRM

Selection test is the examination of candidates to ensure that they posses sufficient skills, knowledge and expertise in the job they have applied for. Depending upon the nature and level of job, organizational culture, number of candidates etc., different types of selection tests can be used.

Selection test is the scientific, systematic and standardized procedure of examining the job related skills, knowledge and expertise so that only best candidates can be selected for the post. Selection test provides the information about the real working capacity of candidates whether they fit for the job or not. This is a process of rejecting less qualified

candidates to be selected to the position. This step in employee selection process is thus most crucial as it rejects wrong person to be selected.

There are different types of selection tests like ability test, personality test, situation test, honesty test and interest test. Depending upon the jobs, all types of test or only selected test can be applicable. For managerial employees, almost all types of selection tests can be used whereas for operating level employees, only selected tests can be sufficient.

Selection test has following three major objectives:

Prediction

Selection test is conducted in order to predict how efficiently and effectively the candidate can perform the job if he is selected for the job.

Diagnosis

Selection test aims to identify or diagnose the behavior, attitude and level of thinking.

Situational Behavioral Tests

Selection test helps to know how well the candidate solve any problems that may arise during the course of action. It helps to know to what level the candidate coordinates or helps to other employees during any problems.

Types of Selection Tests in HRM

As mentioned previously, there is no such single selection test which guarantees the selection of best candidate. Depending upon the job description, job specification, level of job, organizational culture, etc. different selection tests can be used. Brief description of these tests is given below:

Ability Tests

Ability tests determine how well the candidates if selected will perform the job. Ability tests are thus, the instruments which ensure the level of performance of selecting employees. There can be different types of selection tests like aptitude test, achievement test and intelligence test.

- Aptitude tests: Aptitude is the ability, capability, talents, propensity, skills and fitness. So, aptitude tests measure the ability, capability and talents of the candidates to ensure that they can learn job related skills and knowledge in future. It deals with possibility of future achievement of candidates. GMAT, Mechanical Aptitude Tests, Psychomotor Aptitude Test, Artistic Aptitude Tests etc. are very common aptitude tests used for the different purpose.

- Achievement tests: Achievements are related with past. These tests are thus, measures of past achievement and performance of candidates. These tests measure level of proficiency achieved at previous jobs. Achievement test assure the candidate grows the level of excellence at job. These tests prove the claim of candidates for the experience. Job knowledge test and work sample test are two most common tests used in employee selection process.

- Intelligence tests: Intelligence refers to the level of cleverness or intellects. This is the state of mind or brain understands the problem and provides the logic reasoning capacity to solve the problem. Intelligence tests are more important for managerial jobs. They measure IQ in terms of comprehension, reasoning, numbers, memory etc. Intelligence tests compare mental with actual age of candidates.

Personality Tests

Personality of managers is most important specially to the managerial level jobs facing to general public consumers and employees. Personality dimensions of employees significantly affect to the level of satisfaction of concern groups. So, personality tests are used to measure such personality dimensions of candidates. Such dimensions can be assertiveness, emotional stability, openness to experience, motivation, agreeableness, conscientiousness etc. Three types of personality tests can be used for employee selection which are listed as follows:

- Interest tests: They measure general preferences of employees. Such preferences guide the activities of employees. So, interest tests examine the likes and dislikes related to hobbies, recreational activities, group activities, and career choice.

- Attitude tests: Attitude refers to the mind set of the person which directs the behavior, thoughts and feelings. Attitude of the candidates thus influences to the organizational performance. Thus, attitude tests measure the tendencies to act favorable or unfavorable towards objects, people or events.

- Projective tests: Projection is the act of estimating the future. Projection capacity thus, indicates the capacity of employees to estimate the consequences of any act at the future with the greater accuracy. So, while doing the employee selection, their projection capacity is also conducted with projection tests. Such tests measure whether a candidate can put complete image of any event or not. For this, a situation, a event is given to candidates describe.

Situational Tests

How effectively the candidate tackles the situation is one of the interest area for the managerial jobs. This means, situation based problem capacity is judged by situational

tests. Such tests are conducted by asking candidates to respond the situation specific problems. Group discussion can be conducted for getting information regarding instant judgement capacity of the candidates. Their response can be captured by video and then evaluated.

Honesty Tests

Honesty is the degree of accuracy. In order to ensure the accuracy of information provided by the candidate, honesty test is conducted. Such tests measure how far candidate can be honest towards job.

Methods of Employee Selection in HRM

Different methods can be applied for selecting candidates. Some of popular method can be as follows:

Qualification and Experience

Most of managers believe in qualification of candidates as the academic programs provide adequate knowledge to handle the job responsibilities. Experience further removes the deficiencies in them. So popularly, most of suitable candidates can be selected on the basis of their qualification and experience. For this, selection committee carefully examines bio-data of each candidate.

Work Proficiency Method

Work efficiency depends upon the work proficiency of employees. Normally, technical job responsibility depends on the purity of job output rather than qualification and experience. Driving, cooking, mechanical jobs, etc. jobs demand work proficiency rather than experience through experience is expected to increase the work efficiency. Thus, different technical proficiency tests are conducted in laboratory or in real working situation and best candidate is selected on the basis of their result.

Written Test Method

Some special job like managerial jobs cannot be judged instantly. They require more theoretical knowledge. In such situation, candidates are requested to appear in written test. Such written test may be subjective or objective or both. Those candidates who score at the top rank are selected.

Interview Method

For some jobs, written examination are not required. In such situations candidates are selected only by interview method. Candidates need to face interviewers. Interview can be structured, semi-structured or unstructured. Best candidates will be selected on the

basis of evaluation of interviewers. Job demanding temporary and unskilled candidates are suitable to fulfill by interview method.

Written Test and Interview Method

In most of cases specially, middle level jobs, both written and interview method can be used to select the employees. Under this method, candidates first have to appear written test. Only selected candidates from written test on the basis of the marks obtained, are allowed to face interview. Finally, suitable candidates are selected.

Comprehensive Selection Method

Large multinational government and semi-government organizations follow series of selection tests to choose suitable candidate which is normally termed as comprehensive selection method. Candidates have to pass though a series of steps to get selected. These steps can be application evaluation, screening test, selection test, selection interview, reference checks, physical examination etc. This method is mostly widely used.

Reliability and Validity of Selection Tests in HRM

Selection is the process of predicting optimal level of performance of the employees in the organization. This means, the selected candidates must be capable enough so that their performance level remains at higher level at future. For this, the selection tests must be reliable and valid. Selection test must assure that there is no chance of selecting wrong or low quality employees. To guarantee this, selection test must be analyzed in an advance. This can be done by using reliability and validity test.

Reliability of Selection Test

Reliability is the state of consistency in the result. This means reliability produces the repeated result at the different time period. If the selection test produces same result at different time period then the test can be considered as reliable. Here, reliable selection test should select only the capable candidates which produce the same greater level of performance all time. But, if output of the employee's keeps on changing, then the selection test by which employees were selected is called reliable test. Though it is very difficult to predict the future performance of employees which may be influenced by number of factors, following different three ways can be used to measure the reliability of selection test:

Over Time

To be selection test reliable, the outcome employees should be same throughout the period. Suppose, if the reliability of selection test is examining throughout a week, then the outcome scores should be consistence on Sunday as well as on Friday. Here, the outcome or result of only one sample employee should be observed.

Across Different Sample

Selection test can be tested for reliability in two or more samples as well. Under this method, the output or result of two or more group of employees selected through the same selection test at the same time should yield same. This means, reliable selection test provides same level of performance or results even by different employees. While conducting reliability of selection test, similar point or result by two different groups of people is expected.

Across Different Rates

Reliability can also be checked by rating the result by two or more independent raters. If the output or result is found consistently rated, then the selection test is considered reliable.

Validity of Selection Test

Validity refers to the accuracy in test scores and job performance in real sense. Validity, in this sense, is the degree of correctness or approximately same result to be obtained as it is expected from the selected employees. To be validity in selection test, best candidates indicating the selection test with best result or points should perform best in real working environment as well. Validity refers to job relatedness of a measure. It can be calculated mathematically by correlation coefficient between test scores and actual performance.

Validity depends upon good reliability measures of selection test. This depends upon reliability of test as the good reliable test shows significance in validity as well. It is the assurance of selection test as what is expected to produce will be produced. This means validity ensures that the employees will produce that level of performance result for what they are expected. Following four types of validity test can be conducted in selection test:

Content Validity

Content validity is the extent of content of selection test relating to the job performance. This measures the task and skills related to the job. If there are maximum questions in selection test relating to the job activities and skills required to conduct the job, the test result and actual work performance will be matched. This is the case of content validity. Content validity is more important in selection test of technical job. This validity is more concerned with the basic skills required for the job.

Predictive Validity

Predictive validity is the degree of prediction of job related behavior by the score. This means, in general, high scorer candidates are expected to perform their level best in the organization if they are selected. If the high scorer of selection tests

performs best among other, then there is match between test score and future prediction. This situation is known as predictive validity. Selection test should predict the behavior and performance of the candidates. This validity is more concerned with the job behaviors.

Concurrent Validity

Best performer in test are expected to perform best in real working situation as well. Under concurrent validity this conclusion is tested with the result of working employees. Test scores of currently working employees are observed and analyzed with their performance. If it is found consistent, we can conclude the test is valid. This measures the correlation between actual job performance and test scores. This validity is more concerned with the accuracy in performance output.

Construct Validity

Construct validity measure the degree to which test scores are sufficient to measure the intelligence or level of brain of candidates. This ensures the identification of psychological traits related to success or higher achievement. For this, activities, behaviors and attitudes of candidates are observed. Such observations are then analyzed to predict whether such behaviors can be reflected at the job or not. This validity concerns more in measurement of chance of intellectual use in job.

INTERVIEW

Interview in general is a process of face to face interaction between two parties. Here, interview refers to the act of getting first hand information regarding candidates by the employer. In selection process, interview includes two parties, one who wish to get information i.e. employer, called interviewer and next who gives information i.e. candidate, called interviewee.

Interview thus can be defined as the in-depth conservation between interviewee and interviewer with the purpose of exchanging information during the course of employee selection.

Interview in selection process, acts as a tool for selecting capable candidates and filter out the least deserving one. In interview, interviewer ask questions in order to get information regarding general information, qualification information, skills and experience information, special qualities like communication skills, leadership skills, motivation skills, logical reasoning, etc. to an interviewee i.e. candidate who provides information to the interviewer as effectively as possible. Interview facilitates for selecting most suitable candidates among all other.

Interview is the direct communication between employer and prospective employee to get additional information than provided in bio-data. This provides an opportunity to show physical and mental balance to the employer. Interview can be classified in to different types like structured, semi structured and unstructured. This can be further be classified in formal and informal, depth, stress and planned interview.

Importance of Interview in HRM

- Interview verifies the information provided by candidates during the application.

- It helps to get some additional information which may have not been included in application form.

- It helps to get special skills, qualification and expertise of candidates that may fit to other jobs in case of emergency.

- It helps to known the interpersonal communication skills, situation adaptation skills, problem solving skills, etc. of candidates.

- It helps to know the attitude of candidates towards job and organization.

- It helps to know the general interest, hobbies and likes and dislikes of candidates which help to manage accordingly if they are selected.

- It helps to share the organizational working procedures, culture, tradition and working environment.

Types of Interview in HRM

Interview can be classified into various bases. Most popularly they can be classified into structured, unstructured and semi structured on the basis of types of questions to be asked in the interview. They are discussed below:

Structured Interview

Under structured interview, a set of questions in prepared including job responsibility and personal interests. All the questions from the set should be asked to each candidate interviewee. Along the set of questions, evaluation scheme of the response or answer of respondents is also prepared. Normally, a print checklist can be used to rate the response of candidates. This type of interview is appropriate if there are maximum candidates to be interviewed and information regarding past performance are more important. Some of the questions can be as follows:

- Why do you want to join this organization?

- What is the reason for leaving the previous organization?

- What are your major strengths?

- What do you want to join this job?

- Can you accept any changes in job responsibilities?

- What do you do if your job is transferred?

- What are your career goals? etc.

This interview does not facilitate to access the interpersonal skills. Structured interview can further be divided into behavioral interview and situational interview. Behavioral interview focuses on past behavior of candidate whereas situational interview focuses on the candidate's expected future activities on the job. Structured interview has high reliability and validity.

Unstructured Interview

This interview is also called non directive approach. Under unstructured interview, questions for interview are not prepared in an advance. Only general outline and guideline for interview are known but interviewer remain free for ask the questions. After starting interview, interviewers ask question as the environment of interview gets changed. This creates the situation of asking different questions to different candidates. Questions of such interview are created through the response of same questions from different candidates to compare their intellect, communication skills, etc. to compare them. But, this helps to observe the individual capacity and intelligence for handling the instant problems.

This interview takes more time so this is not suitable in case of large number of candidates. Likewise, more important job related questions may not be explored during the interview as the questions emerge by interview environment. Unstructured interview has low reliability and validity.

Semi Structure Interview

This is also known as mixed interview as it considers content of both structure and unstructured interview. Semi-structure interview contains only few pre-determined questions for basic information. Remaining questions may be asked on the basis of environment of interview. Normally, job specific questions are left flexible. This interview is normally lengthy as interviewee has to respond both structured and unstructured questions.

This is the most popularly used interview as it provides information to compare candidates as well as job specific information. This interview has moderate reliability and validity.

Methods of Interview in HRM

On the basis of how many interviewers and/or interviewees are included in interview, interview methods can be following three types:

One on One Interview

In this interview, only one interviewee is taken at a time by an interviewer. This means only one candidate is interviewed by a interviewer at a time one after another. Interviewees need to face interview with different interviewer one after another. For example, candidate has to face first interview with human resource manager, then with marketing manager and then with production manager, then finally with senior manager. This interview takes more time but different expert ask specific question from their area so candidates can be judged in each area of job. This method is common in selecting managerial level employees.

Panel Interview

In this method, a group of expert interviewer is prepared from different area of specialization. Such group of expert is called panel. Panel is to be led by one member as chairperson. Each candidate needs to face the group of expert panel individually. Each member of panel ask question from their respective area of specialization and evaluate candidate's response individually. One member can be prepared while giving the response of other interviewer by the candidate. This helps interviewers to coordinate their effort within the interview therefore this method takes less time. This method is beneficial in case of information regarding situational adaptation and stability of candidates is to be judged.

Group Interview

In this method, a group of candidates are interviewed at a time. In such interview, all the candidates get common questions, case or event. They present their answer or solution after group discussion one by one. Interviewers evaluate answers, logic or solution. In this method, interviewers do not concern about what the answers given but they care about how they give the answer. Leadership capacity, problem identification skills, convincing power, self confidence and energy level, habit of listening and accepting the others logic, capacity to manage stress, etc. are judged by the interviewers.

Interview Process in HRM

Interview is a selection process in which most capable candidates are identified on the basis face to face interaction. It is based on oral conversation. It is to be effective otherwise wrong candidate may be selected and right candidate may be rejected. To be an effective interview, it has to follow certain stages as follows.

1. Interview planning:

    This is the first step in interview process. In this planning process all the pre-requisites are set up. Following activities are conducted in this stage:

    *   Revision of job description, job specification and job application.

    *   Setting types of interview i.e. deciding structured, unstructured and semi structured interview.

    *   Setting questions to be asked if structured and semi structured interview are set.

    *   Deciding method of interview i.e. one on one, panel or group interview.

    *   Setting interviewers panel appointing them from different area of specialization depending upon the job description and job specification.

    *   Fixing the place and arranging the physical facilities like evaluation sheets, pencils, files, etc.

    *   Setting interview schedule for different candidates.

    *   Call the candidates according to the schedule.

2. Conducting interview:

    *   In this stage, interview is conducted according to schedule. Interviewer should be careful to make the interview environment congenial. Candidates should get enough opportunity to express their response. Following activities are the major activities of conducting stage:

    *   Welcoming the candidates are most possibly, introducing interview panel with candidate.

    *   Initiating the interview with the general question of self introduction of candidate.

    *   Questions are to be asked turn by turn by interviewers. Candidate should get the maximum chance to give response.

    *   Response of each question is recorded carefully.

3. Termination of interview:

    This step consists of closing the interview. After getting or asking all the questions designed to interview, interview should be stopped. While closing the interview, interviewer should not forget to thank the candidate. They should have to provide positive hope to the candidate. They must inform that candidate will be called for the next step if she/he is selected.

Evaluating Interview

After termination of interview, interviewers must review the interview. In this step, interviews evaluate the response of interviewee. They evaluate and rate the answers, appearance, impression, and attitude and information exchange capacity of candidate. For evaluation, they may use grading system like A, B, C, D or point system out of the assigned full marks. Rating in point is more common.

Limiting Factors of Interview in HRM

Interview is the most influencing step in selection process. Successful candidates in interview, is normally selected for the job. This means interview is the crucial step in selecting right man at right job. There may be some hurdle or limitations which make the interview less effective. Some of the are as below:

Snap Judgement

It is very common proverb that first impression is the last impression. This is perfectly applicable in interview. Interviewers make their judgement in the first look. Such judgements do not depend in factual information. And the decisions made in such snap judgement may be wrong.

Halo Effect

Halo effect is the tendency of making decisions on the basis of single trait or characteristic. Interviewers make decision of like or dislike on the basis of dress up, walking style, hair style, facial expression, etc. which may not judge the actual skills, experience or job related qualities. This reduces the effectiveness of the interview.

Contrast Effect

This is the tendency of making decision on the basis of previous candidate. This means the interviewers make decisions regarding like or dislike on the basis of the presentation of previous candidate. For instance, if the previous candidate has not presented well and comparatively the present candidates presents better, then the present candidates gets some sympathy marks as well.

Pressure

Pressure from top level management, investors, board of directors, politician, bureaucrats, and other pressure groups or individual to the interviewers also affect the evaluation decision. They must make favorable decision for the candidates of pressure group or individual. Because of this qualified candidates may be rejected and less qualified candidates may be accepted.

Personal Biases

Interviewers in most of cases may have some strong beliefs. Such believes makes them personal biasness. Such biases may also affect negatively. For example, some may be strong feminist, some may be anti-feminist, anti-black, anti-ethnic etc., they choose the candidates on the basis of their favored.

Emphasis on Negative Factors

Some interviewers may give over emphasis on negative factors only. If they find such negative factors in candidates, they reject them whatever positive qualities may be present in them. This increases the chance to reject right man.

Lack of Knowledge

In some cases, interviewers may have very little or no knowledge relating to job responsibilities. In such situation, they don't known what is right or wrong response of the candidates. This also produces the wrong decision.

SOCIALIZATION

Literal meaning of socialization is the process of being socially acceptable. This means, adopting the social norms, values, beliefs, culture, tradition and social procedures is the socialization. Socialization helps the people to know the general social set up and follow them so that they would not be socially excluded.

As the people are social being and hence they want their activities to be accepted by the society. Here, socialization is the process of adapting the norms, values, culture, beliefs and working procedure adapted by the organization. Applicants may or may not know different methods, procedures, acceptable behavior and normal flow of work in the organization. Therefore, management first should make them familiar in organizational working environment. The process of making newly appointed candidates familiar in the working setup, culture, tradition, norms and working procedure of organization is called socialization.

For our purpose, socialization is the process of interacting personal norms, values, beliefs and understanding with organizational norms, values, beliefs and understanding and accepting the organizational one. This makes individual acceptable to the organizational working culture. This takes place conveying important information into three ways i.e. general information about job responsibility, review of organizational history, and detailed presentation of organizational policies and procedures.

Socialization process becomes complete when organizational culture is accepted as individual personality.

Purpose or Importance of Socialization

Main purpose of socialization is to make newly selected employees familiar with the organization's norms, culture and tradition. It has the following objectives:

Employee Orientation

The primary purpose of socialization is to orient newly appoint employees in the organization. Such employees do not have sufficient information and know how about organizational norms, values, culture and normal workflow. This should be clear to the employees for effective flow of work. Socialization through orientation makes employees clear about their responsibility and accountability.

Harmonious Relation

For organizational prosperity, there must be harmonious relation between employees-management and employees - employees. Socialization maintains open environment in the organization. This makes the close bond in between all level employees and managers. It is possible to maintain mutual trust and cooperation among all parties in the organization.

Improved Performance

Socialization helps to understand the organization's culture, norms and values. It helps to understand the working process and techniques adopted in organization. Socialization maintains the harmonious environment among the employees and management. All these things help to improve the performance of organization.

Employee Satisfaction

Other purpose of socialization is to increase employee satisfaction. Harmonious relation in the organization, two way communication, mutual understandings among employees, etc. help to improve the employee satisfaction.

Organizational Stability

Satisfied employees improve the organizational performance. Better organizational performance helps to improve the profitability and provides the opportunities of organizational growth and development. This improves the organizational stability.

Screen Out Deviant Employees

During socialization, managers can identify the inner and hidden attitude and behavior

of employees. Management can figure out those employees who do not follow the organization's norms, values and culture. Such employees can be treated for their change or can be screen out for special responsibilities.

Socialization Process

Socialization aims to change individual behavior into socially accepted organizational behavior. Employees should fully accept the common organizational norms, values and tradition. For this, they take time. During socialization process, employees have to pass through different stages which are commonly known as socialization process. Socialization process consists of following stages:

Pre-arrival Stage

This stage is also known as pre-entry stage. Employees know the basic information, knowledge, rules and regulation regarding the job responsibilities before they join the organization. They accept organizational values, norms and work ethics from their prior job experience. They get information regarding the organization through the recruitment and entire selection process as well. Likewise, nowadays many training institution or programs also provide basic socialization. From all these events, employees accept the common organizational norms with changing their own values and norms. Thus, employees get socialization before they join the organization which is known as pre-arrival stage.

Encounter Stage

Individual may not have the clear understanding about organizational norms, culture and values before joining the organization. They may have accepted the common job related behaviors but organization may have different organizational culture. Their common understanding and organizational work set up may not match. This situation brings the situation of confrontation. Thus, the stage of confronting personal values, norms, understanding and perception with the organizational norms, values and culture in socialization process is known as encounter stage.

