



E - Content

Department of BBA/BBA(CA)

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Unit 1: Introduction to Organizational Behavior

Definition, concept, scope:

Introduction:

The study of Organizational Behavior (OB) is very interesting and challenging too. It is related to individuals, group of people working together in teams. The study becomes more challenging when situational factors interact. The study of organizational behavior relates to the expected behavior of an individual in the organization.

No two individuals are likely to behave in the same manner in a particular work situation. It is the predictability of a manager about the expected behavior of an individual. There are no absolutes in human behavior. It is the human factor that is contributory to the productivity hence the study of human behavior is important. Great importance therefore must be attached to the study.

Researchers, management practitioners, psychologists, and social scientists must understand the very credentials of an individual, his background, social framework, educational update, impact of social groups and other situational factors on behavior.

Managers under whom an individual is working should be able to explain, predict, evaluate and modify human behavior that will largely depend upon knowledge, skill and experience of the manager in handling large group of people in diverse situations. Preemptive actions need to be taken for human behavior forecasting.

The value system, emotional intelligence, organizational culture, job design and the work environment are important causal agents in determining human behavior. Cause and effect relationship plays an important role in how an individual is likely to behave in a particular situation and its impact on productivity.

Definitions:

In words of K Aswathappa, "OB is the study of human behaviour in organisational setting, of the interface between human behaviour and organisation and of the organisation itself."

In words of Stephen P. Robbins, "OB is a field of study that investigates the impact that individuals, groups and structures have on behaviour within organisations for the purpose of applying such knowledge towards improving an organisation's effectiveness."

According to L. M. Prasad, "Organisational behaviour can be defined as the study and application of knowledge about human behaviour related to other elements of an organisation such as structure, technology and social systems."

According to Davis and Newstrom, "Organisational behaviour is the study and application of knowledge about how people act within organisations."

Scope:

The three internal organizational elements viz., people, technology and structure and the fourth element, i.e., external social systems may be taken as the scope of O.B.

1. People

The people constitute the internal social system of the organization. They consist of individuals and groups. Groups may be large or small, formal or informal, official or unofficial. They are dynamic. They form, change and disband. Human organization changes everyday. Today, it is not the same as it was yesterday. It may change further in the coming days. People are living, thinking and feeling being who created the organization and try to achieve the objectives and goals. Thus, organizations exist to serve the people and not the people exist to serve the organization.

2. Structure

Structure defines the sole relationship of people in an organization. Different people in an organization are given different roles and they have certain relationship with others. It leads to division of labour so that people can perform their duties or work to accomplish the organizational goal. Thus, everybody cannot be an accountant or a clerk. Work is complex and different duties are to be performed by different people. Some may be accountant, others may be managers, clerks, peons or workers. All are so related to each other to accomplish the goal in a co-ordinated manner. Thus, structure relates to power and duties. One has the authority and others have a duty to obey him.

3. Technology

Technology imparts the physical and economic conditions within which people work. With their bare hands people can do nothing so they are given assistance of buildings, machines, tools, processes and resources. The nature of technology depends very much on the nature of the organization and influences the work or working conditions. Thus, technology brings effectiveness and at the same restricts people in various ways.

4. Social System

Social system provides external environment which the organization operates. A single organization cannot exist also. It is a part of the whole. One organization cannot give everything and therefore, there are many other organizations. All these organizations influence each other. It influences the attitudes of people, their working conditions and above all provides competition for resources and power.

O.B. is the study of human behaviour at work in organizations. Accordingly, the scope of O.B. includes the study of individuals, groups and organization/structure. Let us briefly reflect on what aspects each of these three cover.

Individuals

Organizations are the associations of individuals. Individuals differ in many respects. The study of individuals, therefore, includes aspects such as personality, perception, attitudes, values, job satisfaction, learning and motivation.

Groups of Individuals

Groups include aspects such as group dynamics, group conflicts, communication, leadership, power and politics and the like.

Models of OB:

There are four major models or frameworks that organizations operate out of-

1. Autocratic,
2. Custodial,
3. Supportive, and
4. Collegial.

1. Autocratic:

The basis of this model is power with a managerial orientation of authority. The employees in turn are oriented towards obedience and dependence on the boss. The employee need that is met is subsistence. The performance result is minimal.

2. Custodial:

The basis of this model is economic resources with a managerial orientation of money. The employees in turn are oriented towards security and benefits and dependence on the organization. The employee need that is met is security. The performance result is passive cooperation.

