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# **HUMAN RESOURCE MANAGEMENT**

**FOR BBA 3<sup>RD</sup> SEM – UNIVERSITY OF CALICUT  
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## SYLLABUS

Module	Unit	Content	Hrs	Internal	External
			60	30	70
<b>I</b>	<b>Understanding the Nature and Scope of Human Resource Management</b>		<b>10</b>		<b>14</b>
	1	Nature of HRM, HRM Functions, Objectives of HRM			
	2	HRM Models: Harvard, Guest, Warwick, Ulrich Models			
	3	Personnel policies and Principles			
	4	Jobs in HRM, Internal & External Forces			
	5	Skills for HR Professionals, Line Manager			
<b>II</b>	<b>HR Planning</b>		<b>12</b>		<b>18</b>
	6	Forecasting future workforce needs, Conducting job analysis and job design, job evaluation & its process			
	7	Role of Job descriptions and Specifications, Recruitment Methods and Sources			
	8	Selection Processes and Techniques, Interviewing Skills and Techniques			
	9	Placement, Employee Onboarding, Training & Development (Only the concept)			
<b>III</b>	<b>Training &amp; Development</b>		<b>12</b>		<b>18</b>
	10	Identifying Organizational Needs, Orientation, Training & its Process,		<b>20</b>	
	11	Development: On the Job & Off the Job Management Development Programmes (MDP), Executive Development Programme (EDP)			
	12	Development Programmes (MDP), Executive Development Programme (EDP)			
	13	Career Development, Role & Challenges of Career Development			
<b>IV</b>	<b>Organizational Culture &amp; Emerging Trends</b>		<b>14</b>		<b>18</b>
	14	Performance Management: Nature, Objectives			
	15	Performance appraisal: Nature, Types			
	16	Employee engagement: Nature, Type, Drivers			
	17	Compensation management: Nature, Components, Factors			
	18	Components of Pay: Salary, Incentives, Bonus, Commission, Perks, Others			
	19	Separation: Nature & Types, Transfer, Conflict: Nature, Causes & Resolving Conflict			
20	HR Information System & Ethical aspects of HRM				

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# CHAPTER – 1

## HUMAN RESOURCE MANAGEMENT

### MEANING AND DEFINITION

Human resource management is the process of recruitment, selection of employees, providing proper orientation and induction, providing proper training and developing skills, assessment of employees (performance of appraisal), providing proper compensation and benefits, motivating, maintaining proper relations with labor and with trade unions, and maintaining employees' safety, welfare, and health by complying with labor laws of the concerned state or country. Many great scholars had defined human resource management in different ways and with different words, but the core meaning of human resource management deals with how to manage people or employees in the organization.

Edwin Flippo defines HRM as “planning, organizing, directing, and controlling the procurement, development, compensation, integration, maintenance, and separation of human resources to the end that individual, organizational, and social objectives are achieved.”

The National Institute of Personal Management (NIPM) of India has defined human resources—personal management as “that part of management which is concerned with people at work and with their relationship within an enterprise.

### FEATURES OF HUMAN RESOURCE MANAGEMENT

#### 1. Management Function

HRM is one of the core functions of management, just like planning, organizing, directing, and controlling. It deals with managing people at work and ensuring their effective contribution toward organizational goals.

#### 2. Comprehensive Function

HRM covers all aspects of managing people—from recruitment, selection, training, compensation, and motivation to retirement. It takes care of employees from entry to exit in the organization.

#### 3. Individual Consideration

HRM recognizes that every employee is unique, with different needs, skills, and attitudes. It emphasizes treating employees as individuals and addressing their personal and professional requirements.

#### 4. Action-Oriented

HRM focuses more on practical solutions than just records or procedures. For example, instead of keeping reports about absenteeism, HR managers take actions to reduce absenteeism through motivation and engagement.

**5. Continuous Function**

HRM is not a one-time activity but an ongoing process. Employees need continuous monitoring, training, performance appraisal, and development throughout their careers.

**6. Development of Human Resources**

HRM emphasizes developing the skills, knowledge, and abilities of employees. Training, mentoring, and career planning are used to improve employee potential and prepare them for future challenges.

**7. Pervasive in Nature**

HRM is applicable at all levels of management and in all types of organizations—big or small, government or private. Every manager, not just the HR department, deals with people and therefore performs HRM functions.

**8. Achievement of Objectives**

HRM aims to align individual goals with organizational objectives. By motivating and guiding employees, HRM ensures higher productivity and helps the organization achieve its mission and vision.

**9. Human Behavior**

HRM is deeply connected with human behavior, which is complex and dynamic. Understanding psychology, motivation, leadership, and group dynamics is essential for effective people management.

**SCOPE OF HRM**

**1. Human resources planning**

It is concerned with the determination of the number of persons required in an organization.

**2. Job analysis and design**

Job analysis is the process of studying and collecting information relating to the duties and responsibilities of a particular job. Job design is the process of deciding the contents of the job in terms of its duties and responsibilities.

**3. Recruitment & selection**

Recruitment is the procedure of searching for the prospective employees and stimulating them to apply for the jobs in the organization. Selection is the process of choosing the right and appropriate employees from all the applicants.

**4. Placement & orientation**

After selection, placement should be given to those who are selected. Orientation is the stage of introducing an employee to the policies, rules and regulations, and other relevant information.

**5. Training & development**

Proper training should be given to the newly selected employees. Any act of increasing knowledge of employees is called training.

**6. Performance appraisal & job evaluation**

Job evaluation is the process of evaluating one job in relation to another to know the worth of the job in order to fix the remuneration. Employees' performance should be evaluated and assessed to measure the potentiality of employees.

**7. Employees remuneration**

Proper and adequate remuneration should be given.

## **8. Motivation**

Proper motivation should be provided to improve the performance. Anything that leads to action is called motivation. It is the process of inspiring and stimulating employees to do the work. Communication involves the transmission of ideas, information, facts, or emotions by two or more persons.

## **9. Communication**

Communication helps much in managing and coordinating the employees of an organization more effectively.

## **10. Human welfare**

Labor welfare aims at providing such service facilities and amenities that enable a worker to perform their work in a healthy atmosphere.

## **11. Health and Safety**

Due attention should be given to the industrial health and safety of employees. Sufficient measures should be taken to protect workers against industrial accidents.

## **12. Industrial Relations**

The management should give due consideration for maintaining a harmonious relationship between management and employees.

## **IMPORTANCE OF HUMAN RESOURCE MANAGEMENT**

### **1. IMPORTANCE TO ORGANIZATION**

- Procurement of talented persons.
- Secure cooperation through motivation.
- Optimum utilization of HR.
- Ensure a future team of efficient and competent workers.

### **2. PROFESSIONAL IMPORTANCE**

- Provides maximum opportunities.
- Healthy relationship.
- Proper allocation of work.
- Providing training facilities.

### **3. SOCIAL IMPORTANCE**

- Enhance the dignity of labor.
- Provide a suitable job to a suitable person.
- Increase the standard of living of people.
- Maintain job balance.
- Health and safety measures.

#### 4. NATIONAL IMPORTANCE

HRM will speed up economic development of the country.

#### OBJECTIVE OF HUMAN RESOURCE MANAGEMENT

##### GENERAL OBJECTIVES OF HRM

1. **Optimum Individual Development—Management** should create an atmosphere for employees to develop their personality and skills. Individual differences must be recognized, and their efficiency should be effectively utilized to achieve organizational goals.
2. **Creation of Good Human Relationships—HRM** aims to build healthy relations between management and employees. Workers should be treated as human beings, not commodities, ensuring cooperation and better understanding.
3. **Moulding Human Resources for Maximum Production—Since** labor is the key factor of production, HRM focuses on developing and guiding employees to effectively utilize other resources and achieve higher productivity.

##### SPECIFIC OBJECTIVES OF HRM

1. **Right Person for Right Job—Select** suitable individuals for jobs to achieve organizational goals.
2. **Training Facilities—Provide** training to improve skills for new methods and technologies.
3. **Orientation—Introduce** new employees to rules, procedures, and colleagues.
4. **Better Working Conditions—Ensure** a clean, safe, and motivating workplace with basic facilities.
5. **Fair Wages & Incentives—Provide** fair pay, salary administration, and incentives to boost performance.
6. **Retirement Benefits—Offer** proper compensation and retirement benefits to build trust.
7. **Good Trade Union Relations—Maintain** healthy relations with unions for harmony.
8. **Employee Satisfaction** – Provide job security, promotions, remuneration, and incentives for mental and material satisfaction.

##### FUNCTIONS OF HUMAN RESOURCE MANAGEMENT

It can be classified into two categories:

- Managerial Functions
- Operative Functions

##### MANAGERIAL FUNCTIONS

A human resource manager is required to discharge his managerial function, such as

## **1. Planning**

A plan is a blueprint of the action to be undertaken in the future. It is deciding what is to be done, when it is to be done, how it is to be done, and who is to do it. An HR manager should plan all the activities relating to HR.

## **2. Organizing**

Allocation of tasks is essential for the success of the organization.

## **3. Directing**

Proper guidance and instruction should be given to those who are under the HR manager.

## **4. Coordinating**

HR managers should coordinate all the activities to ensure the smooth conduct of the organization.

## **5. Controlling**

After the execution of HR activities, he should evaluate the work done by the subordinate to correct the activities.

## **OPERATIVE FUNCTIONS**

### **1. Procurement**

Procurement is the process of appointing right person at the right place at the right time. It includes: HR planning, job analysis and design, recruitment, selection, placement and orientation.

### **2. Training & development**

Training is the any act of increasing knowledge of employees to perform the work. Proper training should be given to them for better performance.

### **3. Compensation**

The HR management must determine a equitable and adequate remuneration for the work done by the employees to motivate them.

### **4. Integration**

Integration is the process of creating a sense of belongingness among the employees. They are to be properly motivated.

### **5. Maintenance**

It is essential to maintain all the employees if they are fit for the job. Adequate facilities and infrastructures should be given to them.

## 6. Welfare activities

The HRM should provide various welfare services.

## 7. Personal records

HRM should keep all the records relating to employees regarding training, achievement, promotion, transfer, remuneration etc.

## 8. Promotion, transfer and termination

HR management should assist the management to design suitable promotion, Transfer, termination policy.

## 9. Negotiation with trade union

The HR management has to conduct negotiations with labor unions and with other employee representatives on matter of common interest.

## 10. Miscellaneous functions of HRM

Establishes an effective communication system. Conducts research to support manpower planning and decision-making. Assists line managers in developing appraisal systems and evaluating employee performance.

## HRM MODELS

HRM models provide frameworks to define HR's role, strategy, and value in organizations. They highlight HR functions, roles, and guiding principles for managing people effectively.

### 1. HARVARD HR MODEL (MICHAEL BEER, 1984)

This model takes a holistic approach to HRM, focusing on employee well-being and stakeholder balance.

It has five key components:

- **Situational Factors** – HR policies must align with internal & external environment.
- **Stakeholder Interests** – Consider needs of employees, management, shareholders, customers, and community.
- **HRM Policy Choices** – Frame HR policies that match organizational goals and stakeholder needs.
- **HRM Outcomes** – Assess effectiveness of HR policies in achieving goals.
- **Long-Term Consequences** – Positive HR outcomes lead to individual, organizational, and social benefits.

## 2. GUEST MODEL OF HRM (DAVID GUEST, LATE 1980S–1990S)

- Shows how HR practices align with business strategy & environment to improve productivity & performance.
- Differentiates strategic HRM from traditional personnel management.
- Combines both “hard” (business-focused) and “soft” (people-focused) HR perspectives.
- Links HRM to organizational behavior and overall business success.

Six Dimensions:

- **HR Strategy** – Differentiation (innovation), quality, cost reduction.
- **HR Practices** – Selection, training, appraisal, rewards, job design, involvement, security.
- **HR Outcomes** – Commitment, quality, flexibility.
- **Behaviour Outcomes** – Motivation, cooperation, involvement, citizenship.
- **Performance Outcomes** – High productivity, quality, innovation; low absence, turnover, conflict.
- **Financial Outcomes** – Profit, ROI.

## 3. WARWICK MODEL OF HRM (CHRIS HENDRY & ANDREW PETTIGREW, UNIVERSITY OF WARWICK)

- Based on Harvard Model, but adds focus on external & internal context.
- Explains how HRM is shaped by environment and organizational realities.
- Goal: Enhance organizational performance through effective HR practices.

Five Key Components:

### 1. Contextual Factors

- a) **Outer context:** Politics, laws, technology, socio-economic conditions.
- b) **Inner context:** Culture, structure, leadership, technology inside the firm.

2. **Business Strategy** – Goals, objectives, product-market optimization.

3. **HRM Context** – HR roles, outputs, structures, definitions.

4. **HRM Content** – Specific HR functions: rewards, work systems, employee relations, HR flows.

5. **HRM Outcomes** – Effectiveness of HR practices in meeting organizational goals.

## 4. DAVE ULRICH HR MODEL (1996)

- Developed by Dave Ulrich, a leading HR thought leader.
- Defines the four key roles of HR to align people and business strategy.
- Shifts HR from an administrative role to a strategic business partner.

Four Roles of HR:

- 1) **Strategic Partner** – Align HR strategy with business goals.
- 2) **Change Agent** – Drive and manage organizational change.
- 3) **Administrative Expert** – Improve HR processes, policies, and efficiency.

- 4) **Employee Champion** – Support, engage, and develop employees.

## EVOLUTION OF ROLES

### 1996 (4 Roles):

- **Strategic Partner** – Align HR with business strategy.
- **Change Agent** – Manage organizational change.
- **Administrative Expert** – Efficient HR processes.
- **Employee Champion** – Employee support & engagement.

### 2005 (5 Roles):

- Employee Advocate
- Human Capital Developer
- Functional Expert
- Strategic Partner
- HR Leader

### Three-legged stool concept:

- **Shared Services** – Centralized admin services.
- **Centers of Excellence** – Specialists handling complex HR issues.
- **HR Business Partners** – Strategic advisors to management.
- **HR Leadership** – Designs overall HR function.

### 2008 Expansion (with Younger & Brockbank):

- Service Centers
- Corporate HR
- Centers of Expertise
- Embedded HR
- Operational HR.

### Selecting an HR Model – Key Factors

- a) **Business strategy** – HR model should align with overall business strategy.
- b) **Organizational design & structure** - Structure, size, and design affect HR model choice.
- c) **Industry & competition** - Industry dynamics and competition shape HR's role.
- d) **HR team capabilities** - Model must match HR team's skills and resources.
- e) **Cost-effectiveness & ROI** - Choose the model that maximizes ROI and performance impact.

## PERSONNEL POLICIES AND PRINCIPLES

Personnel policies are the formal guidelines, principles, and rules established by an organization to manage its workforce effectively. They provide a framework for decision-making concerning employees, ensuring consistency, fairness, and transparency in all matters related to human resource management.

Personnel policies can be defined as the statements of principles and rules that guide managers in dealing with human resources in an organization. They serve as a reference for handling employee-related issues such as recruitment, training, promotion, compensation, discipline, and welfare.

Edwin B. Flippo: “Personnel policies are the principles and rules of conduct which direct the personnel function of the organization.”

### FEATURES OF SOUND PERSONNEL POLICY

1. **Clarity** – The policy should be clearly written, unambiguous, and easily understood by employees and managers.
2. **Consistency** – It should be applied uniformly to avoid discrimination or favoritism.
3. **Flexibility** – The policy should be adaptable to changing business, legal, and social conditions.
4. **Fairness & Justice** – It must treat all employees fairly and safeguard their interests.
5. **Definiteness** – The policy should provide definite guidelines for action, not vague statements.
6. **Participation** – It should be framed with the involvement of both management and employees to ensure acceptance.
7. **Stability** – While flexible, the policy should not change too frequently; stability builds trust.
8. **Alignment with Objectives** – It should support organizational goals while balancing employee welfare.
9. **Practicability** – The policy must be realistic, workable, and capable of implementation.
10. **Legality** – It should conform to labor laws and government regulations.

### OBJECTIVES OF PERSONNEL POLICIES

1. **Optimum use of human resources:** Right men for right jobs, defined roles, and responsibilities.
2. **Training of everyone:** Train and develop employees for efficiency, encourage competition, and ensure growth opportunities.
3. **Develop a sense of unity:** Create conditions that build unity and willingness to work.
4. **Sound industrial relations:** Promote confidence, participation, and mutual understanding for industrial peace.
5. **Payment of fair wages:** Ensure fair wages for the work done.
6. **Security of employment:** Provide employment security and remove doubts of job loss.
7. **Respecting human dignity:** Ensure fair treatment for all and healthy working conditions.
8. **Protect common interests:** Recognize the role of trade unions.

9. **Employee participation:** Provide opportunities for consultative participation in management.
10. **Consultative services:** Build mutual faith and consultative cooperation.