In this stage, employees compare their prior perceptions about organization, job and working environment with the reality. Following three different condition will result the encounter stage:

- If the prior expectations or perceptions match the reality, there will be no need of socialization.

- If the prior perceptions or expectations do not match with reality, socialization becomes essential. Employees require to learn new norms, values and culture.

- Employees disillusioned with the reality, they resign from the job.

In conclusion, in this stage of socialization, employees fight their own prior perception and expectation with the organizational reality. This stage provides strength to learn new working culture, new norms and values. If employees will be motivated to learn new knowledge, they will enter into the next stage of socialization but if they become rigid in their own perception, they quit the job.

Metamorphosis Stage

This stage is also called change stage. In this stage, employee unlearn the old norms, values and culture to learn new one. Employees fully accept the organizational norms and values. They change their behavior and mind set- up. Employees become comfortable to the organizational environment. They internalize each and every work ethics and guidance to complete their job responsibilities. They voluntarily accept any changes in their responsibilities, procedure and technology. Successful metamorphosis stage can be observed with increased productivity, greater commitment and profitability. This leads decrease in employee's grievance and misunderstanding between employees and management as well as employee turnover ratio.

Socialization process completes with the completion of metamorphosis process. This will be complete by making new employees.

- Comfortable with organization and job responsibility.

- Feel accepted in the organizational society with full of trust and values.

- Understanding and accepting organizational norms and value.

- Feeling self confident and capable of doing the assign job.

- Understanding the evaluation process and criteria.

- Extending level of commitment.

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4

Management Tools, Training and Development

There are numerous tools which are used for the management of human resources such as human resource information system and HR automation tools. Training and development of human resources deals with improving the efficiency of individuals, teams and organizations. This chapter discusses in detail these management tools as well as the diverse concepts related to the development and training of human resources.

HUMAN RESOURCE INFORMATION SYSTEM

Human resource information system is a database device for systematic and scientific human resource planning. It provides sufficient status of human resources at minimum possible time. What are the jobs to be done in organization and how many, of what quality employees are working, is simply known by human resource information system.

It is designed for systematic collection, analysis, storage, distribution and utilization of information about jobs and employees. It is easy to modify, add or remove the information on the basis of requirement. Since this is computer data base programming information can be utilized in any form at required time.

HRP is basically concerned with the process of predetermining future needs of human skills, abilities and expertise and prepares course of actions for getting right man at right job. This requires quantitative data about number of employee required in future and qualitative information of each employee i.e. skills and ability suitable for the job. This requirement of human resource planning can be fulfilled by human resource information system.

Human resource information system contains following information:

- Personal data: Name, Address, date of birth, martial status etc. of employees.

- Skills data: Qualification, training, skills, special ability, expertise, experience, etc. of employees.

- Compensation data: Basic salary, current salary, bonus, etc. for each employee. If possible, the benefits provided by previous organization as well.

- Performance data: Current performance in comparison of previous performance of each employee. Improvement or degradation in performance.

- Position data: Position holding at present, duties and responsibilities, occupational history etc.

Importance of Human Resource Information System

Human resource information system provides important information regarding employees at the time of requirement without delay of time. Its importance can further be explained as below:

- It is Important for HR Inventory Development: HR information system provides database information for developing HR inventory. HR information system provides data regarding name, address, qualification, skills, experiences etc. of employees. These data can be strong future reference. So, HRIS is important in assessing human resources.

- It is Important for Human Resources Development: HRIS provides all records about the past and current performance. It helps to find out deviation between actual and expected performance. With the help of HRIS, it will be easy to identify the need for employee training, development, promotion and transfer. It helps to formulate programs for career planning and development.

- It is Important for Job Analysis: HRIS is the basis for job analysis. It keeps recording of jobs currently being done. It helps to specify job description and job specifications. It provides the framework for human resource activities.

- Feedback for Human Resource Acquisition: HRIS provides the information regarding skills and experience. Human resource management can easily estimate the number of qualities of human resources required to hire in the future. This saves time and cost for recruitment and selection of employees.

- Provides Basis for Compensation Management: HRIS provides the information regarding the performance, pay level and previous rewards as well. This helps to design compensation and reward system to motivate the employees.

Human Resource Inventory

Human resource inventory is the information or record about skills inventory of human resources currently employed in the organization. It provides information about

personal skill what they can do and what they are lacking of. Various information included in the inventory are as follows:

- Name, age, marital status of employee.
- Formal academic qualification of employee.
- Informal training and workshop undertaken by employee.
- Specialized skills of the employees.
- Experience from previous employment.
- Current position held.
- Capabilities of the employee.
- Job and location preferences.
- Salary level and benefits receiving.
- Performance rating of the employee, etc.

Importance of HR Inventory

Human resource inventory is very important document for HR planning. It's importance can be listed as below:

- It provides information about skills and knowledge of employees currently working in organization which can be best reference for training and development planning.
- It is very useful to make planning for recruitment and selection as it provides skills and abilities available in organization.
- It helps in promotion and transfer of employees as it provides the information regarding job preferences and interest of employees.
- It provides guideline for decision making about displaying and effectively utilizing current human resource in organization.
- It helps to grab the opportunities for diversification and expansion of operation.
- Skills deficiency of employees can be managed effectively in an advance.
- It provides information for job appraisal by rating their performance.

Succession Planning

Succession planning is the process of identifying future need of middle and top level managers in the organization. It is thus and executive report to fulfill the vacant position that

may be created in near future. This report is prepared in order to prepare human resources required within short period of time. A succession plan form is prepared by listing the possible vacancies for different time period as ready now, ready within 1-3 years, ready beyond 3 years etc. Along with possible demand, contingency plan is also prepared for meeting the needs. This is the process of finding potential successors of current managers.

Succession planning is a lengthy and continuous process. The management succession plan is prepared by matching manager's inventory with the list of position likely to be vacant. Contingency plan can be prepared through various ways to manage managerial shortage to prepare managers. Such ways or methods can be training and management development, special assignment, job rotation and understudy.

Importance of Succession Planning

Succession planning is useful in the following cases:

- To match the job and managerial skills.

- Steady flow of internal talents to fulfill important vacant positions.

- Removing managerial human crisis in organization.

- Appointing deserving candidates from external environment.

- Career and development planning of employees for promotion, advancement for internal fulfillment of vacant positions.

- Transfer of skilled, qualified and experienced managerial human resource at right job.

- Fulfilling managerial post by own trusty human power.

HR AUTOMATION TOOLS

The best automation tools for human resource functions are aimed at reducing time with monotonous tasks.

These tools help HR process automation and improve database management and payroll systems.

Everyone hates wasting time on monotonous and repetitive tasks. Human Resource Management is on such area that is filled with tonnes of paperwork, documentation, processes and time consuming tasks. In this era of modernisation and tech advancements, there has to be a better solution – and there is – HR Process Automation.

As the name suggests, HR Process Automation refers to the use of tools and applications

that help automate the rather monotonous and time consuming HR processes. HR Process Automation has several benefits, such as:

- Increased accuracy

- Increased efficiency

- Increased productivity

- Increased Data accuracy and safety

- Consistency

Not only is HR Process Automation the right thing to do, it is also the future of HR.

Bamboo HR

HRIS or Human Resource Information System is without a doubt one of the most time consuming tasks. HR officials need to get multiple forms filled out by new entrants or job candidates, they need to compile all the data and then store it one place. Not only is this a tedious task, but it also has room for human error. Bamboo HR eliminates these errors by providing a platform for data entry, data tracking, and data information needs of the Human Resources, payroll, management, and accounting functions within the business. Not only that, but it also helps creating reports for gaining HR insights and saves time and money through automation.

Keka HR Payroll Platform

Keka is an employee centric Human Resource (HR) information system platform. It provides a completely integrated software that controls and manages all tasks that need to be undertaken to manage and disburse salaries to employees. It seamlessly handles leave, attendance, revisions, bonuses etc and helps in minimizing queries for HR & Finance from employees.

BreatheHR

BreatheHR is a cloud-based HR software that is built keeping in mind simplicity and ease of use, and is designed to tame the chaos so that you can lead your employees out-front and not from behind the desk. The software automates various functions such as:

- Centralised employee data management

- Approving and monitoring holiday or leave requests

- Employee absence management

- Recruitment

- Document organisation
- Performance reporting

It delivers a professional robust solution while offering a personal friendly support service.

CavinHR

Using Human Resource Management System (HRMS software), data management and employee engagement techniques like engaging social tools and travel management, CavinHR is a wholesome solution for all your HR problems. CavinHR helps automate various functions through a comprehensive and feature-rich dashboard, that helps manage performance records, peer recognition and social features and creates multiple and insightful HR reports. Such level of automation and ease of use enable HR executives to focus their energies on their most important assets – the employees.

WebHR

WebHR is one of the best online HR software which acts as a bridge between HR and Information Technology. With over 20,000 clients spanning across 197 countries, WebHR provides services "from hire to retire in the most advanced way." It boasts of features like eTrack, Shift Scheduler, Expense claims and Discussions, and comes with an HR mobile app and support. It helps automate employee self service, has dynamic dashboards and helps organize recruitment, attendance, leaves and holidays, it also prepares extensive reports and detailed insights for HR managers.

Sigma HR

With its strong professional ethics and extensive network, SIGMA HR provides complete recruitment and staffing solutions to companies and individuals. It has specialised RPO services that effectively handle the recruitment process and staffing tools that help attract the best candidates through crystallising the perfect opportunities. It also comes with a special dashboard for executives that highlight team and individual performances and provides training for soft skills and candidate development.

PulseHRM

PulseHRM is a cloud-based Human Resource Management System (HRMS) and payroll solution developed on Oracle tech stack. It helps companies organize, automate, empower, engage, measure, appreciate and outperform through extensive reports and dashboards, employee data management and employee profile management. It automates various processes such as employee data maintenance, employee and manger self service, leave management, time and attendance, training and skill development,

performance management, manpower budgeting and control, salary administration, payroll, project tracking, reimbursement management and statutory compliances.

These 7 HR tools are among the top tools used by many organizations around the world to streamline their processes. These tools have the power to produce significant growth, usability, and time management in hiring, training, payroll, and employee management and engagement.

MANAGING CAREERS

Career can be defined as a general course of action a person chooses to pursue throughout his or her working life.

We may define career as the "occupational positions a person has had over many years." Many people look back on their careers, knowing that what they might have achieved they did achieve, and that their career goals were satisfied. Others are less fortunate and feel that, at least in their careers, their lives and their potential went unfulfilled.

Employers have a big effect on employees' careers. Some institute formal career management processes, while others do little. We can define career management as a process for enabling employees to better understand and develop their career skills and interests and to use these skills and interests most effectively both within the company and after they leave the firm. Specific career management activities might include providing realistic career-oriented appraisals, posting open jobs, and offering formal career development activities. Career development is the lifelong series of activities (such as workshops) that contribute to a person's career exploration, establishment, success, and fulfillment.

Career planning is the deliberate process through which someone becomes aware of his or her personal skills, interests, knowledge, motivations, and other characteristics; acquires information about opportunities and choices; identifies career-related goals; and establishes action plans to attain specific goals.

Career management as a process for enabling employees to better understand and develop their career skills and interests, and to use these skills and interests most effectively both within the company and after they leave the firm.

Benefits to the Organisation

Well-planned and executed career programmes will benefit both the organisation and the employees in a number of ways. These include the following:

- Staffing inventories: Effective career management will help ensure a continuous supply of professional, technical and managerial talent so that future organisational goals may be achieved.

- Staffing from within: Because of the many potential advantages of promotion from within, most organisations like to promote employees when positions become available. But recruitment from within requires a strong career management programme to guarantee that employees can perform effectively in their new jobs. Promoting employees before they are ready to assume their new jobs will result in unsatisfactory performance, as predicted by the Peter Principle.

  Peter Principle: Observation that in an hierarchy people tend to rise to "their level of incompetence." Thus, as people are promoted, they become progressively less-effective because good performance in one job does not guaranty similar performance in another. Named after the Canadian researcher Dr. Laurence J. Peter who popularized this observation in his 1969 book 'The Peter Principle.'

- Solving staffing problems: Certain staffing problems may be remedied through effective career management. First, a high rate of employee turnover may be caused, at least in part, by a feeling that little opportunity exists within the organisation. Second, recruiting new employees may be easier if applicants realise that the company develops its employees and provides career opportunities.

- Satisfying employee needs: The current generation of employees are very different from those of generations past. Higher levels of education have raised career expectations. And many workers hold their employers responsible for providing opportunities so that those expectations may be realised.

- Enhanced motivation: Because progression along the career path is directly related to job performance, an employee is likely to be motivated to perform at peak levels so that career goals may be accomplished.

- Employment equity: Guidelines demand fair and equitable recruiting, selection and placement policies and the elimination of discriminatory practices concerning promotions and career mobility- Many affirmative action programmes contain formal provisions to enhance the career mobility of women and other formerly excluded groups, including the development of career paths and the design of formal T&D activities.

Career Management Practices

- Providing Employee Assessment and Career Planning Workshops: Companies such as Apple Computer and Sun Microsystems hold on-site workshops where employees learn to take charge of their careers, beginning with assessing their abilities, interests, and values. They then engage in a planning process where they explore the organization's needs to determine possible future options and how to prepare for them. Then they are ready for productive career discussions with their managers.

- Conducting Career Coaching Workshops for Managers: While employees are learning to take charge of their careers, managers are learning how to support their efforts by becoming familiar with the career assessment and planning process, practicing career coaching techniques, preparing for various types of employee-initiated career discussions, and giving honest feedback.

- Establishing Employee Career Centers: Companies such as Advanced Micro Devices, IBM, and Motorola, to name a few, have set up internal career centers where employees can come for self-assessment. Services may include computerized programs that incorporate 360-degree feedback, competency assessment, confidential counseling, career management and resilience training, lunch-and-learn seminars, and information, sometimes through an intranet system, about internal opportunities.

- Giving Open Business Briefings: To meet employees halfway in planning their careers inside the organization, companies such as Sun Microsystems, 3Com, Advanced Micro Devices, Intel, and Microsoft openly discuss strategic decisions and plans that may impact jobs or skills that will be required in the future. At 3Com, most departments hold weekly discussion sessions on the status of the business and what it may mean to employees.

IBM has a national website for employees that provides information about the strategic direction of the company. Managers are also expected to provide strategic information to their people. Sun's management has promised workers that it will make employees aware of a strategic decision that will affect staffing, such as plans to outsource a function. "As soon as we've decided something, you'll know," Sun says. Then it follows through on its promise.

Sharing such information would be frowned upon by many companies. But the companies that practice such openness believe they are simply treating their employees as respect-worthy adults rather than perpetuating the outdated parent-child relationship.

Andy Grove, chairman of Intel, is a strong believer in giving employees the information they need to stay resilient, or, as he calls it, "owning your own employability. "Every quarter," he says to his employees, "I give you a two-hour dump of what's happening to us. You have to figure out what that means to you".

1. Creating an Internal Network of Information Providers: Raychem, for example, has set up a network of more than 400 people throughout the organization who are willing to take the time to talk with employees who want to learn about the nature of their work and job qualifications. Called "I.I.I.N.siders" (for Insiders Information Interview Network), the computerized database houses the names and backgrounds of volunteers.

Chase Manhattan Bank maintains a list of employees who are willing to be shadowed by those interested in moving into their line of work. An employee who wants to be a

derivatives trader, for example, can spend the day with an actual trader, learning about the challenges of the job, and come away with a realistic understanding of the work.

2. Maintaining Internal Job and Talent Banks: Microsoft has created an on-line service where employees can learn about open positions and the skills required for them. Microsoft also places large amounts of career information on what it calls its "electronic campus," including a "resource and referral" section with lists of books, professional associations, conferences, courses, articles, and other information recommended by coworkers.

In its Career Partnership Center, Advanced Micro Devices maintains a data bank of employee skills that can be accessed by managers looking for internal talent. The company also integrates the career development plans of all employees into its long-range workforce planning process.

Many other companies are moving to implement virtual career centers that feature on-line computer platforms that show various career paths and allow employees to benchmark their skill levels against those required for desired jobs so that they can make plans to close the gaps.

3. Establishing Individual Learning Accounts: As more and more employees seek opportunities for customized and self-directed development, some progressive companies have created individual learning accounts, providing designated amounts of time and money that employees may "spend" on classes, internships, or other learning opportunities of their choice. While giving employees more freedom to select personalized learning experience, this concept also helps companies save money previously spent on large-scale, "one-size-fits-all" training programs.

4. Starting a Mentoring Program: Formal mentoring programs have grown in popularity in recent years. The list of companies who have launched mentoring programs includes Hewlett-Packard, Texas Instruments, Charles Schwab, Ford Motor Company, Ernst & Young, Quaker Oats Company, IBM, Georgia-Pacific, Ceridian, J. C. Penney, PriceWaterhouse-Coopers, 3M, and General Mills.

In one study, mentoring programs were found to be effective in increasing employee retention by 77 percent within companies that implemented them.[11] There are three main goals for most mentoring programs—to increase opportunities for women and minorities, to develop leaders, and, increasingly, to enhance performance and increase the retention of employees at all levels.

Companies with successful mentoring programs report that having the CEO and senior managers actively involved in mentoring and supporting the programs is important. When the practice of mentoring cascades through the organization from the top, it becomes a prestigious thing for managers to take part. Some companies expect all managers to become mentors, to the point that they include mentoring as an item to be reviewed on performance appraisal.

Current mentoring programs have become highly structured. Hewlett-Packard maintains an on-line mentor database that mentees can use to search for mentors with specific areas of expertise. They can even interview potential mentors and submit their choices in order of preference. Hewlett- Packard's program uses written mentoring agreements that establish the ground rules for the partnership, and the company conducts half-day training sessions for mentors and mentees. Other companies have appointed internal human resources staff as "retention managers" or "career management representatives" to act as consultants to all employees, especially the difficult-to-replace talent, such as software engineers.

Effective Development Program

Creative decision making is a must in designing and implementing an effective development program. The three phases of development often blend together in a real life program. These three phases include the assessment phase, the direction phase, and the development phase.

Assessment Phase

The assessment phase involves activities ranging from self-assessment to organizationally provided assessment. The goal of both of these types of assessment is to identify employees' strengths and weaknesses.

Direction Phase

This involves determining the type of career that employees want and the steps they must take to make their career goals a reality. It involves:

1. Individual career counselling;

2. Information services.

Development Phase

The development phase is taking actions to create and increase skills to prepare for future job opportunities and is meant to foster this growth and self-improvement. The methods are:

1. Mentoring & Coaching: It has become increasingly clear over the years that employees who aspire to higher management levels in the organization often need the assistance and advocacy of someone higher up in the organization. When senior employee takes an active role in guiding another individual, we refer to this activity as mentoring and coaching. This can occur at any level and can be most effective when the two individuals do not have any type of reporting relationship.

2. Job Rotation: Involves moving employees from one job to another for the purpose of providing them with broader experience.

3. Tuition Assistance Programs: To help individuals plan their careers, organizations try to provide additional information in order to have better choice of the career.

EMPLOYEE TRAINING

In the present business context, we can feel regular changes in business environment especially in technology. Organizations have to adapt such changes for their efficiency. Organizational efficiency depends upon employees efficiency at large. In order to run the organization with new technology, its employees should be trained. All the same time, organization needs to hire employees from different background.

They may not have sufficient skills required for job. For them, organization must arrange the skills enhancement program. Training is a program or package which helps to increase skills, knowledge, attitude and behavior of employees. New skills and knowledge help to replace old ideas of doing things. It enhances commitment of employees to do the specified job.

Training is short term skill enhancement campaign specially targeted at lower and middle level employees and managers. It aims to fulfill the gap in current skills and required skills as per job requirement. Training is focused to provide the operational skills to the technician. In most of cases, training is essential to newly appointed employees but is also necessary for refreshing the skills of working employees as well.

In training, those who wish to learn new skills are called trainees and who train or provide the skills, knowledge and expertise are called trainers.

For our purpose, training is a systematically organized program to enhance skills of newly appointed employees as well as existing employees required for job requirements. Training is short term package which aims at improving individual and group performance to increase organizational performance. It focuses on knowledge, behavior and attitude of employees. Training mitigates the gap in actual skills and desired skills in employees. Training can be on the job and off the job on the basis of whether employees get knowledge at work place or out of it.

Objectives of Training in HRM

Training is the method by which the gap between actual skills and desired skills of

employees can be mitigated. It is common in all organizations. Basic objectives of training are discussed as below:

To Develop New Employees

New employees may not sufficient skills required for the job. Human resource management should provide training to such employee to develop to fit according to organizational needs.

To Update Existing Employees

Employees forget different skills gradually if they need not to use them in regular basis. Such skills must be refreshed. New ways of doing things, new technology, machinery etc. require to update skills of existing employees. Training aims to refresh and update skills of employees.

To Change Attitude of Employees

Training is aimed to maintain healthy environment within the organization. Motivation, communication, leadership and coordination skills provided to employees help to change the behavior of employees towards positive. Each employee becomes supportive and cooperative towards management, supervisor and co-workers.

To Manage Change

At most, employees seem to be reluctant towards change because of lack of confidence towards skills required to work in new environment. They fear from failure in new responsibility, technology and work set-up. But, training provides sufficient skills required for change. They get confident and hence accept any types of change easily. Thus, training aims at managing change.

To Manage Conflict

Employees contradict with their supervisor and management because of misunderstanding at working procedure, technology and leadership. They react negatively for every action of management. They sometimes protest against management. Training brings management, supervisors and employees at a single platform. It provides opportunity to interact for common issues. It facilitates open communication which helps to settle conflict.

To Develop Future Potential

Another objective of training is to develop human resources for the future job responsibilities. For succession planning, training provides required skills. It provides sufficient learning environment. This helps to manage the future human scarcity in the organization.

To Increase Productivity

One of the major objectives of training is to increase productivity of organization. It makes employees competent, skilled and committed which reduces the cost of production but increases the productivity.

To Reduce Accidents

Training aims to reduce accidents by improving their skills. Training provides operational skills like operating machine, handling objects, using materials etc. Such skills help to reduce major and minor accidents within the operating areas.