3. Supportive:

The basis of this model is leadership with a managerial orientation of support. The employees in turn are oriented towards job performance and participation. The employee need that is met is status and recognition. The performance result is awakened drives.

4. Collegial:

The basis of this model is partnership with a managerial orientation of teamwork. The employees in turn are oriented towards responsible behavior and self-discipline. The employee need that is met is self-actualization. The performance result is moderate enthusiasm. Although there are four separate models, almost no organization operates exclusively in one. There will usually be a predominate one, with one or more areas over-lapping in the other models.

The first model, autocratic, has its roots in the industrial revolution. The managers of this type of organization operate mostly out of McGregor's Theory X. The next three models begin to build on McGregor's Theory Y. They have each evolved over a period of time and there is no one best model. In addition, the collegial model should not be thought as the last or best model, but the beginning of a new model or paradigm.

Major trends in OB:

Total Quality management:

What Is Total Quality Management (TQM)?

Total quality management (TQM) is the continual process of detecting and reducing or eliminating errors in manufacturing, streamlining supply chain management, improving the customer experience, and ensuring that employees are up to speed with training. Total quality management aims to hold all parties involved in the production process accountable for the overall quality of the final product or service.

TQM was developed by William Deming, a management consultant whose work had a great impact on Japanese manufacturing.¹ While TQM shares much in common with the Six Sigma improvement process, it is not the same as Six Sigma. TQM focuses on ensuring that internal guidelines and process standards reduce errors, while Six Sigma looks to reduce defects.

Understanding Total Quality Management

Total quality management (TQM) is a structured approach to overall organizational management. The focus of the process is to improve the quality of an organization's outputs, including goods and services, through continual improvement of internal practices. The standards set as part of the TQM approach can reflect both internal priorities and any industry standards currently in place.

Industry standards can be defined at multiple levels and may include adherence to various laws and regulations governing the operation of the particular business. Industry standards can also include the production of items to an understood norm, even if the norm is not backed by official regulations.

Primary Principles of Total Quality Management

TQM is considered a customer-focused process and aims for continual improvement of business operations. It strives to ensure all associated employees work toward the common goals of improving product or service quality, as well as improving the procedures that are in place for production.

Industries Using Total Quality Management

While TQM originated in the manufacturing sector, its principles can be applied to a variety of industries. With a focus on long-term change over short-term goals, it is designed to provide a cohesive vision for systemic change. With this in mind, TQM is used in many industries, including, but not limited to, manufacturing, banking and finance, and medicine.

These techniques can be applied to all departments within an individual organization as well. This helps ensure all employees are working toward the goals set forth for the company, improving function in each area. Involved departments can include administration, marketing, production, and employee training.

Cultural diversity:

Culture refers to values, beliefs, and customs that exist in a society. In the United States, the workforce is becoming increasingly multicultural, with close to 16% of all employees being born outside the country. In addition, the world of work is becoming increasingly international. The world is going through a transformation in which China, India, and Brazil are emerging as major players in world economics. Companies are realizing that doing international business provides access to raw materials, resources, and a wider customer base. For many companies, international business is where most of the profits lie, such as for Intel Corporation, where 70% of all revenues come from outside the United States. International companies are also becoming major players within the United States. For example, China's Lenovo acquired IBM's personal computer business and became the world's third largest computer manufacturer. As a result of these trends, understanding the role of national culture for organizational behavior may provide you with a competitive advantage in your career. In fact, sometime in your career, you may find yourself working as an expatriate. An expatriate is someone who is temporarily assigned to a position in a foreign country. Such an experience may be invaluable for your career and challenge you to increase your understanding and appreciation of differences across cultures.

How do cultures differ from each other? If you have ever visited a country different from your own, you probably have stories to tell about what aspects of the culture were different and which were similar. Maybe you have noticed that in many parts of the United States people routinely greet strangers with a smile when they step into an elevator or see them on the street, but the same behavior of saying hello and smiling at strangers would be considered odd in many parts of Europe. In India and other parts of Asia, traffic flows with rules of its own, with people disobeying red lights, stopping and loading passengers in highways, or honking continuously for no apparent reason. In fact, when it comes to culture, we are like fish in the sea: We may not realize how culture is shaping our behavior until we leave our own and go

someplace else. Cultural differences may shape how people dress, how they act, how they form relationships, how they address each other, what they eat, and many other aspects of daily life. Of course, talking about national cultures does not mean that national cultures are uniform. In many countries, it is possible to talk about the existence of cultures based on region or geography. For example, in the United States, the southern, eastern, western, and midwestern regions of the country are associated with slightly different values.

