

Unit 1 Human Resource Management: Concept and Challenges



Byars and Rue -" HRM encompasses those activities that are designed to provide for and coordinate the human resources of an organisation."

Glueck " HRM is concerned with the most effective use of people to achieve organisational and individual goals."

Objectives

- ▶ To create able and motivate workforce
- ▶ To help in achieving in Organizational Goals
- ▶ To employ skilled employees
- ▶ TO provide skilled and trained employees
- ▶ TO communicate HR policies to employees
- ▶ To help employees in achieving their personal goals
- ▶ To be socially responsible to needs of society

Scope



Features of HRM



- Universal Force
- Decision Oriented
- Focus on Individual needs and Aspirations
- Binding Force of an Organisation

Role OF HRM

- 1.Communication
- 2.Creating HR Strategy
- 3.Service Roles
- 4.Counselling



Importance of HRM



- Productive Recruitment
- Employee Training
- Streamlining the on boarding Process
- Conflict resolving within a system
- Helps an individual to work in a team/group
- Better relations between union and management

TOP 10 HUMAN RESOURCES PRACTICES

Open book management style

360 Degree performance management feedback system

Knowledge sharing

Open house discussions and feedback mechanism

Delight employees with the unexpected

1

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Safe, healthy and happy workplace

Performance linked bonuses

Fair evaluation system

Highlight performers

Rewards

- HR policies are the formal rules and guidelines that organization put in place to hire, train, access and reward the members of their workplace.
- HR policies are the system of codified decisions, established by an organisation, to support administrative personnel functions, performance management, employee relations and resource planning

Functions Of HRM



1. Managerial –

Planning

Organizing

Directing

Controlling

Innovation

Representation

Coordination

Decision-making

2. Operational

HR Acquisition

T & D

PA

Compensation and Benefit

Occupational Safety and Health

Integration and Maintain of Employee Relations

Challenges OF HRM



- Challenges due to Globalization
- Skill Shortage
- Knowledge management
- Challenges related to training
- Changing workforce dynamics
- Changed employee expectations
- Talent Retention

Introduction to SHRM



- **Meaning:**
- Strategic human resource management (SHRM) is about the **formulation of HR strategies in alignment with the overall corporate strategy to achieve the goals of the organisation.**
- **B) Definition:**
- **R. S. Schuler :**
- **“Strategic human resource management is concerned with all those activities that affect the behavior of individuals in their efforts to formulate and implement the strategic needs of business.”**

Importance Of SHRM



- Helps in exploring Emerging Opportunities
- Develops, manages, sustains skills and knowledge
- Provides Direction and future focus.
- Enables firm to meet changing needs.
- Enhances coordination.

Nature of SHRM

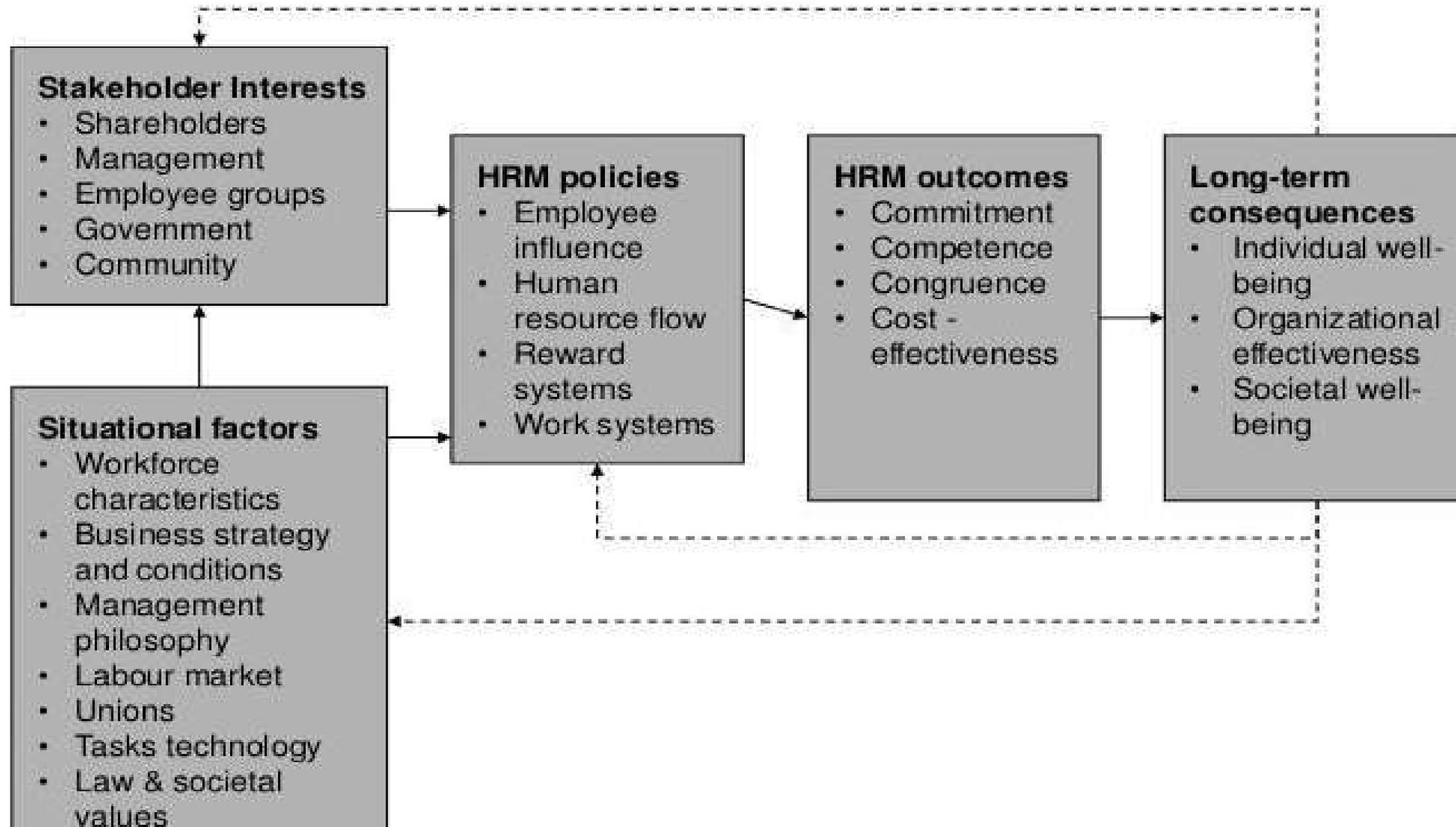


- **Nature of SHRM:**
- 1) Long Term Focus
- **2)Organisational Level:**
- Because strategies involve **decisions about key goals, major policies** and the allocation of resources, they tend to be formulated at the top.
- **2)Focus:**
- Strategies are business-driven and **focus on organisational effectiveness; thus** in this perspective **people are viewed primarily as resources** to be managed toward the **achievement of Strategic business goals.**



- *Models of SHRM*
- 1. Harvard Model-by Michael Beer
- 2. Matching Model-by Fombrun

THE HARVARD FRAMEWORK FOR HRM



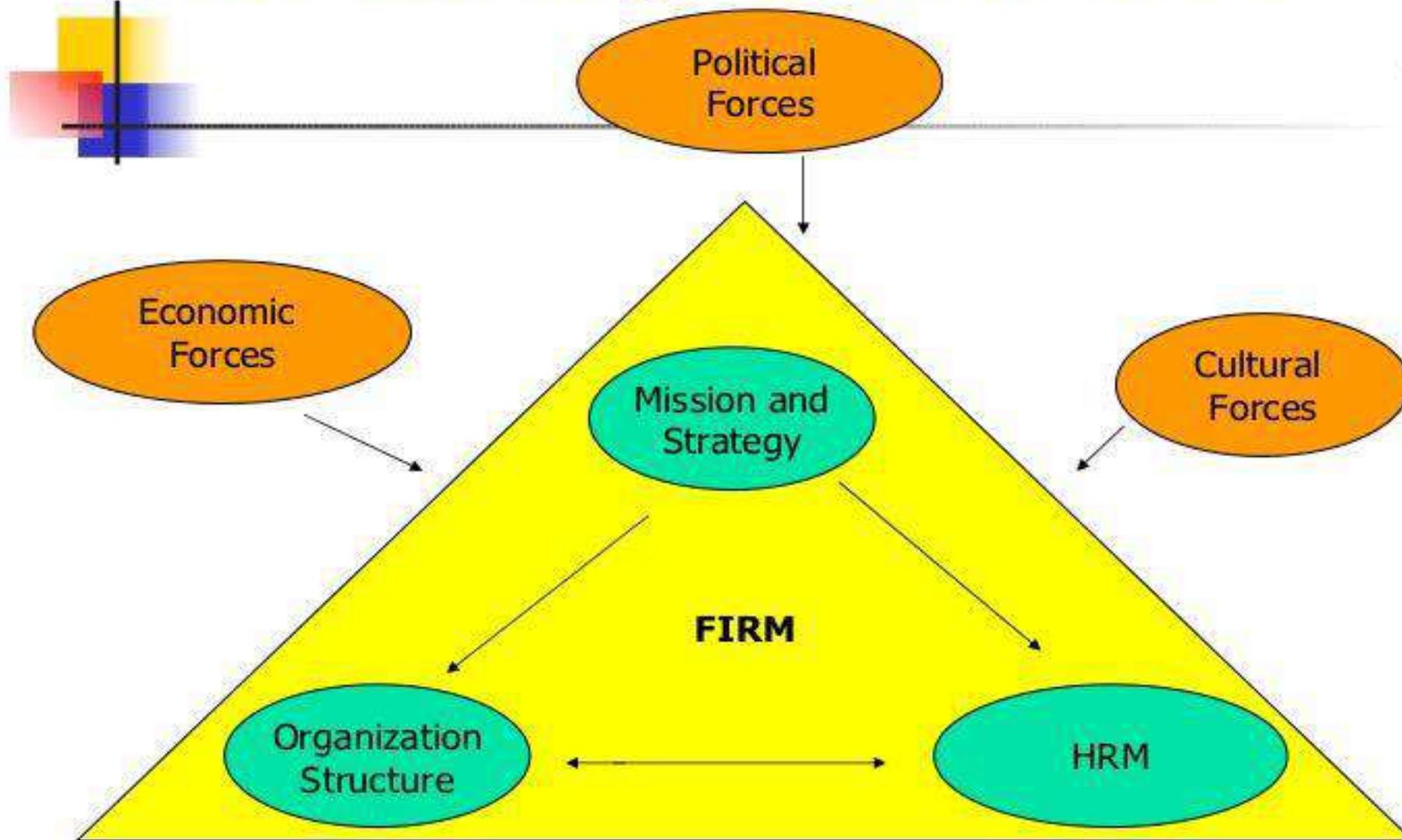
THE MATCHING MODEL OF HRM

- ✦ One of the first explicit statements of the **HRM** concept was made by the Michigan School (Fombrun et al, 1984).
- ✦ They held that HR systems and the organization structure should be managed in a way that is congruent with organizational strategy
- ✦ (hence the name '**matching model**')



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The Matching Model of HRM



Unit 2 HR Acquisition and Retention



- Human Resource Planning (HRP) refers to the process of evaluation and identification of HR requirements for meeting organizational goals to ensure competitive advantage in the marketplace.
- Definition :-
- Bulla and Scott “Human resource planning is the process for ensuring that the human resource requirements of an organisation are identified and plans are made for satisfying those requirements.”
- Wendell French “HR planning may be defined as the process of assessing the organisation’s human resources needs in the light of organisational goals and making plans to ensure that a component, stable workforce is employed.”

