

HUMAN RESOURCE MANAGEMENT



Personnel, People at work, Manpower, Staff,
employees

Definition

- Human resource management can be defined as
 - “employing people, developing their resource, utilizing maintaining and compensating their services in tune with the job and organizational requirements”



HRM FUCTIONS

HR acquisition

1. HR planning
2. Recruitment
3. Selection
- 4.Placement

HR development

1. Career planning
- 2.Training & development
- 3.Organizational Development

Performance & compensatio n

- 1.Performance Mg
2. Incentives& benefits

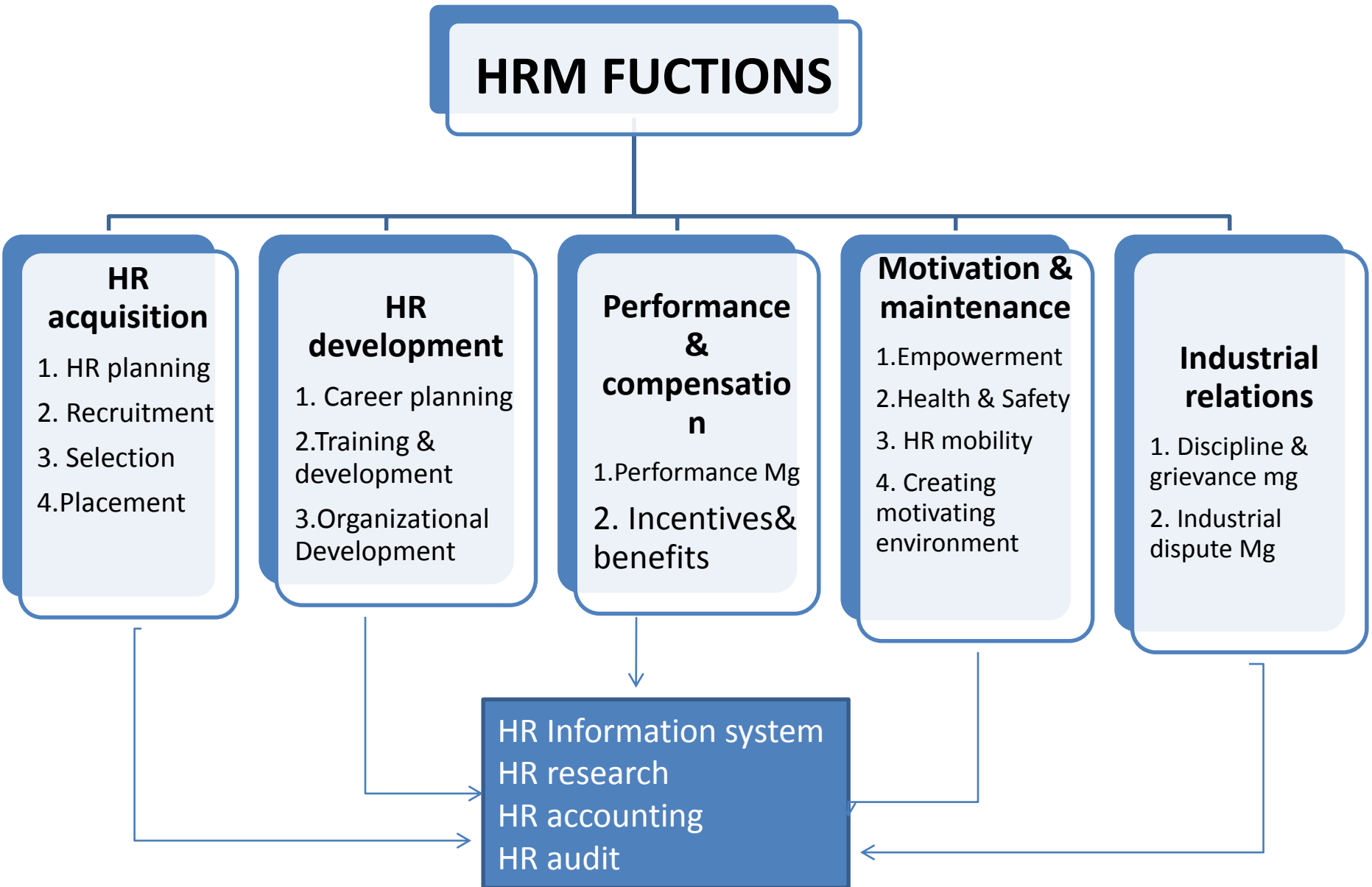
Motivation & maintenance

- 1.Empowerment
- 2.Health & Safety
3. HR mobility
4. Creating motivating environment