Individualism-Collectivism

Individualistic cultures are cultures in which people define themselves as an individual and form looser ties with their groups. These cultures value autonomy and independence of the person, self-reliance, and creativity. Countries such as the United States, United Kingdom, and Australia are examples of individualistic cultures. In contrast, collectivistic cultures are cultures where people have stronger bonds to their groups and group membership forms a person's self identity. Asian countries such as China and Japan, as well as countries in Latin America are higher in collectivism.

Power Distance

Power distance refers to the degree to which the society views an unequal distribution of power as acceptable. Simply put, some cultures are more egalitarian than others. In low power distance cultures, egalitarianism is the norm. In high power distance cultures, people occupying more powerful positions such as managers, teachers, or those who are older are viewed as more powerful and deserving of a higher level of respect. High power distance cultures are hierarchical cultures where everyone has their place. Powerful people are supposed to act powerful, while those in inferior positions are expected to show respect. For example, Thailand is a high power distance culture and, starting from childhood, people learn to recognize who is superior, equal, or inferior to them. When passing people who are more powerful, individuals are expected to bow, and the more powerful the person, the deeper the bow would be. Pornpitakpan, C. (2000).

Uncertainty Avoidance

Uncertainty avoidance refers to the degree to which people feel threatened by ambiguous, risky, or unstructured situations. Cultures high in uncertainty avoidance prefer predictable situations and have low tolerance for ambiguity. Employees in these cultures expect a clear set of instructions and clarity in expectations. Therefore, there will be a greater level of creating procedures to deal with problems and writing out expected behaviors in manuals.

Masculinity–Femininity

Masculine cultures are cultures that value achievement, competitiveness, and acquisition of money and other material objects. Japan and Hungary are examples of masculine cultures. Masculine cultures are also characterized by a separation of gender roles. In these cultures,

men are more likely to be assertive and competitive compared to women. In contrast, feminine cultures are cultures that value maintaining good relationships, caring for the weak, and emphasizing quality of life. In these cultures, values are not separated by gender, and both women and men share the values of maintaining good relationships. Sweden and the Netherlands are examples of feminine cultures. The level of masculinity inherent in the culture has implications for the behavior of individuals as well as organizations.

Organizational change:

Meaning of Organisational Change:

Organisational change refers to any alteration that occurs in total work environment. Organisational change is an important characteristic of most organisations. An organisation must develop adaptability to change otherwise it will either be left behind or be swept away by the forces of change. Organisational change is inevitable in a progressive culture. Modern organizations are highly dynamic, versatile and adaptive to the multiplicity of changes.

Organisational change refers to the alteration of structural relationships and roles of people in the organization. It is largely structural in nature. An enterprise can be changed in several ways. Its technology can be changed, its structure, its people and other elements can be changed. Organisational change calls for a change in the individual behaviour of the employees.

Causes of Organisational Change:

(A) External Pressures:

i. Change in Technology and Equipment:

Advancements in technology is the major cause (i.e., external pressure) of change. Each technological alternative results in new forms of organization to meet and match the needs.

ii. Market Situation:

Changes in market situation include rapidly changing goals, needs and desires of consumers, suppliers, unions etc. If an organization has to survive, it has to cope with changes in market situations.

iii. Social and Political Changes:

Organisational units literally have no control over social and political changes in the country. Relations between government and business or drive for social equality are some factors which may compel for organisational change.

(B) Internal Pressures (Pressures for Change from Within the Organisation):

i. Changes in the Managerial Personnel:

One of the most frequent reasons for major changes in the organisation is the change of executives at the top. No two managers have the same style, skills or managerial philosophies.

ii. Deficiencies in the Existing Organization:

Many deficiencies are noticed in the organisations with the passage of time. A change is necessary to remove such deficiencies as lack of uniformity in the policies, obstacles in communication, any ambiguity etc.

iii. Other Factors:

Certain other factors such as listed below also demand a change in the organisation.

Employee's desire to share in decision-making

Employee's desire for higher wage rate

Improvement in working conditions, etc

Process of Organisational Change:

Unless the behavioural patterns of the employees change, the change will have a little impact on the effectiveness of the organisation.