Objectives



- Asses future manpower needs
- Identify Manpower gap
- Determination of Training and Development needs
- Ensures optimum use of Manpower
- Meet expansion and diversification needs
- Estimates Human Resource Cost
- Monitors Human Resource Performance



Barriers to HRP

- Not expert in managing business.
- Conflict may exist between short term and long term HR needs.
- There is conflict between quantitative and qualitative approaches to HRP.
- Non-involvement of operating managers renders HRP ineffective.

Job Analysis



Edwin B.Flippo :-

"Job analysis is the process of studying and collecting information relating to the operations and responsibilities of a specific job“



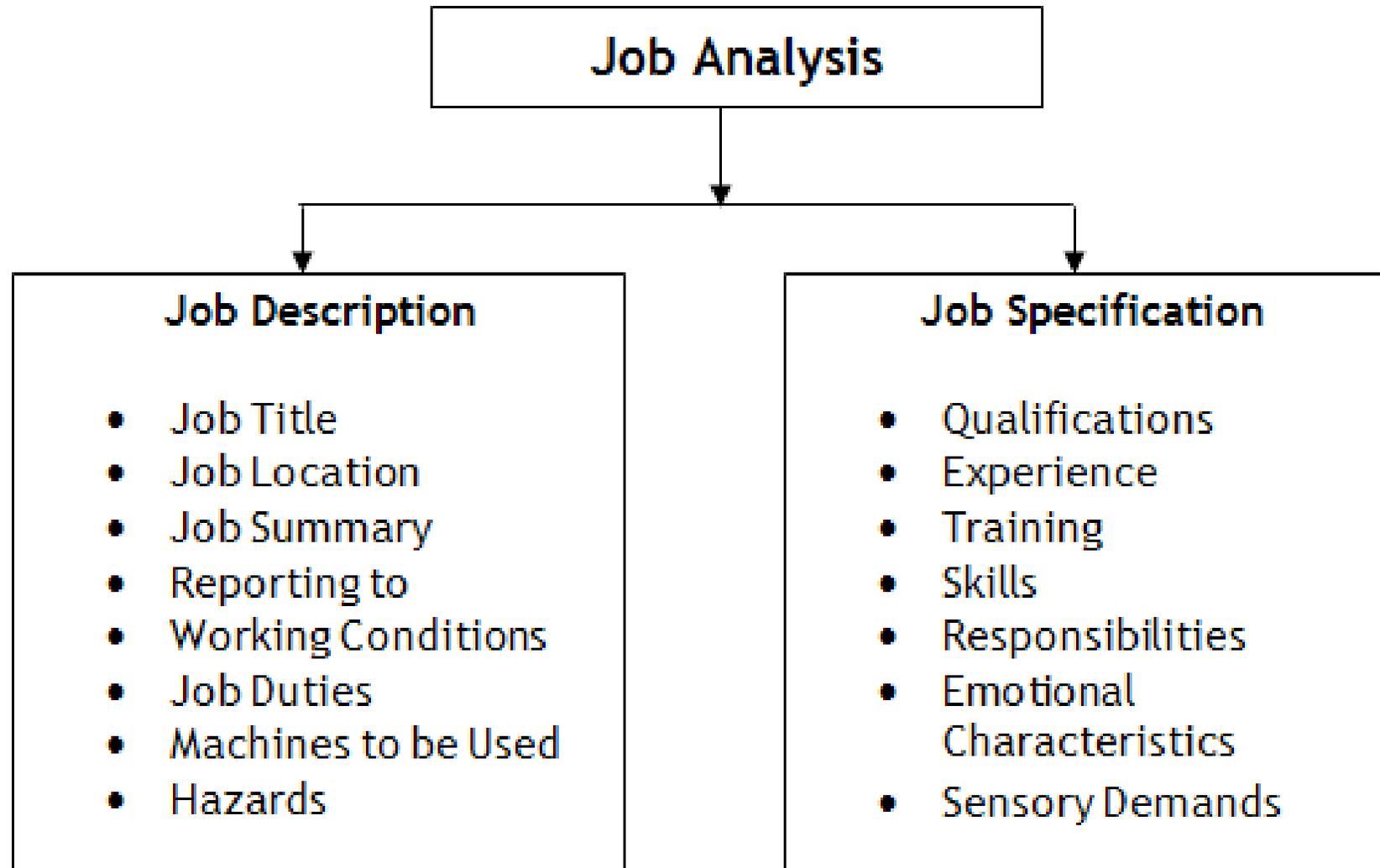
Job Description

- Job description is a list of the tasks, duties, and responsibilities (TDRs) that a job entails.
- Contents:-
 - 1)Job Title
 - 2)Job Location
 - 3) Job Summery
 - 4)Job Duties
 - 5) Equipments,Machines, Tools
 - 6)Relation To other Jobs
 - 7)Nature of Supervision
 - 8) Working Environment

Job Specification

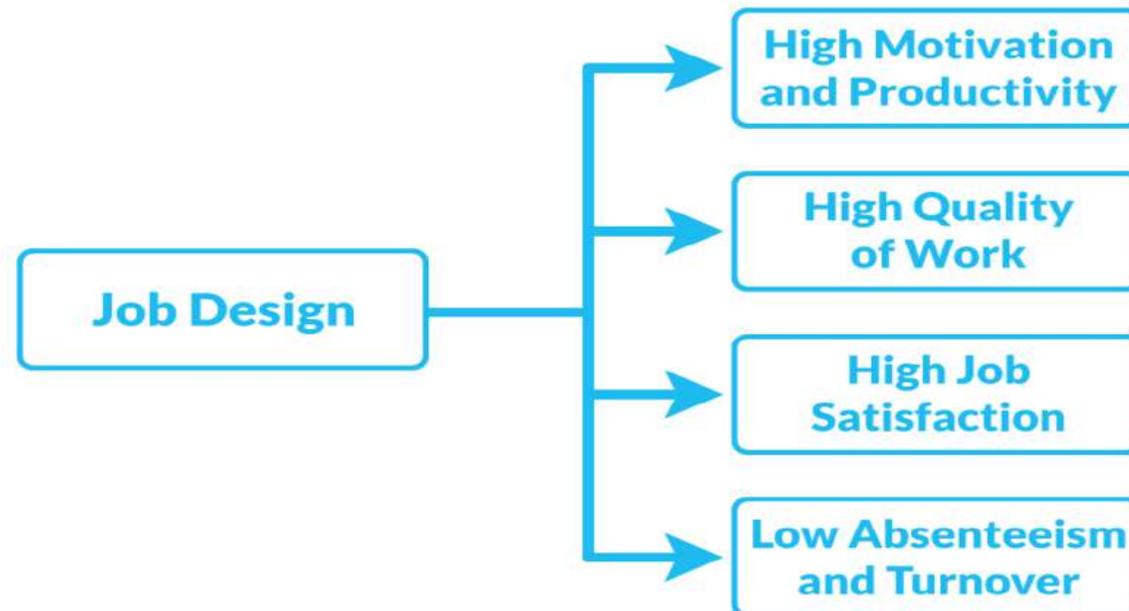
- A job specification defines the knowledge, skills and abilities that are required to perform a job in an organization.
- Contents :-
 - Educational Qualification
 - Experience
 - Skills and Knowledge
 - Personality traits and characteristics