### CLASSIFICATION OF PERSONNEL POLICIES

1. **Employment Policies** – Rules for recruitment, selection, placement, transfer; ensure fairness and equal opportunity.
2. **Payroll Policies** – Cover wages, salaries, incentives, allowances; ensure equity and competitiveness.
3. **Promotion Policies** – Guide promotions based on merit/seniority; provide growth opportunities and motivation.
4. **Development Policies** – Concern training, career growth, and succession planning; improve skills and efficiency.
5. **Relations Policies** – Handle employer–employee relations, grievances, discipline, and industrial peace.
6. **Workplace Guidelines** – Rules on attendance, leave, safety, discipline, and code of conduct.
7. **E-Policies** – Govern use of IT, internet, emails, data security, and remote work practices.

### IMPORTANCE AND SIGNIFICANCE OF PERSONNEL POLICIES

1. **Empower employees** – Provide freedom within boundaries to take right actions.
2. **Reflect values** – Show management’s beliefs and standards for decision-making.
3. **Guide decisions** – Help in quick, correct, and consistent decisions.
4. **Specify actions** – Define line of action and scope of activities.
5. **Uniformity** – Ensure consistency in day-to-day work.
6. **Direction** – Give sense of purpose, priorities, and strategy.
7. **Efficiency** – Save time and effort by organizing work.
8. **Coordination** – Harmonize efforts across the organization.
9. **Delegation** – Facilitate proper delegation of duties and authority.
10. **Orientation** – Help newcomers adjust easily.
11. **Communication** – Convey management’s plans, benefits, and policies to employees.
12. **Goal achievement** – Act as means to accomplish organizational objectives.

### PRINCIPLES OF PERSONNEL POLICIES

1. **Principle of Right Placement** – The right person should be placed in the right job according to skills, qualifications, and aptitude.
2. **Principle of Development** – Policies should encourage continuous training and career growth of employees.
3. **Principle of Participation** – Employees should be given opportunities to take part in decision-making and organizational activities.

4. **Principle of Mutual Interests** – Policies should balance organizational goals with employee needs and welfare.
5. **Principle of Good Working Conditions** – Provide safe, healthy, and motivating workplace conditions.
6. **Principle of Flexibility** – Policies must be adaptable to changes in technology, law, and environment.
7. **Principle of Clarity, Conciseness & Coherence** – Policies should be clear, simple, and consistent to avoid confusion

### SCOPE OF PERSONNEL POLICIES

1. Recruitment and Selection (Employment) Policy
  - a) Minimum qualifications required in prospective employees.
  - b) The sources from where labour supply will be available
  - c) Selection tests
2. Promotion policy
3. Training policy. It covers
  - a) Induction
  - b) Types of training
  - c) Training of executives.
4. Wage policy. It includes
  - a) Minimum wages
  - b) Non-financial incentives
  - c) Incentive plans
  - d) Bonus, profit sharing etc
5. Demotion and termination policy.
6. Working conditions and motivation policy.
7. Welfare policy
8. Integration policy: It covers:
  - a) Processing of grievances
  - b) Recognition of unions and
  - c) Worker's participation in management.

### JOBS IN HRM

1. **Director of human resources or HR officer:** This person is responsible for the department and their role is to develop and implement strategies that help the company reach its objectives through human talent.
2. **Recruitment specialist:** Recruitment specialist is the person responsible for recruitment and carrying out the selection process. Their role is therefore crucial when the company needs to hire new talent.
3. **Training and development specialist:** If a company is committed to staff training and development, then it should have a person dedicated to overseeing it. This profession analyses the team's needs and develops specific programmes with clear-cut objectives.

4. **Labour relations and payroll specialist:** This role oversees the administration of payroll annual leave, contracts, renewals, etc., with the aid of specific software to help them work faster and more efficiently.
5. **Occupational health and safety specialist:** When a company carries out an activity that poses a higher risk for employees it's vital to have an occupational health and safety expert to guarantee workforce safety.
6. **ITC specialist:** Considering the importance of IT systems in the organization an expert in these systems is a vital asset to the department. Their main job is to ensure the proper use of available tools.
7. **Internal communications specialist:** While this role is not yet common place, an internal communications specialist plays a key role in developing communication policies within the company. The result is a more loyal and committed workforce.

## INTERNAL AND EXTERNAL FACTORS AFFECTING HRM

### EXTERNAL FORCES AFFECTING HRM

1. **Political Factors:** Legislative policies, political issues, and public sentiment impact HR practices. HR professionals must stay updated on political changes.
2. **Economic Forces:** Economic conditions, unemployment rates, and globalization influence recruitment, layoffs, wages, and employee benefits.
3. **Social Factors:** Cultural diversity and employee morale affect training, evaluations, hiring, and workplace interactions. Support services and work-life balance are key.
4. **Legal Factors:** HR practices must comply with changing laws on hiring, salary, discrimination, safety, and termination.
5. **Technological Advances:** Technology streamlines HR tasks, improves recruiting, tracking, and performance management, enhancing overall efficiency.
6. **Environmental Sustainability:** HR supports sustainability initiatives by aligning employee skills and training with environmental goals and corporate responsibility.
7. **Demographics:** Changes in workforce age and diversity affect workplace dynamics; planning for retirement and succession promotes inclusivity.
8. **Labour Market Changes:** Shifts in the labour market require HR to adapt hiring and retention strategies continuously.
9. **Competition:** A competitive environment increases the need for quality talent, innovative recruitment, employee development, and recognition.

### INTERNAL FORCES AFFECTING HRM

1. **Organization's Strategy:** HR strategies must align with the organization's corporate, business, and functional level strategies.
2. **Organizational Culture:** Culture shapes HR practices. High-performing cultures link HR to strategy and develop managers internally; low-performing cultures treat HR as a basic function.

3. **Trade Unions:** Trade unions influence recruitment, compensation, development, and industrial relations through collective bargaining.
4. **Organization's Financial Position:** The financial health affects HR decisions on wages, retraining, bonuses, layoffs, and incentives.
5. **Policies:** Organizational policies guide behaviors and define how objectives are achieved.
6. **Organizational Structure:** Tall structures suit labor-intensive firms with centralized authority; flat structures with decentralization suit modern, tech-based firms.
7. **HR Systems:** The quality of personnel and HR systems like HRD, participative management, and communication directly impact organizational performance.

## LINE MANAGER

A Line Manager is a manager who has direct authority over subordinates and is responsible for achieving the objectives of a specific department or section. They are directly involved in supervising employees, implementing policies, and ensuring daily operations run smoothly.

“A line manager is the person directly responsible for managing employees and resources to achieve organizational goals.”

## SKILLS FOR HR PROFESSIONALS LINE MANAGER

1. **Analytical Skills:** Ability to analyze complex data, identify trends, and make informed HR decisions in workforce planning, compensation, and metrics.
2. **Communication Skills:** Clear verbal and written communication, active listening, and effective dialogues in interviews and appraisals.
3. **Critical Thinking Skills:** Assess situations, find creative solutions, foresee problems, and create proactive HR policies.
4. **Decision-Making Skills:** Make quick, sound, and sometimes difficult decisions during recruitment, evaluations, and strategic planning.
5. **Interpersonal Skills:** Build relationships, foster positive culture, manage conflicts, and use high emotional intelligence.
6. **Leadership Skills:** Inspire teams, lead HR projects, succession planning, and provide clear direction.
7. **Negotiation Skills:** Advocate for team and company, negotiate contracts and benefits, and reach win-win agreements.
8. **Organizational Skills:** Manage multiple tasks, maintain records, plan events, and use project management tools.
9. **Problem-Solving Skills:** Think creatively, prevent issues, and resolve conflicts in policies and employee concerns.
10. **Research Skills:** Find accurate information, use methods/tools, crucial for talent acquisition and HR trends.
11. **Time Management Skills:** Prioritize work, meet deadlines, and complete projects on time.

12. **Stress Management Skills:** Stay calm under pressure, maintain positivity, and handle deadlines effectively.
13. **Flexibility:** Adapt easily to changing priorities and situations.
14. **Organized:** Keep work/files in order and create efficient systems.
15. **Team Player:** Work cooperatively, follow direction, and work independently when required.
16. **Creativity:** Develop new ideas, solutions, and take innovative risks when needed.

#### **LINE MANAGER RESPONSIBILITIES**

1. **Guardians of Performance:** Monitor staff, ensuring alignment with goals and standards.
2. **Navigators of Growth:** Assess, give feedback, and remove roadblocks to team growth.
3. **Mentors and Trainers:** Identify gaps and arrange internal/external training.
4. **Resourceful Strategists:** Manage tasks, decisions, and resources for optimal use.
5. **Talent Spotters:** Recruit, induct, and integrate new hires into company culture.
6. **Communication Conduits:** Relay information between leadership and frontline staff.
7. **Safety Advocates:** Prioritize health and safety as a core responsibility.
8. **System Architects:** Develop efficient systems, handle reporting, and smooth operations.
9. **People's Champions:** Lead meetings, interviews, discipline, and foster growth and positivity.

## CHAPTER – 2

### HUMAN RESOURCE PLANNING

Human Resource Planning (HRP) is a key managerial function and an integral part of business planning. It is a continuous process of analyzing workforce needs under changing conditions and formulating personnel policies to ensure long-term organizational effectiveness. HRP focuses on having the right number of people, with the right skills, in the right jobs, at the right time, while balancing efficiency and cost. HRP involves forecasting future demand and supply of manpower and ensuring procurement of the right type and number of personnel. No organization can succeed without proper manpower planning.

#### DEFINITIONS

- **William F. Glueck:** HRP is the process by which management ensures adequate human resources to achieve organizational objectives.
- **Dale S. Beach:** HRP ensures the availability of qualified persons at the proper time, meeting enterprise needs and employee satisfaction.
- **Bruce P. Coleman:** HRP is the process of determining manpower requirements and the means to meet them for organizational plans.

#### FEATURES OF HRP

As per the definitions given above, the important features of manpower planning can be summarized as follows.

1. Human Resource planning is related with future manpower requirements of the organization It involves forecast of the manpower needs in the future time period.
2. With the help of Human Resource planning proper recruitment and selection procedure can be developed.
3. It ensures optimum utilization of existing manpower.
4. It ensures right type of people at the right place at the right time.
5. It gives emphasis on better working conditions.
6. It relates to establishment of job specification and qualitative requirements of job.
7. Human Resource planning is a continuous process. It is not static. It is subject to change.
8. Human Resource planning is an integrate part of overall corporate plan.
9. Manpower plans may be long term or short term.

## IMPORTANCE OF HUMAN RESOURCE PLANNING

1. **Expansion of business** -With the expansion of business, there is the need to recruit more number employees.
2. **Retirement vacancies** - Retirement vacancies, death indicates the necessity of HR planning.
3. **Reduction in labour turnover** - Labour turnover can be reduced by proper manpower planning.
4. **Reduction in labour cost** - Cost of labour can be reduced through effective HR planning.
5. **Uninterrupted in production** - To avoid interruption in production proper employees are to be place. For that Proper HR planning should be done.
6. **To maintain good and effective employee – employer relationship** - Effective manpower planning builds good employee-employer relations by managing surplus staff (e.g., due to computerization) through retraining and redeployment.
7. **To introduce fresh blood in the organization** - HR planning helps organizations recruit fresh talent to meet new skill needs arising from technological developments (e.g., computerization).
8. **To determine shortage or surplus staff** - Manpower planning identifies staff shortages or surpluses to ensure smooth operations and control labor costs.

## OBJECTIVES OF HUMAN RESOURCE PLANNING

1. **Accurate assessment of manpower requirement** – Forecast and determine the right number of personnel needed due to expansion, new technology, retirement, or turnover.
2. **Optimum utilization of human resources** – Ensure effective use of human resources to achieve organizational goals.
3. **Inventorying of personnel** – Maintain records of employees' qualifications, skills, and experience for planning and expansion.
4. **Helpful in recruitment, selection and training** – Facilitate cost-effective hiring, selection, and training procedures.
5. **To avoid interruption in production** – Minimize production disruptions due to absenteeism, turnover, or accidents.
6. **To assess the surplus and shortages of human resources** – Identify gaps or excesses in staffing.
7. **To meet the needs of expansion and diversification Programmes** – Ensure sufficient workforce for growth and new initiatives.

## PRE-REQUISITES OF HR PLANNING

1. **Objectives of the organization** – HR planning should align with organizational objectives; changes in objectives affect manpower needs, requiring promotions, transfers, or new recruitment.
2. **Economic conditions** – Consider the state's economic situation, product demand, raw material availability, and government policies to estimate future manpower needs.
3. **Expansion Programmes** – Business expansion or adoption of new technologies requires additional skilled and unskilled employees.

4. **Labour turnover rate** – Knowing employee turnover helps accurately estimate future staffing requirements.
5. **Resignation, retirement, etc.** – Account for resignations, retirements, deaths, transfers, layoffs, and separations in planning.
6. **Existing manpower** – Maintain an inventory of current employees to assist in workforce planning.
7. **Fixation of planning period** – Determine short-term or long-term planning periods based on business type and socio-economic environment.
8. **Manpower standards** – Establish staffing norms to avoid overstaffing (costly) or understaffing (disruptive), based on industry standards.

### **PROCESS OF HR PLANNING**

#### **1. Preparation of manpower inventory**

HR planning is done mainly to avoid Overstaffing and understaffing. For this, a stock of existing staff must be ascertained and kept.

#### **2. Forecasting manpower needs**

HR requirements forecasted on the basis of production, sales budget, labour turnover etc.

#### **3. Preparation of manpower charts**

The planners prepare different types of charts to project requirement. The chart will show, who will be promoted, number vacancies, who will retire etc.

#### **4. Preparation of manpower plans:** Choose long term or short term is to be used.

#### **5. Employment programme**

It includes recruitment, selection, placement, performance appraisal etc.

### **FACTORS AFFECTING MANPOWER FORECASTING**

#### **EXTERNAL FACTORS**

- Competition
- Economic condition of the country
- Govt. Policy
- Technological changes
- Social and religious factors

#### **INTERNAL FACTORS**

- Budget
- Level of production
- New production to be introduced

- Organization structure
- Labour turnover, absenteeism, dismissal etc.
- Growth and expansion

## **MANPOWER FORECASTING TECHNIQUES**

- **Managerial judgment**

As per this, all the managers sit together and prepare future manpower requirements of their departments.

- **Ratio- trend analysis**

Under this method different types of ratios are used to forecast the manpower needs of the organization.

- **Work study methods**

Under this method time and motion study are used to analyze and measure the work being done. On this basis labour requirement can be obtained.

- **Mathematical methods**

Under this method mathematical tools like regression, LPP etc. are used to forecast the manpower needs.

## **JOB ANALYSIS AND JOB DESIGN**

### **JOB ANALYSIS**

Job analysis is the process of studying and collecting information relating to the duties and responsibilities of a particular job.

### **DEFINITION**

According to Edwin B Flippo “Job analysis is the process of studying and collecting information relating to the operation and responsibilities of a specific job”.

### **PROCESS OF JOB ANALYSIS**

#### **1. Collection of actual information**

Various information relating to a particular job such as job information, quality of personnel, skills required, personality factors and experience etc are collected by using different methods like questionnaire, checklist, interview etc.

a) **Job information:** - Information relating to prevailing working condition in respect of physical, social and financial aspects of job is included in this type of information. The following information is specifically collected for this purpose

1. Physical environment like temperature, noise, dirt, danger or comfortable office facilities,
2. Job's social environment: - Whether the work is performed in team, shifts or isolated work.
3. Financial condition: -Information relating to wages paid, bonus, incentive scheme, fringe benefits etc.

b). **Quality of Personnel:** - Information relating to qualities of personnel who performs job.

c) **Skill needed to perform the job.**

d) **Personality factors** (e.g.: - ability to work through other people, to provide leadership etc)

e) **Experience** (e.g.: - some job requires considerable occupational experience)

f) **Professional, technical qualification, degree of intelligence required to perform job.**

g) **Muscular energy and hours of work required.**

## 2. Preparation job description

The result of the job analysis is written in a statement is known as job description

## 3. Preparation of job specification

A job specification is a statement of minimum acceptable human qualities necessary to perform a job properly

## 4. Report preparation

After preparing job description and job specification a detailed report regarding the particular job should be prepared by the job analyst.

## 5. Approval of the report

Approval of the report should be obtained from the HR manager for further activities. the final report should be approved.

## USES OR SIGNIFICANCE OF JOB ANALYSIS

1. **Job analysis provides complete knowledge about jobs:** Managers or executives do not always have adequate knowledge about jobs even though they are working in the same direction.
2. **It is the first step in the selection technique process:** Job analysis helps to know the personnel traits and characters required for performing a job. It helps to develop procedures to design application form, type of psychological test to be conducted, the plan of procedures to be covered in interviewing applicants and the like.