A commonly accepted model for bringing change in people was suggested by Kurt Lewin in terms of three phase process:-

(1) Unfreezing:

The essence of unfreezing phase is that the individual is made to realize that his beliefs, feelings and behaviour are no longer appropriate or relevant to the current situation in the organisation. Once convinced, people may change their behaviour. Reward for those willing to change and punishment for others may help in this matter.

(2) Changing:

Once convinced and ready to change, an individual, under this phase, learns to behave in new ways. He is first provided with the model in which he is to identify himself. Gradually he will accept that model and behave in the manner suggested by the model. In another process (known as internalisation), the individual is placed in a situation where new behaviour is demanded of him if he is to operate successfully.

(3) Refreezing:

During this phase, a person has to practice and experiment with the new method of behaviour and see that it effectively blends with his other behavioural attitudes. Reinforcement, for creating a permanent set in the individual, is provided through either continuous or intermittent schedules.

Resistance to Organisational Change:

Resistance to change is perhaps one of the baffling problems a manager encounters because it can take many shapes. People may resign, they may show tardiness, loss of motivation to work, increased absenteeism, request for transfer, wild-cat strikes, shoddy work, reduction in productivity etc.

Classification of Resistance to Change:

(a) Obsolescence of Skills:

When a person feels that with the introduction of newer processes, his skills will just become obsolete, he will resist the change. For example, a twenty years experienced accountant is quite likely to resist the introduction of a computer for preparing the wage bills because he feels that might affect his pay and position.

(b) Fear of Economic Loss:

People resist change if it opens the possibility of lowering their income directly or indirectly.

B. Personal Reasons:

(a) Ego Defensiveness:

A sales manager may turn down the suggestions of a salesman simply because the manager perceives that his ego may be deflated by accepting the suggestion.

(b) Status Quo:

Most of the people feel comfortable with status quo and strongly resist change as it may involve uncertainty and risk.

(c) Fear of Unknown:

Change presents unknown and unknown poses a constant threat and sores people. For fear of unknown, a manager may refuse promotion that requires his relocating in another state.

C. Social Reasons:

(a) Social Displacement:

Introduction of change (e.g., relocating) may result in breaking up of work groups and thus result in disturbance of the existing social relationships of people.

(b) Peer Pressure:

Whenever change is unwilling to the peers, they force the individual subordinate employees who are bent of accepting the change, to resist it.

2. Organizational Resistance:

Resistance may also be present at organizational level. Some organizations are so designed that they resist innovations

Some of the reasons of organizational resistance are:

(a) Threats to Power and Influence:

Some people (especially sitting at the top levels) resist change because they feel that a change might affect their position, power and influence in the organization.

(b) Organizational Structure:

Some organization structures (e.g., bureaucratic structure) have inbuilt mechanism for resistance to change.

(c) Resource Constraints:

Non-availability of financial, material and human resources may also act as a resistance to change.

(d) Sunk Cost:

In some companies, heavy capital is blocked in the fixed or permanent assets. If such an organization wishes to introduce change, then difficulty arises because of these sunk costs.

Overcoming Resistance to Organisational Change:

Change creates tension and emotional turmoil in the minds of employees. Change thus results in resistance quite frequently, negative reactions doom the success of the change program especially when a manager is unable to handle it properly.

Some of the techniques to handle the change properly and to deal with resistance to change are:

(a) Education and Communication:

One of the easiest techniques to overcome resistance to change is to educate the people who resist it. In many cases, people do not properly understand the change and hence become afraid of its consequences and resist change.

(b) Participation and Involvement:

If subordinates are allowed to participate and involve themselves in the change process (decision-making regarding the implementation of the change), their misunderstandings about the consequences of change are cleared, they generally feel satisfied and do not oppose change.

(c) Support:

Support may be facilitative and emotional. Managers sometimes deal with potential resistance by being supportive. This includes listening, providing emotional support, providing training in new skills etc.

(d) Incentives:

Offering incentive is another fruitful way to overcome resistance to change.

(e) Manipulation:

Managers generally indulge in manipulation when all other tactics have failed to overcome resistance to change.

(f) Coercion:

At times, there is no way except to deal with resistance coercively. People are forced to accept change by threatening them with loss of their jobs, promotion possibilities and so forth.