Importance of Training in HRM

In order to achieve organizational goals, training to employees is much essential. It shapes and sharps knowledge of employees. Importance of training can be justified with following points:

Increased Productivity

Training improves quality of employees. It provides additional skills and knowledge to operate machinery and to perform activities. Wastage can reduced. They can produce maximum output with minimum resources. Thus, productivity can be improved.

Increased Profitability

Training provides skills to work with greater confidence which reduces wastage. Organization gains economies in production. Production cost per unit will be reduced significantly. Quality of goods and services can be improved so that customer satisfaction can be increased. This helps to increase the market share. So, training helps to increase profitability.

Developed Competency

Training provides different skills and techniques required to complete job. On the job and off the job training can be provided on the demand of employees and organization. Training programs are initiated well in advance to cope with future needs. So, employees become more competent after getting training.

Improved Quality

Well trained, skilled and competent employees produce quality product. They can use the materials in the best composition. Finishing, packaging etc. can be improved. Service provided by trained employees is highly accepted by customers.

Better Communication

Training removes hesitation, fear and nervousness of employees. Training helps to

establish two way communications at work place with supervisors and co-workers. This helps to improve performance and maintain harmonious relationship within organization.

Change Management

Training provides knowledge of planning, coordinating and managing events in case of changing external environment. It provides sufficient skills, expertise and experience to handle new technology and new job responsibilities. Training helps to increase the confidence for improved output. Thus, employees become positive for any types of changes initiated by the organization. So, change management becomes easy.

Personality Development

Training helps to increase knowledge, skills and techniques of employees. It plays an important role in making an employee a compete person. It provides better employment opportunity, responsibility and salary. In this way, training develops employee's personality.

Easy to Manage Conflict

Employees react negatively for every action of management because of low confident. But, training brings management, supervisors and employees at a single platform. It provides opportunity to interact for common issues. It facilitates open communication which helps to settle the conflict.

Developing Future Potential

For succession planning, training provides required skills. It provides sufficient learning environment. On the basis of future need assessment, employees can be prepared for every job responsibility. This helps to manage the future human scarcity in the organization.

Training Process in HRM

Training is a systematic process which aims at improving knowledge, skills and ability at individual, group and organization level. Training should be effective so that the cost of training should be overcome by the benefits. For this, management has to follow certain steps as follows:

Training Need Assessment

The first step in training is to identify the training need. Before planning the training, management should assess the training need assessment. Training need is the gap between actual skills, knowledge and competencies and desired or required level of skills, knowledge and competencies. This helps to determines types and level of training. This

means training need assessment is conducted to determine to whom in individual or group or organization level training is essential or not. This estimates how many employees of what level need the training urgently or at future. Correct assessment of training need is the key for training effectiveness.

Establishment of training objectives

After finding the training needs, training objectives should be established. This is major task in training process. The primary objective is obviously to meet the gap between the actual and required skills, knowledge and competencies. Secondary objectives can be different for different time and condition.

Choosing Appropriate Method

Training methods are most important to attain the training objectives. Methods are the means to transfer the skills, knowledge and working procedure. There are basically two methods for training namely on the job and off the job. Under on the job training methods, employees learn with doing their regular job at the work place. Quick feedback is possible in on the job training method. Off the job training is conducted at seminar hall, coaching center or training institutions. It the trainees are large in numbers, off the job training method becomes appropriate. Selection of training method depends upon training objectives, number of training, training place, etc.

Training Planning

After choosing training method, training plans should be prepared. For planning certain matters like training contents, trainers, training budget, training schedule final list of trainees, training materials, etc. should be prepared.

Conducting Training

All this stage, actual training programs are conducted. Prepared plans and programs are implemented to get desired training output. Now, actual training activities begin to impart skills, knowledge and abilities.

Training Effectiveness Evaluation

It is important to know whether the training became fruitful or not, training objectives are attained or not, training should be evaluated. There are different methods of training evaluation. Some methods focuses to the training effectiveness evaluation just immediate to training programs where as some other methods measure effectiveness after certain time. Training effectiveness can be judged just by measuring whether the job outputs are improved after training or not.

Feedback

Feedback is the response of training effectiveness. Feedback provides the information regarding the weakness and strengths of training programs. Feedback helps to improves the training program in the future.

Determining Training Need in HRM

Training is a systematic process in which skills, experience and capabilities are transformed to the employees. It increases the productivity and profitability of organization. But, training should be effective. Ineffective training increases only the cost but not the efficiency. Management should identify whether or not, to what level, for what skills and to whom should be trained. This means, before initiating training, we have to identify the need of training.

Training need is the gap between the existing skills, experience and capabilities in organization and required skills, experience and capabilities as per job requirement. Training need determination thus, a systematic analysis of training activities required to achieve human resource development goals. This can be shown in the following relation:

Training Needs = Capabilities Required - Capabilities Available

In conclusion, training need determination is the managerial task to identify exact needs of training to the employees. It is the situation of gap between required capabilities for the job available capabilities in the organization. Greater the gap between required and existing capabilities, immediate training need can be realized. Sometimes, there can be available capabilities can be more than required capabilities, in this situation additional job responsibilities can be given to the employees. Training need determination is important for the following reasons:

- To develop training objectives.
- To estimate training budget.
- To identify training responding problems.
- To develop training programs.
- To develop training evaluation system.

Level of Training Needs Determination in HRM

Training needs can be determined in different three levels as the capability shortage can be realized in individual employee, group of task or job, and as whole organizational level. So, training need determination levels can be individual level, task level and organization level.

Training Need Determination in Individual Level

Training need can be determined in individual basis. Under, this training need is identified with considering to whom and how long the training is required. This is most important assessment because training focuses on individual employees. In this training need assessment; performance appraisal of each individual is done. The difference between actual need and skills available with employees is the training need to him/her. Training need in individual level can be created because of following reasons:

- Being new employees in the organization.
- Change in technology.
- Changes in human resource plans, policies and practices.
- Change in job description and job specification.
- Skills deficiencies as on job specification.
- Succession planning.

Training Need Determination in Task Level

Training need determination on the basis of job analysis is called task level analysis. This means, task level training determination is done with analysis of job i.e., job requirement. Task level training need is determined in the following cases:

- If jobs are redesigned, tasks are relocated.
- If new jobs are created because of technological change.
- If working procedure in task level are rearranged or changed.
- If the job activities are functions are upgraded with technology.
- If performance standards are upgraded.

Training Need Determination in Organization Level

At this level of training needs determination, whole organization is analyzed with the common problem realization. Training at the organization level is identified if there are common area of improvement whether may be the individual performance or job performance. Organizational level training need is created on the following cases:

- If the organizational environment is changed.
- If the organization changes its goals, objectives, strategies.
- It the organization changes the technology.
- If the organizational productivity and profitability is decreased.

- If the service disciplinary problems like high absenteeism, high turnover, accidents, unrest, etc. have occurred.

- If high level employee mobility has occurred because of promotion, transfer, resignation, etc.

- If organization has decided market growth rapidly.

Methods of Determining Training Needs in HRM

Training should be determined in the need basis because it incurs cost. At the same time, unnecessary training demotivate the employees as well. Therefore, managers must be careful in determining the needs of training. Different methods can be used to determine training needs. Some of them are discussed as below:

Management Audit Method

This method is used to determine training needs at organizational level. Management audit is a comprehensive, systematic, independent and periodic analysis of organization. As the training needs determination is conducted in organizational level, management audit is conducted in order to analyze the organizational goals, policies, strategies, etc. Thus, management audit examines environmental analysis and objectives, strategies and structure of organization.

Task Analysis Method

This method is used to determine the training needs at the task level. For this, detail description regarding jobs in terms of activities is prepared. Job performance standard and skills required to attain that performance are established. Finally, deficiencies in skills are identified and the training needs to fulfill the gap are identified. Here, training needs are determined for each employee on the basis of their task level.

Performance Analysis Method

This method is used to determine the training needs determination at individual level. In this method, performance is analyzed and the training requirement is estimated. The minimum performance standard is estimated and the actual performance is measured. The gap i.e., difference is measured to identify the training needs. Performance analysis can be done at two level i.e., individual and organizational level. Organizational performance analysis is done to specify desired performance analysis is done to identify the actual performance.

Supervisory Recommendation Method

This method is used to determine the individual level training need determination. Under this method, supervisors are requested to recommend employees for

training. As supervisors are involved in daily supervision of employee's work performance, they can clearly recommend the comparatively weak performers for training. This method is more reliable since the supervisors have the first hand information regarding employee's quality at work. They easily identify what skills are urgent for employees. But, sometimes supervisors may be biased for training recommendation.

Training Need Survey Method

This method is also used to determine the individual level training needs. In this method employees are asked whether they require training or not. To collect such information, questionnaire is distributed to employees to collect opinion about training needs. Training need survey can be of three types as individual survey, group survey and competency survey.

In individual survey, each employee is asked in questionnaire or interview to respond about the training needs for effective performance. Decision is made on the basis of response.

In group survey, a group of employees and supervisors is asked to respond about the training needs for effective performance. Different methods like focus group discussion and brainstorming can be used. The result of the survey decides whether the training is essential or not.

In competency survey, experts are consulted for the required level of competency to have desired level of performance. On the basis of opinion of experts, training needs are determined.

Training Methods in HRM

Main objective of training is to increase employee's skills, knowledge and competencies. As different programs have different objectives, they can be fulfilled by different methods. On the basis of training place i.e., whether that is work place or not, training methods can be of two types as on the job and off the job. They are discussed below:

On the Job Training Method

If the training is conducted at the working place of employee, that training method is called on the job. Here, trainees are not necessary to go to the training center or elsewhere out of the job station. Main objective of this training method is 'learning by doing'. Training to provide skills or knowledge related to technical jobs like tailoring, plumbing, wiring, computer programming, etc. are given at the working place of trainees under direct supervision of highly skilled trainer. This method is more effective as trainees can learn while doing. They get quick feedback regarding the level of their learning so that they can revise if they

lack skills. This method is considered as most economical method of training. There are different types of training methods under on the job training as follows:

Apprenticeship Training

Apprenticeship training methods focuses on educational expertise at work. Under this method, trainees learn by working under experts employees related to their job. This method takes longer time i.e., two to five years according to job nature, to make trainees expert. Expect employees observe and control the activities of trainees. Trainees get regular salary and benefits as they work in regular basis. Training for plumbers, electricians, accountants, etc., are conducted under apprenticeship method.

Internship Training Method

Those persons which have theoretical knowledge are required to attain practical skills knowledge and expertise. In such cases, to the persons who have acquired theoretical knowledge through academic courses, join internship training to convert theoretical knowledge into practice. Main purpose of such internship program is to combine theoretical knowledge and practical experience. Through internship training, trainees get practical knowledge regarding work conditions and work procedures.

Job Instruction Training Method

This method is focused for supervisors to train for operatives. It is the step by step approach to teach new skills. It consists of four steps as training preparation, presentation, practice and follow up. It is an effective low cost training solution. In above methods, trainees learn in their self interest because supervisors do not provide any instructions for particular job. In this method, instructors or supervisors prepare fixed learning schedule to the trainees. So, in this method, trainees gain skills and knowledge according to training plans.

Program Instruction Training

This method is recently introduced by B.F. Skinner for training non-technical skills to employees. Under this method, employees are given instruction for the jobs to be done in terms of hands out, text and manual and written instruction. Trainees use the given instruction at job. They can use the instruction again and again until they become perfect. Instructors inspect the job done by trainee employees and evaluate the training effectiveness.

Job Rotation

Job rotation is the training provided to trainee employees who need to develop overall skills and experience. Under this method, same employees are shifted to different jobs after being perfect at one job. As they are rotated job to job, they are expected to gain skills from every sector.

Advantages of on the Job Training Method

Less Time Consuming

On the job training method is conducted within job time and the job station. Trainees get skills under the direct supervision of trainers or supervisors. So, they get quick feedback. Hence, the training takes less time.

Cost Effective

Trainee employees need not to go anywhere away from their job station. They do their regular job. There will be no change of job leisure at the organization. Therefore, this method incurs less cost in comparison to other methods.

Strong Motivation

Trainees get quick skills, knowledge and experience what they learn from training. They can immediately apply the skills learnt from training. Because of this, trainees get strong motivation.

Simple Method

On the job is simple training method as it is conducted at the working situation and under the strict supervision of instructor. The change of misleading or misunderstanding can be very low. Wherever trainees get confused or feel problem, instructor guide them immediately. Therefore, trainee employees feel the training simple.

Multiple Skills

This method provides the opportunity of getting multiple skills. Trainees have to work at their regular job station as the regular employees. So, instructors provide instruction in some other areas of training as well. They will not confine only to the subject matter of training.

Quick Feedback

In this training method, trainees need to work under the supervision of instructors. They have to apply the skills immediately at the job. Instruction find immediately whether they have learnt perfectly or not. Training effectiveness can be known immediately.

Disadvantages of on the Job Training Method

High Chance of Accidents

Trainee employees cannot work perfectly as they are placed first time at the job. They

cannot handle the machinery perfectly. They may not have the perfect body coordination for the job. So, the chance of meeting accident becomes high.

Low Quality Product

Trainee employee lack sufficient skills, experience and expertise at work. They work at regular job responsibilities. Output of their job i.e., goods and services at training period may thus be low quality product. This may reduce consumer satisfaction.

Lower Productivity

Trainee workers are required to work at regular job responsibilities. Their job may not be perfect. Wastage remains may be maximum level. Machinery and equipment get breakdown frequently. So, with comparatively high input, low outputs can be attained. This reduces in low productivity.

Disturbances

Regular activities of employees will be highly affected by the training programs. Regular production schedule gets disturbed by training because of which production target in terms of time, number of production and quality cannot be attained.

Off The Job Training Method

If the trainees need to go to training center or anywhere outside their job station for training then the training method is called off the job training. Basically training programs based on lecture or class room activities are conducted outside the working place. Off the job training method is trainer centered. Nowadays different audio visual device like projectors, films, documentary etc. are available for training purpose make training effective but the effectiveness of training depends upon the skills and knowledge of trainer and methodology used to deliver the skills in the training. Trainees get relief from the work place stress during training so training is assumed to be more effective. Trainer cannot get the immediate feedback regarding the training output, so training cannot evaluate the training effectiveness quickly. Main objective of off the job training is to improve general behavior and skills of employees.

Different methods can be used off the job training method as follows:

Lecture and Seminar

Under this method, trainee employees are gathered at the seminar hall or training institute and trainers deliver the training content verbally in a lecture way. Maximum trainees can be adjusted at a single training schedule. Lecture method provides educational knowledge and skills to improve their conceptual, behavioral and analytical

abilities. Program instruction, computer assisted instruction, reading materials like leaflets, brochures, flyers, etc. are commonly used materials in off the job training.

Stimulation Exercise

Stimulation exercise is the act of reflection or abstraction of real world situation or problem in the training hall or laboratory. Under this method, artificial work place is prepared resembling the real work place and trainee employees are placed to that place. Trainees realize as they are in the real work station. Trainees try to work and make mistake. They learn from mistake. Main assumption of this method is that trainees closely resemble the actual one wherein they are provided with the opportunities to conduct trail or test runs which are as close as the reality. Driving or pilot training, electrician and plumbing training, etc., are suitable training to be provided with simulation exercise. This method helps to avoid the costly error like accidents at the work place. Following common techniques are used in simulation method:

- Computer Modeling: Different computer programming and aid are prepared to simulate the real world. Trainees can observe such simulate the real work. Trainees can observe such simulations in computer screen and analyze the problems. They try to find out the most suitable solution.

- Vestibule training: Vestibule labs are prepared to practice with actual equipment to be used in actual job. For technical jobs, employees are given training in vestibule lab in order to reduce the chance of accidents in actual work station.

- Virtual reality: This is most sophisticated method of training in which trainees realize the actual working conditions by sending such message in brain. Swimmers are taught skills out of the water by using this techniques. They realize completely same working situation. This method required complete brain concentration.

Programmed Instruction

Under this method, instructions for the skills or knowledge are recorded in text reading or manuals. Such manuals are prepared in such a way that trainees can study the instruction themselves in logical and sequential order. Trainees are expected to learn the training content by themselves in their own pace. They provide progress feedback to their resource person or trainer in regular basis. Nowadays computer aided instructions are being popular. Having no active interaction with trainer is one important demerit of this method.

Role Play Method

Under this method, trainee employees play the role of actual working situation. They prepare role to create imaginary situation as they have to work in real work situation.

They learn from the act of other trainees and discuss on the problem. With the joint effort they solve the problems. This method is quite difficult but more interesting. This method develops the habit of joint effort for solving problems.

Advantages of off the Job Training Method

Cost Effective

Under this training method, maximum number of trainee employees can be included. Therefore, training cost per trainee remains low.

Low Production Error

Trainee employees learn the skills and knowledge outside the work place. They are expected to be perfect at training spot or institute so that they apply the learnt skills at job. Therefore, there is low chance of production error. Wastage can be minimized and the chance of distribution defective products at the market is low.

No Chance of Accidents

Employees learn the skills at virtual work place with virtual machinery and equipment at the beginning. They are allowed to handle the actual equipment and materials only after being perfect at their job. So, there will be no chance of being accidents at the work place. This saves time, equipment and even sometimes the life of employees.

Maintaining Productivity

Wastage of time, materials, equipment and machinery is very low at the real production because there is no chance of test or trial production. Employees get confident in the training outside the working environment. This helps to maintain the actual productivity of organization and to increase after joining the job be trained employees.

No Disturbances for Production

Trainee employees join the training somewhere away from the working station. They do not disturb the working employees at the job. Production can be continued without any delay or disturbances.

Disadvantages of off the Job Training Method

No Quick Feedback

Trainee employees do not apply their skills on the job immediately during learning period. They realize they have learnt the skills but when they join the actual job responsibilities, they may lack full confident or skills. There is no chance of getting immediate feedback. This provides no opportunity of evaluating training effectiveness quickly.

Less Effective

In this method of training, trainees may not express their queries or obstacles of getting skills. They just may express their positive response without getting the skills fully. Training program may be completed even without having the employee perfect for the purpose. Therefore, all the objectives of training may not be attained.

No Production

During the training period, employees join training outside the working station. They do not involve in daily production process. So, during the training period, there will be no production and hence there may be problem for maintaining the supply.

Expensive

This method of training can be expensive in the sense that organization need to manage extra place for training. Employees need to go the institutes; organization has to pay for institutes and trainers. The chance of using own experts in very low.

Low Involvement

This method of training is less interesting as trainee employees do not get chance to apply the skills immediately. The effectiveness of training totally depends upon the activeness, delivery skills and attractiveness of trainers. Therefore, employee's involvement in this training remains very low.

Essentials of Good Training in HRM

Training must be able to communicate all the skills designed to deliver to the trainees. Objectives of training get fulfilled only when employees change their behavior completely in a planned manner.

Evaluating Training Effectiveness

Training should be effective. An effective training is that which become successful to fulfill training objectives. Each training should be evaluated in terms of its effectiveness. The evaluation provides the feedback for the improvement in training methods, materials and process in the future. Training evaluation is the examination of effectiveness of how effectively the skills are transferred, whether the training objectives are relevant, was the training method appropriate, were the training materials supportive, were the trainees motivated to learn, was the training completed within the estimated budget, etc.

Training evaluation is the process of examining whether the training to the employees became fruitful or not This estimates to what extent the training program succeeded to achieve pre-determined training objectives. For evaluating the training programs, we

need to document all the outputs of training programs systematically and scientifically. Job behaviors of the employees after training should be observed and evaluated. Productivity and organizational effectiveness should be examined. Effectiveness of training should thus evaluated in terms of organizational efficiency, productivity and effectiveness.

While evaluating the training effectiveness, following factors need to be considered seriously:

- Criteria for evaluating training effectiveness.

- Process of evaluating training effectiveness.

- Methods of evaluating training effectiveness.

Criteria for Evaluating Training Effectiveness

Main criteria of evaluating training effectiveness is the outcomes attained by the training. For evaluation of training effectiveness, following criteria can be chosen.

Reaction Criteria

One of the very first criteria of evaluating the effectiveness of training is the reaction of trainees. On the basis of reaction of trainees towards training content, process, methods, etc. we can evaluate the training effectiveness. For this at the end of the training, above mentioned factors are measured with responsive questionnaires. If the total average response is above the expected region, we can conclude the training was effective. This criteria is most subjective because each trainee is free to express the reaction. They may not give the exact reaction.

Learning Criteria

Change in knowledge and skills is another strong criteria for evaluation of training effectiveness. On the basis of what extent the knowledge and skills of trainees is changed i.e., improved, training effectiveness can be judged. For this, the attitude of employees should be changed positively. If the behavior of employees after training is change significantly, the training is considered to be effective. Thus, in evaluation of training effectiveness, knowledge, skills and attitude are studied carefully.

Behavior Criteria

Another criteria to evaluate the training effectiveness is the behavioral change to employees. Under these criteria, behavior of employees towards job, organization and working procedure is expected to changed positively. So, in order to evaluate the training effectiveness, we need to analyze whether or not, the behavior of employees are changed positively toward job or not.

Output Criteria

This is the main criteria for evaluating training effectiveness, Productivity, profitability, improved quality of goods and services, low absenteeism, low turnover rate, reduction in grievances, etc., are the expected output of training. If these outputs are found to be increased, training is considered to be effective otherwise less effective.

Process of Evaluating Training Effectiveness

Training evaluation process consists of four integrated steps as follows:

Setting Evaluation Standard

At the first step of training effectiveness evaluation process, we should establish the standard for evaluation. Evaluation standard acts as the criteria of evaluating training effectiveness. As discussed in previous section, there can be four different criteria as reaction, learning, behavior and output criteria. Standard is determined before implementing the training.

Pre-trainee Test

In order to find whether the training program was effective or not, it is essential to find the existing level of knowledge, skills and expertise. It is done before implementation of training. Normally behavioral reactions of employees are revised before the training.