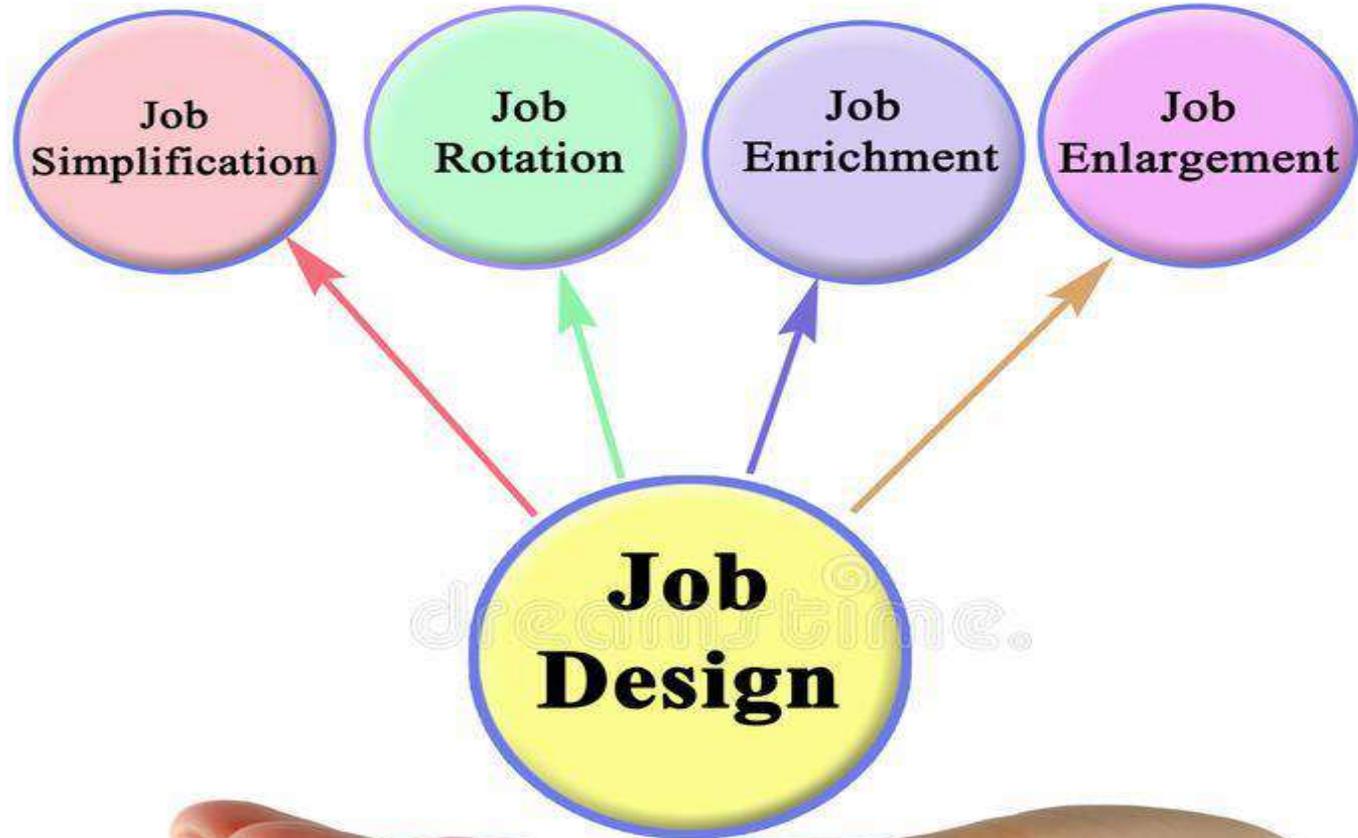
Job Description V/s Job Specification



Job Design

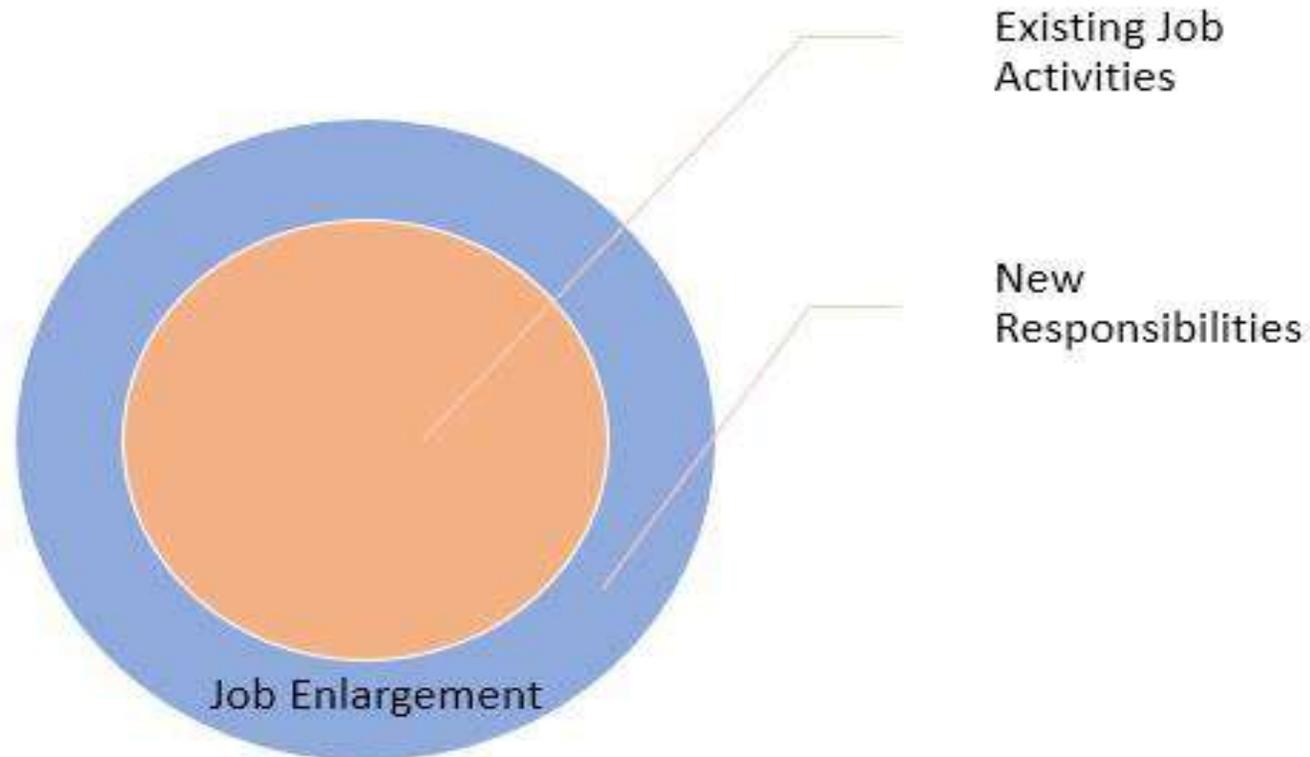
- Job design is the process of establishing employees' roles and responsibilities and the systems and procedures that they should use or follow.





- Job enrichment is a way to motivate employees by giving them increased responsibility and variety in their jobs

- Job Enlargement :- Job enlargement is defined as the horizontal expansion of a job by widening the scope and activities related to the job.



Job enrichment Vs Job Enlargement

	Job Enrichment	Job Enlargement
Job Loading	Vertical Loading of functions and responsibilities of the employee.	Horizontal loading or expansion of job.
Purpose	To make the job more lively, challenging and satisfying.	To reduce monotony in performing certain respective job.
Skills	Require the development and utilisation of higher skills, initiative and innovation.	May not necessarily call for the acquisition of higher level or new skills.
Direction and Control	Employee uses his own capabilities and self direction and control.	Employee may need More external direction and control in view of enlargement.

Recruitment

- Edwin Flippo “ Recruitment is the process of searching for potential employees and stimulating them to apply for the jobs.”
- Selection –
- Dale Yoder :
- “Selection is the process in which candidates for employment are divided into two classes- those who are to be offered employment and those who are not.”

Sources of Recruitment

Internal Sources

- Previous Applicants
- Present Employees
- Employee Referrals
- Former Employees

External Sources

- Advertisements
- Campus Recruitment
- E-Recruitment
- Employment Exchange
- Walk-ins and Write-ins
- Contractors
- Acquisition and Mergers
- Professional Associations
- Mergers and Acquisitions

Difference Between recruitment and selection



Meaning	Recruitment	Selection
Meaning	An activity of establishing contact between employers and applicants.	A process of picking up more competent and suitable employees.
Objective	It encourages large no.of candidates for a job.	It attempts at rejecting unsuitable candidate.
Approach	Positive approach	Negative approach
Hurdles	The candidates have not to cross over many hurdles.	Many hurdles have to be crossed.

Recruitment Process

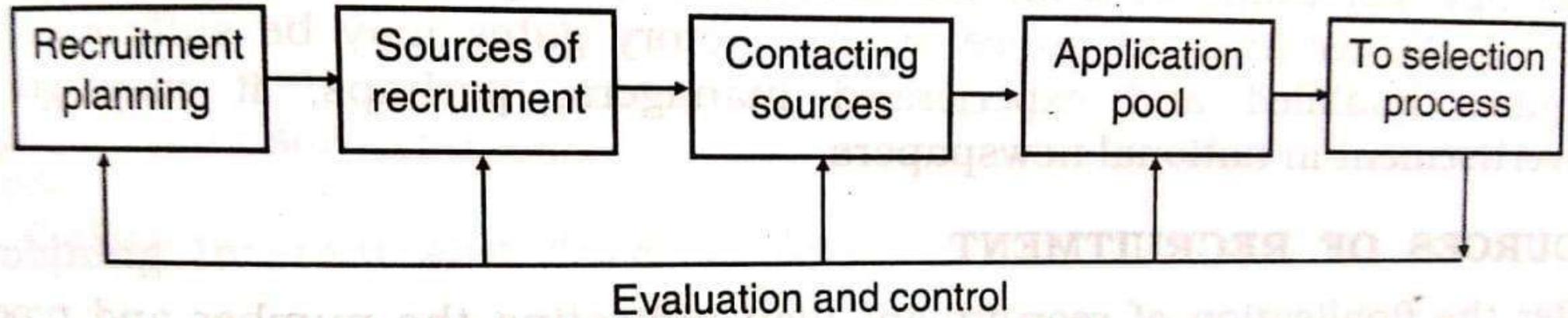
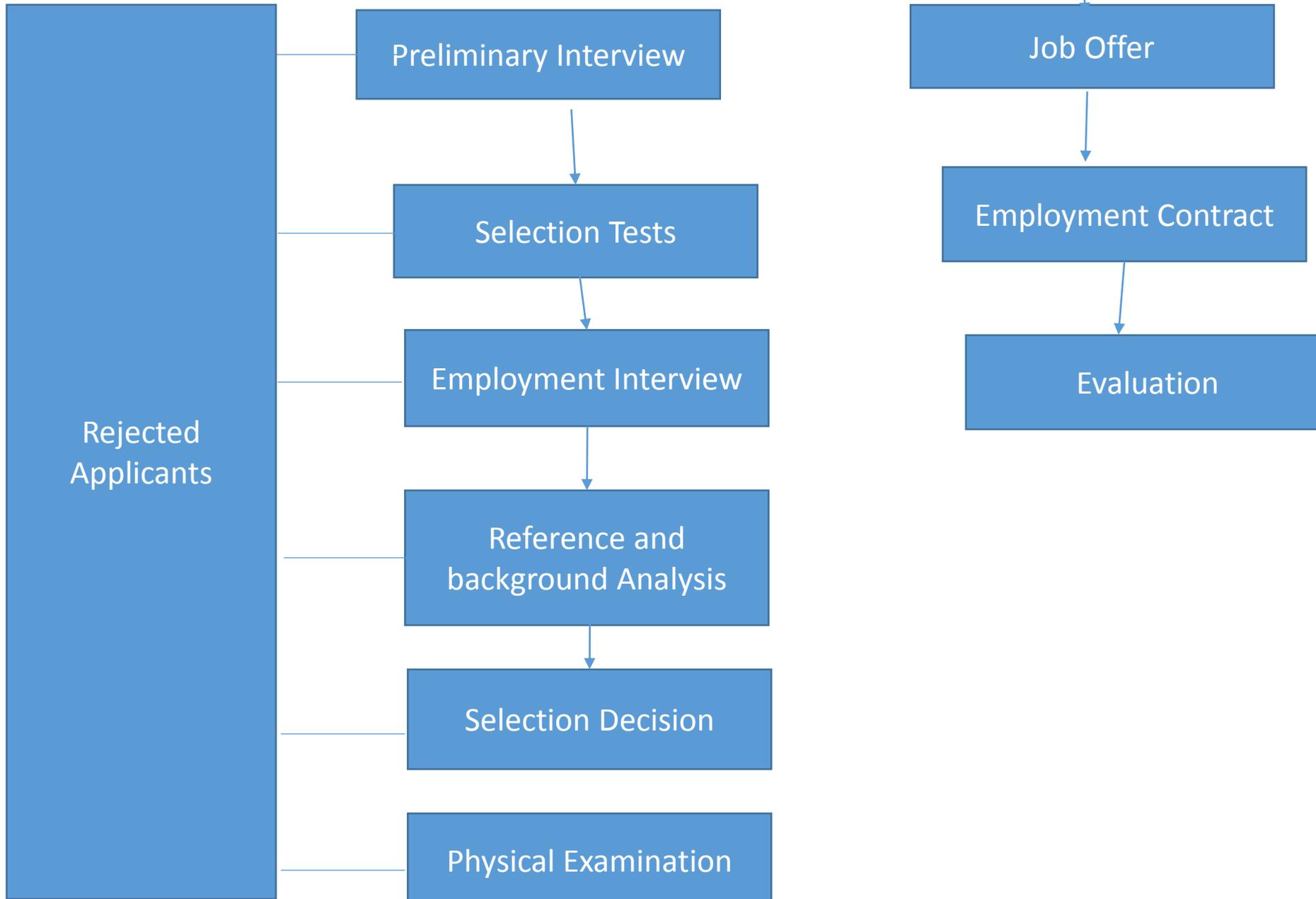


FIGURE 9.2: Recruitment process

Selection Process



Induction / Orientation

- Induction is a systematic and planned introduction of employees to their jobs, their co-workers and the organisation.
- According to R.P. Billimoria, “Induction is a technique by which a new employee is rehabilitated into the changed surroundings and introduced to the practices, policies and purposes of the organization”.