Industrial relations

1. Discipline & grievance mg
2. Industrial dispute Mg

HR Information system
HR research
HR accounting
HR audit





Nature of HRM



1. **Inherent part of management**- selecting people, training, motivating, appraising their performance for improving their quality.
2. **Pervasive function**-present in all levels of mg in an organization
3. **Action oriented**-solve problem through rational(balanced) policies rather than record keeping
4. **People oriented**-HRM is all about people at work. Assign jobs, produce results, reward, motivate them towards improvements in productivity
5. **Future oriented**- Effective HRM helps organization meet its goals
6. **Development oriented**-HRM develops full potential of employees through reward, training, job rotation.
7. **Integrating mechanism**: HRM maintains cordial relationship between people working at various levels in organization.
8. **Comprehensive function**: Workforce signifies people working at all levels, HRM differs with form & shape but the basic objective of effective utilization of human resource remains the same.
9. **Continuous function**: HRM is not a one shot deal it requires constant awareness and alertness of human relations in every day operation.
10. **Based on human relation**: Every person has different need, perception and expectations. The manger should give due attention to these factors.

Scope(capacity) of HRM



1. Human resource planning-fill various position
2. Recruitment & Selection- develop a pool(team) of candidates
3. Job Design: define task, assign authority & responsibility
4. Training & Development- helps in developing key competencies
5. Appraisal of performance-systematic assessment & evaluation of workforce
6. Motivation of workforce- develop enthusiastic workforce
7. Remuneration of employees-focuses on fair, consistent & equitable compensation
8. Social security & Welfare of employees-working conditions, transport, medical assistance etc
9. Review & audit of personnel policies- ensures reliable HR policies
10. Industrial labour relation- ensures healthy union mg relationship e.g.: settlement of dispute



Difference between personnel mg & HRM

PERSONNEL MANAGEMENT

- Mg of people employed
- Employees are treated as economic man as his service are exchanged with salary
- Employee are viewed as tool, equipment
- Employee are treated as cost center. Therefore mg controls cost of labour
- Employees used as organization benefit
- Personnel function is only auxiliary (secondary)
- Short term perspective

HUMAN RESOURCE MG

- Mg of employees skills, Knowledge, abilities
- Employees are treated as economic, social & psychological man
- Employee are treated as a resource
- Employees as treated as profit center. Therefore, invest in human resource.
- Employees used for multi-mutual benefit for org, employees & family
- HRM is a strategic(planned) mg function
- Long term perspective



Objectives of HRM



1. To help the organization reach its goal
2. To employ the skills and abilities of the workforce efficiently
3. To provide the organization with well trained & well motivated employees
4. To increase employees job satisfaction and self actualization (stimulate employees to realize their potential)
5. To develop & maintain a quality of work life.
6. To communicate HR policies to all employees.
7. To be ethically & socially responsive to the needs of the society(ensuring compliance with legal & ethical standards)
8. To provide an opportunity for expression & voice in management
9. To provide fair, acceptable & efficient leadership
10. To establish sound organizational structure & desirable working relationships.



Importance of HRM

**GOOD HR
PRACTICES HELPS**

1. Attract & retain talent
2. Train people for challenging roles
3. Develop skills & competencies
4. Promote team spirit
5. Develop loyalty & commitment
6. Increase productivity & profits
7. Improve job satisfaction
8. Enhance standard of living
9. Generate employment opportunity
10. Greater trust & respect



Qualities of HR Manager



Henry fayol categorized as

- a) Physical- health, vigor (energy, strength), address
- b) Mental- ability to understand, learn, judge & adaptable
- c) Moral – firmness, responsible, initiative, loyal, dignity (self respect)
- d) Educational- subject knowledge about function performed
- e) Technical- peculiar knowledge on function
- f) Experience – arising from work proper.