Measuring Outputs of Training

At this stage, training is implemented and the final output of training program is observed. These outputs can be measured in terms of objectives of training. Such outputs can be productivity, profitability, effectiveness, low absenteeism, low turnover rate, low complaints, etc. Actual output after training is measured in this step.

Evaluation

After measuring the actual output of training, it is compared with the standard output. If the actual output is more than the standard output, the training is considered effective. But, if the actual output is less than the standard output, then the training is supposed to be less effective.

Feedback

Feedback is the mechanism which provides information regarding success or failure of training program. Feedback provides information to the training programmers, trainers and other concerned personalities. This helps to improve the training effectiveness to the future.

Methods of Evaluation Training Effectiveness

After determining the evaluation criteria and process, we should know the methods of evaluation of training effectiveness. Different methods for effectiveness evaluation are described below:

Observation Method

This is the most simple method of training effectiveness evaluation. For this purpose, independent experts are used to rate the training effectiveness. Under this method, these experts observe the job related behavior and participation of trainees carefully. To evaluate on the job training, experts observe the actual performance of employees at the actual job situation. They record the mistakes, level of confidence, attitude towards job, etc., carefully and decide whether the training was effective or not. In case of off the job training, they observe the involvement in role play, case study, discussion, problem solving, interpersonal communication, etc. their active participation for getting new knowledge can be considered as the effectiveness of the training. This method is simple to administer but holds high change of biasness in evaluation.

Test Retest Method

This is another simple and widely used method of training effectiveness evaluation method. Under this method, test of trainee employees is taken before attaining the training. The initial score representing skills and knowledge is recorded carefully. After completing the training, test in same question is taken again. The difference is considered as the output of the training. If all the mistakes in initial test are corrected in second test, training effectiveness is evaluated maximum.

This is most popular method of evaluating training effectiveness but the reliability of the test may be low. The difference in test scores can be because of other than training. Such changes cannot measure the behavior change.

Pre-post Test Method

This method measures the attitude and behavior of employee at job. Demerits of test retest method can be removed by this method. Under this method, actual performance at the job prior to training is recorded. After completion of the training, job performance, behavior and attitude is considered as the training effectiveness. In this method again, the performance of employees can be affected by several other factors than training. So, actual evaluation of training is not possible.

Experimental Control Group Method

Under method of training evaluation, two groups are prepared. One group of employees joining the training which is here called as experimental group and another

group of employees who do not join the training is called control group. At the completion of training, performance of each group is evaluated. If the performance of experimental group is better than the control group, the training is considered as effective training otherwise it is considered as less effective. One major problem in this method is that the performance of such groups before training should be same. Ethical question in this method is that some employees get the training and some other do not get that opportunity. If control group realize that their performance is being compared with performance of experimental group, they may change their actual performance level.

Trainee Surveys

Under this method, direct questionnaire is given to get trainee's response towards the effectiveness of training. Set of questions from different aspects of training is prepared and asked to fill up that set of questions at the end of training. Following areas of training are included in the questionnaire:

- Achievement of training objectives.

- Trainer's effectiveness.

- Training contents, timing, process and methods.

- Physical facilities like training materials, training place, light, heat, sound, ventilation, etc.

- Suggestion and recommendation during training.

- Support for behavioral change.

- Relationship with other participants, etc.

This is the subjective judgement of training. Trainees may be biased for their response. But, the response can be used for future reference to improve the training objectives, materials, process and methods. This is lengthy and costly method.

Cost Effectiveness Method

In this method, total cost of training and the total benefits from training are compared. If the total benefits overcome the total cost of training, training is considered to be effective. This is the most scientific method for evaluating training effectiveness. But there are some limitations of this method as the cost of training incurs at present but the benefits can be realized at future that cannot be compared. Likewise, all the benefits of training cannot be converted in terms of monetary value. At the same time, method of determining the training cost and the benefits may not be parallel. These limitations can limit the usefulness of this method.

EMPLOYEE LEARNING

Learning can be understood as gaining knowledge skills and experience which could be lacking at the beginning. On psychological term, learning is the result of such knowledge, skills and experience which can change the previous perception, way of thinking and way of doing the things. It can be defined as a process of interacting individual and event that bring change in behavior of the person.

All such changes which occur in behavior of individual relatively in permanent basis are learning. Such changes are the essence of the experience gained through the interaction between individual perception and event.

Learning ensures the change in behavior of individual into socially acceptable level. Learning takes place only if individual accepts the output of experience and practice positively. Learning is a continuous interaction that individual and organization need to adopt. Since, technologies, as well as expectation of customers are changing day by day and organizations need to adopt changing technology to cope with the changing market. In this context, employees need to change their way of thinking and doing the things. For this, continuous learning is most important.

From the above definitions, we can conclude that learning is the state of having relatively permanent change in behavior of individual associated to organization with practice and experience. While learning there must be expansion of knowledge or existing level of skills. Such changing must be relatively permanent. The change in behavior must be measurable.

Elements of Learning in HRM

Change in Behavior

After effective learning, existing behavior of employees should be changed. Previous or existing behavior are not expected to recur again. New and socially acceptable behaviors are expected to be practiced in organization.

Relatively Permanent Change

Expected change in behavior should be permanent. New behaviors if are not ever lasting or if they are temporary, it is not the case of learning.

Result of Experience

Learning becomes possible and effective if an only if there is a good experience about the change. Weak experience or no experience does not support for learning. Such change through 'no learning' cannot be permanent.

Reinforcement

Newly accepted behavior should be reinforced i.e., repeated again and again. If the new gained behavior is not practiced many times, it cannot be permanent. It will be disappeared.

Inferred Process

Learning cannot be directly observed or measured. It can be realized through observation or inspection. It cannot be measured but its essence or result can be measured. So learning is inferred process.

Principles of Learning in HRM

Learning is the most important process in the organization. It makes change possible in the organization. Through different studies regarding how individual learns, different principles of learning are identified as follows:

Principle of Motivation

This principle states that for effective learning, employees must be motivated. If employees will be motivated that if they will change their behavior in organizationally accepted level, they will get different benefits, then they will give their maximum effort to learn. Unmotivated employees will not pay their efforts and hence they will not learn.

Principle of experience

This principle states that effective learning is possible only through the positive experience.

Principle of Practice

This principle states that learning becomes permanent only when it will be practiced regularly. Practice makes employees perfect with reducing the number of mistakes. This further helps to increase the performance level of employees.

Principles of Reinforcement

This principle states that only positively rewarded behavior are encouraged and reinforced. Such behaviors are repeated and hence they become permanent.

Principle of Transferable

This principle states that the learnt behavior must be transferable to the job. Learning becomes fruitful only when the learnt behaviors are applied to the job responsibility

in actual working station. So, the learning material and techniques should be directly related with job responsibility.

Principles of Relevance

This principle states that the learning materials, process and arrangement should be relevant to the job responsibility. If learning motives or objectives do not fit the job, employees do not pay attention and hence learning becomes impossible.

Learning process in HRM

Learning cannot be spontaneous. It takes time and has to pass certain stages. It is thus continuous process as behavior change takes place in a gradual manner. Learning takes place only when an individual reacts to the stimulus positively. It consists of following steps:

Stimulus

Stimulus is anything that attracts or motivates for doing something. Here, stimulus in learning process can be anything which encourages employees to learn the accepted behavior and change the existing behavior. There can be career. Stimulus must be understood by learner and managers who insists for learning. At the first stage of learning, there must be stimulus which encourages or energizes the person to learn on the absence of stimulus, no one can learn and change behavior.

Response

Response is the general comment or reaction of the learner i.e., employees towards the stimulus. In the learning process, response is the common interaction of learner with stimulus. For effective learning, there should be positive response towards stimulus, learning objects, learning process and learning environment. At the same time, response should be timely and regular. Responses are the act that learner perform which must be operationally defined and physically observable.

Motivation

Stimulus and response are the initiating factors for learning but without motivation or drives learners do not pay their total effort for learning new things. Motivation provides interest and aptitude to learn. Managers must manage a package of sufficient rewards and prizes so that employees get motivation to impart maximum knowledge, skills and techniques from the learning i.e., training. At the third stage of learning, employees get motivation with aid of rewards and prize. They imagine their position or benefits of learning.

Reward

Reward is the output of learning with which employees or learner get satisfaction. There

must be association of rewards with motivation. Rewards are the essence of learning. Quick performance, quality performance, low wastage, low absenteeism, low level of employee grievance etc. are some rewards of learning. Through such rewards, employees become satisfied. Better rewards inspire learners for further performance.

In this way, we can conclude that effective learning requires fulfilling some basis stages like stimulus, response, motivation and rewards. Desired output of the effective learning is the attainment of permanent change in behavior.

HUMAN RESOURCE DEVELOPMENT

Human resource is the most important resource of organization because it is responsible for optimal use of non human resources to attain organizational objectives. Skills, experience and expertise of the employee is he human resource in real sense. Organizations having advanced and updated human skills and energies are always ahead in the competition. So, getting human resource with appropriate skills, experience and expertise is one important part of human resource management and improving their skills and expertise for attaining better productivity is another important aspect of it. Improving human skills and expertise for organizational purpose is known as human resource development.

Human resource development is the process of increasing human competencies through knowledge, skills, attitudes and experience in organization. This is the act of making people working in organization as the organization needs to accomplish the job. It is the measurement of organizational excellencies. Human resource development is an integral part of human resource management. Main areas of human resource management are training and development, career, planning and organizational development. Human resource management attains the organizational efficiency and effectiveness through effective use of human resource development function.

Thus, human resource development is the process of enhancing human capabilities to fit for the organizational requirement for its efficiency and effectiveness. It is continuous process which aims to increase the level of human capabilities through organized and systematized learning process. In simple line, human resource development is the function of making human resources suitable for organization. It can be done specially, through training and development.

Features of Human Resources Development in HRM

Human Centric

Human resource development is human focused. Its aim and functions are concentrated

at improving the human skills and knowledge. It motivates the employees to learn new things to improve the efficiency, knowledge to operate technology and confidence to conduct the job more comfortably.

Competence Focus

Main aim of human resource development is to enhance the competencies of the employees. Training and development activities are initiated to provide the opportunity of learning so that their level of competencies can be increased.

Continuous Process

Human resource development is learning process. For effective learning, it must be continuous. As the business environment is dynamic and human resources should be prepared to cope with such changes, human resource development activities should be continuously initiated.

System

Human resource development is a system which consists of inter related and integrated subsystems. It consists of input processing output feedback mechanism. Performance appraisal, training need assessment, job analysis, training and development, job enrichment, communication, commitment, productivity, etc. are some important components of human resource development system.

Time - Bound

Particular human resource development programs are initiated for particular time period. They are designed for certain fixed purpose and scheduled for particular time.

Influence of Culture

Human resource development is the essence of organizational culture. Perception, attitude and belief of managers as well as organizational culture and tradition affect the human resource development process and practice. Frequency and effectiveness of training and development influence in the organizational culture.

Psychological Aspects

Human resource development process is more related with psychological aspect. As, it concerns with the sharing of knowledge, employee motivation to learn is most important. Without motivation, complete objectives of training and development program cannot be fulfilled. Thus, human resource development process concerns with psychological aspects.

Importance of Human Resource Development in HRM

Human resource development energies are the main source which converts the organizational strengths into organizational outputs. Without updated human skills, no one can imagine the organizational success. In this ground, importance of human resource development can easily be estimated. Importance of human resource development can be justified with following points:

Competent HR

Human skills, experience and expertise can be improved with human resource development. Through training, immediate human skills required to do the job can be improved. Through development programs, qualities required for future job i.e., skills required for higher responsibilities can be acquired. In this way, human competencies can be improved through human resource development. Competent employees in relation to current self skills, current skills with other employees, and skills required to future job can be prepared.

Improved Efficiency

Efficiency is related to organizational output i.e., productivity. By improving skills and competencies, wastage can be reduced significantly. Confidence level of employee's can be improved so that their job satisfaction can also be increased. This will increase the organizational productivity in terms of quality and quantity of work done.

Improved Profitability

Trained employees can use the material and machinery in the optimal level without any wastage. This will decrease the cost of production. Quality and quantity of the output i.e., goods and services can be improved because of which customer satisfaction can be increased. These things help to increase the market share. Ultimately, profitability of the organization can be increased through human resource development.

Opportunity of Career Development

Human resource development improves the skills and competencies required for higher level responsibilities. It helps to improve their qualification and experience. This provides the better opportunities to employees.

Employees Commitment

Human resource development increase the employee job satisfaction. Satisfied employees commit to the job at the greater extent.

Change Management

Change is inevitable in the business environment. To maintain and increase the market share, every organization must adapt such changes. Employees reject change if they have low self esteem for the change. In order to increase their confidence in changed technology, job responsibility and accountability, training and development activities are important reasons for this. Such activities increase the required skills and abilities to do the job. They find career with change rather than obstacles. So, change management becomes easy.

Foster Team Work

During human resource development process, open communication is encouraged. Employees can freely express their feelings with their colleagues. They accept the team goals and believe in team efforts. Thus, human resource development foster team work.

Improved Image

Through training and development organizations build distinct image as they produce better goods and services than the competitors. They establish themselves as learning organizations. Such organizations lead he market in terms of technology, management leadership and market leadership.

Human Resource Development Mechanisms in HRM

Human Resource Development aims to identify the gap between required competencies in human resource and actual competencies to fulfill them with training and development. In order to achieve the main objective human resource development, different mechanisms or methods can be used. These mechanisms carry special features individually and contribute to human resource development collectively. These mechanisms or methods are discussed below:

Performance Appraisal

Performance appraisal is the evaluation of work done by employees. Performance appraisal is the evaluation of work done by employees. Performance appraisal is employees regarding their real capability. They know feedback about their future career. Best performer conforms that she/he will get higher responsibility. Those who wish to attain higher position become excited for better learning. So, through regular performance, appraisal and feedback, human resource development can be done.

Career Planning and Development

Each employee carries some potentialities. Some employees plan their career themselves and for some human resource manager should plan for their career. Human resource management should conduct potentiality appraisal and convince employees

for their higher responsibilities. It should also plan the development activities for each employee on the basis of their potentiality. In this way, career planning and development also helps for human resource development.

Reward Management

Along with the performance appraisal, management should establish an appropriate reward system. Reward management should be transparent, equitable, comparable and productivity attached. Employees must be ensured that they will be benefited if they perform their best. If employees are convinced that they will get reward for their good job, they always try to learn new ways of doing things and become supportive for change management.

Training

Training is the skills enhancement method required for the current job. Training can be on the job and off the job. Management conducts training need assessment and provides training on the basis of need. It is the most important influential method of human resource development.

Management Development

Management development is the method which aims to prepare manager fit for future managerial responsibilities. Management development can also be on the job and off the job. It is concerned with preparation of future managers.

PERFORMANCE APPRAISAL

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance appraisal is generally done in systematic ways which are as follows:

1. The supervisors measure the pay of employees and compare it with targets and plans.

2. The supervisor analyses the factors behind work performances of employees.

3. The employers are in position to guide the employees for a better performance.

Objectives of Performance Appraisal

Performance Appraisal can be done with following objectives in mind:

1. To maintain records in order to determine compensation packages, wage structure, salaries raises, etc.

2. To identify the strengths and weaknesses of employees to place right men on right job.

3. To maintain and assess the potential present in a person for further growth and development.

4. To provide a feedback to employees regarding their performance and related status.

5. To provide a feedback to employees regarding their performance and related status.

6. It serves as a basis for influencing working habits of the employees.

7. To review and retain the promotional and other training programmes.

Advantages of Performance Appraisal

It is said that performance appraisal is an investment for the company which can be justified by following advantages:

1. Promotion: Performance Appraisal helps the supervisors to chalk out the promotion programmes for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.

2. Compensation: Performance Appraisal helps in chalking out compensation packages for employees. Merit rating is possible through performance appraisal. Performance Appraisal tries to give worth to a performance. Compensation packages which includes bonus, high salary rates, extra benefits, allowances and pre-requisites are dependent on performance appraisal. The criteria should be merit rather than seniority.

3. Employees Development: The systematic procedure of performance appraisal helps the supervisors to frame training policies and programmes. It helps to analyse strengths and weaknesses of employees so that new jobs can be designed for efficient employees. It also helps in framing future development programmes.

4. Selection Validation: Performance Appraisal helps the supervisors to understand the validity and importance of the selection procedure. The supervisors come to know the validity and thereby the strengths and weaknesses of selection procedure. Future changes in selection methods can be made in this regard.

5. Communication: For an organization, effective communication between employees and employers is very important. Through performance appraisal, communication can be sought for in the following ways:

   a. Through performance appraisal, the employers can understand and accept skills of subordinates.

b. The subordinates can also understand and create a trust and confidence in superiors.

c. It also helps in maintaining cordial and congenial labour management relationship.

d. It develops the spirit of work and boosts the morale of employees.

All the above factors ensure effective communication.

6. Motivation: Performance appraisal serves as a motivation tool. Through evaluating performance of employees, a person's efficiency can be determined if the targets are achieved. This very well motivates a person for better job and helps him to improve his performance in the future.

REWARD MANAGEMENT

Reward management is concerned with the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization.

Reward management consists of analysing and controlling employee remuneration, compensation and all of the other benefits for the employees. Reward management aims to create and efficiently operate a reward structure for an organisation. Reward structure usually consists of pay policy and practices, salary and payroll administration, total reward, minimum wage, executive pay and team reward.

Objective

Reward management deals with processes, policies and strategies which are required to guarantee that the contribution of employees to the business is recognized by all means. Objective of reward management is to reward employees fairly, equitably and consistently in correlation to the value of these individuals to the organization. Reward system exists in order to motivate employees to work towards achieving strategic goals which are set by entities. Reward management is not only concerned with pay and employee benefits. It is equally concerned with non-financial rewards such as recognition, training, development and increased job responsibility.

Kerr brings to attention how Reward Management is an easily understandable concept in theory, but how its practical application results often difficult. The author, in fact, points up how frequently the company creates a Reward System hoping to reward a specific behavior, but ending up rewarding another one. The example made is the one of a company giving an annual merit increase to all its employees,

differentiating just between an "outstanding" (+5%), "above average" (+4%) and "negligent" (+3%) workers. Because the difference between the percentage increasing was so slight, what the company obtained from the employees was indifference to the extra percentage point for a superlative job or the loss of one point for an irresponsible behavior.

Types of Rewards

Rewards serve many purposes in organisations. They serve to build a better employment deal, hold on to good employees and to reduce employee turnover.

The principal goal is to increase people's willingness to work in one's company, to enhance their productivity.

Most people assimilate "rewards", with salary raise or bonuses, but this is only one kind of reward, extrinsic reward. Studies proves that salespeople prefer pay raises because they feel frustrated by their inability to obtain other rewards, but this behavior can be modified by applying a complete reward strategy.

There are two kinds of rewards:

- Extrinsic rewards: concrete rewards that employee receive.

    ◦ Bonuses: Usually annually, Bonuses motivates the employee to put in all endeavours and efforts during the year to achieve more than a satisfactory appraisal that increases the chance of earning several salaries as lump sum. The scheme of bonuses varies within organizations; some organizations ensure fixed bonuses which eliminate the element of asymmetric information, conversely, other organizations deal with bonuses in terms of performance which is subjective and may develop some sort of bias which may discourage employees and create setback. Therefore, managers must be extra cautious and unbiased.

    ◦ Salary raise: Is achieved after hard work and effort of employees, attaining and acquiring new skills or academic certificates and as appreciation for employees duty (yearly increments) in an organization. This type of reward is beneficial for the reason that it motivates employees in developing their skills and competence which is also an investment for the organization due to increased productivity and performance. This type of reward offers long-term satisfaction to employees. Nevertheless, managers must also be fair and equal with employees serving the organization and eliminate the possibility of adverse selection where some employees can be treated superior or inferior to others.

    ◦ Gifts: Are considered short-term. Mainly presented as a token of appreciation for an achievement or obtaining an organizations desired goal. Any employee

would appreciate a tangible matter that boosts their self-esteem for the reason of recognition and appreciation from the management. This type of reward basically provides a clear vision of the employee's correct path and motivates employee into stabilising or increasing their efforts to achieve higher returns and attainments. Monetary gifts, such as Gift cards are also more likely to be used for luxury purchases and can build an emotional bond with the organisation.

- ◦ Promotion: Quite similar to the former type of reward. Promotions tend to effect the long-term satisfaction of employees. This can be done by elevating the employee to a higher stage and offering a title with increased accountability and responsibility due to employee efforts, behaviour and period serving a specific organization. This type of reward is vital for the main reason of redundancy and routine. The employee is motivated in this type of reward to contribute all his efforts in order to gain managements trust and acquire their delegation and responsibility. The issue revolved around promotion is adverse selection and managers must be fair and reasonable in promoting their employees.

- ◦ Other kinds of tangible rewards.

- • Intrinsic rewards: tend to give personal satisfaction to individual:

  - ◦ Information/feedback: Also a significant type of reward that successful and effective managers never neglect. This type of rewards offers guidance to employees whether positive (remain on track) or negative (guidance to the correct path). This also creates a bond and adds value to the relationship of managers and employees.

  - ◦ Recognition: Is recognizing an employee's performance by verbal appreciation. This type of reward may take the presence of being formal for example meeting or informal such as a "pat on the back" to boost employees self-esteem and happiness which will result in additional contributing efforts.

  - ◦ Trust/empowerment: In any society or organization, trust is a vital aspect between living individuals in order to add value to any relationship. This form of reliance is essential in order to complete tasks successfully. Also, takes place in empowerment when managers delegate tasks to employees. This adds importance to an employee where his decisions and actions are reflected. Therefore, this reward may benefit organizations for the idea of two minds better than one.

Intrinsic rewards makes the employee feel better in the organization, while Extrinsic rewards focus on the performance and activities of the employee in order to attain a certain outcome. The principal difficulty is to find a balance between employees' performance (extrinsic) and happiness (intrinsic).

The reward also needs to be according to the employee's personality. For instance, a sports fan will be really happy to get some tickets for the next big match. However a mother who passes all her time with her children, may not use them and therefore they will be wasted.

When rewarding one, the manager needs to choose if he wants to rewards an Individual, a Team or a whole Organization. One will choose the reward scope in harmony with the work that has been achieved.