Career Planning

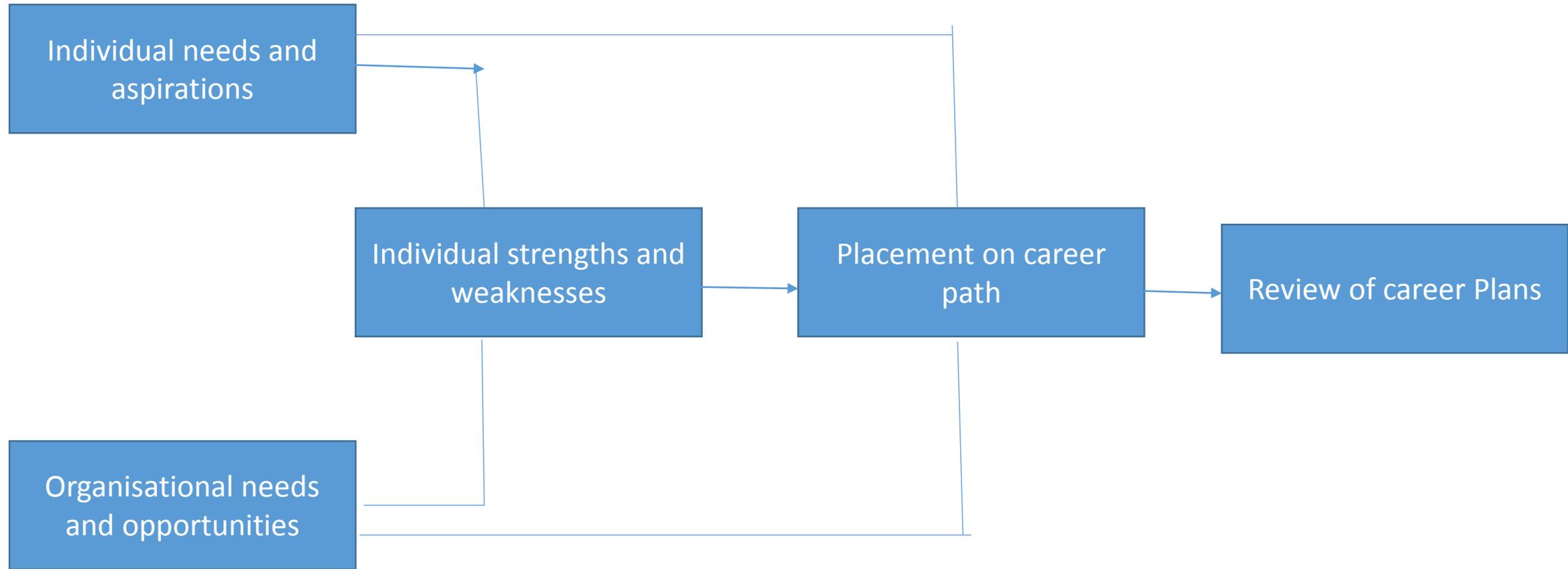
- Career planning is the process by which an individual selects his career goals and the paths to achieve these goals.
- "**Career planning** is a process of systematically matching career goals and individual capabilities with opportunities for their fulfilment."(Schermerhorn: 2002)

Benefits

- Explicit career Path
- Focused Self- development
- Increased Productivity
- Assured Availability of talent



Career Planning and development Process



Succession Planning

- **Definition:** Succession Planning is defined as the systematic process of recognizing **and creating future leaders who** are able to take the position of the old ones when they leave the organization due to retirement, resignation, termination, transfer, promotion or death.
- Importance of Succession Planning :-
 - Availability of Employees for Key Roles
 - Retention of Experienced Employees
 - Reduction in Expenditure
 - Boosts Morale

Succession Planning Process



Transfer



- Transfer implies movement of an employee from one job to another without any increase in pay, status or responsibilities.
- Definition
- According to Dale Yoder “A transfer involves the shifting of an employee from one job to another without special reference to change in responsibilities or compensation”.

Reasons of Transfer



- Meet Organisational Requirements
- Satisfy employee needs
- Increase employee productivity
- Make employees more versatile
- Correct inter-personal conflicts

Promotion



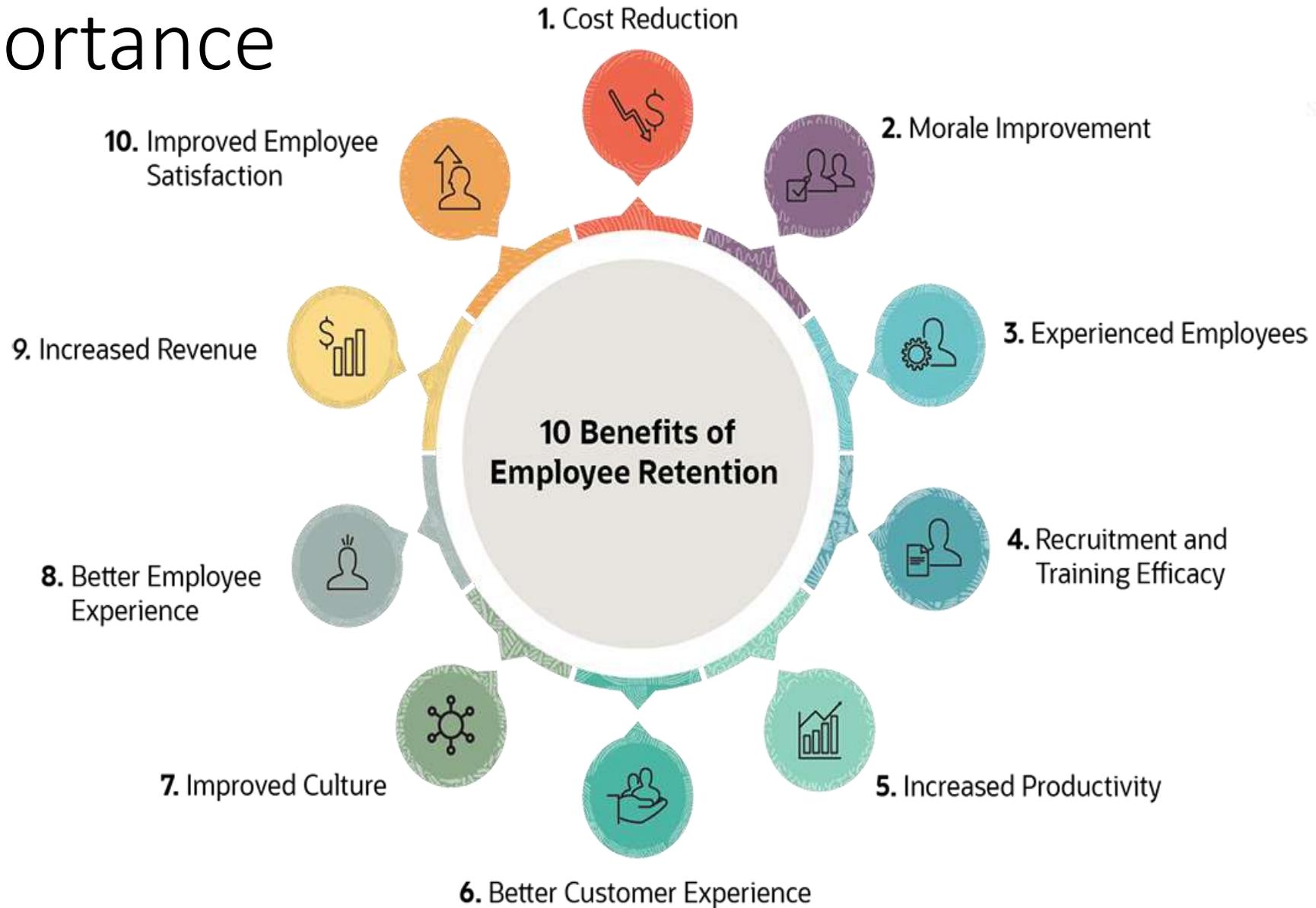
- Promotion means **advancement in terms of job designation, salary and benefits.**
- According to Prof. Khanka,
- Promotion is vertical movement of an employee within the organization.
- In other words, promotion refers to the upward movement of an employee from one job to another higher one, with increase in salary, status and responsibilities.

Retention of Employees



- Retention is defined as the process by which a company ensures that its employees don't quit their jobs.
- Every company and industry has a varying retention rate, which indicates the percentage of employees who remained with the organization during a fixed period.

Importance



Strategies of Retention

- **Identify the cause of poor performance**
- **Address skill gaps immediately**
- Give Challenging work
- **Train them in cross-disciplinary skills**
- **Offer personalized benefits and perks**
- **Ensure they are working under the right manager**

Unit 3 Managing Employee Performance and Training



- Performance Appraisal :- It is an objective assessment of individual's performance against well defined benchmarks.

Beach - “ Performance appraisal is the systematic evaluation of the individual with regard to his or her performance on the job and his potential for development.”

Performance appraisal

Objectives:-

To effect promotions based on competence and performance.

To Assess the training and development needs of employees.

To decide upon a pay raise.

To improve communication.

To determine whether HR programmes have been effective or not.