OTHERS:

Alert mentally, competent to take quick decision, honesty & integrity, patience, good leader, socially responsible, good communicator, courteous (well mannered)



Environmental factors that affects the HRM

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graph TD; A[Environmental factors that affects the HRM] --> B[Economic environment]; A --> C[Legal environment]; A --> D[Technological environment]; A --> E[Socio-cultural environment];
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Economic environment

- (a) Population & workforce
- (b) Workforce market condition
- (c) National income- Salary structure
- (d) Inflationary pressure

Legal environment

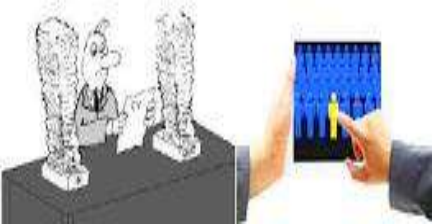
- (a) No discrimination on sex
- (b) At least prescribed % of total employees must belong to SC & physically handicapped
- (c) Safety, working condition
- (d) Industrial relation

Technological environment

- (a) Electronic communication
- (b) Open door policy (can communicate with any1 in organization)
- (c) Global monitoring
- (d) Virtual office (no central place)

Socio- cultural environment

- (a) Expectation of society
- (b) Social status of job
- (c) Achievement of work
- (d) Authority structure
- (e) Workforce mobility
- (f) Role of labour union



Emerging issues in HRM

Future of HRM: influencing factors



1. **Increase in size of workforce**-additional demands for better pay, benefits & working conditions.
2. **Composition of workforce**- The raising percentage of women in workforce, demand for equal pay, gender inequality
3. **Employees expectations**-as workers are better educated, more demanding, voice strong- financial & non financial demands is ever growing & expanding.
4. **Changes in technology**- increase in automation, modernization & computerization. Employees must update their knowledge & skills constantly. This will necessitate constant training at all levels.
5. **Life style changes**- people are ready to change jobs, shift locations, start up companies & even experiment with untested ideas.
6. **Environmental challenges**- Privatization efforts in India will gather momentum . Burden of training & retraining falls on the shoulder of HR manager. Reserved categories, minorities will lose importance during selection of employees.
7. **Personnel Function**- Job redesign, career opportunity, Productivity, reward, safety and welfare, Talent hunting, developing & retaining, Lean & mean mg (good bye to old employees), labour relation, Health care benefits

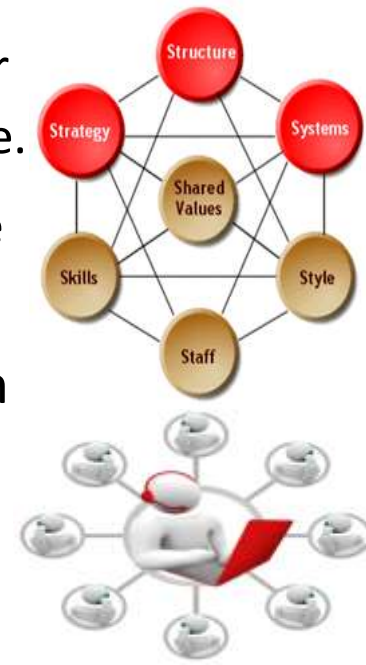
Role & Responsibility of HR professionals in changing Environment

PLAN
PLAN
PLAN
PLAN
ACTION

- **Focus on strategic HR issues:** Issues have to be identified & dealt with adequately. It will act as an in-build advantage
- **Proactive action:** not on reactive basis. Putting action in practice before an issue arises.
- **Developing integrated HR system:**

Well balanced system without lack of coherence (unity) in function

- **Working as Change agent:** must perceive need for change and initiate it. HR professionals must play an active role.
- **Marketing HR potential:** must have ability to prove their contribution to enterprise
- **Outsourcing HR functions:** business instructs an external supplier to take responsibility (and risk) for HR functions.