Stress Management: Sources of Stress:

Stress

Definition: In Human Resource Management, Stress is defined as a state of mental and emotional pressure or strain, caused by challenging or unfavourable circumstances. It is an outside force that rules an individual's feelings and behaviour.

It is a person's response to an external factor (stimulus, known as the stressor) in the environment and the outcome of such reaction. The stressor can be unreasonable or extreme pressure, placed on the employees, which can be a disturbing one.

Stress occurs due to discrepancies between situational demand and the employee's ability to fulfil those demands, in essence, it is the imbalance between the perceived state and desired state, resulting in psychological, physiological and behavioural deviations. It is an inseparable part of work life.

Classification of Stress

1. Eustress: It refers to positive stress, wherein the situation offers an opportunity to the individual to gain something. It is seen as a motivator that encourages people to meet challenges and, without which an individual lacks the spark needed to raise their level of performance.
2. Distress: It is described as negative stress, in which an individual experiences insecurity or inadequacy because of helplessness, disappointment. Distress can cause cardiovascular diseases, alcoholism, marital breakdown, drug abuse, and much more.

Stressors – Sources of Stress

The basic sources of stressors are divided into four categories:

- Individual-level stressors: Stressors which are associated directly with an individual's personality and job responsibility.
 1. Personality type: How a person experience stress depends largely on the type of personality he/she possesses. There are two types of personality, which are Type A and Type B.
 2. Role overload: Excess workload cause, increased pressure and tension in employees, that ultimately results in stress.
 3. Role Conflict: In an organisation, role conflict occurs where people experience competing demands. It can be an inter-role conflict which is caused when an employee has two opposing roles and personal role conflict, occurs due to the differences between personal values and organisational goals.

4. Role ambiguity: When the employees are unaware of their responsibilities, authorities, powers, functions and performance expectations, it is known as role ambiguity.
5. Task Characteristics: The characteristics of tasks also causes individuals to face stress, especially when it involves activities like decision-making, information exchange and monitoring work.
 - Group level Stressors: The stress resulting from group dynamics and managerial behaviour are covered under this category. It can be due to the following reasons:
 1. Lack of cohesiveness
 2. Managerial Behavior
 3. Workplace violence
 4. Intragroup conflict
 5. Sexual Harassment
 6. Status Incongruence
 - Organisational level Stressors: These stressors influence almost all the employees working in the organisation.
 1. Organisational climate: If the environment of the organisation puts excessive pressure of work on employees, causes high stress to employees.
 2. Organisational structure: The structure of organisation explain the level of authority and rules and regulations where decisions are taken. If in an organisational design the rules are more and the participation is less, then also the structure of the organisation works as a stressor to employees.
 3. Organisational leadership: Managerial style plays a crucial role in the development of employees. If there is a culture of the organisation to create tension, fear or anxiety, or work for long hours to complete the delegated work in a short time, otherwise they will be fired, will create unrealistic pressure on the employees.
 4. Organisational Lifecycle: As everything has a life cycle, organisations too passes through various stages of life, i.e. birth, growth, policy, procedure, theory, religion, ritual and last rites. The early phases of the life of the organisation are exciting while the latter ones are stress-prone.
 - Extraorganizational Stressor: Those sources to stress, which are outside the organisation are included in this category. This covers stress caused by family, economy, status or lack of mobility.

Stress is linked to constraints and demands. Constraints stop an individual from doing something desired by him while demands imply the loss of something which an individual desires.

All people do not feel stress with the same intensity. Some are easily prone to stress, as they over-react to the factors causing stress while others have the capability to overcome any stressors. Therefore, it is a person's perception, experience, attitude and social support; that determines how a person experience stress.

Effects of Stress:

Health Effects

Stress causes a variety of health problems, including high blood pressure, upset stomach, ulcers, headaches, palpitations, fatigue, sweating, weight changes, diarrhea, nausea, dizziness, dry mouth, appetite changes, sexual problems, stiff neck, muscle aches and back pain. If you are stressed, you might feel tired all the time, no matter how much you sleep, or you might have trouble sleeping at night. Poor emotional health can weaken your body's immune system, making you more likely to contract colds and other infections. These health problems can increase work absenteeism, usage of health insurance and work-related accidents.