3. **It gives a complete picture about the job:** It gives a complete picture about all jobs to be performed.
4. **Job analysis is a useful tool for job evaluation:** Without job analysis, the management is not able to conduct a satisfactory job evaluation.
5. **It is useful to develop appropriate job design:** It also helps to develop an appropriate design of job for improving efficiency and productivity.
6. **It determines the levels of standard of job performance:** Job analysis reveals the type of skills and knowledge required for performing a job. So, it helps to determine and organize the training and development Programmes for employees.
7. **Useful for job comparison:** When an employee is to be promoted, job analysis facilitates comparison of present job responsibility and future job responsibility.
8. **Useful for job appraisal:** It can also be used as a standard. Performance of each employee can be assessed by comparing it with standard.
9. **Minimize risks:** The job analysis helps to take steps to minimize possible risks to ensure safety of workers.
10. **Useful to fix standards:** Job analysis helps to establish various standards. So better man power planning is possible.

## METHODS OF JOB ANALYSIS

### 1. Questionnaire

Job analyst provides a questionnaire and employees are asked to provide information about their jobs.

### 2. Check list

A long list of task statements is supplied to workers. They required to check and mark the tasks he performs.

### 3. Interview

Job analyst conducts an interview with employees and supervisors to know the tasks included in a particular job.

### 4. Observation

Job analyst observes the jobs performed by workers and collect information from site itself.

### 5. Participation

Under this method job analyst himself participate in the jobs to know the tasks.

### 6. Technical conference

Collect information from experts to know the tasks included in a particular job.

## 7. Diary

Under this method employees are asked to record the daily routine works and performance in a diary and job analyst checks this to know the tasks performed by them.

## 8. Records

The HR department maintains the records of job and workers. Using this record job analyst analyse the tasks performed by employees

# ROLE OF JOB DESCRIPTION AND SPECIFICATION

## JOB DESCRIPTION

The result of the job analysis is written in a statement known as job description. It is a descriptive statement defining the purpose and scope of a job.

### DEFINITION

According to Edwin B Flippo “The first and immediate product of the job analysis is the job description. As its title indicates, this document is basically descriptive in nature and constitutes a record of existing and pertinent job facts.”

## CONTENTS OF JOB DESCRIPTION

1. **Job location:** Job description should mention the location of the job It means the department in which the job is to be performed.
2. **Name of the job:** Appropriate name should be given to each job so that it can be easily identified.
3. **Summary of job:** -Description about the job should be given in paragraphs. Primary, secondary and other duties to be performed must be clearly indicated in the job description.
4. **Duties and responsibilities:** The duties and responsibilities concerned with each job should be specifically mentioned Time taken to perform the job is also to be indicated.
5. **Degree of supervision-**The degree of supervision required for each job should be mentioned clearly.
6. **Details of equipment, material and tools used:** -Machine, tools and equipment needed to perform the job should be included.
7. **Relation with other jobs** - The relation of the job with other job should be clearly stated in the job description.
8. **A brief description of the overall purpose of the job:** -A brief description of the overall purpose of the job should also be indicated.
9. **Special qualification of job, mental, physical experience:** Qualifications, mental and physical experience required to perform the job should be mentioned.
10. **Physical conditions:** - The physical environment of the job is described in terms of heat light, noise level etc.

## **CHARACTERISTICS OF JOB DESCRIPTION**

1. It should have a proper title and be updated.
2. Duties and responsibilities must be clearly mentioned.
3. It should be descriptive and understandable.
4. Job specification should be indicated.
5. Constitution of each job should be given.
6. Each employee should know its contents.
7. Qualification required must be written.

## **JOB SPECIFICATION**

It is a statement which shows the maximum acceptance human qualities necessary to perform a job satisfactorily. It is a written record of the physical mental, social, psychological and behavioral characteristics which a person should possess in order to perform the job effectively.

Edwin. B Flippo defines. "A job specification is a statement of minimum acceptable human qualities necessary to perform a job properly."

## **CONTENTS OF JOB SPECIFICATION**

1. Physical characteristics – height, weight, health, etc.
2. Psychological features – decision making, mental ability.
3. Personal traits – behaviour, attitude, leadership.
4. Responsibility – sense of responsibility for job.
5. Qualification – education, training, experience.

## **DISTINCTION BETWEEN JOB SPECIFICATION AND JOB DESCRIPTION**

1. Job description is the summary of the duties, responsibilities, and other characteristics of job. On the other hand, Job specification is a statement of qualities possessed by a person who performs job.
2. Preparing a complete and correct job specification is relatively difficult as compared with preparation of job description.
3. Job description helps the candidate to understand the requirements of the job. Job specification helps the management in selecting right personnel. It mentions the qualities to be possessed by the person who is going to perform the job.

## **JOB DESIGN**

Job designing is the process of deciding the contents of the jobs in terms of its duties and responsibilities. It is the systematic process of structuring, molding or designing a particular job.

## **DEFINITION**

According to Micheal Armstrong “Job designing is the process of deciding on the contents of the jobs in terms of its duties and responsibilities”

## **FACTORS AFFECTING JOB DESIGN**

### **I. Organisational Factors**

1. Task Features – Job design integrates three elements:
  - a) Planning – deciding best course of action, time, and resources.
  - b) Execution – implementing the plan.
  - c) Controlling – monitoring performance and correcting deviations.
2. Flow of Work – Product nature decides job sequence and balance.
3. Ergonomics – Shaping jobs to fit workers’ physical abilities.
4. Work Practices – Usual ways of performing tasks must be considered.

### **II. Environmental Factors**

1. Availability & Abilities of Workers – Skills and availability affect job design.
2. Cultural & Social Expectations – Hours, holidays, beliefs, and styles should be considered to avoid dissatisfaction.

### **III. Behavioural Factors**

Jobs must satisfy social and psychological needs by integrating motivation, satisfaction, and performance.

## **METHODS OF JOB DESIGN**

### **1. Job rotation**

It simply means rotating an employee from one job to another without changing the nature of the job. Under this method employee can learn different types of works.

### **2. Job simplification**

A given job is broken into small sub parts and each part is assigned to each individual. Less trained and less paid employees can perform these works is the main merit of this method.

### **3. Job enlargement**

Under this method more task and duties are added in a job for widening the scope of job.

### **4. Job enrichment**

It is a method of giving more freedom for planning and controlling his performance. It is a method of adding more and more interesting works.

**FEATURES OF JOB ENRICHMENT**

1. Job enrichment offers benefits to employees in terms of increased motivation, performance, job involvement and job satisfaction.
2. It helps to reduce absenteeism, labour turnover etc
3. It helps to meet certain psychological needs of job holders.
4. More autonomy is provided to workers for performing the job. It will introduce a sense of responsibility, self-control and self-esteem among employees.
5. Job enrichment adds status to one's job. So, it becomes a motivating factor in his life.
6. It helps the organization to become a more effective organization.
7. Authority and responsibility are passed to employees as far as the work entrusted to him is concerned.

**DIFFERENCE BETWEEN JOB ENLARGEMENT AND JOB ENRICHMENT**

<b>JOB ENLARGEMENT</b>	<b>JOB ENRICHMENT</b>
It is the process of increasing the scope of a job.	It is the process of providing freedom to workers for performing a job.
Involves horizontal loading of the job.	Involves vertical loading of the job.
Employees are given more work at the same level of responsibility.	Employees get greater freedom and responsibility for performing the job.
Usually resisted by employees.	May not be resisted by employees.
Does not add status to one's job.	Adds status to one's job.

**JOB EVALUATION**

Job evaluation is the process of evaluating one job to another to measure the worth job

**DEFINITION**

Edwin B Flippo defines “Job evaluation is a systematic and orderly process of measuring the worth of job in relation to other job”.

**OBJECTIVES OF JOB EVALUATION**

1. To develop a consistent wage policy
2. Helps to fix wage rates.
3. Helps to reduce wage controversies
4. To conduct wage survey
5. Helps to selecting employees
6. Basis for incentives & bonus

7. Helps to minimize wage discrimination

## PROCEDURES OR TECHNIQUES OF JOB EVALUATION

1. **Acceptance by all:** Job evaluation should be accepted by the mgt., employees and trade union.
2. **Formation of job evaluation committee:** A committee must be formulated to evaluate the job.
3. **Selection of jobs for evaluation:** Select the jobs for evaluation.
4. **Job description:** A detailed job description should be prepared.
5. **Job grading:** Jobs should be graded or classified according to the nature of job.
6. **Selection of job evaluation methods:** Select best method for evaluation.
7. **Consideration of job factors:** Job factors like skills, experience, initiation etc. should be considered.
8. **Job pricing:** Jobs should be priced in relation to its worth.
9. **Review:** Revision should be done.

## METHODS OF JOB EVALUATION

- Qualitative methods
- Quantitative methods

### QUALITATIVE METHODS

Under qualitative methods, job is evaluated to know the worth, but no step is to be taken to fix wages. The following are the qualitative methods:

#### 1. Ranking method

Under this method jobs are ranked according to the worth of job.

#### 2. Job grading or classification

under this method each job is allotted a grade. The committee goes through each job description and carefully weights it in the light of certain factors like skills, responsibilities etc.

### QUANTITATIVE METHODS

Under this method along with job evaluation, a base for wage fixation is also provided. The following are the quantitative methods:

#### 1. Point method

Under this method wages are determined after analyzing jobs worth in detail. In this method, a definite point is allotted to each factors considered. According to these jobs are graded.

## 2. Factor comparison method

This is the combination of ranking and point method. Under this method few jobs are selected as key jobs and it is evaluated. These key jobs are taken as standard against which other jobs are compared.

### ADVANTAGES OF JOB EVALUATION

1. Helps to bring uniformity in wage structure.
2. Helps to reduce cost of recruitment & selection of workers.
3. It helps to reduce favoritism.
4. Helps to eliminate inequalities in wage structure.
5. It is acceptable to management as well as workers.
6. Dispute relating to wage can be solved.
7. Base for declaring bonus.

### DISADVANTAGES OF JOB EVALUATION

1. Lack scientific precision.
2. No standard list for job factors.
3. It does not consider nature of job.
4. It does not consider individual merit.
5. It introduces inflexible wage structure.
6. It is time consuming.
7. Expensive.
8. It can be adopted only in large concern.
9. It does not consider wage differential with other firms.
10. Point method & factor comparison method are difficult to understand.

## RECRUITMENT AND SELECTION

### RECRUITMENT

Recruitment means searching for the appropriate employees to perform the job.

### DEFINITION

According to Edwin B Flippo “Recruitment is the process of searching for prospective employees and stimulating them to apply for the jobs in the organization”

### CHARACTERISTICS OF RECRUITMENT

1. Involves several activities like requisition, sourcing, and communication.
2. Acts as a link between employers and job seekers.

3. A positive function that builds a pool of eligible candidates.
4. Requires careful matching of candidates with jobs.
5. Main aim is to identify sources of recruitment.
6. Uses measures to attract potential employees.
7. A process of searching for prospective employees.

## **FACTORS AFFECTING RECRUITMENT**

### **INTERNAL FACTORS**

1. **Recruitment policy:** Specifies objectives, framework, sources, cost, and selection criteria to appoint the right person at the right time.
2. **Size of the organisation:** Larger organisations face fewer recruitment problems.
3. **Recruitment cost:** Recruitment should be within the budget per new employee.
4. **Growth and expansion:** Expansion plans require future-oriented recruitment.
5. **Human Resource plan:** Effective HR planning ensures successful recruitment.

### **EXTERNAL FACTORS**

1. **Demand and supply of skilled labourers:** High demand with low supply makes recruitment difficult.
2. **Unemployment problem:** High unemployment makes recruitment easier with a larger pool.
3. **Government policy:** Reservation rules must be followed (SC/ST, OBC, minorities).
4. **Labour market:** Local market for non-technical and middle level jobs, national market for professional jobs.
5. **Sons of the soil:** Preference often given to state candidates.
6. **Organisation image:** A good public image attracts qualified candidates easily.
7. **Labour legislations:** Laws like Child Labour Act 1986 and Employment Exchange Act 1959 affect recruitment policies.

## **RECRUITMENT PROCESS**

### **1. Recruitment planning**

Recruitment planning is concerned with deciding in advance what number of employees are required, what type, what qualification and experience.

### **2. Recruitment strategy**

Developing recruitment strategy like whether employees are recruited internally or externally, methods to be used, sources of recruitment, time of recruitment etc.

### 3. Searching

After developing recruitment strategy, search the required employees by choosing the source of recruitment fixed by the HRM.

### 4. Screening

After receiving the application, a primary scanning should be done.

### 5. Evaluation

Recruitment evaluation should be done after the employment programme.

## METHODS OF RECRUITMENT

### DIRECT METHODS

1. **Scouting:** the representative of the organization visits the educational institution and other institutes to select appropriate candidates.
2. **Employee contact:** the employees are directed to contact the public to talk about the vacancies which arising in the organization.
3. **Manned exhibits:** recruitment officers are directed to participate in seminars and conventions to conduct exhibitions or job fairs.
4. **Waiting list:** organization prepare waiting list of candidates. From these suitable candidates are selected.

### INDIRECT METHODS

Vacancies are notified in newspapers, journals, radio and TV media to recruit employees.

### THIRD PARTY METHOD

Private agencies and labour contractors can also be used for recruiting sufficient employees.

## SOURCES OF RECRUITMENT

### INTERNAL SOURCES

#### 1. Transfers

Transfer involves shifting an employee from one job to another without change in his responsibility and compensation.

#### 2. Promotion

Promotion is the changing an employee from lower position to higher position.

### **3. Demotion**

It involves changing an employee from higher position to lower position.

#### **ADVANTAGES OR MERITS OF INTERNAL SOURCES**

1. Economical
2. Saves time
3. Improve morale of employees
4. Motivate employees
5. No orientation is required
6. Reliable and accurate source
7. Self-development
8. Reduction in labour turnover

#### **DISADVANTAGES OR DEMERITS OF INTERNAL SOURCES**

1. Not suitable for entry level job
2. Limited options
3. Lack of originality
4. Reduces productivity
5. Denial of opportunities
6. Encourage favoritism
7. Lead to conflicts

#### **EXTERNAL SOURCES**

##### **1. Notice at the factory gate**

A notice which telling the vacancies can be placed on the factory gate.

##### **2. Unsolicited application**

Already received application can also be used for choosing appropriate employees.

##### **3. Casual callers**

Temporary can be changed as permanent.

##### **4. Advertisement**

An advertisement can be given in newspapers, journals, radio and TV to choose employees.

### **5. Employment exchange**

The employers can attach employment exchange to get the appropriate information regarding the job seekers.

### **6. Colleges, institutes etc.**

Appropriate employees can also be place through campus interview.

### **7. Labour contractors**

Organization can attach labour contractors to place skilled and semi-skilled workers.

### **8. Private agencies**

Recruitment agencies are another external source of recruitment.

### **9. Trade union**

Recommendation of trade union.

## **ADVANTAGES OR MERITS OF EXTERNAL SOURCES**

1. Wider options
2. Fresh talent
3. Availability of qualified persons

## **DISADVANTAGES OR DEMERITS OF EXTERNAL SOURCES**

1. Expensive
2. Time consuming
3. Lack of co-operation
4. Demoralization of present employees
5. Greater labour turnover
6. Lose the sense of security

## **MODERN TECHNIQUES UESD FOR RECRUITMENT**

1. Knowledge – based recruiting method
2. E- Recruitment / online recruitment method
3. Outsourcing
4. Poaching / raiding

## 1. KNOWLEDGE-BASED RECRUITING METHOD

- Targeted, client-directed, continuous, flexible recruiting to overcome skill shortages or support growth.
- Avoids restarting for every new opening.
- Yields better quality candidates, value-for-money, and time-to-hire rates.
- Relies on a long-term strategic relationship and mutual agreement on anticipated skill-set needs.
- Minimum ongoing recruiting activity agreed for a set period (e.g., 12 months).
- Immediate hires for available candidates; tracks future-interest candidates until they're available.
- Captures all recruitment site information in a knowledge database.
- Requires continuous monitoring of client needs and adjusts recruiting activity accordingly.
- Database used for current and future recruitment, covering candidates and target sites by location, product, or technology.
- Focuses on sharing and updating information continuously, building a talent pool.

## 2. E-RECRUITMENT / ONLINE RECRUITMENT METHOD

- Uses internet for candidate sourcing; social network recruiting is popular.
- Employers advertise vacancies on job sites or corporate websites for broad reach.
- Generates high application volume, unlike print ads.
- Applications and CVs sent via email or uploaded to job sites, viewable by employers.
- Tools include job websites (e.g., naukri.com), corporate sites, intranets.
- Saves resources by automating and streamlining recruitment, reaching larger candidate pools.
- Job postings include detailed descriptions to attract qualified candidates.
- Companies create online application sections, allowing passive seekers to submit resumes for future roles.
- Resume scanners help filter and match resumes efficiently for just-in-time hiring.
- Jobs can be posted immediately, at lower cost than newspaper ads; “passers-by applicants” may provide useful references.