HUMAN RESOURCE PLANNING

- According to Geisler-
“ Man power planning is the process which includes forecasting, developing implementing, and controlling by which a firm ensures that it has the right number of people and the right kind of people at the right place, at the right time doing work for which they are economically most useful”



Objectives of Human resource planning

- 1) Forecast personnel requirement
- 2) To ensure optimum utilization of resource
- 3) Use of existing manpower productively
- 4) Cope with changes(training about technological changes)
- 5) To provide control measures(ensure resource availability when required)
- 6) Promote employees in systematic manner(promotions, pay scale)
- 7) To provide a basis for Management Development Programmes.
- 8) To assist productivity bargaining(good deal)
- 9) To assess the cost of man power





Importance of HR Planning

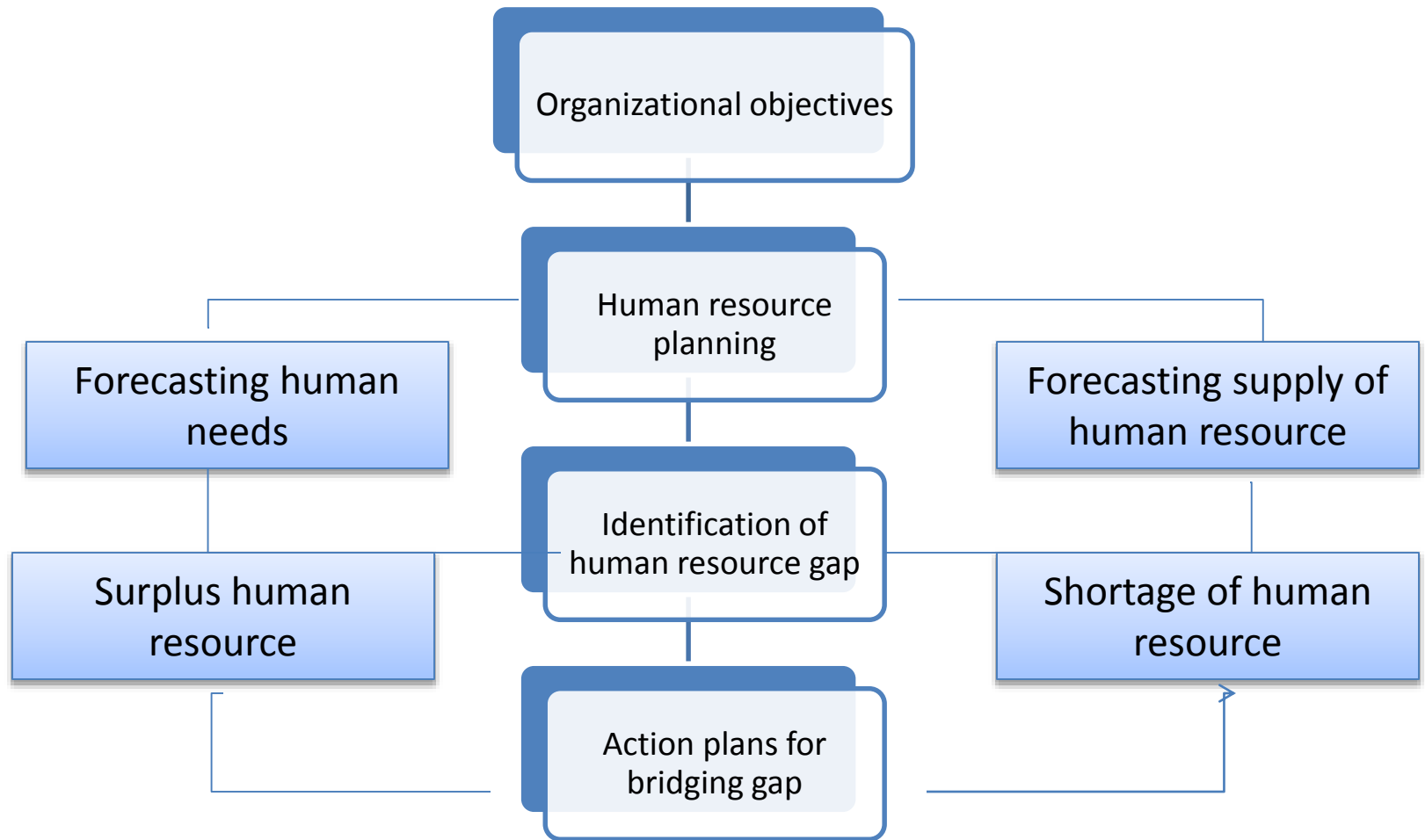
- A. Reservoir of talent-** retain skilled people
- B. Prepare people for future-** motivated & developed to meet future needs
- C. Expand or contract-** continuous supply of people to handle challenging jobs
- D. Cut cost-** Hr budget
- E. Succession planning-** stars are picked for challenging projects