- Individual:
  - ◦ Base pay, incentives, benefits.
  - ◦ Rewards attendance, performance, competence.
- Team: Team bonus, rewards group cooperation.
- Organization: Profit-sharing, shares, gain-sharing.

Motivation Theories
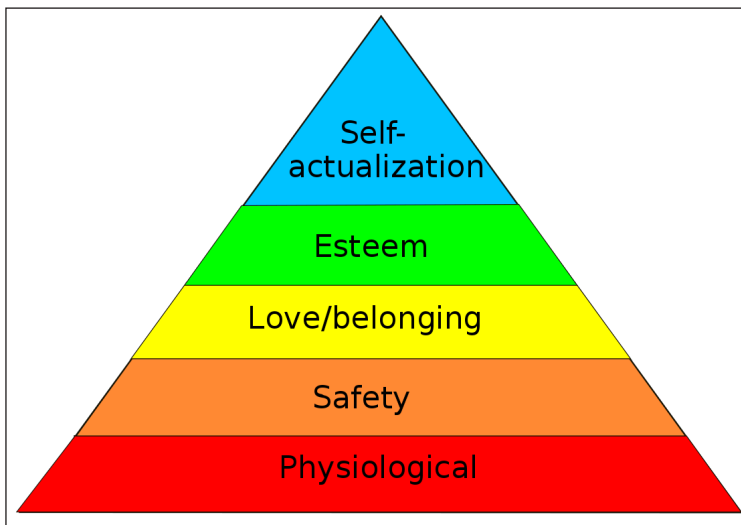
An interpretation of Maslow's hierarchy of needs, represented
as a pyramid with the more basic needs at the bottom.

Motivational theories are split into two groups as process and content theories. Content theories endeavor to name and analyze the factors which motivate people to perform better and more efficiently while process theories concentrate on how different types of personal traits interfere and impact the human behavior. Content theories are highly related with extrinsic rewards, things that are concrete like bonuses and will help improve employees' physiological circumstances whereas process theories are concerned with intrinsic rewards, such as recognition and respect, which will help boost employees confidence in the work place and improve job satisfaction.

A famous content theory would be Maslow's Hierarchy of Needs, and a famous process theory would be the equity theory.

Theories of motivation provide a theoretical basis for reward management though some of the best known ones have emerged from the psychology discipline. Perhaps the first and best known of these comes from the work of Abraham Maslow. Maslow's Hierarchy of Needs describes a pyramid comprising a series of layers from at the base the most fundamental physiological needs such as food, water, shelter and sex, rising to the apex where self-actualisation needs included morality and creativity. Maslow saw these levels of needs being fulfilled one at a time in sequence from bottom to top. Employment and the resources it brings are classed under 'safety needs' (level 2) while the workplace may also contribute to a sense of 'belonging' (level 3) and recognition at work can satisfy the need for 'self-esteem' (level 4).

Frederick Herzberg's motivator-hygiene theory, first published in 1959, argues that an employee's job satisfaction or dissatisfaction is influenced by two distinct sets of factors and also that satisfaction and dissatisfaction were not at opposite ends of the same continuum but instead needed to be measured separately. The two sets of factors are motivator factors and hygiene factors. According to Herzberg, real motivation comes from the work itself, from completing tasks, while the role of reward is to prevent dissatisfaction arising.

Expectancy theory is the theory which posits that we select our behaviour based on the desirability of expected outcomes of the action. It was most prominently used in a work context by Victor Vroom who sought to establish the relationship between performance, motivation and ability and expressed it as a multiplicative one – where performance equals motivation x ability. There are a lot of attractions for this kind of approach, particularly for employers who can target their motivation effort and anticipate a definable mathematical return for them. As this is a cognitive process theory it relies on the way employees perceive rewards These three theories plus variants of them have been used in countless research studies and continue to inform the practice of reward management up to the present day.

Job Evaluation

Job evaluation is closely related to reward management. It is important to understand and identify a job's order of importance. Job evaluation is the process in which jobs are systematically assessed to one another within an organization in order to define the worth and value of the job, to ensure the principle of equal pay for equal work. In the United Kingdom, it is now illegal to discriminate workers' pay levels and benefits, employment terms and conditions and promotion opportunities. Job evaluation is one method that can be adopted by companies in order to make sure that discrimination is eliminated and that the work performed is rewarded with fair pay scales. This system carries crucial importance for managers to decide which rewards should be handed out by what amount and to whom. Job evaluation provides the basis for grading, pay structure, grading jobs in the structure and managing job and pay relativities.

It has been said that fairness and objectivity are the core principles using an assessment of the nature and size of the job each is employed to carry out.

There are many different methods of job evaluation which can be used, but the three simplest methods are ranking, classification and factor comparison. However, there are more complex variations of methods such as the point method which uses scales to measure job factors. This method does not rank employees against one another but looks at the job as a whole. A disadvantage of these methods of job evaluation are that they are very static and it would be very difficult to perform a job evaluation quickly if it was needed.

Acas has stated that there were five main reasons why employers look at performing a job evaluation. These include: When deciding on a pay scale: Making sure that the current system is fair and equal for employees, Deciding on benefits such as bonuses, Comparing pay against other companies and reviewing all jobs after a major company pay change. Employees need to feel that they are being paid a fair wage compared to the same job with the competition. If this is true it may help reduce staff turnover which is very beneficial for employers as it reduces the cost of hiring new staff.

Research regarding job evaluation has mainly been conducted using qualitative data collection methods such as interviews, large scale surveys and basic experimental methods. Therefore, there is a large gap for research on job evaluation collecting quantitative data for a more statistical analysis. A comparison between public and private sectors and the methods of job evaluation is another area that should be considered for further research.

However, is job evaluation enough? Steinburg stated that very few organisations take into account that job evaluation should also look at emotional labour that may be used by employees.

Performance Appraisal

Performance appraisal is the method in which an employee's job performance is evaluated and reviewed. This compares employee work behaviour with the organisations pre-set standards to provide feedback on job performance. Performance appraisals are a form of motivation through either positive or negative reinforcement, depending on outcome. Typically this information is gained through interview and questionnaire functions annually, executed among management of larger organisations primarily, as a method of motivation to gain full potential of staff. The goal of which is to align and manage all organisational resources "to achieve highest possible performance" by improving your current staff through encouragement, setting targets and improving on past mistakes. Edward Lawler of the University of Southern California unveiled research showing that 93% percent of companies use annual appraisal.

Performance appraisal was set up in the first place, as a justification for the pay of an employee. If his performance was seen as insufficient, his pay would be cut down. However, if it was seen of a higher quality, he could receive a pay rise. Performance appraisals have

been described as a "flawed system", One must ask, can an entire year's work be reviewed at one point in time? It has been argued that the time, money and energy needed is not comparable to its effectiveness. There are various appraisal methods.

Some of these include "rank and yank" by which an organisation ranks its employees against each other and terminates the employment of the employee who finishes at bottom place. That corresponds to the yanking. Then there is the critical incident technique by which the organisation collects information and observes human behaviour that have a strong impact either positive or negative on an activity or procedure.

Each employee is different and can bring in something special to the organisation. Each employee has a specific job to fulfil. Performance appraisals are needed in order to understand how every employee can produce the best performance.

- Improve performance: Performance improvement is the notion of measuring the productivity of a certain procedure, and then finding solutions in order for the productivity to rise, the capability of the employees and their effectiveness.

- Increase motivation: Performance appraisal is used as a motivation tool. An employee's efficiency can be proven if the targets he was set, have been achieved. The employee will be motivated to do even better and his performance will rise in the near future.

- Identify training/development needs: The fundamental step of training and development is establishing the organisational needs for the employees at this time and in the near future. A few questions may be asked in the process: What can an employee learn in order to be more productive? In which field is training most necessary? And finally who should benefit from the training most?

The effectiveness of an employee is the key factor for the employer, because the profit the company or organisation makes depends on the employees' productiveness.

The training and development needs should begin with an assessment of the company as it lies currently, how it operates and what each employee is best at. This assessment will enable the training to be based on certain factors which seem most important. Knowledge of the organisation's strategic plan and its needs for the future must help the training to bring the company up a step on the ladder. In using a performance appraisal, an organisation can build an employee profile of poor performances which allows a reduced risk of legal implications for redundancies. Seeing additional benefit, as the company can decide who is worthy of promotion or bonus.

- Manage careers/career management: Managing your career efficiently involves a list of various factors which need to be referred to as often as possible: taking into account the goals you have giving yourself all along your professional career, allowing yourself to have a comfortable lifestyle and by feeling some level of personal accomplishment when you look back at what you have done. These three factors are key to a productive career.

EMPLOYEE DISCIPLINE

The acceptable behavior to be followed by an employee in and outside the organization is known as employee discipline. In general sense, following the direction of upper level supervisor or manager, making effort for the organizational goal attainment and playing the positive role in making healthy, competitive and dedicated environment in the organization is considered as maintaining the discipline. Discipline reflects the inside and outside organizational behavior of an employee.

Employee's behavior directly affects the productivity and effectiveness of organization. In this way employees discipline plays an important role in making the organization as a successful or failure organization.

Discipline is understood in different ways in different situations. It is also understood as an attitude of mind, result of environment and custom, necessity driven change, legal assumption and ethical base. It motivates an employee to accept and accredit the tradition, value and assumption of an organization. Discipline is a positive thought towards the organizational environment and work life. Discipline can save organization from possible negative effect that may arise due to strike, low productivity, internal and external environment.

Generally, there are two concepts found regarding employee discipline as positive concept and negative concept. In positive concept, employee willingly motivate to accept organizational rules, regulations and process. This concept aids to maintain positive thought in an employee through skilled leadership, effective motivation and supervision. Punishment is not included as a disciplinary action in this concept. According to the negative concept, employees have to be pressurized to make them follow the policy, rules and processes because they don't incorporate these things willingly. Thus they have to communicated and warned about it to make them follow the discipline. If required, they have to be punished.

For our purpose, the set of minimum work standard, policy, rules, process, work environment and acceptable behavior for the attainment of organizational goal is known as employee discipline. In this situation, employees must heartily and willingly accept the direction of supervisor or manager. Employees are motivated to accept the established values, assumptions and organizational culture and tradition. When discipline is followed at high level, work can be performed even with less supervision. Discipline can be maintained in a positive and negative way. Skillful leadership, positive motivation, effective and participatory supervision create positive discipline whereas fear, coercion, punishment etc. create negative discipline.

Needs or Importance of Employee Discipline in HRM

It is impossible to attain the organizational goal without spiritual involvement of disciplined employees. Employees play an important role by adopting the policy, rules,

guidelines and process set by the organization. If employees maintain the discipline, there will be reduction in labor cost as a result of which organizational goal can easily be attained as it ensures the appropriate utilization of human resource. But, if they don't maintain the discipline, there can be conflict between employee-employee, employee-management and the situation may be worse with other aspects too. Likewise, problems like reduction in productivity, reduction in credibility, low performance level may prevail. By adopting discipline, organizational work environment can be facilitated. Main benefits of discipline are described as under:

Good Work Condition

Discipline should not be regarded only for lower level staffs. It has to be maintained at all levels. All employees and managers must respect and follow the guidelines of the discipline. It employees are disciplined, harmonious environment can be maintained in the organization. There can be trust, co-operation and respect among the employees. From this, good work environment can be maintained.

Standard Job Performance

Disciplined employees are always aware of their job responsibility and authority. They are not involved in unnecessary activities. They initiate to cooperate for better performance. They are willing to implement appropriate process and ready to abandon useless processes. There will be significant reduction in employee's absenteeism. Employees follow self supervisory and self control mechanism. This will progress to optimally utilize resource and enhance work speed. As a result, it becomes possible to attain the job performance standard.

Follow up of Rules and Regulation

For the attainment of specific objective, all organizations formulate various rules and policies. To adopt these policies and directives, discipline is required. For this, they make rules, policies and directions for employees too. By following the disciplinary guidelines, organization can easily adopt the policy formulated by the country. By fulfilling this legal and social obligation, organization can perform its activities at no pressure condition from government or concerned authority.

Establishing Good Relation

Discipline can help the organization to maintain good relation with external agencies and authorities. Attitude and behavior of disciplined employees can easily impress to other organizations and supervisory bodies. By maintaining good relationship with government, supplier, buyer, bank and financial institution, shareholder, consumer and society, etc. organization can ensure its growth, development and prosperity more efficiently and effectively.

Problems Relating to Discipline

Different disciplinary problems may arise in an organization because of employees at different situation and circumstances. Such problems may create serious problem to the organization. Managers should be careful to identify such problems at the right time and solve properly. Disciplinary problems can be classified as under:

Problems Regarding Attendance

Attendance related problems are common problems in an organization. Under this problem, following are the major ones:

- Absenteeism: Employees remain absent in the organization without prior information or permission of management or concern person.

- Late present at work: To be present late than the reporting time without any genuine reason and prior information.

- Early leaving job: To leave the duty earlier than the ascertained time.

- Slow at work: To be lazy and careless and not completing the job in time intentionally.

- Abuse of leave: Taking unnecessary leave and taking leave in the day when it is important to be present.

- Others: To sign on the absent day, doing attendance on others name or make other absent, to leave own workplace and go on others place to disturb etc. are also considered as the attendance related problems.

It requires processional promptness to address the attendance related problems. by checking attendance regularly and taking absenteeism record by supervisor, using card or sophisticated electronic machine instead of traditional attendance register an help to solve the attendance related problem. Such techniques are being common in modern organizations like multinational companies, bank and financial institutions, insurance companies etc. This problem can be solved for long term motivating the employees positively.

Problems Regarding Job Behavior

Employees behavior directly affects on organizational activities. Their behavior affects the organizational productivity and profitability. But sometime, employee's behaviors are unexpected, unsocial and unacceptable. Such unexpected and unsocial behaviors are also regarded as disciplinary problems. Following behaviors of employees are regarded as disciplinary problems:

- Disobedience of order: Disobeying the order of seniors.

- Carelessness: Not being sensitive about the job responsibility and misusing the resources.

- Neglecting safety devices: Not using the safety measures at workplace like not wearing helmet, gloves, gown, boot, sun glass etc., is also regarded as disciplinary problem.

- Misconduct: To misbehave with senior or junior, consumers, suppliers or any other outsiders.

- Not reporting: Not reporting about the accidents or unusual activities.

- Misuse of resources: Using purposelessly equipment and resources.

To manage problems regarding job related behavior, organization's act, policy, rules and actions must be enacted strongly. In order to solve such problems, appropriate reward and punishment system must be managed.

Dishonesty Related Problem

Honesty is the best ornament of the employees. An employee being unable to demonstrate honesty is an unethical activity. These activities adversely affect performance as well as image of the organization. Following problems are regarded as dishonesty related problem:

- Stealing: To steal goods, equipment and raw materials from organization.

- Avoid work: Not to bear responsibility and rejecting job.

- Information falsification: To give wrong information for fulfilling vested interest.

- Fraud: To deceive organization for monetary benefit.

- Information leakage: To provide confidential information and technology to the rival organization.

- Others: To provide employees for strike, to blame others unnecessarily, to misuse organizations property, backbiting about the organization etc.

Being careful is very necessary to reduce the problems related to dishonesty. Environment that enhances mutual trust and cooperation must be created. Making strict rules related to physical asset,s accounting system and other different aspects can help reducing this type of problem. Reward and punishment system must be enacted to make it more effective.

Problem Related to Outside Activities

Though employees perform their job inside the organization, their activities outside

the organization also affect the organization. Such activities are more sensitive as they directly affect on organizational image. So, the employee's activities outside the organization are also kept within the scope of employee discipline. Following activities are considered as problems related to outside activities discipline:

- Unauthorized strikes: Attaining or organizing unauthorized activities like strike, vandalism against the country, government, society.

- Spy: Spying for competing organization, leaking confidential and sensitive information of the organization etc.

- Misusing resources and assets of society. The address such problems, brief study of social background of employees must be done at the time of recruitment and selection, social orientation programs have to be conducted, information of all employees has to be collected.

General Guidelines in Administering Discipline in HRM

Employee discipline directly affects the organization success. If the problem is not solved in time, it may create problem even in the existence of the organization. The best way is not to let the problem be aroused. However, if it arises, then it has to be solved or controlled in time. To eradicate the disciplinary problems, many managers believe in punishment and penalty. But to minimize or solve the problems, it is appropriate to consider the following guidelines.

Should be Corrective

Main objectives of disciplinary action must be to reduce the problem and improve the situation. While taking disciplinary actions, it must be guaranteed that employee's negative behavior and activities will be improved and not repeated in the future. For this, instead of punishing employees, they must be motivated to improve their attitude and behavior. Based upon the seriousness of the problem, disciplinary action has to be taken. Before taking final actions against the indiscipline, employees must get the chance for improvement. If it is necessary to take action, it must be carried out justifiably and wisely in an acceptable way. So, disciplinary actions should be corrective.

Should be Progressive

Disciplinary action must be progressive. Disciplinary action must be taken step by step. First of all, they must be informed regarding their indiscipline orally. If this doesn't improve things, then written warning followed by suspension and demotion must be taken. And if these actions also do not work then, as a final action, dismissal can be done. Nature of the problem must be considered while taking action. Every problem must not be treated from a single view. Wimple action for minor problem and serious action for complex or major

problem must be applied. If the disciplinary action impacts negatively it does not improve the attitude of employees. Instead, this may worsen the attitude of other employees also.

Should be Immediate

Disciplinary related action must be taken immediately. If these problems are taken for granted or actions are delayed, they repeat it frequently and behave more abnormally. If actions are taken promptly, they become alert of not repeating it. So, one should not be slow to initiate disciplinary action.

Should be Unbiased

Disciplinary actions must be fair, justifiable and wise. Same actions must be taken for the same problem regardless of the employee's position, nearness and dearness as well as their influence in the management. If employees feel being discriminated in disciplinary actions, they may demonstrate negative attitude and behavior. Instead of improving, it will worsen the organizational situation. Thus, instead of looking at the person, one has to understand the depth of the problem while taking disciplinary actions. Actions should be inspired from 'hot stove approach'. Like the host stove that burns the hand of person immediately regardless the level of person, disciplinary action should have same and immediate impact the employees equally.

Should be Effective

Disciplinary action must be effective. Actions taken just for the sake of action cannot change the negative attitude and behavior of the employees. Manager must show initiation because the action is against the problem. Effectiveness must be assessed while initiating the disciplinary action. Assessing the effectiveness, it must be changed and improved. Employees must be pre-informed about the disciplinary action. Similarly, if action is taken against any problem to any person, it must be informed to all the employees within the organization.

Disciplinary Actions in HRM

Acceptable attitude and behavior of employees is known as employee discipline. Employee discipline has important role for the attainment of organizational goal. So, if there arises any disciplinary problem, action has to be taken promptly. Disciplinary action must be progressive. It involves step wise actions which must be focused for the improvement of negative activities, attitude and behavior. Effective, fair and promptly implementable action can only reduce the disciplinary problems. There are following six steps in disciplinary actions:

Oral Warning

When the disciplinary problem is seen, first and foremost, oral warning must be given

to the employees. This is the general type of disciplinary action. Employee must be warned individually. This is a general type of disciplinary action. Employee must be warned individually. This is a type of informal action. Following factors must be considered while giving oral warning:

- Employees are to be informed about the rules they have broken.
- With a plan for improvement in employee's attitude and behavior, chance must be provided to defend them.
- They must be assured of assisting in the future, if they improve their attitude.
- The description of oral warning must be recorded in employee's personal file.

Written Warning

If the attitude of employees is not improved after oral warning, written warning must be given. It is the first step of formal disciplinary action. Following tasks are done in this step:

- Reason of the problem stating the situation not improved after the oral warning.
- Warning not to repeat indiscipline in the future.
- Possible action if similar indiscipline is repeated in the future.
- Giving chance to defend with a plan of improving them.
- Keeping a copy of written warning in employee's personal record file.

Suspension

If the employees are not improved even after the written warning, they are suspended from their job. It is a short term termination from the job. Considering the nature of the disciplinary problem employees can be suspended for 1 day, 1 week, 1 month or more than that. Employees are not paid their salary for the suspension period. For the suspension, there must be noteworthy mistake. Following works are done in this step:

- For suspension, written suspension notice for the ascertained period is given to the concern employees.
- Information regarding suspension is given to the notice board.
- The action paper about suspension is kept in the employees personal record file.

Pay Cut

If the same problem prevails even after the suspension, the productivity of employee

has decreased she/he is creating an economic load to the organization, management decides to cut pay of the employee. Since its effect is long term, it is comparatively a harsh/ruthless disciplinary action. It is a monetary punishment. Though there is pay cut, the position of employee is not declined. If the employee improves work performance and attitude, she/he is paid again as previous pay level. Generally, there are three types of pay cut: stopping the grade, reducing minimum level salary scale, calculating the economic load of employee destroys and reducing it from the monthly salary.

Demotion

If pay cut action doesn't improve the situation, then the employees are demotioned. In demotion, employees position is lowered by one level than the current position. Since, it is permanent by nature, it is sure that employee will be negative towards the organization. Therefore, it requires serious consideration before attempting to demotion. If the organization is sure of employee not quitting the job and not reducing the work performance, and the action does not adversely affect in long run, the action can be considered. Demotion not only minimizes the position but also reduces the salary and service facility. Therefore, there is high possibility of making employees negative towards the organization forever.

Dismissal

Dismissal is also known as the termination of the employees from the organization. It will end the formal organizational relationship between employee and the organization. If employee are not improved from the above stated action or commits serious crime the, this action is taken. Generally, dismissal is done with two consideration as:

- Employee is supposed to be eligible in the future.

- Supposed to be ineligible in future also.

In the case of the former situation, employees can again be selected from the free competition and can rejoin the organization whereas in the later case, there is no chance of the employee for rejoining the organization. Dismissed employees are blacklisted.

EMPLOYEE OCCUPATIONAL SAFETY AND HEALTH

Human resources professionals are assuming health, safety, and security responsibilities within organizations. Such responsibilities include the identification of hazardous

conditions and practices, exposure control and mitigation strategies, legal compliance, development of a safety culture, and measurement of health, safety and security program effectiveness.