### Advantages of e-recruitment:

- Low cost
- No intermediaries
- Reduction in time for Recruitment efficient recruitment process

### 3. OUTSOURCING

In India, HRM processes have been outsourced for over a decade. Companies use outsourcing firms to screen candidates and create a talent pool for final selection. Outsourcing firms charge for these services.

#### Advantages

- a) No need to plan for human resources far in advance.
- b) Value creation, operational flexibility, and competitive advantage.
- c) Management can focus on strategic HRM processes .
- d) Company avoids salary negotiations and filtering unsuitable candidates.
- e) Saves company resources and time.

### 4. POACHING/RAIDING

Poaching is hiring skilled employees from other companies, often competitors, by offering better pay and benefits. It is considered unethical and is common in the Indian software and retail sectors. This practice challenges HR managers and can weaken a company's competitive strength.

### OTHER RECRUITMENT METHODS

1. **Campus Recruitment:** Companies hire fresh graduates directly from colleges with no work experience.
2. **Walk In:** Candidates attend interviews directly on a specified date without prior application.
3. **Consult In:** Job seekers consult companies directly or through head hunters/search consultant.
4. **Body Shopping:** Professional organizations develop pools of trained personnel (mainly in IT) for possible employment, also known as employee leasing.

### CONCEPTS IN MODERN RECRUITMENT METHODS

1. **Scouting:** Sending company representatives to recruitment sources to share company details, attract candidates, and clarify doubts.
2. **Networking:** Building long-term professional relationships to find candidates through HR connections and resources.
3. **ESOP's:** Offering employees stock ownership to motivate and retain talent.

4. **Event Recruiting:** Sponsoring events and advertising at venues where potential candidates are present.
5. **Re-Recruiting:** Inviting back former skilled employees who left for better opportunities or personal reasons, reducing training costs.
6. **Every Employee a Recruiter:** Encouraging employees to refer eligible people using company contacts and promoting the brand.
7. **Cast a Wider Net:** Recruiting candidates with potential and training them, even if they lack all required skills.

### MODERN RECRUITMENT PRACTICES

1. **Sending of SMS:** Candidates can apply by texting "APPLY" to a number and receive instructions to proceed with the application process.
2. **Video / Visual Networks:** Companies use online video platforms like YouTube and Google Video for recruiting talent.
3. **Blogging on Social Networking Sites:** Platforms like Twitter, Facebook, LinkedIn, HRLink, CiteHR, Orkut, job fairs, banners, pamphlets, hoardings, and ads on public transport are used for recruitment.
4. **Advertisement through Public Address System:** Radio, TV, and media ads attract candidates. To appeal to passive candidates, companies must present career growth opportunities and an attractive image.
5. **Mobile Recruitment:** Recruitment via mobile apps and assessments makes the process faster, easier, and more convenient. It also attracts younger, tech-savvy candidates.

### LIMITATIONS OF HUMAN RESOURCE PLANNING

1. **Inaccuracy** – Forecasting demand and supply of human resources cannot be 100% accurate.
2. **Resistance of employees** – Employees feel manpower planning may increase workload.
3. **Constraints** – Issues like absenteeism, turnover, technology changes, and market fluctuations affect planning.
4. **Inefficient HRIS** – In many Indian industries, HR information systems are underdeveloped, making effective planning difficult.
5. **Non-involvement of top managers** – Lack of top management support hinders manpower planning and access to key information.
6. **Time consuming process** – Data collection and forecasting require high time and cost.

## CHAPTER – 3 SELECTION

### SELECTION PROCEDURES

#### 1. Receipt & Scrutiny of application

A number application may be received from candidates and HR department makes a detailed scrutiny of these application

#### 2. Preliminary Interview

It is the basic interview and normally conducted by assistant, receptionist to know whether the candidates are fit for the job or not.

#### 3. Blank application form

After preliminary interview a blank application form is issued to them which contains bio data, educational qualification, work experience, expected salary, reference etc. the candidates are directed to fill the blank columns provided in the form.

#### 4. Tests

Test is mainly conducted to examine the suitability of the candidate for the job. The management want to know the capabilities, skills, aptitude, interest etc. a number tests are conducted to know these.

#### Types of tests

##### a) Intelligence test

It is conducted to know the intelligence capacity of a candidate intelligence test includes

- Intelligence quotient (IQ)
- Emotional quotient (EQ)
- Spiritual quotient(SQ)

##### b) Trade test

Trade test is conducted to know the trading capacity of the candidates

##### c) Aptitude test

It is conducted to measure the aptitude and their capacity to learn the skills required for a particular job.

**d) Interest test**

These tests are conducted to know the field of interest of the candidates.

**e) Personality test**

It is conducted to check the personality and manners etc. of the candidates.

**5. Interview**

It is the face-to-face talk between employer and applicants. It is done mainly to know the personality, manners, alertness, traits etc.

**6. Checking reference**

If the candidates are fit for the job, HR manager check and contact the references given by the candidates to know the overall personality.

**7. Approval of supervisor**

After checking reference approval from supervisor should be obtained.

**8. Medical examination**

Medical examination should be conducted to examine whether the candidates are not suffering any type diseases.

**9. Final selection**

It is the process of giving appointment order.

**INTERVIEW**

It is the face-to-face talk between employer and applicant. It is done mainly to know the personality, manners, alertness, traits etc.

**TYPES OF INTERVIEWS**

**1. Formal interview**

candidates are informed about interview in advance. The place and date of interview are shown in interview card.

**2. Informal interview**

It is an oral interview. It is conducted at any place. This is not a planned interview.

### 3. **Patterned interview**

Under this type of interview various aspects of interviews are decided in advance like the time to be taken for each candidate, type of information collected etc.

### 4. **Non directive interview**

Directive questions are not asked to candidates. The candidates are asked to express their views on a general topic. It aims to find out the feeling, desires etc.

### 5. **Depth interview**

The questions are selected by interview board in advance and are asked candidates at the time of interview.

### 6. **Stress interview**

It is conducted to know how a candidate behaves in a particular situation

### 7. **Group interview (discussion)**

Candidates are divided into groups. Each group is given a topic for discussion. The interviewer sits in background and watches the discussion. He observes who are leading the discussion, how each candidate is presenting etc.

### 8. **Board interview**

There is a panel of interviewers consist of experts in different fields.

### 9. **Walk in interview**

There will be no formal application. Vacancies are advertised through newspapers. No call letter is sent. Interview is conducted according to the time and place mentioned in the ad.

### 10. **Campus interview**

It is conducted in the campus of college and other institutions.

### 11. **Exit interview**

It is conducted when an employee is leaving the organization.

## **INTERVIEWING SKILLS AND TECHNIQUES**

1. **Verbal communication skills:** Helps convey education, abilities, and experience clearly. Employers notice tone, pitch, and clarity. Speaking calmly improves understanding.
2. **Non-verbal communication:** Includes posture, gestures, facial expressions, and eye contact. Smiling and open body language show confidence, while crossed arms/legs show nervousness.

3. **Research capabilities:** Research job description and company to answer questions effectively and prove suitability for the role.
4. **Time management:** Reach early, plan travel, manage time for answers, and keep a buffer for delays.
5. **Confidence:** Show trust in your abilities through eye contact, calm speech, and body language. Confidence assures the employer of your skills.
6. **Active listening:** Listen carefully to questions to give relevant answers. Asking thoughtful questions shows engagement.
7. **Positive attitude:** A positive outlook can influence the hiring decision.
8. **Politeness:** Be polite with the employer and others you meet during the process.
9. **Honesty:** Share accurate and truthful information about yourself.

## INTERVIEW TECHNIQUES

Interview techniques that the candidates can use to improve chances of getting hired:

1. Make a good first impression.
2. Dress appropriately.
3. Smile-A smile denotes confidence in a candidate.
4. Improve interview skills.
5. Body Language - Use good posture, and look the interviewer right in the eye. Sit up straight Never slouch.
6. Speak Clearly - Don't mumble It portrays a lack of confidence. Speak with assurance This indicates confidence.
7. Listen Before Answering.
8. Give Brief Answers.
9. Know Your Resume - Be prepared to talk about every fact that is on your resume.
10. Express gratitude after interview.

## INTERVIEW PROCESS

1. **Preparation for the Interview**
  1. Determine objectives of the interview
  2. Select the right type of interview
  3. Know about the candidate
  4. Decide information to be obtained
  5. Select correct interviewers
  6. Select candidates for interview
  7. Finalise assessment forms

## 2. Settings

- Arrange interview room with proper furniture, neatness, and cleanliness
- Provide waiting room with newspapers, magazines, and drinking water
- Start interview on time

## 3. Conducting Interview

- a) Build friendly relationship (small talk, smile, offering seat)
- b) Collect information with open-ended questions and simple language
- c) Record all information, impressions, and observations
- d) Close interview on a happy note after gathering enough information
- e) Evaluate candidate's performance with marks/grades and publish selected list.

### DEMERITS OF INTERVIEW

1. **Personal bias:** Depends too much on interviewer's judgement, which may be incorrect.
2. **Halo effect:** Total worth judged on one or two traits.
3. **Inability to judge:** Interviewer may fail to assess skills and ability.
4. **Expectation of same qualification:** Prefers candidates with similar knowledge, skills, and values.
5. **Leniency:** Some interviewers give high or low scores consistently.
6. **Error in rating:** Good candidate may cause underrating of the next one.

### PLACEMENT

Placement means posting an employee after selection to a particular position.

#### DEFINITION

According to Dale Yoder "Placement means the determination of the job to which an accepted candidate is to be assigned to that job".

#### DIFFERENCE BETWEEN SELECTION AND PLACEMENT

SELECTION	PLACEMENT
It is related to the decision of accepting or rejecting an application on the basis of the candidate's performance.	It is related to the decision of placing a selected individual in one job rather than another.
The task is to match people with the position.	The task is to match positions with the people.
It is effectively done when the number of applicants is relatively large.	It is effectively done when the number of available jobs is large relative to the number of selected persons.

**DIFFERENCE BETWEEN RECRUITMEN AND SELECTION**

<b>Recruitment</b>	<b>Selection</b>
Method of personal placement	Procedures for personal placement
Process of inviting application from candidates	Process of elimination
Process of searching prospective employee and stimulating them to apply for the job	Create contractual relationship between employer and employees
Purpose is to create large number of applicants	Aims at elimination of unsuitable candidates
Simple process	Complex process

**EMPLOYEE ONBOARDING**

Employee onboarding is the process of integrating new employees, helping them feel comfortable, and providing information, tools, and support to succeed. It begins from the job offer until the employee becomes productive. It includes:

1. **Orientation:** Complete paperwork, explain policies and benefits.
2. **Setting up workstations:** Provide system access and training platforms.
3. **Introductions:** Introduce to coworkers and managers.
4. **Training:** Support to meet role expectations.
5. **Communication:** Share role expectations and onboarding schedules.

Onboarding sets the tone for long-term success, improves productivity, and increases retention. Duration may vary from days to months.

**Four Main Components**

1. **Compliance:** Legal and policy aspects, workplace rules, safety, and ethics.
2. **Clarification:** Clear roles, responsibilities, performance standards, and goals.
3. **Culture:** Understanding company values, ethos, and workplace environment.
4. **Connection:** Building relationships, networks, teamwork, and collaboration.

**TRAINING AND DEVELOPMENT OF EMPLOYEES**

When a new employee joins, they may not be fully capable of performing tasks effectively. Training helps them gain the necessary skills and knowledge for efficiency. With rapid technological changes, training keeps employees updated with new developments. Development goes beyond training, focusing on the overall growth of employees in managerial roles, including insights, attitudes, adaptability, leadership, and human relations. Thus, training and development aim to improve current or future performance by enhancing employee skills, knowledge, and attitudes.

## CHAPTER – 4

### TRAINING & DEVELOPMENT

#### TRAINING

Training is the process of increasing knowledge and skills for doing a particular job. It is a systematic programme of the organization which aims at increasing the aptitudes, skills and abilities of the workers to perform specific job.

#### DEFINITION

According to Edwin B Flippo “Training is the act of increasing the knowledge and skill of an employee for doing a particular job”.

#### DISTINCTION BETWEEN TRAINING AND DEVELOPMENT

TRAINING	DEVELOPMENT
Meant for non-managerial personnel	Meant for managerial personnel or executives
Focuses on developing specific and job-related skills	Aims to develop the overall personality of an individual
Short-term process	Long-term educational process
Involves technical and mechanical operation; designed for non-managerial personnel	Involves philosophical and theoretical concepts; designed for managers
Prepares employees for performing present job requirements	Prepares employees to meet future organizational needs

#### NEED FOR TRAINING

##### 1. Newly appointed persons

Training should be given to the newly appointed employees to enhance knowledge and skill to perform a particular job.

##### 2. Existing experienced employees

They are needing training to update their knowledge and acquire improved skills to retain their position in the organization.

### 3. Technological changes

Proper training should be given to the employees due to change in technology.

### 4. Environmental changes

Changing environment due to globalization and liberalization results fast change in technology. It demands training to employees.

### 5. Internal mobility

Training also should be given at the time of internal mobility like promotion, transfers etc.

### 6. Problems related with production

To overcome the problems like frequent accident, low productivity and quality, higher cost, higher rate of labour turnover etc., adequate training should be given.

## OBJECTIVES OF TRAINING

1. To increase employees' job knowledge.
2. To develop new skills.
3. To provide basic skills and knowledge to new entrants.
4. To bring positive changes in attitude.
5. To improve effectiveness in current roles.
6. To enhance overall organizational performance.
7. To ensure efficient handling of materials, machines, and equipment.
8. To reduce workplace accidents through safety training.
9. To develop higher-level skills in employees.

## SIGNIFICANCE AND ADVANTAGES OF TRAINING

1. **Increase in efficiency and productivity** – Training improves efficiency, increases production, and enhances overall performance.
2. **Elimination of wastage** – Trained employees handle materials and machines properly, reducing wastage and cost of production.
3. **Less learning cost and period** – Systematic training reduces time, cost, and effort in learning.
4. **Less supervision** – Trained employees need minimal supervision, lowering supervision cost.
5. **Higher employee morale** – Training builds positive attitude, job satisfaction, and morale.
6. **Reduction in employee grievances** – Training provides promotion opportunities, reducing grievances.
7. **Reduction in accidents and breakdowns** – Training ensures safe handling, reducing accidents and breakdowns.
8. **Reduction in labour turnover and absenteeism** – Training gives job satisfaction, reducing turnover and absenteeism.

9. **Personnel development** – Training enhances knowledge and skills, enabling career growth and promotion.
10. **Better organisational climate** – Improves employee-employer relations, participative management, and decentralization.
11. **Future requirement** – Regular training fulfils future personnel needs internally.

### **ADVANTAGES TO EMPLOYEES**

1. Enhance self-confidence.
2. Can perform the work properly.
3. Can handle machines safely.
4. Enables to adopt new assignments.
5. Obtain promotion quickly.
6. Helps to avoid stress, tension, frustration and conflicts.

### **TRAINING PROCESS**

#### **1. Assessment of training needs**

Training needs can be analyzed through organizational analysis, operational analysis and man analysis.

#### **2. Training objectives**

Training objectives should be determined properly

#### **3. Designing training policy**

It consists deciding the policy like result expected, type of training, time and place of training, remuneration to employees at the time of training etc.

#### **4. Designing training programme**

After deciding training policy, the next step is to design an appropriate training Programme

#### **5. Fixing the responsibility of training**

After designing the training programme responsibilities regarding the training should be fixed.

#### **6. Selection of trainees**

HRM should select appropriate trainees to transform the skills and knowledge.

#### **7. Preparation of training**

It includes preparation of the trainers and trainees

## **8. Designing the training course**

It includes the deciding the contents of training, study notes, case studies required etc.

## **9. Rules for conducting training**

It consists time table, work, timing, personal attention, employment etc. in the training

## **10. Presentation**

It is the stage of giving training to the employees by using different methods of training

## **11. Examination of the performance**

It is the stage of evaluating the performance of trainees during the training period.

## **12. Follow up**

Evaluation training

## **ORIENTATION OR INDUCTION TRAINING**

This training is given to new employees to help them adjust to the organisation, workplace, and colleagues. It reduces nervousness, fear, and insecurity by providing necessary information about the organisation, rules, policies, and facilities.

## **OBJECTIVES OF INDUCTION**

1. To familiarise new employees with surroundings, rules, and regulations.
2. To create a sense of belonging.
3. To build self-confidence.
4. To help overcome shyness and fear.
5. To create close relationship with existing employees.
6. To provide information about cafeteria, toilets, restrooms, etc.
7. To give knowledge of:
  - a) History, products, and operations of company
  - b) Geography of the plant
  - c) Organisation structure and department functions
  - d) Wage policy, rules, working hours, safety, discipline, uniforms etc.
  - e) Recreation services
  - f) Other facilities available

Induction helps employees work effectively and align personal goals with organisational goals.

## **Types of Induction**

1. **Induction by personnel department** – provides company-related information.