Poor Performance

Stress also can affect your ability to perform your job well. Stress can make it difficult to concentrate on complex problems or issues, and it might affect memory. You might neglect to complete certain important tasks or forget to perform a key part of a procedure. If you don't feel as if management supports or empowers you, you might feel that no reason exists to do your best work. Stress can lead to feelings of negativity, lack of enthusiasm and apathy. When you experience these feelings, you might no longer care about doing a good job.

Unmet Expectations and Deadlines

If you feel overwhelmed and exhausted, then meeting expectations or deadlines can be difficult. The effects of stress on your cognitive abilities can affect your ability to prioritize, and it can be difficult to decide which project should take priority. Feeling that you have no control or input into your work also can affect your ability to complete tasks in a timely manner. Workers are less likely to experience work stress when they have more control over their work, have more control over the way they do their work and participate more in decisions that concern their jobs.

Turnover

When stress makes working for a company an unpleasant experience, employees begin to look for new jobs or consider retirement. The loss of experienced employees can cause decreases in production and increases in costs associated with recruiting, hiring and training new workers. A high turnover rate also can make replacing stressed employees difficult for a company. Recruiting new employees can be challenging if prospective employees hear that the company's working environment is stressful.

Stress Management:

Work and personal life were once considered to be two separate priorities. But with the changing times due to globalization and ever-increasing work pressures, maintaining work-life balance has attracted the attention of the organizations and employees as well. The employees who devote a crucial period of time of their entire day at work or sometimes work for extended hours, are faced with the challenge of balancing their personal lives with the demands of their profession.

The origin of the term Work-Life Balance took place in early 80's, because of a sharp rise in the number of working women professionals having children in tender age-groups dependent on them. The demand for maintaining a work-life balance has risen unprecedentedly among the employees and the management has also acknowledged its importance in the current scenario. In future, work life balance will be one of the hot topics of debate in the boardrooms and is going to be a major area of concern for the management and HR professionals which they will be faced with.

Work-Life balance refers to an effective management or striking a balance between the work which is remunerated and the personal or social responsibilities which an individual is expected to perform. Work life can influence organizational productivity and also the well being of the employees in different ways. Given below are some of the areas in terms of opportunities and concerns on which work life issues can have an impact:

1. **Impact on the Profitability and Growth:** Excessive pressure of achieving the profitability and growth targets builds stress, hampers the overall productivity of the employees and disturbs their work-life balance. A well planned and implemented work-life balance strategy may greatly ease the work pressure both on the job and perceived work pressures, which in turn will favourably propel employee productivity and contribute towards a positive return on investment.
2. **Employee Engagement at work and Quality of customer service:** An imbalance in the work and life front will adversely affect the complete engagement of the employees at work and hamper the quality of services delivered to the customers. On the other hand, the quality of service will be reliable and consistent, if the employees perceive that their efforts or their presence is valued by the management and also that the organization is committed to ensuring both personal and professional success of their employees.
3. **Talent Acquisition strategy and the Challenges related to it:** Increase in the composition of the baby boomers and relatively a young pool of working professionals, have increased their expectations for a favourable work life culture. They expect that apart from their work responsibilities they need to attend to the personal/social responsibilities of their life. In the present scenario, issues with work-life balance is considered to be the prime reasons for a high rate of employee turnover which definitely is an imposed cost on the organization. Research reveals that, Johnson & Johnson was able to achieve a reduction in the rate of absenteeism by almost 50% by introducing flexi-work options and employee welfare policies.
4. **Rising cost of Health Care & Medications:** Due to a rise in the level of work pressure and never ending expectations, a major percentage of the employees are faced with lifestyle related diseases and major health problems. This has become a serious issue of concern for the organizations because of the mounting cost of health care and drastic reduction in the ratio of employee productivity. Such concerns have compelled the management to pay importance to work-life balance priorities and creating a healthier workplace by implementing several developmental initiatives.

Work-life initiatives is not a choice but an imperative for the management in the present scenario. It is because, the employees look forward to the support and concern of the management towards their work-life related issues. HR today, holds the extra responsibility of implementing a gamut of initiatives for making their organization an attractive place to work for the employees.

Quality of Work Life:

Dissatisfaction with working life affects the workers some time or another, regardless of position or status. The frustration, boredom and anger common to employees can be costly to both individuals and organisations.

Managers seek to reduce job dissatisfaction at all organizational levels, including their own. This is a complex problem, however, because it is difficult to isolate and identify the attributes which affect the quality of working life.