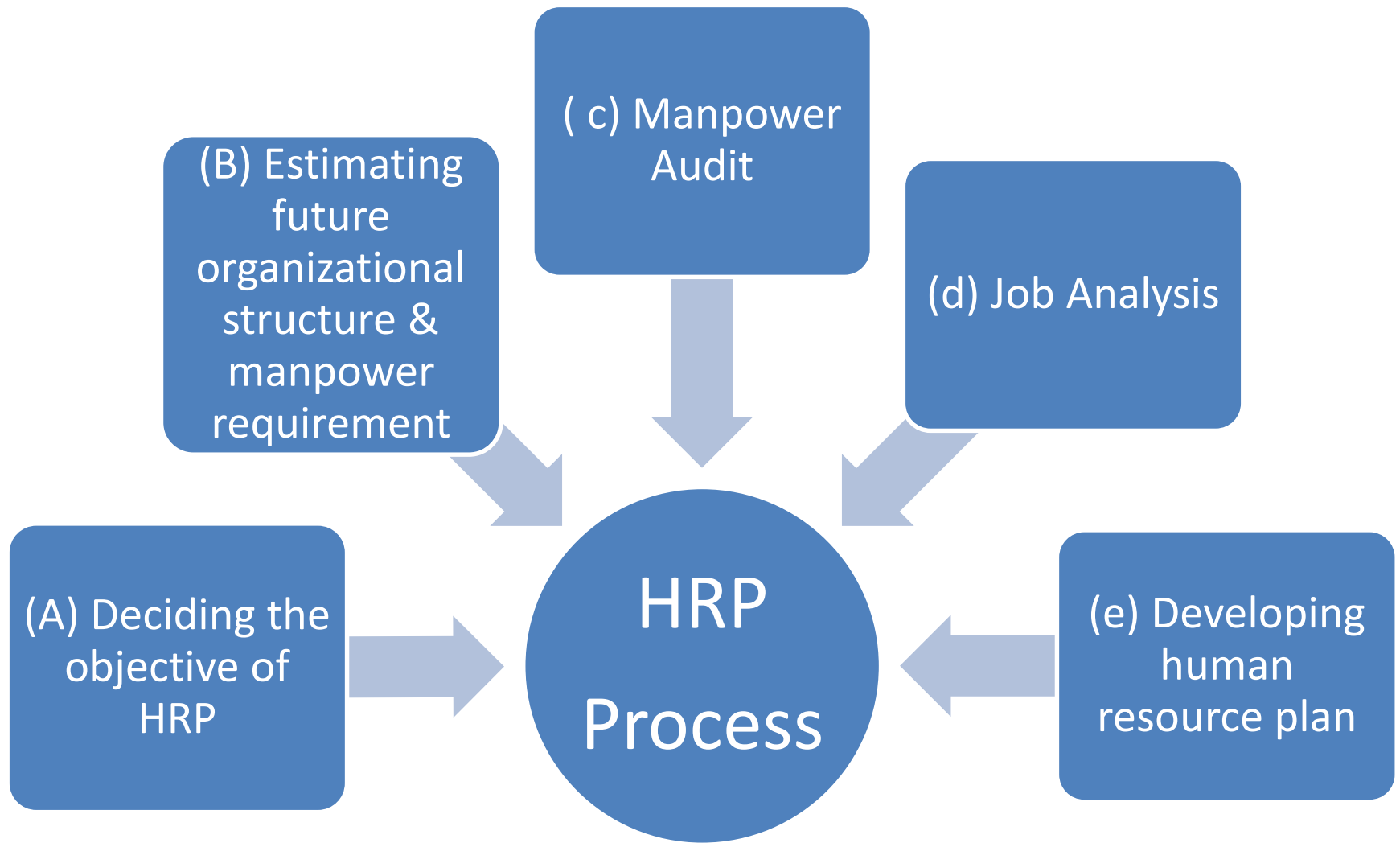


EFFECTIVE HUMAN RESOURCE PLANNING:

set efficient objective, top mg support, Employee skill inventory, HR Information system, Coordination

HUMAN RESOURCE PLANNING







- A. Objective of HRP-** fitting employee abilities to enterprise requirements
- B. Estimating future organizational structure & manpower requirement-** The mg must estimate the number & types of employees (age, experience, qualification, salary range) required in future by analyzing growth, expansion, structural changes .