2. **Induction by supervisor** – involves:
  - a) Greeting the newcomer.
  - b) Explaining duties.
  - c) Explaining job role and its importance.
  - d) Introducing to existing employees.
  - e) Explaining available training facilities.

## **OTHER TYPES OF TRAINING**

### **1. Job training**

This type of training is provided to increase the knowledge and skills of employees for improving the performance on the job.

### **2. Craft training**

Training is given to employees in the different crafts by an experienced craft man. Eg; apprenticeship training.

### **3. Safety training**

This type training is provided to minimize accidents and damage to machinery.

### **4. Promotional training**

In this type, training is provided to existing employees to enable them to occupy higher posts.

### **5. Refresher training**

This type training is given to existing employees to adapt change in technology.

### **6. Remedial training**

This type of training is provided to overcome the short coming in the behavior of employees.

## **METHODS OF TRAINING**

### **I. ON THE JOB TRAINING**

Under this method new worker is placed on a regular job and training is given by his immediate supervisor at the working place itself. This type of training is called learning by doing. The following are the on-the-job training methods.

- a) **Coaching:** Under this method supervisor guides and coaches his subordinate to acquire knowledge and skills
- b) **Under study:** The subordinates learn through experience and observations.

- c) **Job rotation:** A trainee is transferred from one job to another job to learn all type of works.

### **MERITS OF ON-THE-JOB TRAINING**

1. Economical, no extra facilities required.
2. Trainees learn rules and procedures while working.
3. Short learning period.
4. Suitable for unskilled and semi-skilled jobs.
5. Effective through personal observation.
6. Training on actual machines in real settings.

### **DEMERITS OF ON-THE-JOB TRAINING**

1. Workplace noise and interruptions affect focus.
2. Can be unorganized if trainer is poor.
3. Risk of damage to machines and equipment.

## **II. OFF THE JOB TRAINING**

### **1. Special courses**

it is conducted with the help of experts. Experts conduct a series of lectures to impart knowledge and skills.

### **2. Conferences**

employees in the same or different organizations comes together to discuss the various aspects of a particular topic. Experts deliver lectures after discussion

### **3. Case study**

In this form, a trainee undertakes a case study and learns how decisions were arrived at in such practical situation. Cases are discussed in a group.

### **4. Seminars**

A trainee presents a paper on a particular topic. Copies of the document are circulated among participants and it is discussed.

### **5. Role playing**

Here trainee is required to play the role supervisors. A problem or work situation is given to them to solve.

### **6. Sensitivity training**

This type of training is aimed at creating and improving sensitivity to the feeling of others. Trainees are required to share their experience.

**7. Lectures**

It is the verbal presentation by an instructor to a large audience and impart knowledge and skills.

**8. Audio visuals**

TV slides, video films etc demonstrate in front of trainees to impart knowledge and skills.

**9. Simulation**

It is an attempt to create realistic decision-making environment for the trainees.

**10. Laboratory training**

It is a group training technique. It is done to improve mutual understanding, human relationship etc.

**III. VESTIBULE TRAINING**

A special area or room is set aside from the production area. The room is occupied with furnishing similar to those found in work place. The trainee is permitted to learn and work at this place.

**IV. Apprentice training**

The selected persons work under experienced supervisors who give guidance and help while doing the job. The apprentice will get stipend during the training period.

**V. Class room training**

Under this, training is provided in organizations' class rooms or in educational institutions in the form of lectures, case studies etc.

**VI. Leaner training**

It provides when trainees lack basic knowledge. First, they are given education in vocational schools and then are allowed to learn operation of machines.

**VII. Internship training**

It is a joint programme of training conducted by educational institutions and business firm. Selected candidates carry on regular studies in educational institutions and business firm provide practical training.

**VIII. Computer based training**

Training given to candidates with the help of computer technology.

**IX. E- learning**

Training by using internet.

## **MANAGEMENT DEVELOPMENT PROGRAMME**

It is a systematic process through which managers develop abilities to manage. An organised approach with objectives, paths, and accomplishments.

According to Molander: “Conscious and systematic process to control development of managerial resources for goals and strategies.”

Aim: Transform intermediate managers into leaders; create strong management culture; retain valuable employees; prepare for change; enhance overall skills.

### **BASIC FEATURES OF MDP**

1. Planned and organized process of learning.
2. Ongoing and continuous throughout career.
3. Long-term process, not instant.
4. Guided self-development with organizational support.
5. Prepares managers for better performance and full potential.

### **OBJECTIVES OF MDP**

1. Improve performance of managers/executives.
2. Provide competent people for future organizational needs.
3. Help managers cope with organizational problems.
4. Create growth-conducive environment.
5. Boost morale of managers and employees.
6. Increase efficiency for better performance.
7. Apply knowledge of social and physical aspects of management.
8. Provide leaders and prepare managers for adapting to changes.
9. Replace elderly executives with qualified professionals.

### **NEED FOR MDP**

1. Provides stress-free, satisfying work environment → higher productivity.
2. Helps employees explore hidden skills → builds confidence.
3. Motivates fewer active employees to take higher assignments.
4. Increases effectiveness; trains managers for stress and growth.
5. Boosts efficiency and skills for future performance.
6. Managers need varied skills for complex jobs → requires training.
7. Prepares managers for new IT and technological developments.

8. Prevents executive obsolescence with self-development.
9. Helps retain worthy employees.
10. Improves customer service of the organization.

## METHODS OF MANAGEMENT DEVELOPMENT

### 1. ON THE JOB METHODS

- a) **Coaching** – Trainee works under a senior manager who guides, corrects errors, and improves efficiency.
- b) **Mentoring** – A senior mentor supports and guides a junior (mentee) for career and skill development.
- c) **Job Rotation** – Employees are rotated across jobs to gain broader skills and prepare for higher responsibilities.
- d) **Understudy** – A junior is trained to perform the senior's duties, preparing for future replacement.
- e) **Project Assignment** – Trainee handles a project related to departmental goals, developing analytical and problem-solving skills.
- f) **Committee Assignment** – Trainee participates in committees to study issues, gaining wide perspectives.
- g) **Multiple Management** – Junior advisory boards study company problems and give recommendations.

### 2. OFF-THE-JOB METHODS

- a) **Case Study Method** – Trainees analyze real business situations to improve decision-making and analytical skills.
- b) **Incident Method** – Trainees act out roles in incidents based on real situations to develop judgment and awareness.
- c) **Role Playing** – Trainees perform roles in simulated situations to learn human relations skills.
- d) **Sensitivity Training** – Trainees increase self-awareness and interpersonal sensitivity through group discussions.
- e) **Conference Training** – Group meetings to discuss issues, develop knowledge, and share viewpoints.
- f) **Lectures** – Trainer delivers facts, concepts, and principles systematically.
- g) **Behaviour Modelling** – Demonstrates desired behaviour, allows trainees to practice, role play, and get feedback.
- h) **Transactional Analysis** – Studies communication transactions between Child, Adult, Parent ego states to improve relationships.
- i) **Special Courses** – Institutes and consultancy organisations conduct generic/customized management courses.

- j) **Business Games** – Teams manage simulated firms, make decisions, and compete, developing leadership and decision-making.
- k) **Brainstorming** – Group idea-sharing technique to generate solutions for problems.

## **STAGES OF MANAGEMENT DEVELOPMENT PROGRAM**

### **1. Looking at Organization's Objectives**

The first step is to study the organization's overall objectives. Objectives determine "where we are going" and form the framework for identifying executive development needs.

### **2. Identification of Development Needs**

This involves planning and forecasting the organization's present and future managerial requirements. It is usually based on job description, job specification, and job analysis, focusing on: The education, experience, skills, knowledge, and personal traits needed. Most firms prefer to train their own executives, but in cases of critical talent shortages, external recruitment may be necessary.

### **3. Inventory of Managerial Talent**

A management manpower inventory is created, containing complete information about each executive's background, education, test results, and performance appraisals. Tools like replacement charts or tables may be used. This helps identify Executives who can be trained for higher roles, Areas of managerial shortages or skill gaps, Potential obsolescence among current managers etc.

### **4. Appraisal of Present Managerial Talent**

A qualitative evaluation of current executives is carried out. Each manager's performance is compared with expected standards. Personal traits (e.g., leadership, adaptability, communication) are assessed to judge promotion potential and suitability for higher responsibilities.

### **5. Planning of Individual Development Programs**

Tailor-made programs are designed to suit the needs of individual executives. Based on performance appraisals, strengths and weaknesses are identified. This ensures a balance between personal growth and organizational requirements.

### **6. Establishment of Development Programs**

The personnel/HR department designs and executes comprehensive training programs. These may include: Short-term intensive crash courses, Training in human relations, leadership, and communication. The program is chosen based on organizational needs, time availability, and cost considerations.

## 7. Evaluation of the Program

Systematic assessment is conducted to measure the program's effectiveness. Data is collected to determine whether the development efforts are helping in achieving organizational objectives. The feedback is used to improve future programs and ensure better utilization of training resources.

### **EXECUTIVE DEVELOPMENT PROGRAMME(EDP)**

Executive Development Programme (EDP) is a senior leadership program that develops management and leadership skills for current and future career roles. EDP uses diverse learning methods such as lectures, case studies, role playing, networking, and experiential activities, focusing on decision-making in volatile and complex environments.

#### **Key Areas of Development**

1. **Strategic Thinking** – Ability to think creatively and critically about challenges and opportunities.
2. **Organizational Dynamics** – Skills to design, implement, and manage new initiatives.
3. **Business Knowledge** – Insights into finance, marketing, operations, and corporate strategy.
4. **E-Business Applications** – Understanding how to apply digital and e-business solutions.
5. **Management Skills** – Developing confidence to take difficult business decisions.

Executive development is:

1. **Continuous Process** - Executive development is lifelong. It focuses on improving personality, attitudes, and skills over time.
2. **Long Process** - It is gradual and time-consuming since managerial skills cannot be developed overnight.
3. **Planned Activity** - It is systematic, well-organised, and not based on trial and error.
4. **Involves Stresses and Strains** - Development takes place in challenging situations, not in complete comfort.
5. **Conducive Environment** - Requires a supportive, motivating, and feedback-rich environment.
6. **Guided Self-Development** - Success depends on the manager's own desire to learn and grow. External training helps, but internal motivation is essential.

### **OBJECTIVES OF THE PROGRAMME**

1. Draft comprehensive business policies aligning vision, mission, and objectives.
2. Develop organizational and functional strategies in management.
3. Sensitize to contemporary issues like globalization, quality, ethics, and customer orientation.
4. Understand management functions in a changing global economy.
5. Build a second line of competent officers for future roles.

6. Prevent obsolescence by keeping executives updated on new concepts and techniques.
7. Develop and use the latest management techniques for productivity.
8. Improve managers' performance at all levels through new information and techniques.
9. Optimize utilization of managerial resources in the organization.

### **PROCESS OF EXECUTIVE DEVELOPMENT PROGRAMME**

1. Analyzing Development Needs
2. Appraisal of Present Management Talent.
3. Inventory of Executive Manpower
4. Planning Individual Development Programmes
5. Establishing Training & Development Programmes
6. Evaluating Development Programmes

### **METHODS OF EXECUTIVE DEVELOPMENT**

#### **On-the-Job Techniques**

Coaching, Understudy, Job Rotation, Special Project Assignments, Committee Assignment, Multiple Management

#### **Off-the-Job Techniques**

Special Courses, Case Studies, Role Playing, Lectures & Conferences, Management Games, Brainstorming.

### **CAREER DEVELOPMENT AND PLANNING**

The process of job hunting has evolved, with companies now seeking different strengths and skills and implementing more complex assessment methods. The balance of power in hiring now favors employers, and competition is intense. HRM must be aware of these challenges.

A career covers all employment types and is no longer limited to lifelong commitment to a single field. It now includes all work done in a lifetime (paid, unpaid, voluntary) and involves multiple roles (student, homemaker, worker, etc.).

According to Flippo, a career involves a sequence of related work activities bringing continuity and meaning. Careers are shaped by culture, family, age, and experience. Today, paths are unpredictable due to technology, customer demands, and business changes. Employees are often responsible for their own career planning, but organizational support is rare.

## **CAREER DEVELOPMENT**

Career development spans life and covers all work roles, linked to self-concept and environment. It is a process of strategically planning and creating a future at work, focusing on learning and seizing opportunities to benefit both individual and organization. Both employer and employee play a role, but employees now bear increasing responsibility.

Employees must be aware of internal and external career paths, using resources like HR sites and training. Ultimately, individuals are responsible for landing their preferred jobs.

### **1. Identifiable Career Paths**

Employees should discuss career paths with supervisors and plan for upward mobility, possibly changing jobs for advancement.

### **2. On-the-Job Training**

Job-specific training is provided, often by experienced employees over 2–3 weeks. Employees should request training if it is not offered.

### **3. Cross-Training**

Employees learn skills in different departments, expanding abilities and increasing job mobility. Feedback is given by both department managers.

### **4. Mentoring**

Senior professionals mentor juniors, guiding on career and skills. Frequent dialogue (at least weekly) enhances mentoring success.

### **5. Networking Events**

Activities like off-sites and town halls help in meeting colleagues and building relationships that can aid in career advancement.

### **6. Structured In-House Development Programs**

Companies offer tailored training programs to address skill gaps and business needs (e.g., negotiation, risk management, Excel).

### **7. External Seminars**

Business schools and organizations run forums and workshops. Employees should consult supervisors about eligibility and opportunities for these programs.

## **OBJECTIVES OF CAREER DEVELOPMENT**

### **1. Self-Awareness**

Helps employees identify strengths and weaknesses, focus on improvements, and gain a realistic outlook on career opportunities and limitations.

### **2. Flexibility**

Encourages employees to adapt to changing work environments, update skills, and remain competitive.

### **3. Education**

Provides information about job opportunities, training options, and follows up to measure program effectiveness.

### **4. Sensitivity to Diversity**

Promotes understanding of diverse cultures and viewpoints to avoid workplace conflicts and support effective teamwork.

## **STEPS IN CAREER DEVELOPMENT**

### **1. Self-Assessment**

Understand strengths, weaknesses, interests, values, aptitudes, and personal traits. Use tools like online assessments, feedback, and reflection. Helps identify suitable career directions and personal capabilities.

### **2. Career Planning**

Systematic process to select career goals and plan the path to achieve them. Involves discovering and developing talents and aligning them with organisational needs.

#### **Stages of Career Planning:**

- a) Identify occupational clusters of interest.
- b) List potential career choices.
- c) Gather detailed information about each choice.
- d) Narrow to 2–5 most desirable options.
- e) Evaluate and choose the best alternative.

### **3. Job Search Resources**

Develop a personal career plan with activities and timelines. Set clear objectives, list tasks to achieve them, and assign deadlines. Regularly review progress and share the plan with a mentor, friend, or supervisor for accountability.

## IMPORTANCE OF CAREER DEVELOPMENT

1. **Career Enhancement** – Helps employees acquire new skills to grow and advance.
2. **Education** – Learn new tasks, courses, or skills; may be supported by employer.
3. **Identification of Opportunities** – Awareness of other positions, departments, or roles within the organization.
4. **Significance** – Allows supervisors to utilize employees' abilities effectively.
5. **Potential** – Highlights employee value to the organization; can improve career prospects and resume.
6. **Time Frame** – Helps set realistic timelines for learning and achieving goals.
7. **Networking** – Participation in events, conferences, and meetings to build connections and opportunities.

## ROLE OF CAREER DEVELOPMENT

Career development is a lifelong process of learning, exploring, and advancing in a chosen field. Organizations can support employees by offering career development programs, leading to motivation, productivity, and satisfaction. It involves certifications, degree programs, skill-building, and continuous learning. Employees expect skill improvement, experience, and employer support for their goals. Career paths (progression across roles) and career ladders (steps within a job classification) guide employee growth. Organizations can create career path programs with clear charts, job descriptions, skill roadmaps, training, and mentoring. Focus should also be on developing soft skills alongside technical growth.

## Challenges in career development

1. **Lack of qualifications** – Not meeting education/skill criteria; need to gain training, certifications.
2. **Lack of experience** – Hard to enter roles without it; use transferable skills/side projects.
3. **Lack of self-belief** – Doubting abilities; focus on strengths to build confidence.
4. **Industry/position changes** – Shifts like technology demands new skills; need flexibility and continuous learning.
5. **Problems after promotion** – Struggles in new roles; find mentors for guidance.
6. **Time limitations** – Hard to balance work and goals; schedule time consistently.
7. **Panic/fear** – Fear of change or promotion; analyze and manage fears.
8. **Financial obligations** – Money pressures block career goals; make financial plans.
9. **Unclear goals** – Uncertainty about career direction; research industries/roles.
10. **Burnout** – Stress or dissatisfaction; identify causes and consider change if needed.