Occupational health and safety is a cross-disciplinary area concerned with protecting the safety, health and welfare of people engaged in work or employment. The goal of all occupational health and safety programs is to foster a safe work environment. As a secondary effect, it may also protect co-workers, family members, employers, customers, suppliers, nearby communities, and other members of the public who are impacted by the workplace environment. It may involve interactions among many subject areas, including occupational medicine, occupational (or industrial) hygiene, public health, safety engineering, chemistry, health physics.

The Occupational Safety and Health Administration estimates the costs associated with repetitive strain injury (RSI) to businesses to be between $15 billion and $20 billion per year in the U.S. RSI in the workplace may be reduced by providing ergonomic workstation configuration and by providing appropriate pointing devices, monitors and keyboards to computer users.

USA: The National Whistleblower Center was established in 1988 to improve environmental protection, nuclear safety, and government and corporate accountability. Its primary goal is to ensure that disclosures about government or industry actions that violate the law or harm the environment are fully heard, and that the people who risk their careers to expose wrongdoing are defended.

Elements of Workplace Safety and Health and Legislation

1. Safety: Involves protecting employees from injuries due to work-related accidents.

India: The Factories act 1948 was enacted in the year 1948. The main objective of this law is to maintain healthy, safety and welfare of every employee at workplace in factory . According to this law any factory with above 500 workers should have separate welfare officer, factory with 1000 above workers should have separate safety officer, for 500 workers should have ambulance facility and for above 250 workers canteen facility with concession should be provided.

Occupational Safety and Health Act 1970 is the law of United States governs safety and health of the employees working in factories or companies. This law prescribe safety and health measures to be followed and implemented to ensure safety and healthy working environment where employees are working especially in manufacturing places. United States gives emphasis on mass production which is only possible only through use of high-level of machines where ensuring safety of employee become must according to this law.

Occupational Safety and Health Act 1994 is the principle Act in Malaysia is "To make provision for ensuring the safety, health and welfare of employees at working environment, for protecting employees or workers against risks maintaining safety or health environment in connection with the activities relating to manufacturing process and to establish the National Council for Occupational Safety and Health.

USA: The Fair Labor Standards Act was passed in June 1938. The main objective of the law was to establish minimum standards of living necessary for health, efficiency, and well being of workers. A major provision of the act was the establishment of a minimum wage, initially 25 cents an hour, along with a maximum workweek of 44 hours. Child labor standards were also enacted.

The United States Department of Labor is a Cabinet department of the United States government responsible for occupational safety, wage and hour standards, unemployment insurance benefits, re-employment services, and some economic statistics. Many U.S. states also have such departments. The department is headed by the United States Secretary of Labor.

The Employment Standards Administration (ESA) is the largest agency within the U.S. Department of Labor. The ESA enforces and administers a wide array of employment and labor laws, such as wages and working conditions, child labor, overtime and family and medical leave, equal employment opportunity, workers' compensation, labor unions, and employment standards and practices.

The unintended costs associated with irregular schedules, night shifts and extended hours are eroding the profits of American businesses, according to a study by Circadian Technologies, Inc. The profit-eroding factors for businesses with shift operations include lower productivity, higher absenteeism, greater employee turnover, increased health care costs, and more job-related accidents.

The Bureau of Labor Statistics (BLS) is the government's principal fact-finding agency for labor economics and statistics. The BLS is an independent national statistical agency that collects, processes, analyzes, and disseminates essential statistical data to the American public, Congress, other federal agencies, state and local governments, business, and labor.

According to the Bureau of Labor Statistics, the most dangerous jobs in America are: timber cutters, fishers, pilots and navigators, structural metal workers, drivers-sales workers, roofers, electrical power installers, farm occupations, construction laborers, and truck drivers.

On an average U.S. workday, 152 workers will lose their lives as a result of workplace injuries and illnesses, and nearly 12,000 more will be injured. The workplace fatality rate has been cut by nearly 78% since the passage of the Occupational Safety and Health Act (OSHA) in 1970.

2. Health: Refers to the employees' freedom from physical or emotional illness.

Safety programs may be designed to accomplish their purposes in two primary ways. The first approach is to create a psychological environment and attitudes that promote safety. A strong company policy emphasizing safety and health is crucial. The second approach to safety program design is to develop and maintain a safe physical working environment.

- Physical Conditions: Conditions resulting from the workplace environment that include occupational diseases and accidents, such as:

  ◦ Repetitive motion injuries

  ◦ Back pain

  ◦ Cancer etc.

- Psychological Conditions: Conditions resulting from the workplace environment that result from organizational stress and low quality of working life. These include:

  ◦ Dissatisfaction, withdrawal.

  ◦ Mistrust in others, irritability.

Safety Programs

Today, it has become clear that optimal health can generally be achieved through environmental safety, organizational changes, and different lifestyles.

1. Developing Safety Programs—Organizational safety programs require planning for prevention of workplace accidents. Plans may be relatively simple or more complex and

highly sophisticated in order to fit the organization's size. Top management's support is essential if safety programs are to be effective. Tremendous economic losses can result from accidents.

- Job hazard analysis: The main goal of safety and health professionals is to prevent job-related injuries and illnesses.

- Employee involvement: One way to strengthen a safety program is to include employee input, which provides workers with a sense of accomplishment.

2. Accident Investigation—Accidents can happen even in the most safety-conscious firms. Each accident, whether or not it results in an injury, should be carefully evaluated to determine its cause and to ensure that it doesn't recur. The safety engineer and the line manager jointly investigate accidents—why, how, and where they occur and who is involved. Main causes that can create accidents at workplace are:

- Chance occurrences

- Unsafe working conditions

- Unsafe acts by employees

- Unsafe conditions

    ◦ Physical conditions

        ▪ Defective Equipment

        ▪ Inadequate Machine Guards

        ▪ Lack of Protective Equipment

    ◦ Environmental conditions

        ▪ Noise

        ▪ Dust, Fumes

        ▪ Stress

        ▪ Unsafe behaviors

3. Evaluation of Safety Programs—perhaps the best indicator that a safety program is succeeding is a reduction in the frequency and severity of injuries and illnesses.

4. Rationale for Safety and Health Trends—Firms are spending an increasing amount of money on safety. Reasons include; (1) profitability—employees can produce only while they are on the job, (2) employee relations—firms with good safety records can attract and retain good employees, (3) reduced liability—an effective safety program can reduce corporate and executive liability, (4) marketing—a good safety record may well provide

companies with a competitive edge, and productivity—(5) an effective safety program may boost morale and productivity while simultaneously reducing rising costs.

Ways to Manage Safe and Healthy Environment in Organization

To cope with physical hazards and other hazards such as stress, unsafe behavior, and poor health habits, employers often design comprehensive safety and health programs. Among these are safety programs, employee assistance programs, and wellness programs.

Safety Programs

A safe working environment does not just happen; it has to be created. The organizations with the best reputations for safety have developed well-planned and thorough safety programs.

Employee Assistance Programs (EAPs)

EAPs are programs designed to help employees whose job performance is suffering because of physical, mental, or emotional problems.

Wellness Programs

As health care costs have skyrocketed over the last two decades, organizations have become more interested in preventative programs. A complete wellness program has three components:

- It helps employees identify potential health risks through screening and testing.

- It educates employees about health risks such as high blood pressure, smoking, poor diet, and stress.

- It encourages employees to change their lifestyles through exercise, good nutrition, and health monitoring.

Smoking in the Work Place

Numerous studies have concluded that workplace smoking not only is hazardous to employees' health, but also is detrimental to the firm's financial health. Increased costs of insurance premiums, higher absenteeism, and lost productivity cost huge amount a year. These factors, along with rising opposition from nonsmokers and widespread local and state laws, have spurred many firms into action, and the trend continues.

Effective safety programs share the following features:

- They include the formation of safety committee and participation by all departments within the company. Employees participate in safety decision and management carefully considers employee suggestions for improving safety.

- They communicate safety with a multimedia approach that includes safety lectures, films, poster, pamphlets, and computer presentations.

- They use incentives, rewards, and positive reinforcement to encourage safe behavior.

- They communicate safety rules and enforce them.

- They use safety directors and the safety committee to engage in regular self-inspection and accident research to identify potentially dangerous situations, and to understand why accidents occur and how to correct them.

Policies to Prevent Workplace Violence

Every organization should have a two-pronged policy in place to (a) prevent workplace violence and (b) to deal with violent incidents when they occur. An HR manager's major responsibility is to be certain that s election policies include careful screening and reference checking. Furthermore, the HR manager should take the lead to enforce policies pertaining to the fair treatment of employees. This may require training managers to recognize performance problems, refer troubled employees for counseling, and apply disciplinary procedures consistently.

Benefits of a Safe and Healthy Workforce

- More productivity.

- Increased efficiency and quality.

- Reduced medical and insurance costs.

- Lower workers' compensation rates and payments.

- Greater workforce flexibility.

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5

Employee Relations

The efforts that a company makes to maintain good relations between employers and employees is referred to as employee relations. It includes labor relation, labor dispute, quality for work life and grievance handling. The topics elaborated in this chapter will help in gaining a better perspective about these aspects of employee relations in human resource management.

ROLE OF HR IN EMPLOYEE RELATIONSHIP

It is rightly said that the success and failure of an organization is directly proportional to the relationship shared among the employees. The employees must share a cordial relation otherwise they would always end up fighting with each other. Nothing is possible without trust. You need to trust people to expect the best out of them. Trust only comes when you are comfortable with the other person. An individual can't always take decisions alone. Employees together can discuss things among themselves, come out with innovative ideas and accomplish the tasks at a much faster rate.

A human resource professional plays a key role in binding the employees together. He/she must undertake certain activities which help in strengthening the bond among the employees and bring them closer.

The individual taking care of the HR activities plays a key role in involving all the employees into something productive which would give them an opportunity to know each other well. Individuals are so engrossed in their daily routine work that they hardly get time to interact with each other. Many of them don't even know the full names of the person sitting next to their workstations. The human resource department must ensure that several group activities are being organized at the workplace to bring all employees on a common platform.

Research says that if the employees are satisfied with their job responsibilities, they tend to remain happy and avoid conflicts with each other. Individuals develop a feeling of trust and loyalty towards their organization and don't waste their time and energy in unproductive tasks.

Organize various activities like potlucks and small get togethers at the workplace. Ask each one to bring some dish according to his taste and convenience. Let the employees enjoy together. Employees tend to discuss lot many things apart from routine work in these kinds of informal get togethers.

One day probably the last day of the month should be earmarked with the sole objective of celebrating birthdays falling in the particular month. For example all those born in the month of May should celebrate their birthdays together on the last day of the month i.e. 31st May which will help a great deal for them to remain charged for next one year. The HR should send a formal mail inviting all. Let everyone enjoy and have fun. Divide individuals into groups and ask each group to do something. One group can probably be responsible for the decoration of the venue; the other group can take care of the cake as well as other eatables and so on. The HR person should ideally support each group to ensure that no one faces any difficulty in getting things organized.

It is the responsibility of the human resources team to organize various events like sports day, annual day, green day etc. The employees must be encouraged to participate in these kinds of extra curricular activities. Employees are able to relax this way and take a break from their routine work. Problems crop up when the work tends to become monotonous. Employees should enjoy coming to office, rather than treating work as a burden.

The HR in coordination with the team leaders must display the names of the top performers every month on the company's noticeboard. Send a congratulations mail as well. The human resource professional along with the supervisor can even hand over a small trophy as a token of appreciation to the top performers. Do this activity in the presence of all. The one who has performed well starts trusting his management more and strives hard to win many more trophies in the future. Everyone is aware about each other's performance and gets inspired as well.

While making the organization's policies, the human resource department must fix a common time for lunch for all the employees. Assign half an hour for the same and make sure that no one during the lunch time is seen working at their workstations. Everyone should come together at the office canteen and take lunch together. When people sit together, half of their problems disappear on their own. Employees share their sorrows, displeasures and various other problems with their colleagues and this way come closer to each other. People develop better bonding this way.

When a new employee joins an organization, make sure he receives a warm welcome by all. The induction program should be conducted at the auditorium or the conference room so that everyone can be invited. Ask the new joinee to introduce himself well. Let others know that a new member has stepped into their family to help them in their assignments.

The HR along with the line managers must communicate the key responsibility areas clearly to the employees to extract the best out of them and avoid dissatisfactions later.

EMPLOYEE RELATIONS

Maintaining healthy employee relations in an organization is a pre-requisite for organizational success. Strong employee relations are required for high productivity and human satisfaction. Employee relations generally deal with avoiding and resolving issues concerning individuals which might arise out of or influence the work scenario. Strong employee relation depends upon healthy and safe work environment, cent percent involvement and commitment of all employees, incentives for employee motivation, and effective communication system in the organization. Healthy employee relations lead to more efficient, motivated and productive employees which further lead to increase in sales level.

Good employee relation signifies that employees should feel positive about their identity, their job as well as about being a part of such a great organization. Despite the importance of strong and healthy employee relations, there are circumstances in the life of every organization when employee and management relations are hampered. Instances of such circumstances are as follows:

1. When the employees do not behave as per accepted norms of behaviour, it is known as employee indiscipline. Absenteeism, change in employee's behaviour, slow performance and grievances are all forms of employee indiscipline. Thus, when the employees fail to meet management expectations in terms of standard performance and behaviour, it is referred to as indiscipline. In such cases, it must be ensured by the management that steps should be taken so that employee's behaviour is in conformity with the managerial expectations.

2. Similarly, the employees also expect from the management to provide them a safe working environment, fair treatment, proper incentives, participation in decisions, and needs satisfaction. The failure on part of management to meet these expectations is termed as employee grievance.

3. When the employees fail to meet their own expectations whether in terms of personal goals, career goals, performance, self-respect, etc it is referred to as employee stress. Excessive workload, insufficient workload, peer pressure, excessive/unreasonable use of authority by the management, lack of promotional opportunities, nature of job, etc all again lead to employee stress.

All the above mentioned organizational factors influencing employees relation must be carefully tackled. An optimistic approach to strengthen disciplinary culture rooted on shared norms of employees should be adopted. An effective grievance redressal system should be there. Stress management strategies should be followed in the organization.

Improving Employee Relations

Employee relations must be strengthened in an organization. To do so, following points must be taken care of:

1. Employee has expectation of fair and just treatment by the management. Thus, management must treat all employees as individuals and must treat them in a fair manner. Employee favoritism should be avoided.

2. Do not make the employees' job monotonous. Keep it interesting. Make it more challenging. This can be done by assigning employees greater responsibilities or indulging them in training programmes.

3. Maintain a continuous interaction with the employees. Keep them updated about company's policies, procedures and decisions. Keep the employees well-informed. Informed employees will make sound decisions and will remain motivated and productive. Also, they will feel as a member of organizational family in this manner.

4. Employees must be rewarded and appreciated for a well-done job or for achieving/over-meeting their targets. This will boost them and they will work together as a team.

5. Encourage employee feedback. This feedback will make the employers aware of the concerns of employees, and their views about "you" as an employer.

6. Give the employees competitive salary. They should be fairly paid for their talents, skills and competencies.

7. Be friendly but not over-friendly with the employees. Build a good rapport with the employee. The employee should feel comfortable with the manager/supervisor rather than feeling scared.

Employees stress is a growing concern for organizations today. Stress can be defined as a lively circumstance in which people face constraints, opportunities, or loss of something they desire and for which the consequence is both unpredictable as well as crucial. Stress is the response of people to the unreasonable/excessive pressure or demands placed on them.

Stress is not always negative. It may also bring out the best in individuals at times. It may induce an individual to discover innovative and smarter way of doing things. This positive dimension of stress is called as enstress. But usually, the term stress has a negative implication and this negative aspect of stress is termed as distress. For instance - When a subordinate is harassed or warned by his superior, unhappiness of unsuitable job, etc. We can say that "Stress causes some people to break, and other to break records."

Symptoms of Stress

Some of the symptoms of stress at workplace are as follows:

1. Absenteeism, escaping from work responsibilities, arriving late, leaving early, etc.

2. Deterioration in work performance, more of error prone work, memory loss, etc.

3. Cribbing, over-reacting, arguing, getting irritated, anxiety, etc.

4. Deteriorating health, more of accidents, etc.

5. Improper eating habits (over-eating or under-eating), excessive smoking and drinking, sleeplessness, etc.

It is thus very essential to have effective stress management strategies in an organization so that the detrimental repercussions of stress on the employees as well as their performance can be reduced and controlled.

Sources/Causes of Stress

The factors leading to stress among individual are called as stressors. Some of the factors/stressors acting on employees are:

1. Organizational factors: With the growth in organizational stress and complexity, there is increase in organizational factors also which cause stress among employees. Some of such factors are:

   • Discrimination in pay/salary structure,

   • Strict rules and regulations,

   • Ineffective communication,

   • Peer pressure,

   • Goals conflicts/goals ambiguity,

   • More of centralized and formal organization structure,

   • Less promotional opportunities,

   • Lack of employees participation in decision-making,

   • Excessive control over the employees by the managers.

2. Individual factors: There are various expectations which the family members, peer, superior and subordinates have from the employee. Failure to understand such expectations or to convey such expectations lead to role ambiguity/role

conflict which in turn causes employee stress. Other individual factors causing stress among employees are inherent personality traits such as being impatient, aggressive, rigid, feeling time pressure always, etc. Similarly, the family issues, personal financial problems, sudden career changes all lead to stress.

3. Job concerning factors: Certain factors related to job which cause stress among employees are as follows:

   • Monotonous nature of job,

   • Unsafe and unhealthy working conditions,

   • Lack of confidentiality,

   • Crowding.

4. Extra-organizational factors: There are certain issues outside the organization which lead to stress among employees. In today's modern and technology savvy world, stress has increased. Inflation, technological change, social responsibilities and rapid social changes are other extra-organizational factors causing stress.

Strategies for Managing Stress

Stress experienced by the employees in their job has negative impact on their health, performance and their behaviour in the organization. Thus, stress needs to be managed effectively so as to set off these harmful consequences. Strategies for managing stress are as follows:

Organizational Strategies for Managing Stress

1. Encouraging more of organizational communication with the employees so that there is no role ambiguity/conflict. Effective communication can also change employee views. Managers can use better signs and symbols which are not misinterpreted by the employees.

2. Encourage employees' participation in decision-making. This will reduce role stress.

3. Grant the employees greater independence, meaningful and timely feedback, and greater responsibility.

4. The organizational goals should be realistic, stimulating and particular. The employees must be given feedback on how well they are heading towards these goals.

5. Encourage decentralization.

6. Have a fair and just distribution of incentives and salary structure.

7. Promote job rotation and job enrichment.

8. Create a just and safe working environment.

9. Have effective hiring and orientation procedure.

10. Appreciate the employees on accomplishing and over-exceeding their targets.

Individual Strategies for Managing Stress

1. The employees should make a "to-do" list daily, prioritize the acts in the list and plan the acts accordingly. Take regular breaks during work to relax you. By effective time management, the employees can achieve their targets timely and can meet work pressures and, thus, avoid stress.

2. Do hard work. Strive to achieve your goals but do not do it to the harm of family, health, or peer.

3. Indulge in physical exercises. It helps in effective blood circulation, keeps you fit, diverts mind from work pressures.

4. Encourage a healthy lifestyle. Take a regular sleep, have plenty of water, have healthy eating habits. Promote relaxation techniques such as yoga, listening music and meditation.

5. The employees should have optimistic approach about their work. They should avoid connections with negative approach employees.

6. The employees should have emotional intelligence at workplace. They should have self-awareness, self-confidence and self-control at workplace.

7. The employees should build social support. They should have close connections with trustworthy peer who can listen to their problems and boost their confidence level. This social network will help the employees to overcome stress.

8. Employee counselling is a very good strategy to overcome employee stress. Through counselling, employees can become aware of their strengths and how to develop those strengths; their weaknesses and how to eliminate them; and they can develop strategies for changing their behaviour. Employees are also given career counselling which helps in reducing their ambiguities with regard to career.

9. Find a fun way to release stress, such as, cracking jokes, playing tennis, golf, etc.

10. Do not remain pre-occupied with yourself. Turn your focus outwards. Help others. This will release some stress.

GRIEVANCE AND GRIEVANCE HANDLING

A grievance is any dissatisfaction or feeling of injustice having connection with one's employment situation which is brought to the attention of management. Speaking broadly, a grievance is any dissatisfaction that adversely affects organizational relations and productivity. To understand what a grievance is, it is necessary to distinguish between dissatisfaction, complaint, and grievance.

1. Dissatisfaction is anything that disturbs an employee, whether or not the unrest is expressed in words.

2. Complaint is a spoken or written dissatisfaction brought to the attention of the supervisor or the shop steward.

3. Grievance is a complaint that has been formally presented to a management representative or to a union official.

According to Michael Jucious, 'grievance is any discontent or dissatisfaction whether expressed or not, whether valid or not, arising out of anything connected with the company which an employee thinks, believes or even feels to be unfair, unjust or inequitable'.

In short, grievance is a state of dissatisfaction, expressed or unexpressed, written or unwritten, justified or unjustified, having connection with employment situation.

Features of Grievance

1. A grievance refers to any form of discontent or dissatisfaction with any aspect of the organization.

2. The dissatisfaction must arise out of employment and not due to personal or family problems.

3. The discontent can arise out of real or imaginary reasons. When employees feel that injustice has been done to them, they have a grievance. The reason for such a feeling may be valid or invalid, legitimate or irrational, justifiable or ridiculous.

4. The discontent may be voiced or unvoiced, but it must find expression in some form. However, discontent per se is not a grievance. Initially, the employee may complain orally or in writing. If this is not looked into promptly, the employee feels a sense of lack of justice. Now, the discontent grows and takes the shape of a grievance.

5. Broadly speaking, thus, a grievance is traceable to be perceived as non-fulfillment of one's expectations from the organization.