Profitability of a company is linked to satisfaction of its work force. A company that does not measure and improve employee satisfaction may face increasing turnover, declining productivity and limited ability to attract and retain qualified replacements.

Employee satisfaction and quality of work life directly affect company's ability to serve its customers. Efforts towards QWL measurement help in efficient and effective allocation of resources to enhance productivity and stability of the workforce.

It leads to:

- i. Positive employee attitudes toward their work and the company.
- ii. Increased productivity and intrinsic motivation.
- iii. Enhanced organizational effectiveness and competitive advantage.

Quality of work life involves three major parts:

1. Occupational health care:

Safe work environment provides the basis for people to enjoy his work. The work should not pose health hazards for the employees.

2. Suitable working time:

Companies should observe the number of working hours and the standard limits on overtime, time of vacation and taking free days before national holidays.

3. Appropriate salary:

The employee and the employer agree upon appropriate salary. The Government establishes the rate of minimum salary; the employer should not pay less than that to the employee. Work

represents a role which a person has designated to himself. On the one hand, work earns one's living for the family, on the other hand, it is a self-realization that provides enjoyment and satisfaction.

Work-Life Quality — defined, as the balance between an employee's work demands and outside interests or pressures — is a long-standing but ever-evolving area of corporate social responsibility. Some organizations view QWL as important, but do not formally link it to their strategic or business plans.

Nature and Scope of Quality of Work Life:

Quality of work life is the quality of relationship between employees and total working environment.

A Great Place to work is where “You Trust the people you work for, have pride in what you do, and enjoy the people you work with.”

Quality of work life represents concern for human dimensions of work and relates to job satisfaction and organisational development.

The following aspects improve the QWL:

1. Recognition of work life issues:

Issues related to work life should be addressed by the Board and other important officials of the company like why people are not happy, do they need training, why employee morale is poor and numerous other issues. If these are addressed properly, they will be able to build, “People-Centred Organisations”.

2. Commitment to improvement:

QWL can be improved if the staff is committed to improvement in productivity and performance. This issue can be taken by the board through staff recognition and support programmes. Board should prepare QWL reports on periodic basis to boost the system. They can also introduce reward system which will be of help to them.

3. Quality of work life teams:

Board members should form the combined team of managers and workers and all the issues and common themes must be identified.

4. Training to facilitators:

Both the leader and staff can assess the job requirement and decide jointly what type of training is required to improve the quality of work life

5. Conduct focus groups:

Formation of focus groups can affect the QWL and discuss the questions in a positive way like:

(a) What brought you here today?

(b) What do you feel are the top three issues that affect your quality of work life?

(c) What do you want the organisation should do for you?

(d) Do you want company to increase the salary, etc.

6. Analyze information from focus group:

After the formation of focus groups and their discussion on different issues and collection of information, the information should be analysed to give right direction to organisational activities.

Unit 2: Introduction to HRM

Introduction to HRM:

Meaning:

Before we define HRM, it seems pertinent to first define the term 'human resources'. In common parlance, human resources means the people. However, different management experts have defined human resources differently. For example, Michael J. Jucius has defined human resources as "a whole consisting of inter-related, inter-dependent and interacting physiological, psychological, sociological and ethical components".

According to Leon C. Megginson "From the national point of view human resources are knowledge, skills, creative abilities, talents, and attitudes obtained in the population; whereas from the view-point of the individual enterprise, they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitude of its employees".

Sumantra Ghosal considers human resources as human capital. He classifies human capital into three categories-intellectual capitals, social capital and emotional capital. Intellectual capital consists of specialized knowledge, tacit knowledge and skills, cognitive complexity, and learning capacity.

Social capital is made up of network of relationships, sociability, and trustworthiness Emotional capital consists of self-confidence, ambition and courage, risk-bearing ability, and resilience. Now it is clear from above definitions that human resources refer to the qualitative and quantitative aspects of employees working in an organisation.

Let us now define human resource management.

In simple words, HRM is a process of making the efficient and effective use of human resources so that the set goals are achieved. Let us also consider some important definitions of HRM.

Scope:

The scope of HRM is, indeed, very vast and wide. It includes all activities starting from manpower planning till employee leaves the organisation. Accordingly, the scope of HRM consists of acquisition, development, maintenance/retention, and control of human resources in the organisation. The same forms the subject matter of HRM. As the subsequent pages unfold, all these are discussed, in detail, in seriatim.