## Ways to Overcome Challenges

1. **Identify goals and values** – Define strengths, passions, and use tools (SMART goals, SWOT).
2. **Create a career plan** – Outline goals, anticipate challenges, and prepare (e.g., leadership courses).

3. **Seek feedback and mentorship** – Gain skill improvement, guidance, and confidence.
4. **Learn new skills and update resume** – Adapt to trends; highlight results/accomplishments.
5. **Network and build relationships** – Use events, referrals, alumni links, social media.
6. **Take action and evaluate progress** – Use action plans, to-do lists, and reflection tools.
7. **Seek help/support** – Rely on family, mentors, professionals, or support systems.
8. **Adapt to change** – Stay flexible, adjust priorities, and explore transferrable skills in other industries.



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## CHAPTER – 5

# ORGANISATIONAL CULTURE AND EMERGING TRENDS

Organizational culture is the set of values, beliefs, attitudes, systems, and rules that shape employee behaviour and influence interactions with customers, stakeholders, and the brand. It defines the workplace environment and guides how employees act and make decisions. The term corporate culture emerged in the late 1980s and refers to the shared beliefs, values, and expectations that shape company ethos, decision-making, and employee roles.

### FEATURES OF ORGANISATIONAL CULTURE

1. **Clear purpose and direction:** Provides focus, unity, and guidance for goals and daily operations.
2. **Shared common values:** Core beliefs and principles that guide behaviour, decision-making, and interactions.
3. **Transparent and regular communication:** Open sharing of information builds trust, collaboration, and alignment with goals.
4. **Collaboration and teamwork:** Promotes cooperation, innovation, problem-solving, and efficiency.
5. **Active involvement and commitment:** Engaged employees are more productive, contribute ideas, and take initiative.
6. **Opportunities for growth:** Training, mentorship, and career development increase satisfaction and retention.
7. **Recognition and rewards:** Acknowledging contributions motivates employees, reinforces behaviour, and builds loyalty.
8. **Welcoming and inclusive atmosphere:** Diversity and respect ensure equity, better decision-making, and innovation.
9. **Opportunities for upskilling:** Training and skill development help employees grow and advance in their careers.

### FACTORS DETERMINING ORGANISATIONAL CULTURE

1. **Originator's influence:** Founders' values and beliefs shape the initial and lasting culture.
2. **Competitiveness:** Competition among employees strengthens a driven and ambitious culture.
3. **Corporate success & shared experiences:** Success stories and shared experiences reinforce strong culture.
4. **Innovation and risk-taking:** Innovative and risk-taking employees create a dynamic culture.
5. **Focus on results:** Prioritizing results over strict methods strengthens cultural focus.

6. **People and team orientation:** Considering impacts on people and teams develops a caring culture.
7. **Shared perceptions:** When everyone sees values and norms similarly, the culture is strong.
8. **Market reputation:** The quality and reputation in the market shape organizational culture.

## EMERGING TRENDS IN ORGANISATIONAL CULTURE

1. **Focus on well-being:** Companies implement wellness and mental health programs for employee well-being.
2. **Flexible work arrangements:** Remote work, flexible hours, and autonomy support work-life balance and satisfaction.
3. **Emphasis on learning and development:** Training, mentorship, and upskilling help employees remain relevant and improve their skills.
4. **Emphasis on diversity, equity, and inclusion:** Organizations prioritize DEI through training, hiring, and resource groups for a more inclusive workplace.
5. **Digital transformation:** Use of digital tools and technologies improves communication, collaboration, performance feedback, and employee experience.
6. **Cultural sensitivity:** Promoting awareness, respect, and inclusivity supports harmony; virtual team-building activities help connect remote teams.

## PERFORMANCE MANAGEMENT

Performance Management is a continuous and systematic process by which organizations improve their effectiveness by developing the performance of individuals, teams, and the organization as a whole. It is not just about evaluating past performance but also about planning, monitoring, developing, and rewarding employees to achieve organizational goals.

It aims at aligning individual objectives with organizational objectives, ensuring that every employee contributes to overall success.

### DEFINITION

**Michael Armstrong (2006):** “Performance management is a means of getting better results from the organization, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements.

### NATURE OF PERFORMANCE MANAGEMENT

1. **Goal-Oriented** – Links individual performance with organizational goals and creates positive task motivation.
2. **Continuous Process** – Provides ongoing feedback, coaching, and not just annual reviews.

3. **Developmental** – Helps employees perform to their best abilities and supports growth.
4. **Collaborative** – Involves managers and employees in goal-setting and performance discussions.
5. **Accountability & Transparency** – Focuses on fairness, clear expectations, and open communication.
6. **Dynamic & Flexible** – Can be adapted to changing organizational needs.
7. **Systematic** – Involves goal-setting, monitoring, evaluation, and performance improvement plans.
8. **Motivational** – Recognizes and rewards success, increasing engagement and job satisfaction.
9. **Integrated with Culture** – Builds trust, reduces conflict, and fosters organizational performance.

## FEATURES OF PERFORMANCE MANAGEMENT

1. **Clarity of organizational goals:** Managers should clearly define goals, communicate them to all levels, and align them with individual, team, and departmental objectives.
2. **Cooperation but not control:** Work should be achieved through cooperation and harmony, not compulsion.
3. **Evaluation:** Performance of individuals, teams, and departments must be continuously evaluated through a scientific system.
4. **Self-management teams:** Encourage self-management to build responsibility, commitment, and self-evaluation for reducing performance gaps.
5. **Leadership development:** Identify and develop employees with leadership potential and ensure effective communication.
6. **System of feedback:** Establish a continuous, reliable feedback system for individuals, teams, and departments to improve performance.

## OBJECTIVES

1. Emphasize career planning and growth opportunities.
2. Set goals for individuals, teams, and the organization.
3. Establish performance standards for fair evaluation.
4. Align individual and team goals with organizational vision.
5. Improve efficiency, productivity, and employee engagement.
6. Encourage belongingness, team spirit, and devotion.
7. Provide feedback for HR planning and decision-making.
8. Identify training and development needs.
9. Promote a positive work culture.
10. Use a systematic approach to performance appraisal.
11. Strengthen manager–employee relationships through communication.
12. Recognize, reward, and compensate employees fairly.
13. Identify gaps and provide training, coaching, or mentoring.
14. Build a performance-driven culture of innovation and excellence

## IMPORTANCE OF PERFORMANCE MANAGEMENT

1. **Enhancement:** Improves individual and organizational performance through a structured approach.
2. **Increased employee engagement:** Sets clear expectations, provides growth opportunities, and makes employees feel valued.
3. **Transparency:** Creates a clear framework for goals, fostering purpose and alignment.
4. **Higher employee retention:** Clear career paths and progression increase employee commitment and loyalty.
5. **Communication:** Enables regular feedback and open dialogue, ensuring clarity and accountability.
6. **Development:** Identifies strengths/weaknesses and tailors training for a skilled, adaptable workforce.
7. **Recognition:** Rewards high performers through financial, non-monetary, or career growth opportunities.
8. **Future-proofing skills:** Detects and addresses skill gaps to maintain competitive advantage.
9. **Culture of feedback and trust:** Promotes honesty, openness, and a transparent performance process.
10. **Improved organizational performance:** Enhances revenue, customer satisfaction, and overall growth.

## TYPES OF PERFORMANCE MANAGEMENT IN HRM

1. **Traditional Performance Management:** Relies on annual reviews and ratings; often time-consuming and demotivating.
2. **360-Degree Feedback:** Collects feedback from peers, subordinates, and customers for a holistic view of performance.
3. **Goal-Based Performance Management:** Uses SMART goals with regular monitoring and feedback aligned to organizational objectives.
4. **Continuous Performance Management:** Focuses on ongoing feedback and coaching, agile for fast-paced environments.
5. **Behaviorally Anchored Rating Scales (BARS):** Evaluates performance with specific observable behavioral indicators.
6. **Management by Objectives (MBO):** Joint goal setting between managers and employees with regular check-ins and evaluations.
7. **Balanced Scorecard:** Combines financial, customer, internal process, and people perspectives to align strategy with objectives through KPIs and initiatives.

## PERFORMANCE APPRAISAL

Performance appraisal is the process of evaluating the performance of employees. It is a systematic process of assessing, summarizing and developing work performance of employee.

## DEFINITION

According to Scot, Clothier and Spreigal “Performance appraisal is a process of evaluating an employee’s performance of a job in terms of its requirements”.

## FEATURES OF PERFORMANCE APPRAISAL

1. Continuous process
2. Systematic examination of an employee’s strength and weakness
3. Scientific study
4. Periodic analysis
5. Corrective action
6. Performance planning and controlling
7. Impartial rating of an employee’s excellence

## NEED AND IMPORTANCE OF PERFORMANCE APPRAISAL

1. **Development and training needs:** Identifies employees who need further training and development.
2. **Helps to improve performance:** Improves employee performance through feedback, guidance, and counselling.
3. **Personnel decisions:** Provides information for pay, promotion, transfer, demotion, and termination decisions.
4. **Rectify recruitment effectiveness:** Evaluates the effectiveness of recruitment, selection, placement, and orientation.
5. **Competitive spirit:** Creates competition and motivates employees to perform better.
6. **Develop confidence:** Systematic appraisal reduces grievances and builds employee confidence.
7. **Aids personnel research:** Supports research on causes and effects in personnel management.
8. **Identify strengths and weaknesses:** Highlights employees’ strengths and weaknesses in their current roles.
9. **Systematic evaluation:** Assists supervisors in evaluating subordinates systematically.
10. **Inspiration:** Strengthens employer-employee relations with mutual confidence.
11. **Feedback:** Provides useful feedback for employees and managers to take corrective actions.

## OBJECTIVES OF PERFORMANCE APPRAISAL

1. To improve the job performance of employees.
2. Identify the potentialities of employees.
3. To prevent grievances and disciplinary activities of employees.
4. To evaluate success of training.

5. To motivate employees to perform well.
6. To provide coaching, counseling and career planning to employees.
7. Establish mutual relation between employer and employees.
8. To test effectiveness of recruitment, selection etc.
9. To facilitate research in personnel management.
10. To provide information for promotion, transfer, demotion etc.
11. To facilitate comparative study.

## **PROCESS OF PERFORMANCE APPRAISAL**

### **1. Determination of objectives**

Objectives of performance appraisal should be determined and defined. It may be for the purpose of giving promotion or transfer, to check the effectiveness of training etc.

### **2. Establishing performance standards**

To facilitate comparison with actual performance, performance standards or criteria should be established.

### **3. Communicating the standards**

After establishing standards, these should be communicated with the employees to know, what is management expected.

### **4. Measuring performance**

After communicating the standards of performance with the employees, the actual performance should be measured to facilitate comparison with standards.

### **5. Comparing the actual with standards**

Actual performance should be compared with the performance standards to check whether the employees are performing well or not.

### **6. Discussion**

After comparison, the result should be discussed and analysed for deviation.

### **7. Corrective action**

Necessary actions should be taken to correct the performance if there is deviation from standards.

## **TYPES OF APPRAISALS**

1. **Formal appraisal:** Used in medium/large industries with a step-by-step professional procedure.
2. **Informal appraisal:** Common in small units; casual, unsystematic, and without formal procedure.
3. **Appraisal by subordinates:** Employees evaluate superiors, though often limited by inexperience.

4. **Individual appraisal:** One person appraises all subordinates.
5. **Group appraisal:** A group of supervisors jointly evaluates employee performance.
6. **Initial appraisal:** Done during training to assess job suitability and future potential.
7. **Promotional or potential appraisal:** Conducted to select candidates for promotion and training.

## **METHODS OF PERFORMANCE APPRAISAL**

The following are the techniques.

- Traditional methods
- Modern methods

### **TRADITIONAL METHODS**

#### **1. Ranking method**

Under this method, employees are ranked according to the performance. It is a best method for employee comparison

#### **2. Grading method**

Under this method, certain categories of abilities like excellent, good, poor etc. are defined in advance. Actual performance is compared with these categories and allocated a grade according to their performance.

#### **3. Graphic rating scale**

Each scale represents a job-related performance criteria or trait. Each scale ranged from excellent to poor. There are two types of rating scales.

#### **4. Critical incident method**

The supervisor records the employee's behavior not traits during critical events. The rating is done on the basis of employee's positive or negative behavior during these events.

#### **5. Essay appraisal method**

Under this technique, asks the rater to write a paragraph or more covering an individual's strength, weaknesses, potential, and so on.

#### **6. Forced distribution method**

Under this method weights are allocated to statements which varies according the importance of statements. Later total mark is calculated on theses weights.

#### **7. Confidential report**

The immediate superior prepares confidential report of his subordinates. It covers attendance, initiative, technical ability, responsibility, achievement and failure etc.

## 8. Check list method

A check list is a statement of performance of employees on the job. It is prepared in two columns namely a 'yes' column and a 'no' column. The candidates are required to read the statement and put a tick mark in 'yes' column if the statement is positive and in 'no' column if the statement is negative.

### MODERN METHODS

1. **Management By Objectives (MBO):** MBO is a system of improving performance, both of the individual and managers and the enterprise as a whole, by setting objectives and ensuring subordinates participation.
2. **360-Degree Feedback:** Feedback from managers, peers, subordinates, and customers.
3. **720-Degree Feedback:** Introduced by Cadbury in 2010; measures performance twice with feedback and guidance for improvement.
4. **BARS (Behaviorally Anchored Rating Scale):** Rates employees based on specific behavioural examples combined with numerical values.
5. **Assessment Centers:** Employees are evaluated through role plays, simulations, group tasks, etc., under trainer observation.
6. **Human Resource Accounting:** Measures employee's monetary contribution vs. cost to the company.
7. **Forced Distribution Method:** Employees ranked within a set distribution curve.
8. **Peer Reviews:** Feedback given by coworkers.
9. **Self-Assessment:** Employee evaluates own performance.

### LIMITATIONS OF PERFORMANCE APPARISAL

1. Inconsistent rating
2. Halo effect or influence of performance
3. Personal bias of appraiser
4. Strictness in appraising
5. Average rating
6. No definite standards
7. Lack of reliability
8. Incompetency of rater
9. Trade union resistance
10. Similarity error

**DIFFERENCE BETWEEN PERFORMANCE MANAGEMENT AND PERFORMANCE APPRAISAL**

<b>PERFORMANCE MANAGEMENT</b>	<b>PERFORMANCE APPRAISAL</b>
Ongoing and continuous process	Periodic, often annual or biannual
Forward-looking, emphasizes improvement	Evaluates past performance based on immediate past
Comprehensive: includes goal setting, feedback, development planning, alignment with vision, mission and values	Specific to evaluation and rating for the year
Holistic: involves employee–organization relationship and fosters engagement	Individualistic, limited only to evaluation
Aims at enhancing performance and development	Summarizes and evaluates past performance
Focuses on helping employees develop and increase productivity	Evaluates performance but does not emphasize productivity improvement
Strategic: constantly measures performance, formulates new strategies for development	Operational: follows protocol, focuses only on performance result
Dynamic: involves dialogue between employees and managers, encourages discussion	Linear: top-down communication, limited discussion after appraisal
Improves communication and fosters collaboration within the organization	Does not address perception gaps; intent of HR and employees often differ
Appraisals are a part of performance management, making them more accurate due to continuous feedback	Treated as a standalone process, accuracy limited
Ensures employees feel belonging, motivation, and scope for growth	Lacks developmental strategies; may result in cynicism or turnover

## CHAPTER – 6

# EMPLOYEE ENGAGEMENT

Employee engagement refers to the emotional, mental, and professional commitment that an employee has towards their organization, its goals, and their own role. Engaged employees are motivated, enthusiastic, and willing to go the extra mile to contribute to organizational success.

In simple terms, it is the strength of the connection an employee feels with their work, team, and organization.

**According to Michael Shuck and Karen Wallard.** Employee engagement is "an emergent and working condition as a positive cognitive, emotional, and behavioural state directed toward organizational outcomes"

### CHARACTERISTICS OF EMPLOYEE ENGAGEMENT

1. Engaged employees are more productive.
2. They contribute positively to company culture.
3. They show genuine interest in their work.
4. They are motivated to achieve organizational success.
5. Engagement unlocks potential, sustains growth, and boosts performance.
6. Engagement is different from mere job satisfaction.

### BENEFITS OF EMPLOYEE ENGAGEMENT

1. **Increased Productivity** – Engaged employees are motivated and perform better.
2. **Higher Retention** – Engagement reduces turnover by fostering recognition, growth, and commitment.
3. **Higher Profits** – Engaged workforces contribute to better financial performance and customer satisfaction.
4. **Improved Customer Satisfaction** – Engaged employees deliver better service, making customers happier.
5. **Lower Absenteeism** – Engagement reduces burnout and absenteeism.
6. **Better Employee Health** – Promotes work-life balance and overall well-being.
7. **Reduced Workplace Injuries** – Engaged employees are more aware and cautious at work.
8. **Greater Trust in Leadership** – Employees feel valued and trust organizational decisions.
9. **Faster Onboarding** – Engaged culture helps new employees become productive quickly.
10. **Stronger Employer Brand** – Engaged employees advocate for the organization.
11. **Positive Work Culture** – Engagement fosters a collaborative and supportive environment.