- C. Manpower Audit-** Skill inventory

PERSONAL FACTORS

Name
Age
Marital status

EDUCATION & TRAINING

School
Degree
Academic excellence
Training achieved

EXPERIENCE & SKILLS

Job areas
Job titles
Special skills
Lang known
Reason for leaving

ADD INF

Salary grade
Disciplinary record
Career plans
Appraisal data
Test results

D. Job Analysis:

Training, Job evaluation,
Performance App,
Career Dev, Induction,
Counseling, labor relat

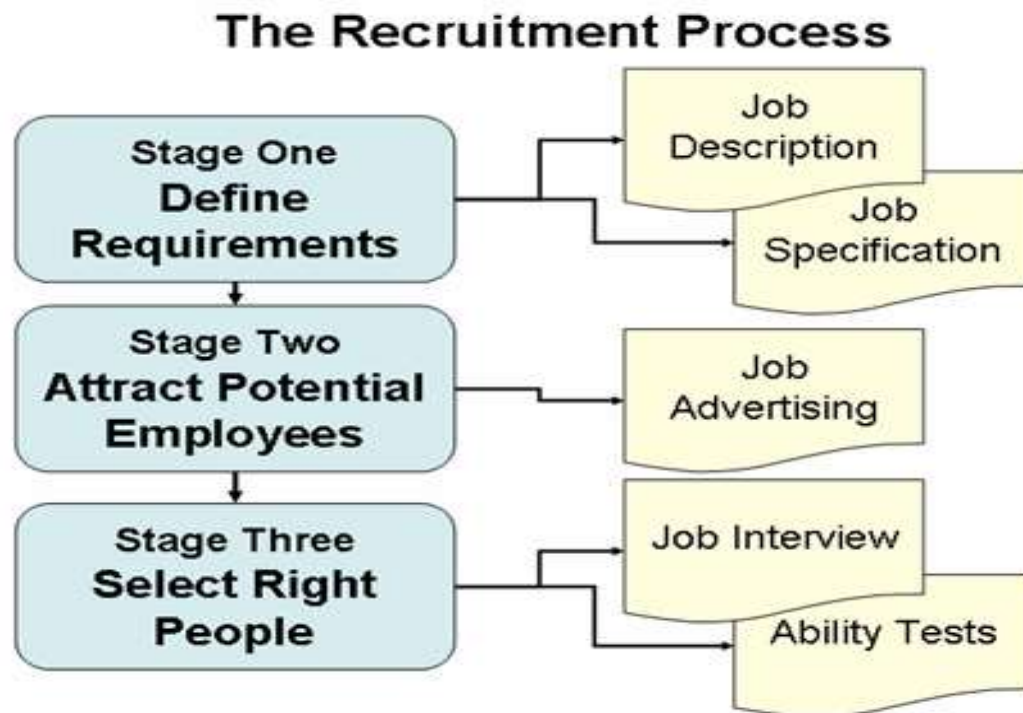
job description- job summary, Duties performed, Machine , tools , materials , working conditions