Importance

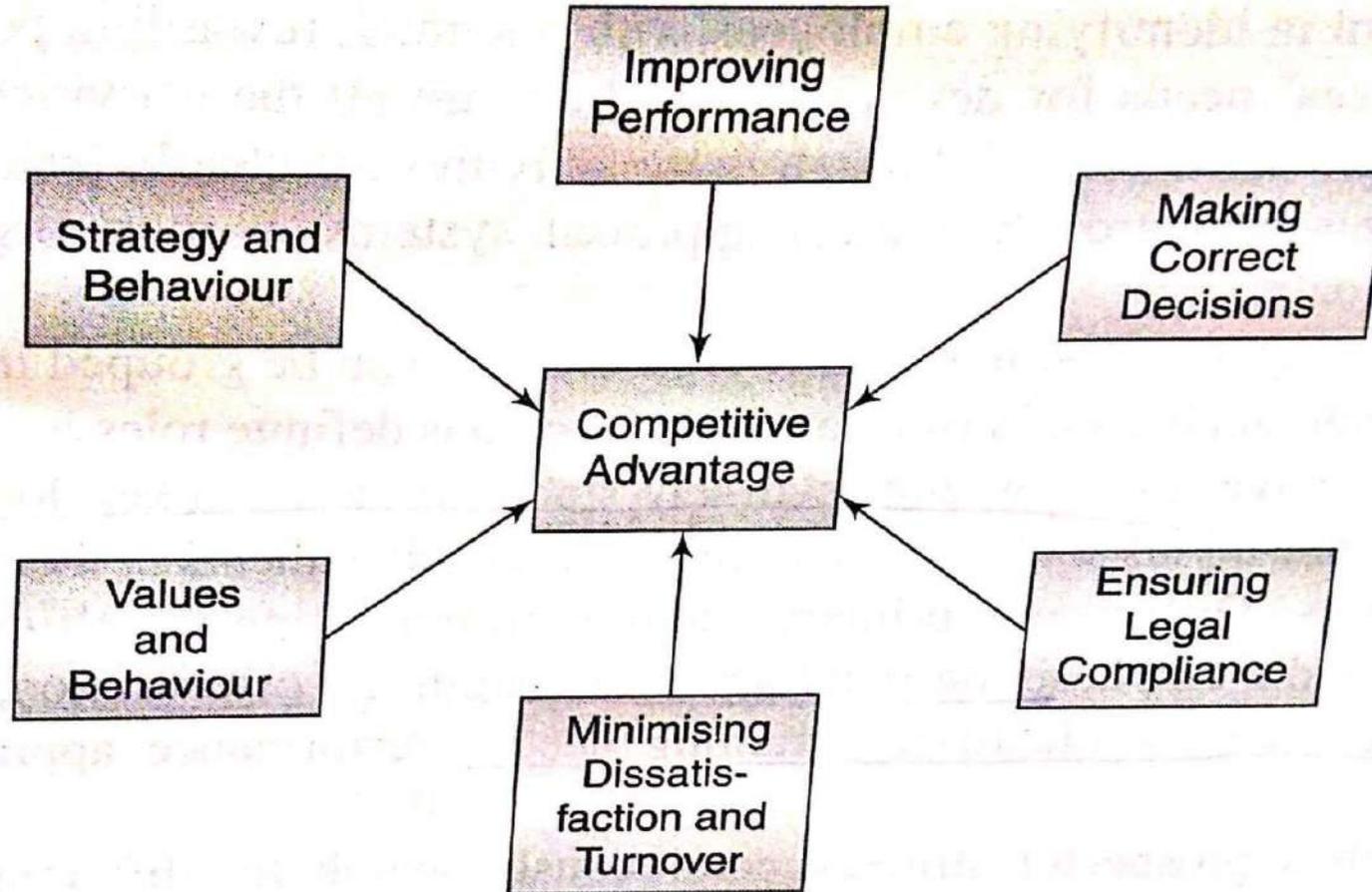
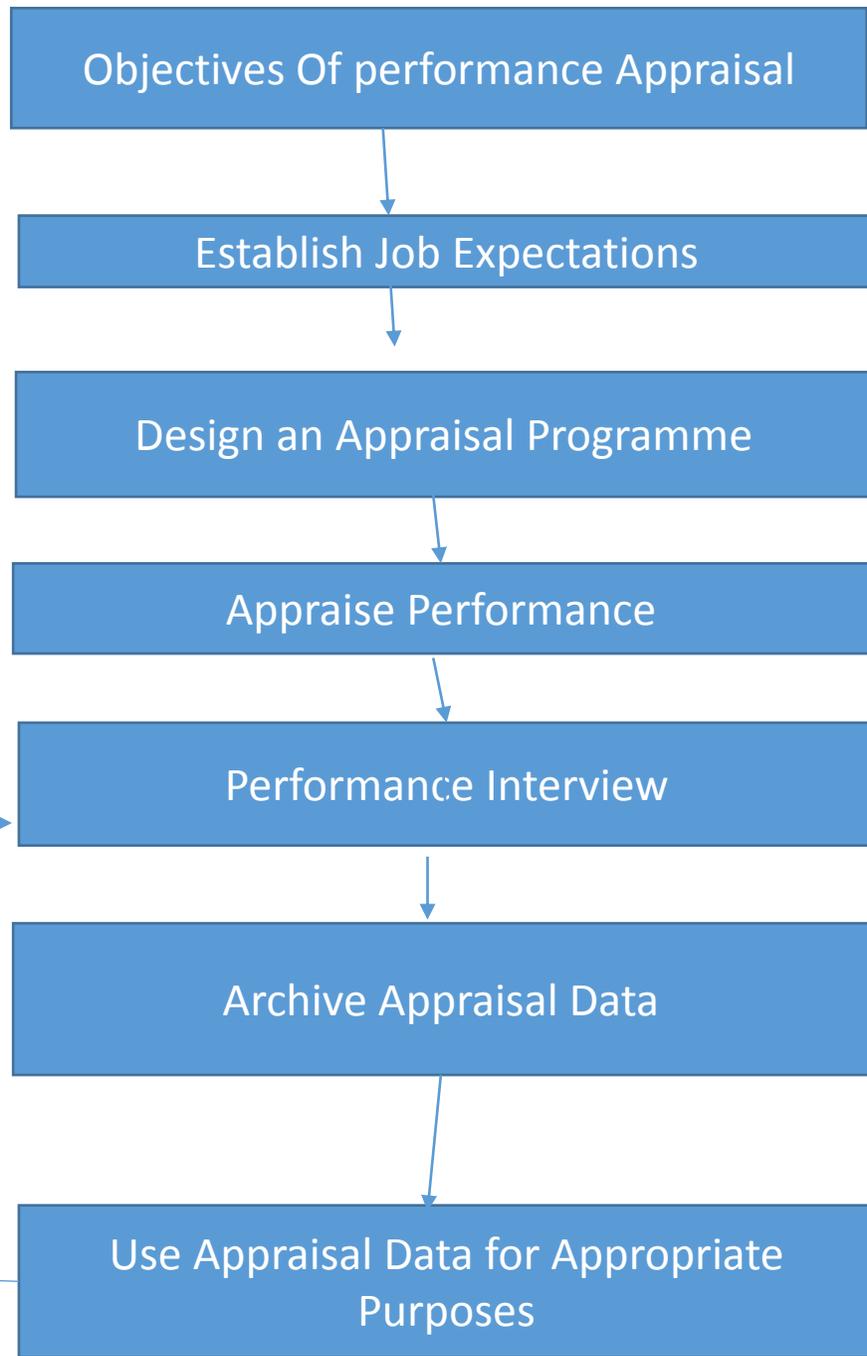


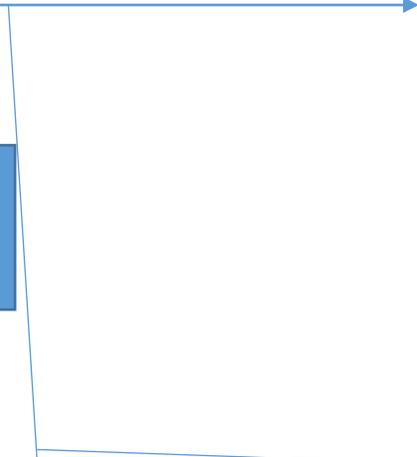
Fig. 10.2 How Performance Appraisal can Contribute to Firm's Competitive Advantage

Process



Feedback

Performance Management



Appraisal Methods



- **Past Oriented**

- 1) Rating Scales
- 2) Checklist
- 3) Forced Choice/Forced Distribution Appraisal
- 5) Critical Incident
- 6) BARS
- 7) Field Review
- 8) Tests and Observations
- 9) ACRS
- 10) Essay
- 11) Cost Accounting

- **Future Oriented**

- 1) MBO
- 2) 360 Degree
- 3) Psychological appraisals
- 4) Assessment Centres

Forced Choice/Forced Distribution

Forced Distribution Method



BEHAVIORALLY ANCHORED RATING SCALE (BARS) EXAMPLE

Job role: Nurse

Performance dimension: Dealing with difficult patients



Often impatient with difficult patients, regularly needs other nurses' help to deal with these patients

Occasionally impatient with difficult patients, rarely needs other nurses' help to deal with these patients

Never impatient with difficult patients, shows sympathy in their interactions with patients

Never impatient with difficult patients, shows sympathy in their interactions with patients, helps other nurses with difficult patients

Never impatient with difficult patients, shows sympathy in their interactions with patients and their families, helps other nurses with difficult patients, eases patients' fears

Performance Management

- Performance management is the process of continuous feedback and communication between managers and their employees to ensure the achievement of the strategic objectives of the organization.
- Purpose :-
 - 1) To provide meaningful ,ongoing feedback
 - 2) To encourage teamwork, collaboration and communication.

Performance Appraisal Vs Performance Management

S no.	Performance Management	Performance Appraisal
1.	Continuous process-takes place multiple times in a year	Annual review of employees' overall performance
2.	Requires strategic planning and execution	Follow an operational process that doesn't require extensive planning
3.	Flexible in nature	Rigid in nature
4.	Employee engagement is the essence of PMS	Less employee engagement
5.	More transparency	Less transparency

Potential Management

- Human potential management is an integrative and ongoing process of developing human talents and capacities by enriching human beings' current potential and assisting them in discovering their latent potential.

Training and Development



- Training - Refers to the process of imparting specific skills, abilities and knowledge to an employee.
- Development - Refers to learning opportunities designed to help employees grow.
-
- Dale S. Beach. :
 - *“Training is the organized procedure by which people learn knowledge and / or skill for a definite purpose. “*
- ▪ Michael J. Jucius. :
 - "Training is a process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased."

Scope

- 1) In problem solving skill
 - 2) Human Relations skill
 - 3) Managerial and supervisory Skill
 - 4) Particular skill
-
- Objectives :-
 - 1) Enhancing Employee Performance
 - 2) Updating Employee skill
 - 3) Gaining Organizational skills
 - 4) Preparing for Promotion and Managerial Successions

Role of Training in Organizations

- Increased Productivity
- Performing Better Leaders
- Reduced Cost
- Reduction in Supervision
- Improved Quality of Service and Products

will lead to organizational effectiveness.