## TYPES OF EMPLOYEE ENGAGEMENT

1. **Cognitive Engagement** – Focus, concentration, and alignment with organizational goals; thinking and problem-solving actively.
2. **Physical Engagement** – Effort and energy put into work; enthusiasm and commitment to tasks.
3. **Emotional Engagement** – Emotional attachment, loyalty, passion, and readiness to go the extra mile.
4. **Behavioral Engagement** – Observable actions, initiative, ownership, and commitment to excellence.
5. **Intellectual Engagement** – Continuous learning, curiosity, creativity, and personal/professional growth.
6. **Social Engagement** – Building positive relationships, collaboration, and teamwork.
7. **Conductual Engagement** – Going beyond assigned tasks; proactive contribution to organizational success.
8. **Relational Engagement** – Developing trust, respect, and open communication in workplace relationships.
9. **Developmental Engagement** – Commitment to learning, skill development, and career advancement.
10. **Cultural Engagement** – Alignment with organizational mission, values, and acting as culture ambassadors.

## ELEMENTS IN EMPLOYEE ENGAGEMENT

1. **Meaningful Work** – Employees find purpose and see the impact of their contributions.
2. **Clear Expectations** – Understanding roles, responsibilities, and performance standards.
3. **Autonomy & Empowerment** – Freedom to make decisions and take ownership of work.
4. **Supportive Management** – Guidance, recognition, and constructive feedback from leaders.
5. **Opportunities for Growth** – Learning, skill development, and career advancement.
6. **Positive Work Relationships** – Respectful, collaborative, and supportive interactions.
7. **Recognition & Rewards** – Acknowledging efforts and achievements to boost morale.
8. **Work-Life Balance** – Flexible schedules, wellness initiatives, and overall well-being.
9. **Alignment with Values** – Connection between personal and organizational values.
10. **Inclusive Culture** – Respect, diversity, equity, and inclusion for all employees.

## ENGAGEMENT DRIVERS

Engagement drivers are the factors or conditions that influence how committed, motivated, and emotionally connected employees feel toward their organization. They are the key elements that help organizations create a work environment where employees are satisfied, productive, and willing to go the extra mile.

## DEFINITION OF ENGAGEMENT DRIVERS

Engagement drivers are the organizational practices, leadership behaviors, work environment features, and personal factors that determine the level of employee engagement. In simple terms, they are the “motivating forces” that make employees feel valued, involved, and dedicated to their work and organization.

## KEY DRIVERS OF EMPLOYEE ENGAGEMENT

1. **Clear Communication** – Open, regular communication about goals, strategies, and feedback.
2. **Recognition** – Appreciating and rewarding individual and team achievements.
3. **Professional Development** – Opportunities for learning, growth, and career advancement.
4. **Empowerment** – Giving employees authority, responsibility, and a voice in decisions.
5. **Autonomy** – Freedom to manage work and make decisions, fostering ownership.
6. **Leadership** – Accessible, honest, and supportive leaders who build trust.
7. **Work-Life Balance** – Flexible arrangements and wellness initiatives for overall well-being.
8. **Role Clarity** – Clearly defined roles and responsibilities aligned with organizational goals.
9. **Workplace Relations** – Positive relationships with managers, peers, and the organization.
10. **Work Environment** – Safe, comfortable, and collaborative physical and cultural workspace.
11. **Collaboration** – Encouraging teamwork, knowledge sharing, and cross-functional cooperation.
12. **Career Development** – Transparent paths for promotions, growth, and career planning.
13. **Health & Wellness Programs** – Support for physical, mental, and emotional well-being.
14. **Psychological Safety** – Safe environment for honest communication, feedback, and innovation.

## IMPORTANCE OF ENGAGEMENT DRIVERS

1. **Improve Company Culture** – Understanding drivers helps shape strategies to enhance workplace culture, reduce turnover, and boost engagement.
2. **Guide Measurement** – Drivers provide a framework for measuring engagement, identifying what to track and analyze.
3. **Identify Disengagement Areas** – Measuring drivers highlights areas where employees are disengaged and need support.
4. **Boost Organizational Performance** – Using engagement drivers fosters a culture of engagement, leading to higher productivity, satisfaction, and creativity.

## CHAPTER – 7

# COMPENSATION MANAGEMENT

Compensation management refers to the administration of employee compensation. It consists formulation and implementation of policies and programmes related to wages, salary and other employees' compensation.

### EMPLOYEE COMPENSATION

Employee compensation refers to the benefits that an employee receives in exchange for the service they provide to their employer. Compensation includes monetary payments like bonuses, profit sharing, overtime pay and sales commission etc., as well as non-monetary perks like a company-paid car, company-paid housing and stock opportunities etc.

### DEFINITIONS OF EMPLOYEE'S COMPENSATION

- According to Dale Yoder, "Compensation is paying people for work."
- According to Keith Davis, "Compensation is what employees receive in exchange for their contribution to the organization."

### OBJECTIVES OF COMPENSATION MANAGEMENT

#### Dimensions of Equity

- **Internal equity** – Difficult jobs are paid more.
- **External equity** – Jobs are compensated fairly compared to market rates.
- **Individual equity** – Equal pay for equal work within the same job.

#### Objectives

1. **Attract competent employees** – High enough pay to attract talent.
2. **Retain employees** – Prevent turnover by offering fair/competitive pay.
3. **Set up equitable pay** – Similar work gets similar pay; differentials based on merit.
4. **Improve productivity** – Good pay boosts morale and output.
5. **Control cost** – Avoid overpaying or underpaying; control labour/admin costs.
6. **Maintain good relations** – Fair evaluations accepted by unions aid cooperation.
7. **Reward desired behaviour** – Pay for trustworthiness, initiative, risk-taking, etc.

8. **Create public image** – Sound pay practices build reputation.
9. **Comply with laws** – Follow rules on minimum wages, allowances, etc.
10. **Lower production cost** – Fair wages raise productivity and reduce costs.
11. **Guarantee minimum wages** – Protect worker interests.
12. **Ease of operation** – System should be simple to understand and manage.

## FACTORS INFLUENCING COMPENSATION MANAGEMENT

They can be classified in to two.

- External factors
- Internal factors

### EXTERNAL FACTORS

1. **Labour Market and Demand:** Wages depend on demand and supply of labour. Low demand = lower wages; high demand for skilled labour = higher wages. Competitive pay attracts scarce talent, especially in tech-driven industries.
2. **Cost of Living & Location:** Compensation varies with living costs in different regions. Rising prices bring allowances like DA/basic pay. Location-based pay ensures fairness and retention.
3. **Labour Unions:** Strong unions influence wage fixation through negotiations. Non-unionized firms may pay less or offer more to avoid unions. Legislation and unions protect workers' rights and fair wages.
4. **Labour Laws:** Central and state laws safeguard employees' wage and work interests.
5. **Society:** Compensation relates to product pricing. Supreme Court interprets wage disputes with a social and ethical outlook.
6. **Economy:** Wage and salary fixation is shaped by overall economic conditions.
7. **Government Policies:** Employers must follow rules on minimum wages and provide benefits like PF, gratuity, pensions, and insurance.
8. **Industry Standards:** Pay is guided by market benchmarks. Firms must align with standards to attract and retain talent.
9. **Company Performance:** Profitable firms can pay higher salaries and benefits, while struggling ones balance pay with survival.
10. **Skill and Experience:** Specialized skills and greater experience lead to higher pay, rewarding employee value and expertise.

### INTERNAL FACTORS

1. **Business Strategy:** Compensation depends on the company's strategy, such as sustaining profit during decline.
2. **Performance Appraisal:** Rewards and hikes are based on employees' performance.

3. **Ability to Pay:** Profitable companies can pay better and retain employees, while less profitable ones cannot.

## COMPONENTS OF COMPENSATION MANAGEMENT

1. **Job Description:** Outlines duties, responsibilities, qualifications, skills, and requirements of a job. Used for recruiting, hiring, and managing employees.
2. **Job Analysis:** Process of collecting and analyzing information about duties, skills, and qualifications required for a job. Helps in employee placement and career development.
3. **Job Evaluation:** Systematic assessment of job value to determine fair pay. Ensures rational pay structures by comparing jobs within the organization and industry standards.
4. **Pay Structure:** Standardized levels or grades of salary based on job evaluation. Provides uniform compensation practices and supports employer branding.
5. **Salary Surveys:** Collection of market data on average salaries, living costs, and inflation. Helps organizations align compensation with industry and regional standards.
6. **Policies and Regulations:** Defines organizational rules, regulations, and guidelines related to employee compensation.

## COMPONENTS OF PAY

### COMPONENTS OF EMPLOYEE COMPENSATION

- Base or primary compensation
- Supplementary compensation

### BASE OR PRIMARY COMPENSATION

1. **Wages:** Fixed payment to employees for services rendered, based on time spent or physical work done. Defined under Minimum Wages Act, 1948 as all remuneration payable in employment contracts.
2. **Basic Salary:** Base income paid before bonuses or allowances. Given to employees like managers, professionals, and staff, based on time spent on the job. Acts as a primary motivator for employees.

### SUPPLEMENTARY COMPENSATION

1. **Variable Pay:** Includes performance bonuses, incentives, and profit-sharing. It links individual/team achievements with rewards, motivating employees and fostering a performance-driven culture.
2. **Allowances:** Extra payments above basic salary, varying by company, location, seniority, and policy. Some are taxable

- Dearness Allowance (DA): Paid to counter inflation, mainly to government/PSU employees and pensioners.
  - House Rent Allowance (HRA): For rental expenses.
  - Leave Travel Allowance, Uniform Allowance, City Compensatory Allowance, etc
3. **Bonus:** Extra pay apart from wages for good performance or special occasions. Types include performance bonus, joining bonus, referral bonus, and long-service bonus.
  4. **Perquisites:** Benefits provided in kind, free or at concessional rates. Examples: medical facilities, refreshments, transport, interest-free loans, leave travel concessions, scholarships, etc.
  5. **Benefits:** Non-monetary compensation like health insurance, retirement plans, and other perks. They improve job satisfaction, attract, and retain talent.
  6. **Recognition and Rewards:** Acknowledge exceptional performance, long service, or special achievements. They boost morale, motivation, and belonging.
  7. **Career Development Opportunities:** Provide training, skills development, and advancement. They enhance job satisfaction, align employee aspirations with organizational goals, and ensure long-term growth.
  8. **Fringe Benefits:** Extra benefits apart from salary, allowances, and bonuses. Examples: retirement benefits (pension, gratuity), subsidized lunch, transport, housing, sick/maternity leave, recreation, and interest-free loans.
  9. **Incentives:** Rewards (monetary/non-monetary) to motivate employees. Can be bonuses, gifts, vouchers, travel, paid leave, childcare, financial services, meals, discounts, etc. They encourage productivity and align with company values.

## CHAPTER – 8

### SEPERATION, TRANSFER, CONFLICT

#### EMPLOYEE SEPARATION

Employee separation refers to the end of the employer–employee relationship when an individual leaves the organization permanently. It is a sensitive process that requires planning, fairness, and empathy. Separation may occur due to resignation, retirement, dismissal, discharge, death, incapacity, or workforce downsizing.

According to Yoder, separation is a form of negative recruitment, since it reduces the workforce instead of adding to it.

#### TYPES OF SEPARATION

##### 1. RETIREMENT

Retirement is the termination of an employee’s service on reaching the age of superannuation. In Central Universities, retirement age for teachers is 62 years; in some State Governments, it is 58 years. There are two types of retirement.

1. **Compulsory Retirement** – When employees retire on attaining the age of superannuation. Some organizations may reappoint skilled/experienced employees after this age.
2. **Voluntary Retirement (VRS)** – When employees retire before superannuation by choice, often encouraged by organizations during downsizing. Employees are given lump sum benefits, also called a “Golden Handshake”.

Retirement is a major life event. Post-retirement requires adjustment by the employee to new lifestyle, loss of routine, and changes in financial and social conditions.

##### 2. RESIGNATION

Resignation is the termination of employment by an employee by submitting a notice of resignation to the employer.

Types:

1. **Voluntary Resignation** – When the employee resigns on personal grounds such as better job prospects, ill health, marriage, or relocation.
2. **Involuntary (Compulsory) Resignation** – When the employer directs the employee to resign due to misconduct or indiscipline. A domestic enquiry must be held in such cases

#### Reasons for Resignation:

- **Career growth** – better pay, promotion, foreign/international assignments.

- **Domestic reasons** – marriage, pregnancy, family responsibilities, relocation.
- **Job dissatisfaction** – low salary, no promotions, unfair treatment, heavy workload.
- **Personal issues** – ill health, accidents, transport difficulties, early retirement.

### 3. RETRENCHMENT

- Permanent termination for economic reasons (surplus staff, poor demand, slowdown).
- Conditions (per Industrial Dispute Act, 1947):
  - a) One month's notice or wages in lieu.
  - b) Compensation = 15 days' wages per year of service.
  - c) Notice to government authority.
  - d) "Last in, first out" rule.
  - e) Preference in future vacancies.

### 4. DISMISSAL OR TERMINATION

Dismissal is the termination of service of an employee as a disciplinary measure due to misconduct or unsatisfactory performance. It is considered a serious step as it affects both the earnings and reputation of the employee.

#### **Common Reasons:**

- Unsatisfactory performance – persistent failure to meet standards.
- Misconduct – violation of rules, theft, insubordination, indiscipline.

#### **Yoder's Elements of Discharge Programme:**

- Inform the employee adequately about reasons.
- Clearly list and document reasons.
- Discharge should be handled by line officials.
- Provide review mechanisms, especially in unionized settings.
- Officials must be familiar with rules and enforcement.
- Follow a clear-cut procedure for settling discharge cases.
- Carefully analyse facts before action.

### 5. ABSCONDING

Absconding is an unprofessional and unethical form of separation, where an employee suddenly stops coming to work without notice or proper handover.

#### **Possible Reasons:**

- Theft of confidential information/documents.
- Involvement in or intention to commit a crime.
- Inability to handle work pressure or stress.
- Criminal issues outside the workplace.

- Conflict between personal priorities (e.g., urgent family needs) and job demands.
- Acceptance of a new job requiring immediate joining, with a complicated resignation process.
- Personal weakness – lack of confidence, avoidance of responsibility, or inability to face challenges.

## 6. LAYOFF

Layoff implies the temporary denial of employment to employees due to reasons beyond the control of the employer.

### **Legal Definition (Section 2 (KKK), Industrial Disputes Act, 1947):**

"Layoff means the failure, refusal or inability of an employer, on account of shortage of coal, power, or raw materials, accumulation of stocks, breakdown of machinery, or by any other reason, to give employment to a workman whose name appears on the muster rolls of his industrial establishment and who has not been retrenched."

### **Nature of Layoff:**

- It is a temporary removal from the payroll, unlike retrenchment or dismissal which are permanent.
- It may be short-term or long-term, depending on the situation.
- The objective is to reduce financial burden when human resources cannot be fully utilized.

### **Compensation (Section 25C, Industrial Disputes Act, 1947):**

A laid-off worker is entitled to receive compensation equal to 50% of the basic wages and dearness allowance that would have been payable to him had he not been laid off.

### **Conditions to claim compensation:**

- The worker must not be a badli (substitute) or a casual worker.
- His name must appear on the muster roll of the organization.
- He must have completed at least one year of continuous service.
- He must present himself for work at the appointed time during normal working hours at least once a day.

## TRANSFER

A transfer is the relocation of an employee from one department, job site, or position to another within the same class or salary range. It is a lateral movement, meaning it does not involve promotion or demotion.

### **DEFINITION**

A transfer can be defined as: "A lateral shift causing movement of individuals from one position to another, usually without marked changes in duties, responsibilities, skills required, or compensation."

## OBJECTIVES OF TRANSFER

Transfers are generally affected to achieve the following objectives:

1. **To meet the request of the employee:** Granting transfers based on employee preferences or personal needs.
2. **To utilize the services of the employee in another section:** Deploying skills where they are most needed within the organization.
3. **To provide training in new technology:** Offering employees exposure to new skills and techniques.
4. **To provide new avenues to deserving employees:** Creating opportunities for career growth and development.
5. **To adjust the workforce between plants or locations:** Balancing manpower across different units or locations.
6. **To meet organizational needs:** Ensuring optimal use of employees' capacities in line with business requirements.
7. **To satisfy the needs of employees:** Addressing personal or professional circumstances of employees.
8. **To discipline or punish employees:** Using transfer as a corrective measure in certain cases.

## TYPES OF TRANSFERS

Organizations implement different types of transfers based on operational needs, employee development, or workforce management. The main types are:

### 1. Production Transfer:

Transfer of employees from one department or production center to another. Usually done to avoid layoffs due to surplus staff in one department. Efficient and trained employees may also be posted in alternative positions within the same enterprise.