Causes of Grievances

Grievances may occur due to a number of reasons:

1. Economic: Employees may demand for individual wage adjustments. They may feel that they are paid less when compared to others. For example, late bonus, payments, adjustments to overtime pay, perceived inequalities in treatment, claims for equal pay, and appeals against performance- related pay awards.

2. Work Environment: It may be undesirable or unsatisfactory conditions of work. For example, light, space, heat, or poor physical conditions of workplace, defective tools and equipment, poor quality of material, unfair rules, and lack of recognition.

3. Supervision: It may be objections to the general methods of supervision related to the attitudes of the supervisor towards the employee such as perceived notions of bias, favouritism, nepotism, caste affiliations and regional feelings.

4. Organizational Change: Any change in the organizational policies can result in grievances. For example, the implementation of revised company policies or new working practices.

5. Employee Relations: Employees are unable to adjust with their colleagues, suffer from feelings of neglect and victimization and become an object of ridicule and humiliation, or other inter- employee disputes.

6. Miscellaneous: These may be issues relating to certain violations in respect of promotions, safety methods, transfer, disciplinary rules, fines, granting leaves, medical facilities, etc.

Effects of Grievance

Grievances, if not identified and redressed, may adversely affect workers, managers, and the organization.

The effects are the following:

1. On the production:

   • Low quality of production,

   • Low productivity,

   • Increase in the wastage of material, spoilage/leakage of machinery,

   • Increase in the cost of production per unit.

2. On the employees:

- Increase in the rate of absenteeism and turnover,

- Reduction in the level of commitment, sincerity and punctuality,

- Increase in the incidence of accidents,

- Reduction in the level of employee morale.

3. On the managers:

- Strained superior-subordinate relations,

- Increase in the degree of supervision and control,

- Increase in indiscipline cases,

- Increase in unrest and thereby machinery to maintain industrial peace.

Need for a Formal Procedure to Handle Grievances

A grievance handling system serves as an outlet for employee frustrations, discontents, and gripes like a pressure release value on a steam boiler. Employees do not have to keep their bottled up until eventually discontent causes explosion.

The existence of an effective grievance procedure reduces the need of arbitrary action by supervisors because supervisors know that the employees are able to protect such behavior and make protests to be heard by higher management. The very fact that employees have a right to be heard and are actually heard helps to improve morale. In view of all these, every organization should have a clear-cut procedure for grievance handling.

Steps in Grievance Handling Procedure

At any stage of the grievance machinery, the dispute must be handled by some members of the management. In grievance redressed, responsibility lies largely with the management. And, grievances should be settled promptly at the first stage itself. The following steps will provide a measure of guidance to the manager dealing with grievances.

1. Acknowledge Dissatisfaction: Managerial/supervisory attitude to grievances is important. They should focus attention on grievances, not turn away from them. Ignorance is not bliss, it is the bane of industrial conflict. Condescending attitude on the part of supervisors and managers would aggravate the problem.

2. Define the Problem: Instead of trying to deal with a vague feeling of discontent, the problem should be defined properly. Sometime the wrong complaint is given. By effective listening, one can make sure that a true complaint is voiced.

3. Get the Facts: Facts should be separated from fiction. Though grievances result in hurt feelings, the effort should be to get the facts behind the feelings. There is need for a proper record of each grievance.

4. Analyse and Decide: Decisions on each of the grievances will have a prece-dent effect. While no time should be lost in dealing with them, it is no ex-cuse to be slip-shod about it. Grievance settlements provide opportunities for managements to correct themselves, and thereby come closer to the em-ployees.

   Horse-trading in grievance redressed due to union pressures may temporarily bring union leadership closer to the management, but it will surely alienate the workforce away from the management.

5. Follow up: Decisions taken must be followed up earnestly. They should be promptly communicated to the employee concerned. If a decision is favourable to the employee, his immediate boss should have the privilege of communicat-ing the same.

Some of the common pitfalls that managements commit in grievance handling relate to:

1. Stopping the search for facts too soon;

2. Expressing a management opinion before gathering full facts;

3. Failing to maintain proper records;

4. Arbitrary exercise of executive discretion; and

5. Settling wrong grievances.

Need for a Grievance Handling Procedure

Grievance procedure is necessary for any organisation due to the following reasons:

1. Most grievances seriously disturb the employees. This may affect their mo-rale, productivity and their willingness to cooperate with the organisation. If an explosive situation develops, this can be promptly attended to if a grievance handling procedure is already in existence.

2. It is not possible that all the complaints of the employees would be settled by first- time supervisors, for these supervisors may not have had a proper training for the purpose, and they may lack authority. Moreover, there may be personal-ity conflicts and other causes as well.

3. It serves as a check on the arbitrary actions of the management because super-visors know that employees are likely to see to it that their protest does reach the higher management.

4. It serves as an outlet for employee gripes, discontent and frustrations. It acts like a pressure valve on a steam boiler. The employees are entitled to legislative, executive and judicial protection and they get this protection from the grievance redreessal procedure, which also acts as a means of upward communication.

    The top management becomes increasingly aware of employee problems, expectations and frustrations. It becomes sensitive to their needs, and cares for then well-being.

    This is why the management, while formulating plans that might affect the employees for example, plant expansion or modification, the installation of labour-saving devices, etc., should take into consideration the impact that such plans might have on the employees.

5. The management has complete authority to operate the business as it sees fit subject, of course, to its legal and moral obligations and the contracts it has entered into with its workers or their representative trade union. But if the trade union or the employees do not like the way the management functions, they can submit their grievance in accordance with the procedure laid down for that purpose.

A well-designed and a proper grievance procedure provide:

1. A channel or avenue by which any aggrieved employee may present his grievance.

2. A procedure which ensures that there will be a systematic handling of every grievance.

3. A method by which an aggrieved employee can relieve his feelings of dissatisfaction with his job, working conditions, or with the management.

4. A means of ensuring that there is some measure of promptness in the handling of the grievance.

Key Features of a Good Grievance Handling Procedure

Torrington & Hall refer to four key features of a grievance handling procedure, which are discussed below:

1. Fairness: Fairness is needed not only to be just but also to keep the procedure viable, if employees develop the belief that the procedure is only a sham, then its value will be lost, and other means sought to deal with the grievances. This also involves following the principles of natural justice, as in the case of a disciplinary procedure.

2. Facilities for Representation: Representation, e.g., by a shop steward, can be of help to the individual employee who lacks the confidence or experience to take on the management single-handedly. However, there is also the risk that the presence of the representative produces a defensive management attitude, affected by a number of other issues on which the manager and shop steward may be at loggerheads.

3. Procedural Steps: Steps should be limited to three. There is no value in having more just because there are more levels in the management hierarchy. This will only lengthen the time taken to deal with matter and will soon bring the procedure into disrepute.

4. Promptness: Promptness is needed to avoid the bitterness and frustration that can come from delay. When an employee 'goes into procedure/ it is like pulling the communication cord in the train. The action is not taken lightly and it is in anticipation of a swift resolution. Furthermore, the manager whose decision is being questioned will have a difficult time until the matter is settled.

Essential Pre-requisites of a Grievance Handling Procedure

Every organisation should have a systematic grievance procedure in order to redress the grievances effectively. As explained above, unattended grievances may culminate in the form of violent conflicts later on.

The grievance procedure, to be sound and effective should possess certain pre-requisites:

1. Conformity with Statutory Provisions: Due consideration must be given to the prevailing legislation while designing the grievance handling procedure.

2. Unambiguity: Every aspect of the grievance handling procedure should be clear and unambiguous. All employees should know whom to approach first when they have a grievance, whether the complaint should be written or oral, the maximum time in which the redressal is assured, etc. The redressing official should also know the limits within which he can take the required action.

3. Simplicity: The grievance handling procedure should be simple and short. If the procedure is complicated it may discourage employees and they may fail to make use of it in a proper manner.

4. Promptness: The grievance of the employee should be promptly handled and necessary action must be taken immediately. This is good for both the employee and management, because if the wrong doer is punished late, it may affect the morale of other employees as well.

5. Training: The supervisors and the union representatives should be properly

trained in all aspects of grievance handling before hand or else it will complicate the problem.

6. Follow up: The Personnel Department should keep track of the effectiveness and the functioning of grievance handling procedure and make necessary changes to improve it from time to time.

Basic Elements of a Grievance Handling Procedure

The basic elements of a grievance redressal procedure are:

1. The existence of a sound channel through which a grievance may pass for redressal if the previous stage or channel has been found to be inadequate, unsatisfactory or unacceptable. This stage may comprise three, four or five sub-stages.

2. The procedure should be simple, definite and prompt, for any complexity or vagueness or delay may lead to an aggravation of the dissatisfaction of the aggrieved employee.

3. The steps in handling a grievance should be clearly defined.

   These should comprise:

   • Receiving and defining the nature of the grievance;

   • Getting at the relevant facts, about the grievance;

   • Analysing the facts, after taking into consideration the economic, social, psychological and legal issues involved in them;

   • Taking an appropriate decision after a careful consideration of all the facts;

   • Communicating the decisions, to the aggrieved employee.

4. Whatever the decision, it should be followed up in order that the reaction to the decision may be known and in order to determine whether the issue has been closed or not.

Errors in the Grievance Handling Procedure

1. Stopping too soon, the search for facts.

2. Expressing the opinion of the management before all the pertinent facts have been uncovered and evaluated.

3. Failing to maintain proper records.

4. Resorting to an executive fiat instead of dispassionately discussing the facts of the grievance of the employee.

5. Communicating the decision to the grievance in an improper way.

6. Taking a wrong or hasty decision, which the facts or circumstances of the case do not justify.

Measures to Avoid the Errors

Managements should try to avoid the errors in the grievance procedure by following the measures indicated hereunder:

1. Helpful attitude and support of the management.

2. Belief on the part of all concerned in the practice of the procedure.

3. Introduction of the procedure with the concurrence of employees and trade unions.

4. Following the simple, fair and easily comprehensible procedures.

5. Formulating the clear policies and procedures of the company.

6. Delegation of appropriate authority to the parties concerned.

7. Functioning of the personnel department in the advisory capacity.

8. A fact-oriented and issue-oriented rather than employee-oriented procedure.

9. Respect the decisions taken at all levels.

10. Adequate publicity to the procedure.

11. Periodic evaluation and review of the procedure.

As already discussed, there are valid reasons to have the grievances processed through a machinery or a procedure.

Objectives of a Grievance Handling Procedure

Jackson lays down the objectives of a grievance handling procedure as follows:

1. To enable the employee to air his/her grievance.

2. To clarify the nature of the grievance.

3. To investigate the reasons for dissatisfaction.

4. To obtain, where possible, a speedy resolution to the problem.

5. To take appropriate actions and ensure that promises are kept.

6. To inform the employee of his or her right to take the grievance to the next stage of the procedure, in the event of an unsuccessful resolution.

Benefits of a Grievance Handling Procedure

According to Jackson, further benefits that will accrue to both the employer and employees are as follows:

1. It encourages employees to raise concerns without fear of reprisal.

2. It provides a fair and speedy means of dealing with complaints.

3. It prevents minor disagreements developing into more serious disputes.

4. It saves employers time and money as solutions are found for workplace problems. It helps to build an organizational climate based on openness and trust.

DISCIPLINARY ACTION

A disciplinary action may follow a disciplinary hearing after a conclusion has been reached about any allegations concerning an employee's conduct or performance. Not all disciplinary hearings will lead to a finding against an employee.

There are a number of different actions an employer can take after holding a disciplinary hearing with their employee. This is providing the allegations are upheld and the employer followed a fair and reasonable process throughout the disciplinary hearing. Any decision made after a disciplinary hearing should be confirmed shortly afterwards. An employer should inform their employee of any disciplinary action in writing, even if they have already explained it in person.

You have the right to be accompanied to any disciplinary hearing by a colleague and/or trade union representative (even where you are not a member of a trade union). You should check your employer's policy on companions as they may also allow other people to accompany you.

Disciplinary Actions an Employee may Face

No Action

After some disciplinary hearings it might be the case that no action is required.

If you have an investigatory meeting - rather than a disciplinary meeting - this should not result in any form of disciplinary action. An investigation is simply the first step in the disciplinary process and should be used to determine whether a disciplinary hearing is even needed.

Verbal Warning

If your conduct or performance is deemed serious enough to require some disciplinary action, but not so serious that a written warning should be issued, your employer can give you a verbal warning.

Verbal warnings are often used in cases where an employee has not been disciplined previously.

It is common for disciplinary procedures to have several stages that an employer must go through before dismissing an employee. Often a verbal warning should precede a written warning.

Written Warning

If the outcome of disciplinary hearing is that your performance at work is unsatisfactory, you may be given a written warning. The same applies if misconduct is confirmed at your disciplinary hearing. Some employers may require that you sign a written warning from work in order to acknowledge that you have received it.

A written warning should detail the relevant inappropriate behaviour at work with reference to any relevant employment policy.

If you're being told by written warning that your work is unsatisfactory, then the warning should detail the improvement in performance required of you. If you have had misconduct confirmed then the written warning should detail the desired change in behaviour.

In either case, a timescale should be outlined. Failure to improve your performance or continued misconduct within this set timescale may result in a final written warning. After the expiry of the written warning, you should seek confirmation from HR that the warning has been removed from any files on you.

Final Warning

If you have already received a written warning that has not expired then you could be given a final warning.

A possible action from your disciplinary hearing could be to give you a final warning straight away. This should only happen if your employer thinks it is an appropriate and proportionate disciplinary action to take.

A final warning should never be given without good reason. Being issued with a final written warning without receiving a written warning first should be reserved for a serious breach of your employment contract. Serious breaches of employment contracts are often referred to as gross misconduct and can include theft, violence, gross negligence or actions that cause damage to the company. In such extreme cases a written warning

is not the only disciplinary action available to your employer. Other disciplinary penalties include demotion or dismissal.

Demotion

The most common disciplinary actions are warnings and dismissal. However, you could also be demoted or lose your seniority. If you are demoted as a result of your disciplinary hearing your job description should not change unless your employment contract states that your employer is allowed to do this.

Dismissal

Some acts of gross misconduct are so serious that you could be dismissed without any prior warnings. The decision can only be taken by a manager who has the authority to dismiss you. An employer must always follow a fair disciplinary process before they can dismiss an employee for gross misconduct.

LABOR RELATION IN HRM

In general term, labor relation refers to the relationship among the employer, employees and the government. Labor relation refers to the system in which employers, employees and their representatives and government interact to situate the ground rules for the governance of work relationship. Government may directly or indirectly interact to set the basic rules. It also describes a field of study devoted to examining such relationships. Both private and public interests are at stake in any labor relations system.

A labor relations system incorporates societal values like freedom of association, a sense of group solidarity etc. and techniques like methods of negotiation, work organization, consultation, and dispute resolution. Labor relation is also known as industrial relation.

The concept of labor relation has been to the developed with the industrial development. In the past, labor relation was considered as the task of resolving the problem arising between the employer and employee. With the change in time, it has been regarded as the co-relation between employer, employee and government, directed for the enhancement of organizational work performance.

In summary, labor relation refers to the interrelationship between labor, employee union, employer and government. It helps to establish the cordial relationship in an organization. Good working environment increases the job satisfaction which will increase the organizational productivity. Collective bargaining, resolution of industrial disputes, grievance handling and labor legislation are the scope of labor relation.

Objectives of Labor Relations in HRM

Labor relation plays important role in maintaining appropriate environment in the organization. Following are the major objectives of labor relation:

Harmonious Relation

Employees expect better return despite of their poor performance, whereas organization expects for better return at a lower cost. Labor relation makes cordial relationship between these two different expecting parties and makes the dynamic, effective and productive organization.

Quality Working Condition

Labor relation helps in establishing good faith, mutual trust and respect among the employees and the organization. Respecting each other, respecting the job, harmonizes the relationship between employees and the employer which will help in making a quality working condition.

Industrial Peace

Maintaining industrial peace is another important objective of labor relation. Building trustful and reliable environment will maintain the peace and harmony in the industry. This gives a feeling of trust and dependability. It helps in increasing the job satisfaction to the employees. This will avoid employees from dispute and conflict. Employees will be far away from the abnormal situation like demonstration, conflict, dispute, fight and other unfavorable situation. Thus the environment of cooperation, trust, harmony and peace can be established.

Effective Communication

The next objective of labor relation is to maintain effective communication in the organization. Decision will be made in the participation of both parties and the information will be communicated among and between the two parties. This brings openness for sharing of their knowledge, skill, experience and creation.

Improving Participation

None of the policy and rule can be implemented without participation of concerned employees. Employees participation is necessary for effective execution of the strategy. Distance between the employee and employer can be minimized through labor relation. As a result, employees will participate in the enactment of the policy, rile and programme determined by the organization. Culture of participation will be developed in the organization. Successful execution of each program is possible through the increased employees participation for which the labor relation becomes helpful.

Increasing the Productivity

Increasing the productivity of an organization is another important objective of labor relation. Employees and the management become creative. Employees play coordinated and supportive role for the programme decided by the organization. This will also support in the optimal utilization of resources. Thus the productivity of the organization can be increased.

Change Management

Politics, law, economic, social, technological and other aspects get chance with time. Apart from this, the concept, thought, values, assumptions and expectation of employees also get change. Management has to accept these things within the suitable time. Labor role becomes crucial for change management. Management will be failed if the environment of accepting change by employees is not created. Through labor relation any types of chance can be managed.

Legal Relationship

Issues on the well being and right of employees are discussed in the national and international programme. Work on establishing their right is carrying on and according to which the organizations need to establish legal foundation. By maintaining good legal relationship, objectives of establishing legal relationship can be fulfilled.

Actors of Industrial Relation system

Relation between all aspects that is related to the operation of industry, is the industrial relation. This refers to the relation between employer, employee and government. There must be cordial relationship between employer and employee for the development of organization. Thus, the consideration must be concentrated in making a better relationship of actors of industrial relation. Generally, there are three actors of industrial relation as follows:

Employee/Labor

Employee or labor are the major actors in industrial relation. Human power who earns their livelihood through industry or firm is known as labor or workers or employees. Employees, known as power of industry, if are satisfied in their work, remuneration and other facilities, industrial relation becomes good. If employees or labor are dissatisfied, there arises grievance which will ultimately reduce productivity, confidence and motivation and will impact on the overall work performance of industry. If grievance and dissatisfaction keeps on raising several activities like lockout, strike etc. takes place. So, employer must work hard to prevent from such situation. Since workers cannot put their grievance and dissatisfaction individually, they put if for discussion

and meeting with management through the labor union. As a labor representative, labor union rises voice for the rights and betterment of employees through collective bargaining.

Employer

Organization or person who collects/manages capital from various source and run the industry by providing the employment to workers or employees known as employers. Employers, who hope for the return from their investment do not invest in those places where there does not exist peace and cordial relationship. Thus, there must be cordial relation for the establishment and operation of new industry. Employers do not make agreement at the cost of reducing in profit. Therefore, they have also found to the organized for their interest, benefit and rights.

Government/Society

Government or society is another important aspect or actor of industrial relation. Generally, government is the representative of society. Government plays vital role for the maintenance of industrial peace and security, facility and opportunities and make favorable environment for investment. Similarly, it makes rules, regulations and policies for security of their investment. Likewise, government also plays role for the betterment and protection of consumers from being cheated/unfairly treated by industrialist. Government makes various laws, acts and rules consumers to get good easily or comfortably or at ease. Similarly, government takes various steps to avoid employees exploitation from employer. In this way, government plays an important decisional role for the prevention of right of society, labor and employer. Government also soles problem or conflict between employee and employers through discussion.

Others

Various groups, as another representative of society also impacts in the labor relation. Pressure groups are the important one among these groups. Consumer group pressurize government and employer for consumer rights. Similarly, environment group activists create awareness towards the environment and help to prevent government and employer doing activities not to destroy or degrade environment. Since, such groups affect the industrial relation as their pressure or voice must be addressed by employer and government.

Process of Labor Relation in HRM

Labor relation begins with conflict between management and labor i.e., employees. Labor union represent all the employees and hence provide pressure to the management in order to protect the rights and welfare of employees. Labor union is one of the strong

actors of the industrial relation. So, beginning of the industrial relation is the process of formulation of employee union. In this regard, labor relation can be defined as the step by step process which maintains the mutual respects of organization and employees. Labor relation process is explained as below:

Formulation of Union

Labor relation starts with formation of labor union. Labor union is the formal organization of employees formed by law to protect the rights and interest of employees working in organization. Labor union provides intense pressure to the management to decide and act with protecting the rights of employees. Labor union through collective bargaining, works in favor of employees in the organization.

Dispute or Conflict

Dispute or conflicts are the differences in understanding of two parties i.e., management and labor union in organization. Management of the organization usually refuses the labor union as labor union stands in favor of employees. Labor union bargains for fulfilling the needs and objectives of employees rather than organization. This creates conflict in between labor union and management. So, in the labor union process, creation of dispute or conflict is inevitable.

Collective Bargaining

Bargaining is the mechanism through which two parties involving in conflict determine the common agreeable solution through negotiation. In this step of labor relation process, labor union and management of the organization negotiate for their interest. Both parties quit some points and find the agreeable solution to both labor and management. Agreeable solution thus, determined acts as the minimum code of conducts for rights and duties of employees as well as the accountability and responsibility of management. Such matters determined through collective bargaining are taken as the legal provisions.

Settlement of Conflict

Both the parties i.e., employer and labor union agree to follow the agreeable solution to solve the conflict on the basis of common point obtained through collective bargaining. Both the parties sign upon the written consensus i.e., contract to solve the conflict. This helps to maintain congenial working environment in the organization.

Contract Implementation

This is the final step in formation and maintenance of labor relation in the organization. Contract formed in the conflict settlement process is to be implemented and followed

by each party in the organization. The degree of administration of contract determines the level of harmonization of labor relation.

LABOR DISPUTE IN HRM

In general term, dispute is the disagreement or conflict between two persons or parties for particular interest. Labor dispute is thus the disagreement or parties for particular interest. Labor dispute is thus the disagreement or conflict between employees and employer i.e., employees and management as well as employees and employees. Labor disputes are the result of disagreement in rights and interest in the organization.