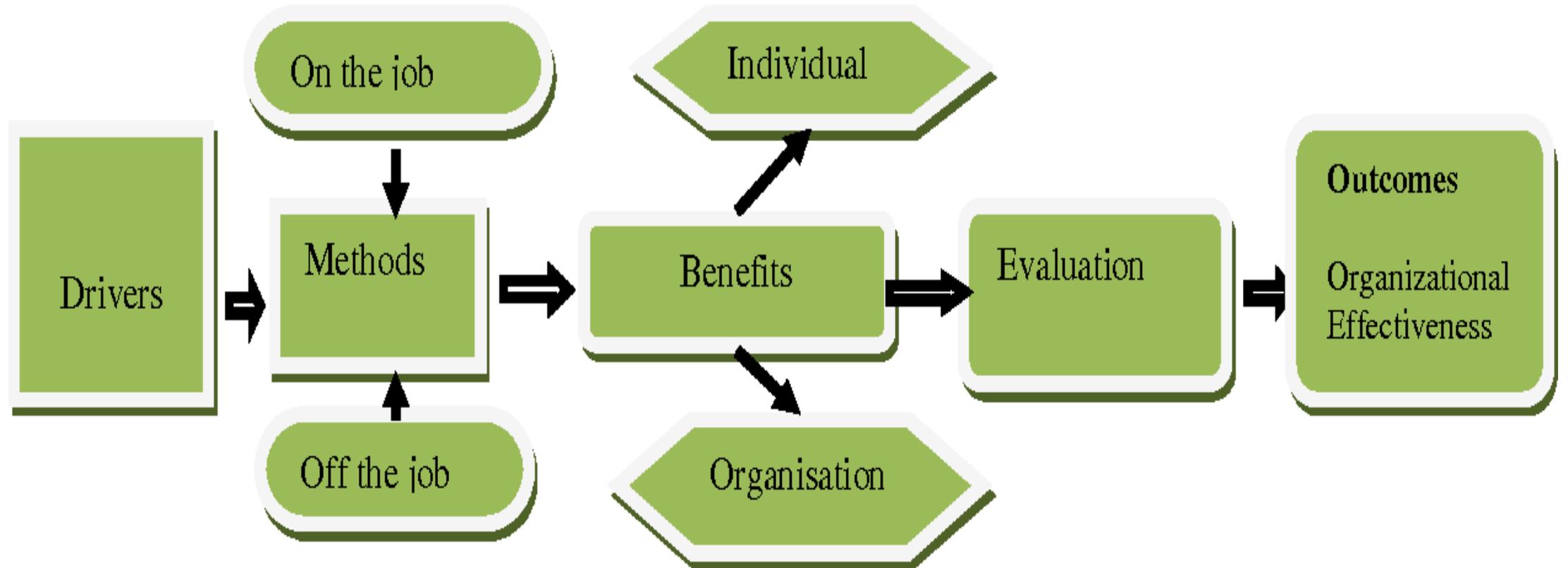
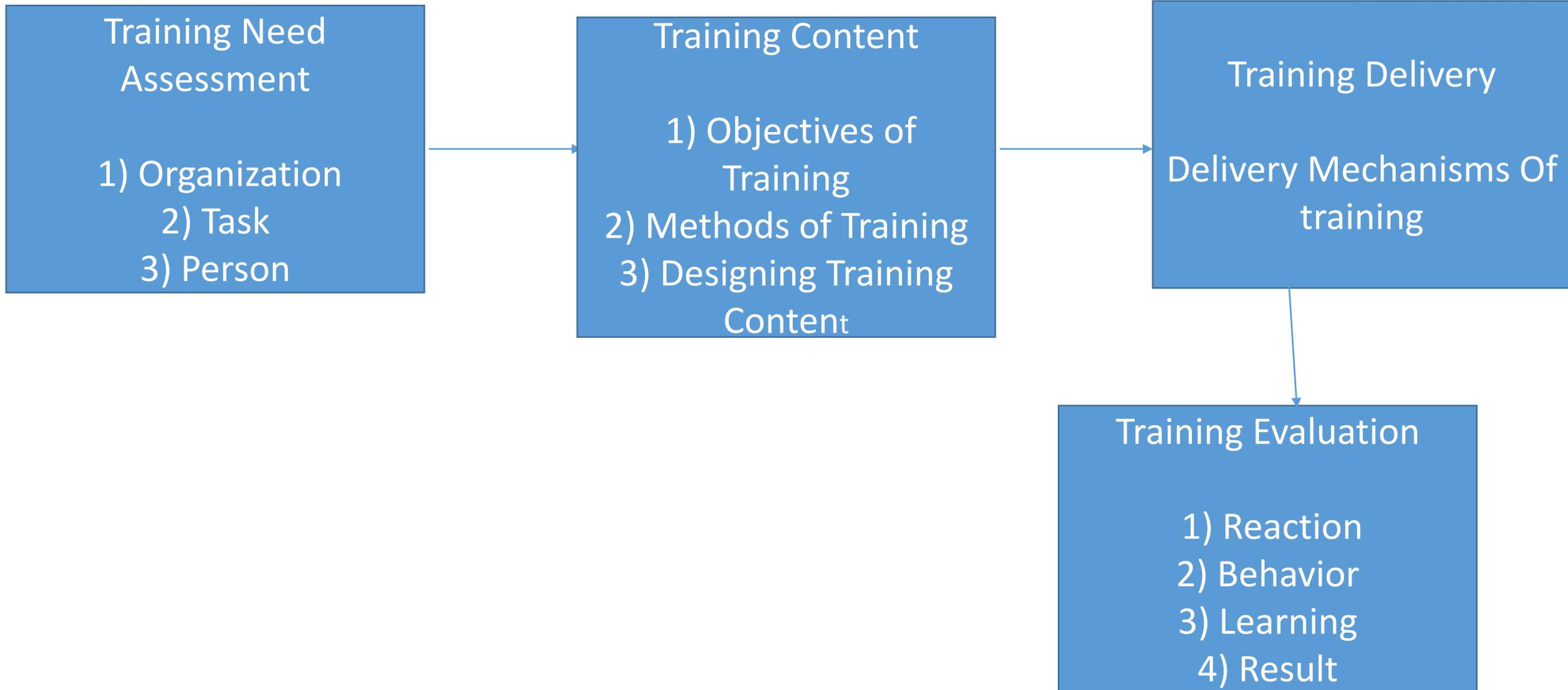


Figure 1, conceptual Framework training and development of employees

The Training Process



Training Need Assessment



- 3 components :-
 - 1) Organizational Analysis
 - 2) Person Analysis
 - 3) Task Analysis

Benefits Of Training

- Improve the morale of workforce
- Helps create a better Corporate image
- Aids in increasing productivity
- Develops a sense of growth in learning
- Helps eliminate fear in attempting new tasks.
- Helps a person develop speaking, listening and writing skills.

Types of Training



On The Job	OFF the Job
Job instruction Training	Vestibule Training
Apprenticeship	Simulation
Coaching /Understudy	Role Playing
Mentoring	Conference
Job Rotation	Sensitivity Training
	Syndicate
	Brainstorming

Difference between Training and Development

Training	Development
Short Term Process	Long Term Process
Objective are related to specifics Job related Purpose.	Objectives have broader overview and consider general knowledge.
Training means learning new things and refreshing old ones.	Development means implementing the learned session and finding new ones.
Trainings are generally need based.	Development is voluntary based.
Eliminate the lack in present skills.	Preparation for future job requirements.

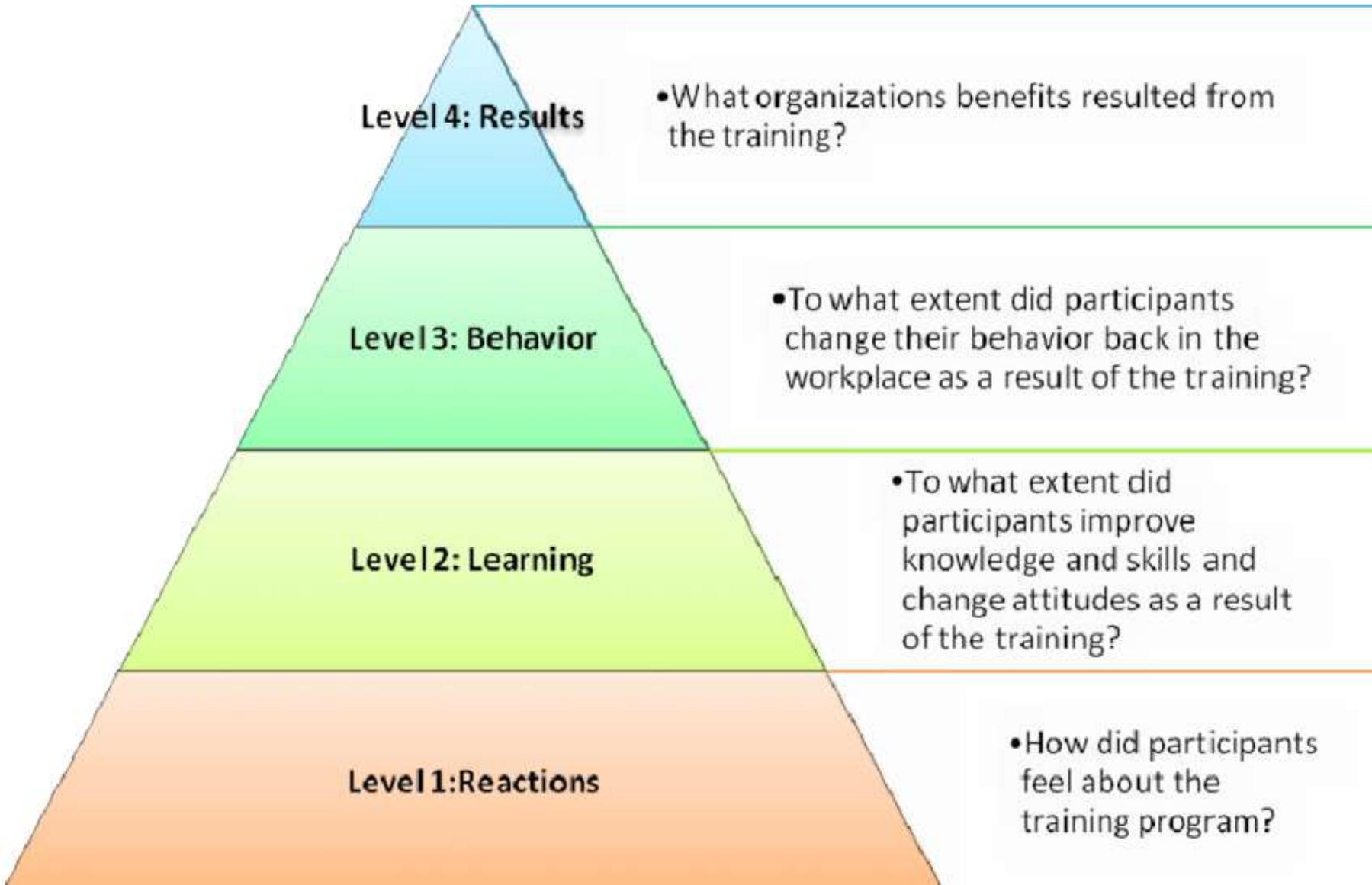
E - Learning

- **E-learning** refers to a learning system that we can obtain through the internet using an electronic device.



Evaluation Of Training Effectiveness

Kirkpatrick Model



Unit IV – Compensation Management



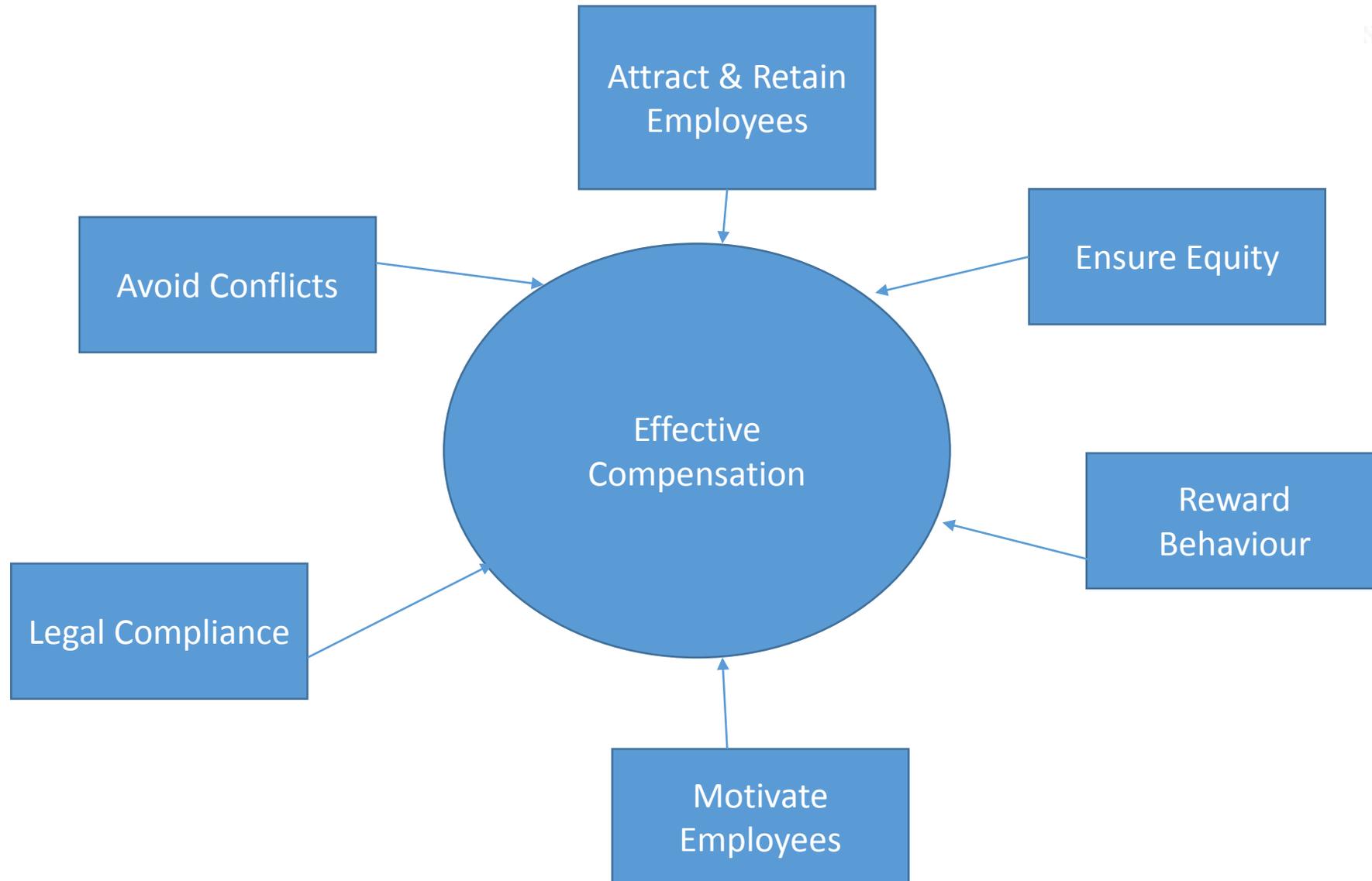
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Concept