### 2. Replacement Transfer:

An employee with longer service is transferred to replace another employee with shorter service. Helps in maintaining continuity and experience in key positions.

### 3. Versatility Transfer (Rotation of Transfers):

Employees are transferred from one job to another to develop versatility. Enables employees to learn different types of work, creating an "all-rounder workforce". Supports skill development and succession planning.

### 4. Shift Transfer:

Employees are moved from one shift to another while performing the same type of work. Helps in balancing workforce across shifts and meeting production requirements

## 5. Remedial Transfer:

Done when an employee experiences discomfort or dissatisfaction in the current job or location. Aims to improve employee morale, performance, and well-being.

## CONFLICT

Conflict is a natural part of individual and organizational life, occurring as a clash or disagreement between persons or groups. It may involve tension, hostility, misunderstanding, rivalry, or difficulties in decision-making.

### DEFINITIONS

- Kae H. Chung & Leon C. Megginson: Conflict is the struggle between incompatible needs, wishes, ideas, interests, or people, arising when goals cannot be satisfactorily achieved by all parties.
- Newstrom & Davis: Conflict is a situation where two or more parties feel opposed, arising from disagreements over goals or methods to achieve them.

### NATURE OF CONFLICT

1. Arises when two or more parties pursue exclusive goals, values, methods, or interests.
2. May occur due to deliberate interference by one party.
3. Happens when an individual has no alternative among available courses of action.
4. Dynamic process: Conflict develops over a series of events.
5. Results from differences in perception between parties.
6. Different from competition: In conflict, one party interferes with another's opportunities; in competition, both parties strive to win without obstructing each other.

### TYPES OF CONFLICTS

1. **Individual-Level Conflict:** Conflict within an individual or between individuals due to unmet needs, goals, or interpersonal issues.
2. **Inter-Group Conflict:** Conflict between groups, teams, or departments within an organization, often due to resource allocation, goals, or task interdependence.
3. **Inter-Organizational Conflict:** Conflict between different organizations, usually arising from competition, incompatible goals, or prestige/status issues.
4. **Intra-Organizational Conflict:** Internal conflicts within an organization, including:
  - **Horizontal Conflict:** Between employees or departments at the same level.
  - **Vertical Conflict:** Between superiors and subordinates.
  - **Line-Staff Conflict:** Between line managers and staff specialists due to authority or advice issues.

## I. INDIVIDUAL-LEVEL CONFLICT

### A. Intra-individual conflict

Occurs within an individual when personal needs or goals are not satisfied by the organization, leading to tension and frustration.

#### 1. Conflict from Frustration:

Frustration triggers conflict within the individual, and the chosen defense mechanism determines the response to the blocked goal

- Arises when a motivated goal is blocked before attainment.
- Example: A person wants water but cannot access it due to a closed door.
- Defense Mechanisms Adopted:
  - **Aggression:** Attacking the barrier physically or symbolically.
  - **Withdrawal:** Backing away from the barrier.
  - **Persistence (Function):** Continuing efforts to overcome the barrier.
  - **Compromise:** Searching for a new goal to achieve satisfaction.

#### 2. Goal Conflict (Intra-Individual Conflict)

Occurs when an individual faces two or more competing goals, where achieving one goal prevents attaining another. Goal conflict creates tension within the individual and influences decision-making and behavior.

##### Types of Goal Conflict:

- **Approach–Approach Conflict:** Choosing between two positive but mutually exclusive goals.  
Example: A graduate receives two excellent job offers.
- **Approach–Avoidance Conflict:** A goal has both positive and negative aspects.  
Example: A promotion offers higher position but in an undesirable location.
- **Avoidance–Avoidance Conflict:** Choosing between two negative options or avoiding both.  
Example: A worker dislikes his current job but finds alternatives equally unattractive.

#### 3. Role Conflict (Intra-Individual Conflict)

Occurs when an individual has to perform multiple roles simultaneously but lacks sufficient time or resources.

##### Example:

Two managers request the secretary to complete tasks at the same time, creating conflict due to limited capacity.

## B. Interpersonal Conflict

Conflict between two individuals competing for scarce resources, status, power, or promotions.

### Causes:

- a) **Personality differences:** Different backgrounds, values, attitudes, or culture.
- b) **Ego clashes:** Conflicting ways of thinking, feeling, or behaving.
- c) **Value and interest differences:** Different priorities, e.g., quality vs. cost focus.
- d) **Perception differences:** Misunderstandings due to varying interpretations.
- e) **Power and position differences:** Resistance due to perceived unequal authority.
- f) **Resource limitations:** Scarce resources lead to disputes.

## II. INTER-GROUP CONFLICT

Conflict between two or more groups, departments, or units within an organization.

### Causes:

1. **Incompatible goals:** Differing objectives between departments (e.g., quality vs. production).
2. **Task interdependence:** Dependence on other units increases chances of conflict.
3. **Resource allocation:** Competition for limited resources.
4. **Reward system conflicts:** Individual-based rewards can reduce cooperation.
5. **Line–staff conflict:** Staff advisors vs. line managers may clash over authority and responsibilities.
6. **Differences in values and perception:** E.g., engineering prefers complex designs; manufacturing prefers simplicity.
7. **Heterogeneity of members:** Differences in education, age, status, or background reduce cohesion.
8. **Communication gaps:** Misunderstandings due to inadequate information.
9. **Participative decision-making:** Joint decision-making can increase disagreements.
10. **Functional conflicts:** Conflicts between departments with different functions.

## III. INTER – ORGANISATIONAL CONFLICT

- **Definition:** Conflict between two or more organizations or with a government agency.
- **Causes:** Similar to inter-group conflict – incompatible goals, competition for status, prestige, or resources.
- **Example:** Two companies competing for the same market share or contracts.
- **Impact:** Can affect cooperation, efficiency, and relationships between organizations.

## IV. Intra-Organisational Conflict

**Definition:** Conflict occurring within an organization among employees or departments.

Types:

- a) **Horizontal Conflict:** Between employees or departments at the same level. Example: Production prefers long economic runs; sales demand quick delivery.
- b) **Vertical Conflict:** Between superiors and subordinates due to authority or control issues. Subordinates may resist perceived excessive control, leading to inefficiency.
- c) **Line–Staff Conflict:** Between line managers and staff specialists. Line managers may feel staff encroaches authority; staff may feel their advice is ignored. Differences in roles, responsibilities, and perceptions create conflict.

## CAUSES OF CONFLICT

1. **Communication problems:** Poor or unclear communication leads to misunderstandings.
2. **Unclear performance expectations:** Ambiguity causes frustration and disengagement.
3. **Work burden:** Excessive or unmanageable workload creates resentment.
4. **Individual vs. group differences:** Conflicting opinions or priorities between members.
5. **Poor processes:** Inefficient procedures trigger disputes.
6. **High interdependence:** Greater reliance among individuals or groups increases conflict risk.
7. **Lack of resources:** Scarcity of materials, funds, or tools leads to rivalry.
8. **Unfair distribution of resources:** Unequal allocation fosters disputes.
9. **Incompatible goals:** Conflicting objectives hinder cooperation.
10. **Stress:** Mental or emotional pressure affects behavior, performance, and relationships.
11. **Sexual harassment:** Unwelcome sexual behavior creates serious conflict.
12. **Personality and work style differences:** Diverse priorities, beliefs, and styles can clash.
13. **Other factors:** Poor management, unfair treatment, inadequate training, unclear job roles, bullying, lack of equal opportunities, and poor work environment.

## RESOLVING CONFLICT

### Approaches to Managing Conflict:

- a) **Preventive Measures:** Create an environment that minimizes conflicts.
  - Effective leadership
  - Participative decision-making
  - Efficient two-way communication
  - Improved interpersonal relationships
  - Opportunities for informal group development
  - Establishing common goals
- b) **Curative Measures:** Address and resolve existing dysfunctional conflicts.

### Key Measures to Reduce Conflict:

1. **Establish Common Goals:** Align group objectives; use incentive systems to reduce goal differences.
2. **Changes in Organisational Structure:**

- Reduce interdependence between units
  - Optimize allocation of scarce resources
    - Decentralization and restructuring to reduce status differentials
    - Opportunities for completing tasks and sharing rewards
3. **Exchange of Personnel:** Rotate employees between conflict groups temporarily.
  4. **Appointment of Special Integrators:** Assign neutral personnel to manage intergroup interdependence.
  5. **Reference to Superiors:** Escalate unresolved conflicts to higher authority for resolution.

## CONFLICT RESOLUTION AND ACTION STRATEGIES

Conflict resolution involves special actions to manage and resolve conflicts that cannot be entirely prevented.

### Major Strategies:

1. **Problem Solving:** Conflicting parties openly discuss issues, identify causes, and jointly find solutions. Best for misunderstandings.
2. **Avoidance:** Withdrawing, limiting interaction, or physically separating parties to reduce conflict.
3. **Negotiation:** Direct discussion to reach mutual agreement; preparation and clear objectives are essential.
4. **Mediation:** Neutral third-party facilitates discussion, suggests solutions, and ensures impartiality.
5. **Accommodating (Smoothing):** Downplaying differences, emphasizing common interests, and making reasonable sacrifices.
6. **Compromising:** Each party gives up something; effective for goal, attitude, or value conflicts.
7. **Collaboration:** Cooperative approach exploring underlying concerns to find a mutually satisfactory solution.
8. **Dominance/Competing:** Power-oriented approach to win at the expense of the other party; quick but may create win-lose outcomes.
9. **Confrontation:** Parties take a direct stand to resolve conflict when other methods fail.
10. **Conciliation:** Neutral facilitator promotes communication; less active than mediation, mainly aids negotiation.
11. **Arbitration:** Third-party decision-maker (arbitrator) evaluates and rules on the conflict; formal and binding.

## CHAPTER – 9

### HRIS & ETHICAL ASPECTS OF HRM

#### HUMAN RESOURCES INFORMATION SYSTEM (HRIS)

HRIS is a computerized system used to collect, store, manage, and analyze employee-related information in an organization.

#### DEFINITION:

- According to Tannenbaum (1990): “HRIS is used to acquire, store, manipulate, analyze, retrieve, and distribute information about an organization’s human resources.”

#### FEATURES OF HRIS

1. **Automation & Simplification** – Reduces manual work, recordkeeping, and administrative burden by automating HR tasks.
2. **Data Repository & Reporting** – Stores employee data systematically and generates reports; converts raw data into meaningful information for managers.
3. **Impact on Organizations** – Integrated HRIS positively influences efficiency, accuracy, and decision-making in firms that adopt it.
4. **Technology Integration** – Combines databases, software, and hardware to collect, manage, and present HR data.
5. **Policy Integration** – Aligns HR policies and procedures with organizational systems for smooth operation

#### HRIS FUNCTIONS

1. **Recruitment & Retention** – Assists in hiring and keeping employees.
2. **Work Scheduling** – Helps plan employee shifts and schedules.
3. **Compensation** – Manages salaries and wages.
4. **Benefits Administration** – Handles employee benefits.
5. **Training** – Organizes and tracks training programs.
6. **Self-Service** – Provides portals for employees/managers to access HR services.
7. **Workflow Management** – Streamlines HR processes and approvals.
8. **Performance Management** – Sets goals, evaluates performance, and provides feedback.
9. **Record Keeping** – Maintains accurate employee data.
10. **Reporting** – Generates reports for analysis and decision-making.
11. **Absence Management** – Tracks leaves, vacation, and sick days.

## KEY HRIS SUBSYSTEMS

1. **Employee Data Management** – Stores core employee details (personal info, contacts, job history, etc.).
2. **Recruitment & Onboarding** – Handles job postings, candidate screening, application tracking, and new employee orientation.
3. **Time & Attendance Management** – Tracks work hours, overtime, leaves, and absences.
4. **Payroll Processing** – Calculates salaries, deductions, and distributes pay.
5. **Benefits Administration** – Manages employee benefits enrollment, eligibility, and claims.
6. **Performance Management** – Facilitates goal setting, performance reviews, and feedback.
7. **Training & Development** – Records training needs, schedules courses, and maintains training history.
8. **Reporting & Analytics** – Produces reports/dashboards to analyze HR data and trends.
9. **Performance Evaluation** – Stores appraisal ratings, feedback, objectives, and achievements.
10. **Organizational Management** – Maintains organizational structure and job descriptions.
11. **Labour Relations** – Tracks union membership, seniority lists, grievances, and dispute resolutions.

## BENEFITS OF HRIS

- Enables HR to play a more active role in organizational planning.
- Computerization makes forecasting faster, cost-effective, and efficient.
- Supports intranet HR self-service for appraisals, career management, surveys, training, and employee information.
- Modernizes recruitment and selection processes.
- Produces accurate analyses, reports, and data for internal and external use.

## ADVANTAGES OF HRIS

1. Easier access to candidates for new job openings.
2. Faster application of higher selection standards.
3. Reduced paperwork and storage needs.
4. Easy distribution of updated policies and procedures.
5. Increased participation across the organization.
6. Better career planning and counseling at all levels.
7. Fewer payroll and employee data errors.
8. Accurate time and attendance tracking.
9. Faster information processing.
10. More accurate and reliable information.
11. Improved planning and program development.
12. Enhanced employee communications.
13. Greater transparency in HR systems.
14. Quicker response to environmental changes.

15. HR leaders can identify trends, forecast needs, and implement targeted strategies.

### LIMITATIONS OF HRI

1. **High cost** – Expensive in terms of finance and manpower.
2. **User inconvenience** – Difficult for those not comfortable with computers.
3. **Cannot replace humans** – Lacks intuition and decision-making ability.
4. **Requires regular updates** – Stale information is ineffective.
5. **Human error** – Mistakes can occur during data entry.
6. **Maintenance cost** – Updating the system is expensive.
7. **Shortage of experts** – Hard to find qualified HR-IT specialists.
8. **Security risks** – Needs protection against unauthorized access and data leaks

### ETHICAL ASPECTS OF HRM

Application of ethical principles and values in business decisions, actions, and practices, ensuring alignment with social norms.

### DEFINITION

- **Raymond C. Baumhart:** Business ethics is the ethics of responsibility; businessmen must not knowingly cause harm.
- **Andrew Crane:** Business ethics studies ethical aspects of business situations and activities.

### ETHICS IN HUMAN RESOURCE MANAGEMENT (HRM)

- HR plays a key role in **upholding ethical standards** in organizations.
- Ethics ensures **fairness, justice, and coordination of conflicting interests** between employer and employee.
- **Importance:** Guides decision-making in areas like employment fairness, privacy, law compliance, and equitable treatment.

### Organizational justice in terms of three components

1. **Distributive Justice:** Fairness of the outcome/decision result.
2. **Procedural Justice:** Fairness of the process used to reach decisions.
3. **Interpersonal/Interactive Justice:** Fairness in interpersonal treatment; treating employees with dignity and respect, avoiding abuse.

## ETHICAL ASPECTS OF HRM

1. **Privacy & Confidentiality** – Protect employee data and restrict access to sensitive information.
2. **Fair Compensation** – Ensure just and equitable pay for employees.
3. **Equal Opportunity** -Ensuring all employees and job applicants are treated fairly, without discrimination based on race, gender, age, religion, disability, or other personal characteristics.
4. **Discrimination** – Treat employees fairly regardless of race, gender, ethnicity, or other differences.
5. **Recruitment & Selection** – Apply ethical principles during hiring and throughout employment.
6. **Training & Development** – Provide ethics training to help employees resolve ethical dilemmas.
7. **Performance Management** – Offer honest and constructive feedback.
8. **Performance appraisal** – A systematic evaluation of an employee’s job performance, achievements, and contribution to the organization
9. **Diversity & Inclusion** – Promote equal opportunity and respect for all employees. Termination – Conduct employee terminations ethically, respectfully, and as a last resort.
10. **Discipline & Disciplinary Procedures** – Apply fair and transparent processes Transparency – Ensure openness in policies, processes, and communication.
11. **Termination** – Conduct employee terminations ethically, respectfully, and as a last resort. Employee Rights – Safeguard employee privacy, safety, and dignity.
12. **Harassment** – Maintain a zero-tolerance policy and educate employees on reporting.

## IMPORTANCE OF ETHICS IN HUMAN RESOURCE MANAGEMENT

1. **Fulfills basic human needs** – Employees and managers naturally desire ethical behavior; it ensures respect, trust, and pride in the organization.
2. **Public credibility** – Ethical companies gain respect and a positive reputation even among those outside the organization.
3. **Employee credibility** – Organizational ethics creates common goals, values, and trust between management and employees.
4. **Better decision-making** – Ethical attitudes guide decisions in the long-term interest of employees, society, and the company.
5. **Ethics and profit align** – Ethical, value-driven companies are more likely to succeed sustainably.
6. **Beyond law** – Ethics protects society in areas where laws and regulations cannot keep up, especially with fast-changing technology.