Job specification- what kind of person to recruit & for what qualities that person should be tested. Physical character, Psychological character, personal character, responsibility, demographic nature

E. Developing human resource plan- Implementation of findings

Recruitment

- Acc to Edwin B.Flippo defined recruitment as “ the process of searching for prospective employees and stimulating them to apply for jobs in the organization”



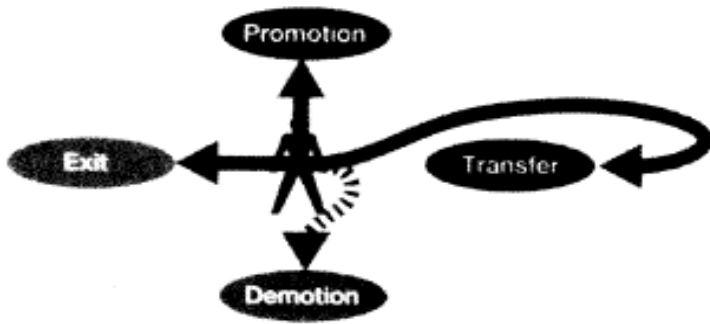
Factors affecting Recruitment

INTERNAL FACTORS

- Company's pay package
- QWL
- Organizational Culture
- Career planning
- Company's size
- Company's products
- Company's Growth rate
- Cost of recruitment

EXTERNAL FACTORS

- Socio-economic factors
- Supply & demand factors
- Employment rate
- Labour market condition
- Reservation for SC/ST
- Information system



Sources of Recruitment



Internal source

Transfer- job rotation shifting from one job to another

Promotion- shifting an employee to higher position

Employee referrals- recommendation from current employees

External source

Direct recruitment- (factory gate)

Unsolicited application

Media Advertisement

Employment Exchange

Mg consultants(data bank)

Campus recruitment

Recommendations

Labour contractors

Modern technique

Walk- in

Consult-in-(encourage to approach personally)

Head Hunting-(professional org search senior executives and advise co. to fill the position)

Body shopping- training institution develop pool of HR.

Business Alliances- acquisition, mergers, share HR

Tele-recruitment

Advantages of Internal source

- Employees are motivated, Employee morale(self confident) is increased, Cheaper process, Chain of promotion improves performance, Tool for training,



Disadvantages of Internal source

- Scope for fresh talent reduced, Employees become lethargic(lazy), Spirit of competition is hampered, Frequent transfers reduce productivity.



Advantages of External source

- Attract Qualified personnel, Wider choice, Fresh talent, Competitive spirit



Disadvantages of External source

- Dissatisfaction among existing staff, Lengthy time consuming process, Costly process, Uncertain response



SELECTION-choose



- “Selection is the process of picking individuals who have relevant qualifications to fill jobs in an organization”.
- The basic purpose is to choose the individual who can most successfully perform the job, from the pool (collection) of qualified candidates.



SELECTION STEPS- series of hurdles

STEP 1

- **Reception**-(a co. create favorable impression from stage of reception)

STEP 2

- **Screening Interview**-(Preliminary interview cuts the cost, allow only eligible candidates to go through further stages)

STEP 3

- **Application Blank**- (brief history sheet of employees background)

STEP 4

- **Selection Tests**-1.Intelligent test 2. Aptitude, 3.Personality 4.Achievement Tests 5. Simulation test 6.Assessment centre 7. Graphology test 8. Polygraph (lie detector) 9.Integrity test