As there can be different objectives and output standards of organization and of employees, they may have disagreement between the views, ideas and procedures in executing the plans. If both the parties are rigid to their own interests, views and behaves, disputes may arise.

Labor disputes normally can be seen in terms of interest and rights. This may be because of the different perception, understanding and beliefs of managers and employees. Labor disputes attract agitation, strikes, lockout and industrial unrest. This becomes the reason for decreasing organizational productivity and even the existence. Labor dispute is considered as the weak industrial relation in the organization. Thus, labor dispute must be settled at the very first stage.

Labor disputes are created because of controversy between employer and employees regarding the terms and condition of employment, fringe benefits, working hour, tenure, wage to be negotiated during collective bargaining, or the implementation of already agreed upon terms. It is a gap regarding the terms and conditions of employment, fringe benefits, working hour, tenure, wages being negotiated during collective bargaining between an employer and its employees.

Labor dispute is thus, the situation of disagreements and conflicts in interest between different persons and parties. This is the result of difference in understanding and views. Disputes in the organization are common and inevitable but the issue is that the degree of disputes should not exceed the control limit of management. Management should thus, initiate to settle the disputes at early time.

There can be involvement of only individual employee as well as groups in disputes. In this regards, disputes can be individual and group disputes. Disputes can be classified into two types as interest disputes and rights disputes. Interest disputes are those disputes created because of the disagreement in determination of new wages levels, bonuses, leave, etc. On the other hand, right disputes are related with application of work standard, determination of fair wage level, appropriate working condition, justice, fair treatment, opportunity, etc.

Major Causes of Labor Disputes in HRM

The main reason of labor dispute is the misunderstanding or disagreement between the issues between parties or individuals. Some of the common causes of labor disputes are discussed below:

Compensation

The amount or value received by an employee for their labor is known as compensation. This should be competitive and revised timely. The purchasing capacity of an employee goes decreasing due to the inflation. Thus, the salary has to be increased time to time. Same level of compensation has to be provided for the same level of performance. Otherwise, there may be dissatisfaction among the employees and this may give rise to labor dispute.

Working Condition

Poor working condition is another reason for the labor dispute. Drinking water, sufficient light in the room, open space, clean and fresh air, comfortable furniture, modern equipment, security, lunch break etc. are the factors of working condition. If the working factors are not employee friendly, employees will be dissatisfied that may lead to the labor dispute.

Facilities and Incentives

Facilities like parking, flexible working time, advance salary and incentive provision on the basis of job performance like dearness allowance, bonus, profit sharing, etc. motivates the employee for better performance. If the organization doesn't provide sufficient facility and incentives employees will be dissatisfied and they may raise their voice. This may also arises dispute between the management and employees.

Indiscipline

Power struggle between the employees, power struggle between the manager, and power struggle between different employees union etc. being indiscipline in the organization. Similarly, if there is weak leadership, employees cannot be controlled and they behave in their own way which creates in-disciplinary environment. This also may be the reason for labor dispute.

Resistivity to Change

Organization has to accord or change with the changes in technology, market and goods and service. This change brings change in the job responsibility of employees which requires new skill, experience and qualification. Employees may not be positive towards the change. Change imposed by the management may bring labor dispute in the organization.

Employee Dismissal

Employees may be dismissed due to over staffing or other disciplinary action. But, without the appropriate reason and process, if an employee is dismissed, then the employee himself/herself or with the support of employees union can create the labor dispute.

Non-recognition of Employee Union

In the present context, employees working in an organization want to establish employee union for their welfare. Law has also protected the rights of employees to establish the employee union. If management does not allow establishing the union or does not recognize the established union, then that may also be a reason of labor dispute.

Bot Solving Employee Grievance

There are various reasons that may bring dissatisfaction and grievance to the employees. If the grievance is not solved in time, it will give rise to the labor dispute.

Unfair Conduct

Labor dispute arise due to the unfair behavior of the management. Discrimination in the selection, promotion, transfer, management participation etc. can be the reason for labor dispute.

Political Pressure

Due to the political pressure, employee union may get over empowered in the collective bargaining process. It becomes difficult to solve the problem between the management and employee union. This creates a feeling of revenge to the management whereas employee union wants to solve the problem by force. As a result, labor dispute takes place.

Prevention of Labor Disputes in HRM

Labor dispute has negative impact on the organizational performance and industrial relation. Once, the labor dispute arises, it becomes difficult to eradicate. So, it is better to prevent or avoid such situation in an advance. Certain steps should be taken to avoid the situation. Following measures can be implemented for the prevention of labor dispute.

Sufficient Salary and Wage

Insufficiency in the salary and wages is the main reason for the labor dispute. Thus, salary and wages should be revised timely. At least salary and wages must be revised as per the market inflation. Salary and wages must be equal or higher than other organization. If the inflation rises then the salary should also be increased. If

it is not possible, then inflation allowance must be provided. This will satisfy employees and avoid labor dispute.

Appropriate Working Condition

Working environment should be appropriate by hygienic, clean, spacious, bright, warm and well furnished, well equipped work station etc. Working condition also helps to provide job satisfaction. This will also prevent labor dispute.

Discipline

In many situations, in the lack of discipline or in the lack of its execution, labor dispute is created. Behavior desired by organization or behavior accepted by all employees fall under the areas of discipline. If all of the managers and employees perform their job within their assigned responsibilities and authority, none of the parties will fill discomfort and labor dispute does not arise. Thus, by maintaining discipline, we can prevent from the labor dispute.

Effective Leadership

Employees can be motivated with justifiable behavior, wise direction, appropriate opportunities etc. This can help to keep employees away from anger, debate, dispute, conflict, frustration etc. For all these things, leadership should be effective. Thus, by creating effective leadership, dispute can be avoided.

Making Union Free from Politics

If unions will carry agendas and voice of certain political parties which differentiate the objectives of management union which becomes one of the strong reasons for dispute. Unlike this, if union works only for employee and organizational benefit, the situation improves the industrial relation. Thus, by keeping the union away from politics, there is possibility of prevention from labor dispute.

Positive towards Employees

If management become positive towards employees, dispute will be avoided. Participating employees in the decision making process and executing the suggestions and feedback received from the employees, providing appropriate opportunities for personal development, etc. will satisfy employees. If employees are satisfied in these ways, there will no chance of labor disputes.

Settlement of Labor Dispute in HRM

Labor disputes should be addressed or prevented as soon as possible. Prevention of disputes means, avoiding it from the very beginning of its occurrence whereas, settlement

of dispute means managing the existing dispute through the use of different management tools and techniques. Following are the main methods of settling the disputes:

Collective Bargaining

It is concerned with a process of negotiation, settlement and administration of disagreement between management and workers. In collective bargaining, workers are represented by their representatives for the determination of mutually trusted terms and conditionals at work. Under this method of dispute settlement, employees and management sit together to discuss about the agenda and problems of employees. Then, they reach at the agreement based upon the consensus of both of the involving parties to settle the existing disputes or to avoid the further occurring labor disputes in the organization.

Grievance Handling

Employee's grievance is the perception of unfair treatment at work. In every organization, employees have complaint against their employers. Hence, a complaint affecting one or more employees at a time does constitute a grievance. Grievance are symptoms of conflict in an organization; hence they need to be managed promptly and efficiently. Therefore, a proper step should be taken towards the systematic settlement of grievances in the organization.

Conciliation

Conciliation means settlement of dispute by persuasion of third parties. In simple terms, conciliation means reconciliation of differences between individuals. It refers to a process by which the disputing parties are brought together before a third party with a view to settle the disputes through persuasion. They discuss about the issues and problems and reach upon at an agreement. During discussion, the third party can only provide suggestions but cannot influence either party for the implementation of its suggestion.

Mediation

It is conciliation under which a third party is appointed for providing recommendations and suggestion. Under this process, the party i.e., mediator plays more significant role as compared to conciliation. Here, the third party, works as an arbitrator by giving a solution on a dispute while in conciliation the conciliator only facilitates for table talk between disputing parties.

Adjudication

It is an ultimate legal remedy for a dispute settlement. Under this method, the disputes are settled in reference to adjudication by the government. Hence, this is regarded as a process of mandatory settlement of any dispute through adjudication with or without the consent of disputing parties.

QUALITY OF WORK LIFE

Quality of work life is a concept which talks about the overall focus on employee as a person rather than just the work done by him/her. Quality of Work Life is becoming an increasingly popular concept in recent times. It basically talks about the methods in which an organisation can ensure the holistic well-being of an employee instead of just focusing on work-related aspects.

Importance of Quality of Work Life

Quality of work life (QWL) is a fact that an individual's life can't be compartmentalised and any disturbance on the personal front will affect his/her professional life and vice-versa. A good work life balance is also what motivates an employee the most to perform well at his or job and also spend quality time with the family. Therefore, organisations have started to focus on the overall development and happiness of the employee for their motivation and reducing his/her stress levels without jeopardising the economic health of the company. A good time management schedule helps employees balance their work and personal life.

Ways to Achieve Quality of Work Life

Each organisation has its own way of achieving this. But the most common elements adopted are shown in the image below:

There are several ways to achieve to quality of work life. The key elements can be described as below:

1. Providing Job Security: If an employee is confident that his job is secure, they are much more relaxed and can perform better. It gives them a confidence that even if something goes wrong by mistake, their job will not be at stake.

2. Rewards and recognition: If an employee is awarded for a good performance, its helps them to perform even better. The leadership and top management must ensure recognition of the efforts of subordinates.

3. Flexible work timings: Flexibility during working hours is something which is appreciated by employees. This gives employees a chance to do their work and also work on certain important personal commitments. This significantly contributes to improving the quality of work life for an employee. Companies also promote a compressed work week concept.

4. Increased employee participation: Involving employees in discussions, strategies & feedback is something which helps increase the employees QWL & contribution towards a particular role.

5. Open communication: Transparency between management and employees & effective team management gives them confidence as they are updated with the business and also feel at ease being approachable.

6. Career growth plans: Discussing the future of the employee in the company, interesting aspects of the job, career development etc are all appreciated by employees.

7. Job enrichment: Companies which are able to enrich the job with new tasks, better learning & training, more opportunities etc are more likely to keep employees happy at work.

All these factors contribute in achieving a QWL for an employee.

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Applications of Human Resource Management

The primary applications of human resource management include managing the workforce and E-HRM. Workforce management ensures that the right person is doing the right job at the right time. The chapter closely examines these applications HRM to provide an extensive understanding of the subject.

WORKFORCE MANAGEMENT

When it comes to workplace efficiency, the smallest things can have the biggest impact on your business. The Workforce Institute has found that U.S. businesses waste $687 billion each year on unnecessary administrative work.

One of those "small" administrative tasks? Employee scheduling: Employers easily spend up to 12 hours on scheduling per week, without any guarantee employees will actually stick to the plan or show up for their shift. But it's not just employers feeling the consequences—canceled shifts and unexpected schedule changes also cost the average minimum wage worker 7 percent of their annual income. These small things start to add up fast, and over time, they can affect every part of your business.

Instead of struggling with unpredictability, it is possible to maximize efficiency and turn scheduling (and your labor force) into your strongest asset. It all comes down to workforce management.

Workforce management, also known as WFM, is an integrated set of tools and processes that help businesses ensure the right people are in the right role, at the right time. This concept originally got its start in call centers, with the goal of helping managers identify the best number of hourly workers to keep up with call demand.

Using a workforce management approach allows you to increase efficiency both company-wide and at the individual employee level. It's about finding balance with all your business' moving, human variables and combining them in a way that produces the

best result. Essentially, you're aligning all the right factors in place for the most optimal outcome. But what does workforce management actually do for your business?

It's hard to create a perfect customer experience every time. Yet after a single bad experience, it's not likely that a customer will give your business a second chance. Instead of throwing together what you think are the best factors—your best employees with the best skills, your best product—and hoping for the best customer experience, workforce management "sets the foundations for whether or not you get it right the first time." While you could spend time and resources recovering from a bad customer experience, workforce management can help you avoid it in the first place.

Workforce Management vs. Workforce Optimization

By now, workforce management might be starting to sound like another business strategy that's gained notice of late—"workforce optimization." However, workforce management isn't the same as workforce optimization. The two may seem similar (and have similar goals) but aren't exactly interchangeable. Workforce management is a system of tools and processes that support scheduling and staff availability, which in turn supports overall workforce optimization. Whereas workforce management is a spoke, workforce optimization is the entire wheel.

How Workforce Management Works

"Ensuring the right people are in the right role, at the right time" sounds almost too good to be true—so what does that look like in practice?

Successful workforce management involves several key areas:

Forecasting and Budgeting

In order to match the right staff with the right resources, you have to know what type of—and how many—resources your business requires at a given time. You also need an idea of what your budget is going to be, how much staff you can afford to have on hand, and what customer demand will be like. For example, if your summer busy season is fast approaching, you'll need to start forecasting in order to know how many seasonal employees your business is projected to need.

Scheduling

The bulk of workforce management comes down to scheduling. For anyone who's ever built a schedule from the ground up, you know how time-consuming manual scheduling can be. Workforce management can automate the scheduling process to take all variables into account (summer vacations, availability, past time-keeping patterns) and produce an optimal schedule that employees can also weigh in on. Ideally, using WFM

will help keep things from falling into the cracks and make it easier to cover sick days or no-shows, so that you aren't ever left without enough resources.

Timekeeping and Attendance

Good workforce management doesn't just take the future into account, but also the day-to-day. Are your employees showing up on time on a regular basis? Do they often miss or swap shifts? Are they reliable? Who's clocked in and making the most sales? Having an automated timekeeping and attendance system can get employees on the job sooner, make it easier to track employee attendance in real time, and ensure your payroll is accurate.

Employee Performance and Satisfaction

Knowing how much demand to expect, creating a schedule, and tracking employee attendance are all vital parts of workforce management. But the last factor is also the most important: how your employees perform on the clock and how they feel about their performance. Only 13 percent of today's employees report feeling engaged at work. In contrast, workers who rank high in engagement outperform their poorly engaged peers by 20 percent in sales.

Bottom line: you can get all the right factors in the right place at the right time. But even perfect workplace management can't fix an employee who isn't reliable or motivated to do their job. You need to identify your top performers, but you need to make sure they stay motivated individually and that your team maintains healthy morale overall.

When all of these variables of your business work together, not against each other, you'll be able to create an efficient provision of labor that matches labor demand. This can be tricky to do manually (and involve a lot of spreadsheets), which is why workforce management often comes in the form of software or a suite of tools that combine data from multiple sources within your business.

Using a workforce management solution, you'll be able to automatically integrate patterns from your employee schedule and time clock to match your budget and forecast. Many workforce management solutions also include HR features like performance management and applicant tracking systems to help you keep an eye on how your current employees are performing in their roles— and track new positions you may need to fill to match upcoming demand in your forecast.

Workforce Management Solution

Like any new tool, the most important part about choosing a workforce management solution is to invest in something you'll actually use. If your workforce management software is difficult to implement or hard to learn, chances are that it won't become part of your everyday routine and make the impact it should in daily operations.

Remember that $687 billion price tag? Find a solution that takes care of those small tasks so you have the flexibility to focus on what matters for your business. A good workforce management solution will help you cut down not just on costs, but also inefficiencies and manual admin—whether that's building the week's schedule or making it seamless for employees to update their availability and swap shifts.

Even with the right solution, workforce management won't transform your business overnight. It's a process. The more you use it, the more insight you'll have into staffing, employee performance, and what it takes to create a great customer experience—every time.

PROJECT WORKFORCE MANAGEMENT

Project workforce management is the practice of combining the coordination of all logistic elements of a project through a single software application (or workflow engine). This includes planning and tracking of schedules and mileposts, cost and revenue, resource allocation, as well as overall management of these project elements. Efficiency is improved by eliminating manual processes, like spreadsheet tracking to monitor project progress. It also allows for at-a-glance status updates and ideally integrates with existing legacy applications in order to unify ongoing projects, enterprise resource planning (ERP) and broader organizational goals. There are a lot of logistic elements in a project. Different team members are responsible for managing each element and often, the organisation may have a mechanism to manage some logistic areas as well.

By coordinating these various components of project management, workforce management and financials through a single solution, the process of configuring and changing project and workforce details is simplified.

A project workforce management system defines project tasks, project positions, and assigns personnel to the project positions. The project tasks and positions are correlated to assign a responsible project position or even multiple positions to complete each project task. Because each project position may be assigned to a specific person, the qualifications and availabilities of that person can be taken into account when determining the assignment. By associating project tasks and project positions, a manager can better control the assignment of the workforce and complete the project more efficiently.

When it comes to project workforce management, it is all about managing all the logistic aspects of a project or an organisation through a software application. Usually, this software has a workflow engine defined. Therefore, all the logistic processes take place in the workflow engine.

Technical Field

This invention relates to project management systems and methods, more particularly to a software-based system and method for project and workforce management.

Software Usage

Due to the software usage, all the project workflow management tasks can be fully automated without leaving many tasks for the project managers. This returns high efficiency to the project management when it comes to project tracking proposes. In addition to different tracking mechanisms, project workforce management software also offer a dashboard for the project team. Through the dashboard, the project team has a glance view of the overall progress of the project elements.

Most of the times, project workforce management software can work with the existing legacy software systems such as ERP (enterprise resource planning) systems. This easy integration allows the organisation to use a combination of software systems for management purposes.

Good project management is an important factor for the success of a project. A project may be thought of as a collection of activities and tasks designed to achieve a specific goal of the organisation, with specific performance or quality requirements while meeting any subject time and cost constraints. Project management refers to managing the activities that lead to the successful completion of a project. Furthermore, it focuses on finite deadlines and objectives. A number of tools may be used to assist with this as well as with assessment.

Project management may be used when planning personnel resources and capabilities. The project may be linked to the objects in a professional services life cycle and may accompany the objects from the opportunity over quotation, contract, time and expense recording, billing, period-end-activities to the final reporting. Naturally the project gets even more detailed when moving through this cycle.

For any given project, several project tasks should be defined. Project tasks describe the activities and phases that have to be performed in the project such as writing of layouts, customising, testing. What is needed is a system that allows project positions to be correlated with project tasks. Project positions describe project roles like project manager, consultant, tester, etc. Project-positions are typically arranged linearly within the project. By correlating project tasks with project positions, the qualifications and availability of personnel assigned to the project positions may be considered.

Benefits of Project Management

Good project management should:

- Reduce the chance of a project failing.

- Ensure a minimum level of quality and that results meet requirements and expectations.

- Free up other staff members to get on with their area of work and increase efficiency both on the project and within the business.

- Make things simpler and easier for staff with a single point of contact running the overall project.

- Encourage consistent communications amongst staff and suppliers.

- Keep costs, timeframes and resources to budget.

Workflow Engine

When it comes to project workforce management, it is all about managing all the logistic aspects of a project or an organisation through a software application. Usually, this software has a workflow engine defined in them. So, all the logistic processes take place in the workflow engine.

The regular and most common types of tasks handled by project workforce management software or a similar workflow engine are:

Planning and Monitoring Project Schedules and Milestones

Regularly monitoring your project's schedule performance can provide early indications of possible activity-coordination problems, resource conflicts, and possible cost overruns. To monitor schedule performance. Collecting information and evaluating it ensure a project accuracy.

The project schedule outlines the intended result of the project and what's required to bring it to completion. In the schedule, we need to include all the resources involved and cost and time constraints through a work breakdown structure (WBS). The WBS outlines all the tasks and breaks them down into specific deliverables.

Tracking the Cost and Revenue aspects of Projects

The importance of tracking actual costs and resource usage in projects depends upon the project situation.

Tracking actual costs and resource usage is an essential aspect of the project control function.

Resource Utilisation and Monitoring

Organisational profitability is directly connected to project management efficiency and

optimal resource utilisation. To sum up, organisations that struggle with either or both of these core competencies typically experience cost overruns, schedule delays and unhappy customers.

The focus for project management is the analysis of project performance to determine whether a change is needed in the plan for the remaining project activities to achieve the project goals.

Other Management aspects of Project Management

Project Risk Management

Risk identification consists of determining which risks are likely to affect the project and documenting the characteristics of each.

Project Communication Management

Project communication management is about how communication is carried out during the course of the project.

Project Quality Management

It is of no use completing a project within the set time and budget if the final product is of poor quality. The project manager has to ensure that the final product meets the quality expectations of the stakeholders. This is done by good:

- Quality planning: Identifying what quality standards are relevant to the project and determining how to meet them.

- Quality assurance: Evaluating overall project performance on a regular basis to provide confidence that the project will satisfy the relevant quality standards.

- Quality control: Monitoring specific project results to determine if they comply with relevant quality standards and identifying ways to remove causes of poor performance.

Project Workforce Management vs. Traditional Management

There are three main differences between Project Workforce Management and traditional project management and workforce management disciplines and solutions:

Workflow-driven

All project and workforce processes are designed, controlled and audited using a built-in graphical workflow engine. Users can design, control and audit the different processes involved in the project. The graphical workflow is quite attractive for the users of the system and allows the users to have a clear idea of the workflow engine.

Organisation and Work Breakdown Structures

Project Workforce Management provides organization and work breakdown structures to create, manage and report on functional and approval hierarchies, and to track information at any level of detail. Users can create, manage, edit and report work breakdown structures. Work breakdown structures have different abstraction levels, so the information can be tracked at any level. Usually, project workforce management has approval hierarchies. Each workflow created will go through several records before it becomes an organisational or project standard. This helps the organisation to reduce the inefficiencies of the process, as it is audited by many stakeholders.

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We would like to thank the editorial team for lending their expertise to make the book truly unique. They have played a crucial role in the development of this book. Without their invaluable contributions this book wouldn't have been possible. They have made vital efforts to compile up to date information on the varied aspects of this subject to make this book a valuable addition to the collection of many professionals and students.

This book was conceptualized with the vision of imparting up-to-date and integrated information in this field. To ensure the same, a matchless editorial board was set up. Every individual on the board went through rigorous rounds of assessment to prove their worth. After which they invested a large part of their time researching and compiling the most relevant data for our readers.

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The publisher and the editorial board hope that this book will prove to be a valuable piece of knowledge for students, practitioners and scholars across the globe.

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