- The term compensation means money and other benefits received by employee for providing services to his employer.
- Terry Leap :
- *“Compensation is a board term pertaining to financial rewards received by persons through their employment relationship with an organisation.”*
- *R. Wayne Mondy :*
- *“Compensation is the total of all rewards provided to employees in return for their services. The overall purposes of providing compensation are to attract, retain and motive employees.”*

Objectives



Importance



- To increase job efficiency
- To increase job satisfaction.
- To create talent pool.
- It is essential for integrating employee efforts with organizational goals and objectives.

Compensation Process



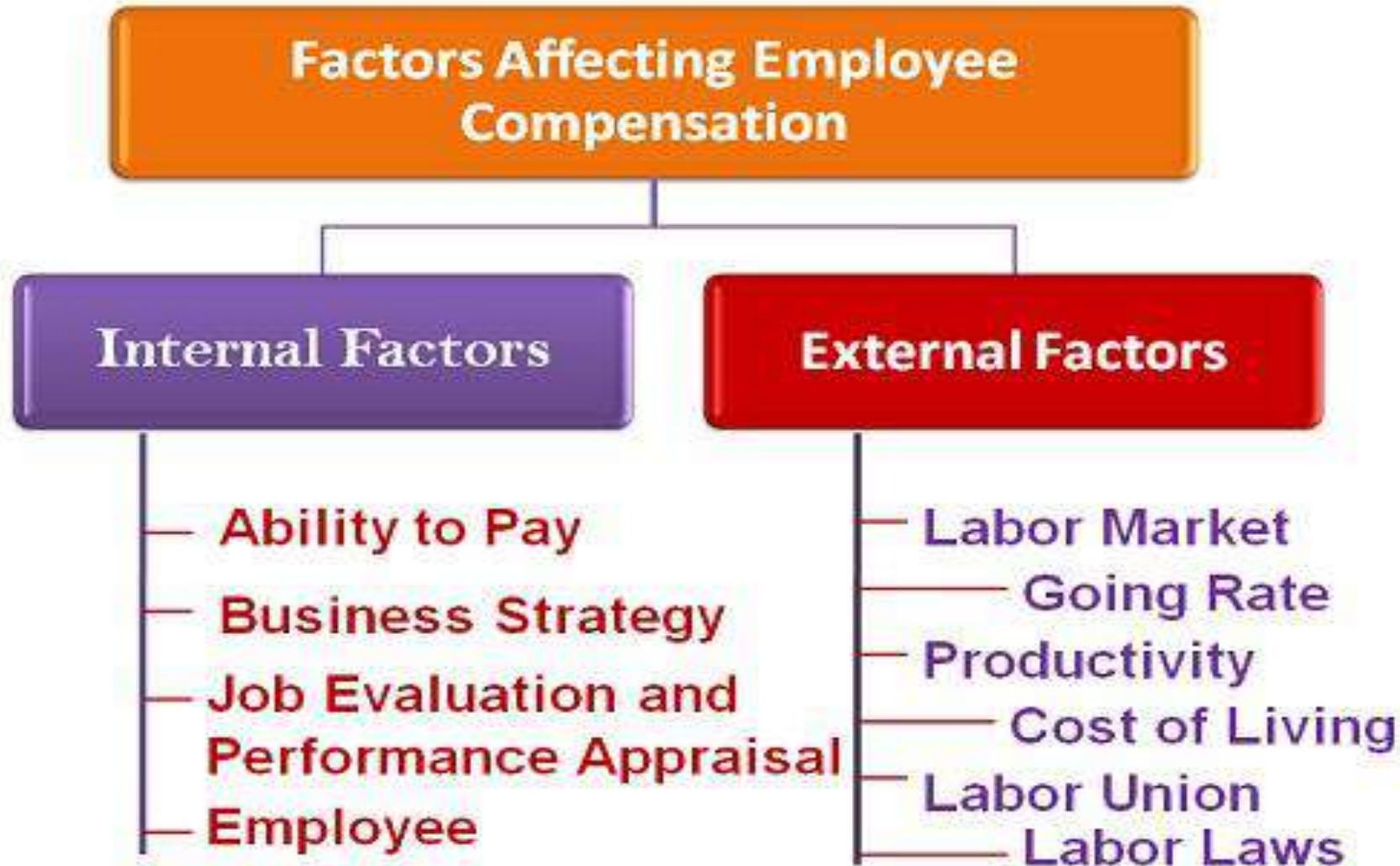


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Factors in Compensation Plan



Current Trends in Compensation

- Remote Work
- Work Life balance (beyond pay)
- Caregiver Benefits
- Recreation, ATM and Concierge Facilities:
- Corporate Credit card
- Regular Medical Check ups



Wage/Salary differentials

- Industrial and Occupational Differentials
- Regional Differentials
- Organisational Differentials
- Personal Differentials

Components of Salary

- 1) Basic Salary
- 2) HRA
- 3) Conveyance Allowance
- 4) LTA
- 5) Medical Reimbursement
- 6) Special Allowance
- 7) Bonus
- 8) Employee contribution to Provident Fund
- 9) Professional Tax



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SALARY BREAKUP CALCULATOR IN EXCEL 2022

Gross salary per month		25000	
Components In salary	Percentage	Per month	Per annum
Basic Salary	45%	11250	135000
HRA (calculated on basic wage)	40%	4500	54000
Conveyance allowances (Fixed)		1600	19200
Medical allowances (Fixed)		1250	15000
Special allowances (Balance amount)		6400	76800
Total Gross Salary		25000	300000
PF contribution by employee (on basic)	12%	1350	16200
ESI contribution by employee (on gross)	0.75%	0	0
Professional Tax (PT) (Different for each state)		150	1800
Total deductions (PF+ESI+PT)		1500	18000
Net Salary (Gross-Total deductions)		23500	282000
CTC Calculation			
Employer PF contribution (with admin charges)	13%	1463	17550
Employer ESI contribution	3.25%	0	0
CTC= Gross salary + (Employer PF+ ESI)		26463	317550

Incentives and Benefits



- An incentive is an object, an item of value, reward, or privilege,
- that motivates employees to do more and meet the goals set by the employer.
- An incentive aims at improving the overall performance of an organization.
- Benefits are government-mandated services non-wage employee compensation, over their salaries and wages, that can be both financial and non- financial.
- Also called as Fringe Benefits.

Financial and Non- Financial Incentives



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Financial	Non Financial
Piecework	Empowerment
Bonus	Job enrichment / enlargement / rotation
Profit share	Consultation
Performance related pay	Team working
Share ownership	Flexible working
Company perks	Delegation

Employees Separation

- Separation involves cessation of services of personnel from an organisation.
- Separations can be voluntary n non- voluntary.

- Retirement :- Retirement is the major cause of separation of employees from the organization. It can be defined as the termination of service of an employee on reaching the age of superannuation.

For example, at present the superannuation age for the teachers working in the Central Universities is 62 years and in case of some state government employees, it is 58 years .

Employee Termination means the end of employment of a worker with a company.

VRS



- **Voluntary retirement scheme** is a method used by companies
- to reduce surplus staff.
- Suspension -
- A suspension is when you remain employed but are asked to not attend your place of work, or engage in any work at all (such as working from home).

Golden Handshake



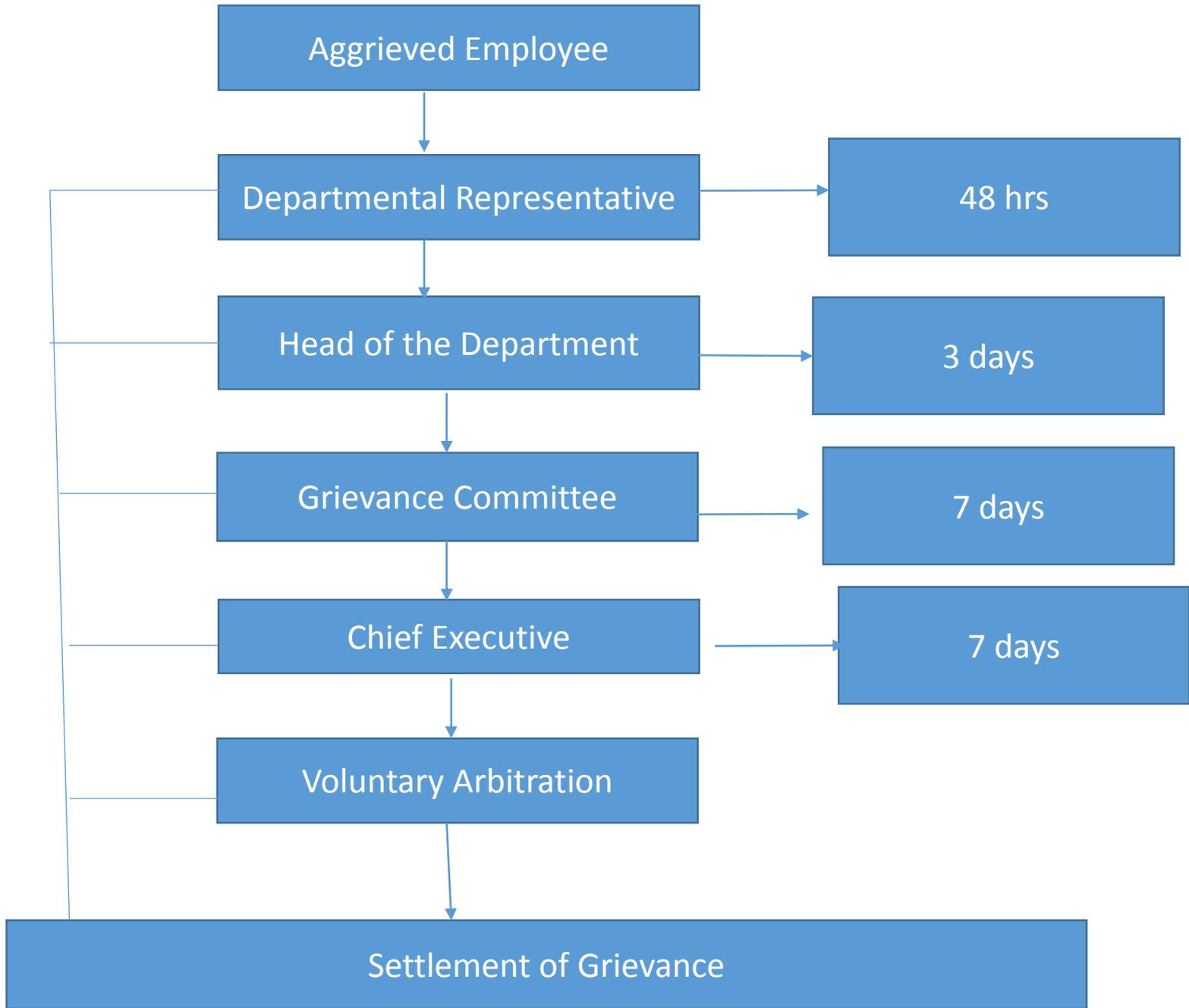
- *A golden handshake is a clause in employment contracts*
- *that provides a severance package if an employee loses their job. It is usually offered only to top executives who may lose their job through retirement, layoff, or even firing*