STEP 5

- **Selection Interview**- oral examination

STEP 6

- **Medical Examination**- reveals Physical fitness

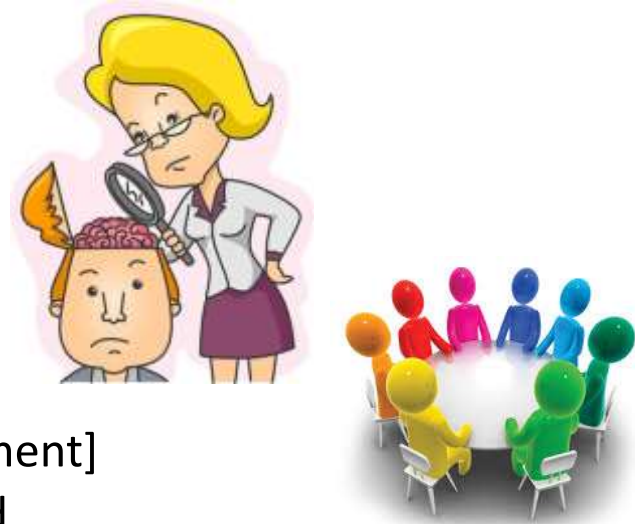
STEP 7

- **Reference checks**-personnel department check applicants previous job performance through references given.

STEP 8

- **Hiring Decision**- final decision whether to select or reject a candidate.

SELECTION TEST



1. Intelligent test [mental ability]- numerical ability

2. Aptitude tests[potential to learn skills]- mathematical

3. Personality tests-

(a) Projective tests[interpret problem],

(b) Interest tests[idea to know people's area of interest],

(c) Preference test[people differ in preference for achievement]

4. Achievement Tests[proficiency know-how test]-short hand

5. Simulation test[assess potential of employees by making them solve problem]

6. Assessment centre[in a separate room employees are assessed through multiple assessors]

(a) The in-basket [candidates are asked to act in limited periods with the files & notes given]

(b) Leaderless group discussion[to examine interaction as a group]

(c) Business game[how to advertise, market, penetrate market]

(d) Individual presentation[plan, organize on assigned topic]

(e) Structured Interview[series of questions aimed at participant]

7. Graphology test[to examine lines, trend , curves understanding ability, flourishes persons handwriting and emotional make-up]

8. Polygraph (lie detector)- [rubber tube around chest , arms , fingers to examine physical changes, blood pressure etc. This establishes truth about applicants behavior]

9. Integrity test – measure employees honesty. By asking more “yes” or “No” questions



KINDS OF INTERVIEW



1. **Preliminary interview**- screening of applicants this afford him freedom to decide whether the job will suit him.
2. **The non directive interview**- recruiter asks questions that comes to mind. This allows applicant to talk freely.
3. **The directive or structured interview**- recruiters use predetermined set of questions & comparison are made among applicants.
4. **The situational interview**- Applicant is given a hypothetical (imaginary) incident and asked to respond to it
5. **The behavioral interview**-focuses on actual work incidents. The applicant must reveal what he/she do in given situation.
6. **Stress interview**- Interviewer attempts to find out how applicant respond to aggressive, embarrassing, rude & insulting questions.
7. **Panel interview**- the applicant meets 3-5 interviewers who takes turns in asking questions. The panel members can ask new & incisive (penetrating) question based on their expertise & experience and elicit (draw out) deeper & meaningful responses from candidates.



ERRORS IN INTERVIEWING



- **The Halo effect-** The interview should assess the whole of candidate's personality and should not be led away by any one trait or achievement.
- **Leniency (mercy)-** When a candidate is rated by 2 raters, their rating may be different. One with high score & other with low score which results in error.
- **Projection-** interviewer expects his own qualities , skills, opinions, values as he resembles his age , voice & background.
- **Stereotyping-** This error arises when interviewer have already forms mental association between particular community, culture, origin. This is an undesirable quality of an interviewer.

PLACEMENT



- Placement is an important human resource activity
- Placement is the actual posting of an employee to a specific job
- It involves assigning a specific task and responsibility to an employee.
- Placement decision are taken after matching requirement of job with qualification of candidates.
- Organization put new recruits on probation period & closely monitored.