Grievance



- Meaning - It is a state of dissatisfaction over some issues related to employment.
- Dale Yoder :- “ A written complaint filed by an employee and claiming unfair treatment.”
- Causes of Grievance :-
 - Wage grievances
 - Supervision
 - Working Condition
 - Seniority and Promotion
 - Discipline
 - Collective bargaining
 - Union Management



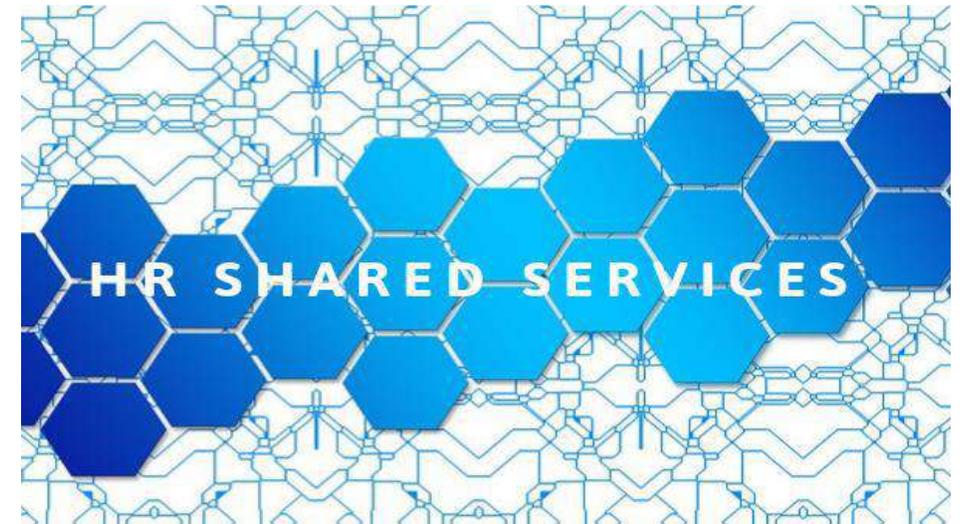
Unit V - Emerging Trends in HRM



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HRIS



- Systematic procedure for **collecting, storing, maintaining, retrieve and validating data** needed by org about its employees and HR activities.
- **Need :-**
- To store data and information for each individual employee for ready reference.
- To provide a basis for decision making in day-to-day personnel issues, (e.g. grant of leave) as also for planning, budgeting, implementing and monitoring a host of human resource functions.
- To supply data/returns to government and other public.

Benefits of HRIS Applications

Companies that use a human resources information system (HRIS) to handle HR operations and processes can realize a number of benefits. The list below outlines some of the most common advantages of using an HRIS solution.



Increase Efficiency

HRIS applications digitize information and activities, significantly reducing the time it takes to perform common tasks.



Reduce Errors

An HRIS provides a single database, eliminating things like dual data entry and manual data processing. This cuts down on potential errors.



Track Data More Easily

Having a unified system removes the need for duplicate data stored in silos. Users can access information from a central location.



Provide a Better Employee Experience

Employee benefits include a smooth onboarding experience, control over their information and access to tools that help them hone skills.

Uses of HRIS



HR Accounting



- Human resource accounting is defined as:

The art of valuing, recording and presenting systematically the worth of human resources in the books of account of an organization.

- HRA is the **measurement of cost and value** of the people for the organisation_ by Flamholtz

Objectives :-

- It helps the organization to plan an estimated budget for human resource expenses.
- It helps in judging people.
- It helps the administration to scrutinize whether the available HR.
- HRA helps in preserving most valuable human assets.

Advantages



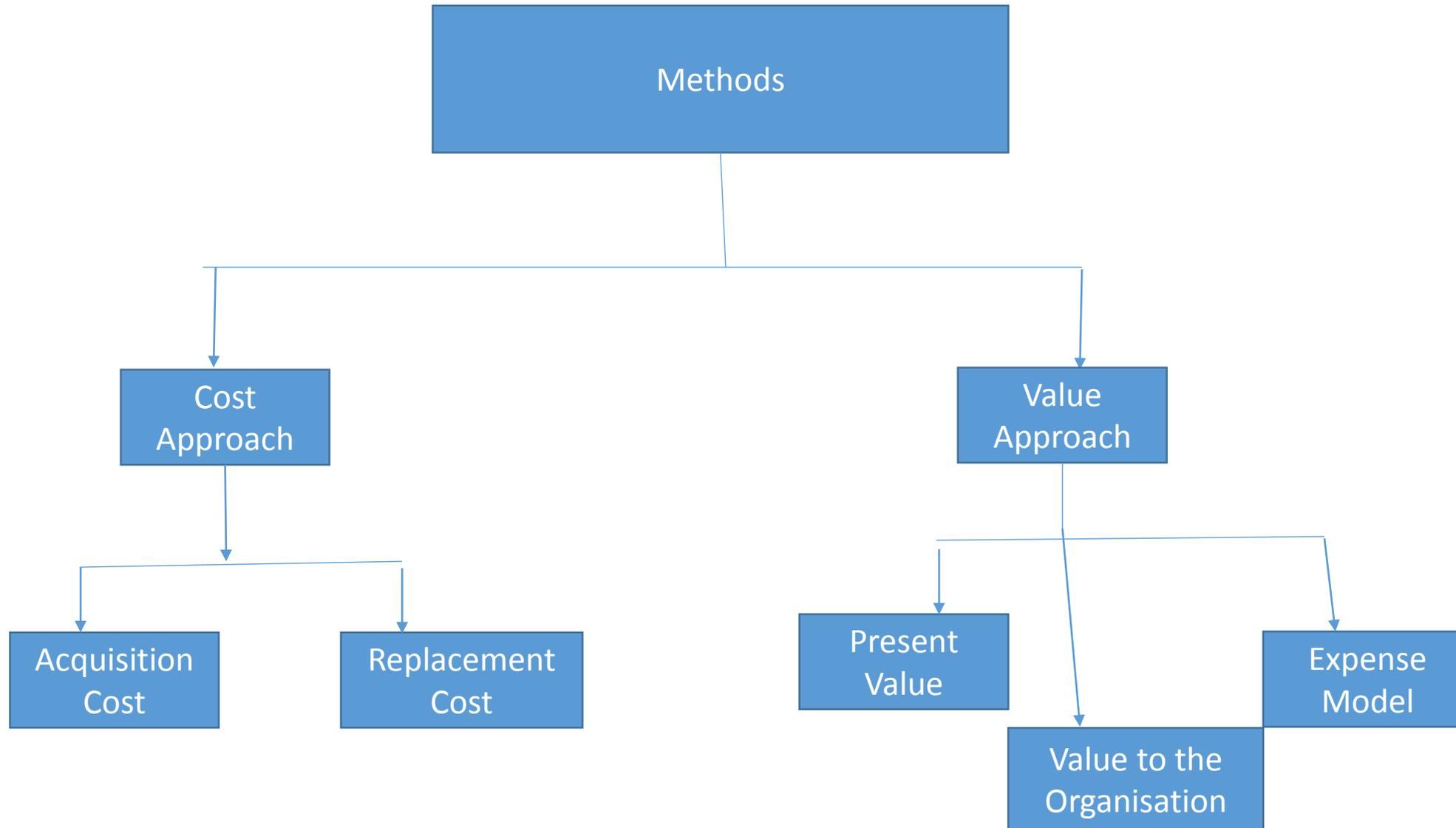
- 1) Information for Manpower planning
- 2) Information for making personnel policies
- 3) Utilisation of human resources
- 4) Attracts best human resources.
- 5) Valuable information to investors

Limitations



- There is no proper clear-cut and specific procedure or
- Guidelines for finding cost and value of human resources of an organization.
- The period of existence of human resource is uncertain and hence valuing them under uncertainty in future seems to be unrealistic.
- There is a fear that HRA may dehumanize and manipulate employees'
- There is problem for the management to treat them as assets in the strict sense.

Method of HR Accounting



HR Audit



- HR Audit is a tool for evaluating the personnel activities(policies, procedures and activities) of an organization.
- Biles and Schuler
- HR Audit evaluates the HR activities in an organization with a view to their effectiveness and efficiency
- Flamholtz
- HR Audit is a systematic assessment of strength, limitation and developmental needs of its existing Hr policies in the context of Org. effectiveness.



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OBJECTIVES OF HR AUDIT

- Effectiveness of performance of HR Department
- Implementation of HR policies, procedures;
- To find out the reasons for low productivity and improve HRD Strategies;
- Evaluation of the HR staffs & employee;
- Modify and Review HR system & challenges
- Questioning: To seek answers to : What happened ? Why did it happen?
Why did it not happen?



Scope



- T & D
- Orientations
- Terminations
- Files Records Maintaince Technology
- Employee Relations

HR Audit Process

1. Determine the scope and type of the audit



2. Develop the audit questionnaire



3. Collect the data



4. Analysis the collected data



5. Create action plans



6. Provide feedback about the results



7. Foster a climate of continuous improvement

HR Shared Services

- HR Shared services are simply a type of business model wherein a particular service shared among all company units is consolidated.
- Objectives -
 - To make a possible profit Centre
 - To Focus on HR strategy
 - To make a precursor of outsourcing.

Benefits

- Improving Client Services
 - Avoiding Duplicity of work
 - Cost Optimization
 - Information and knowledge Sharing
-
- Issues Creating in HR Shared Services :-
 - Skill Requirements
 - Job Design
 - Maintaining close relationships across HR
 - Maintaining close relationships with the business.