1. The Labour or Personnel Aspect:

This is concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training and development, lay-off and retrenchment, remuneration, incentives, productivity, etc.

2. Welfare Aspect:

It deals with working conditions, and amenities such as canteen, creches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.

3. Industrial Relations Aspects:

This covers union-management relations, joint consultation, collective bargaining, grievance and disciplinary actions, settlement of disputes, etc.

Importance:

To increase productivity and profit

Human resource management ensures right quality and quantity of personnel in workplace, apart from which, it creates opportunities to facilitate and motivate individual and group of employees to grow and advance their career. Motivated employees work hard to meet their personal career goal which directly influences productivity of organization. Minimizing cost and maximizing profit is the essence of productivity.

To produce employees who are easily adaptable to change

Human resource management performs various functions, among which training and development of employees is one of the vital ones. Training and development programs keep employees updated with skills necessary to adjust with alteration of organization's environment, structure and technology.

To match demand and supply of human resource

Human resource management probes existing human resource in certain interval of time to identify if the company has adequate number of workers or not. In case when company has inadequate human resource, human resource management performs activities like recruitment and selection to balance the need. In the same way, it lay-off inefficient employee in case when the company has excessive employees.

To retain employees and motivate them to accomplish company's goal

Utilizing human resource to their fullest and maintaining them in the company for a long term is a major function of human resource management. Under this function, HRM performs tasks like providing fringe benefits, compensation and rewards to the deserving employees. These activities do not only help in retaining employees in the company but also in achieving organization's goal effectively

To recognize merit and contribution of employee

Human resource management performs timely appraisal of employee's performance in order to recognize excellent and poor workers. The excellent workers are then rewarded as a return for their contribution.

To create a feeling of belongingness and team spirit in the employee

Human resource management designs job on the basis of teamwork. As teamwork demands contribution from every team member, HRM focuses on making each and every employee feel valued so that employee contributes best from their side.

To sustain business in the market

Human resource management makes sure that the company has the best employee because promising employees are capable of taking their company ahead in the race by delivering excellent results. This guarantees organization's success and stability in future.

To resolve conflicts

In any company, either big or small, conflicts may arise between any parties/group. Conflicts are inevitable and they should not be ignored. Human resource management acts as a consultant to sort out such conflicts timely and conduct other organizational activities smoothly

To develop corporate image

Every company should maintain good public image in order to sustain in the market. Any individual would like to work for companies which are known for moral and social behavior. On the other hand, companies that do not treat their employees in a good manner can run through employee deficiency and even collapse.

Functions:

We have already defined HRM. The definition of HRM is based on what managers do. The functions performed by managers are common to all organizations. For the convenience of study, the function performed by the resource management can broadly be classified into two categories, viz.

(1) Managerial functions, and

(2) Operative functions

(1) Managerial Functions:

Planning:

Planning is a predetermined course of actions. It is a process of determining the organisational goals and formulation of policies and programmes for achieving them. Thus planning is future oriented concerned with clearly charting out the desired direction of business activities in future. Forecasting is one of the important elements in the planning process. Other functions of managers depend on planning function.

Organising:

Organising is a process by which the structure and allocation of jobs are determined. Thus organising involves giving each subordinate a specific task establishing departments, delegating authority to subordinates, establishing channels of authority and communication, coordinating the work of subordinates, and so on.

Staffing:

TOs is a process by which managers select, train, promote and retire their subordinates This involves deciding what type of people should be hired, recruiting prospective employees, selecting employees, setting performance standard, compensating employees, evaluating performance, counseling employees, training and developing employees.

Directing/Leading:

Directing is the process of activating group efforts to achieve the desired goals. It includes activities like getting subordinates to get the job done, maintaining morale motivating subordinates etc. for achieving the goals of the organisation.

Controlling:

It is the process of setting standards for performance, checking to see how actual performance compares with these set standards, and taking corrective actions as needed.

(2) Operative Functions:

The operative, also called, service functions are those which are relevant to specific department. These functions vary from department to department depending on the nature of the department Viewed from this standpoint, the operative functions of HRM relate to ensuring right people for right jobs at right times. These functions include procurement, development, compensation, and maintenance functions of HRM.

A brief description of these follows:

Procurement:

It involves procuring the right kind of people in appropriate number to be placed in the organisation. It consists of activities such as manpower planning, recruitment, selection placement and induction or orientation of new employees.

Development:

This function involves activities meant to improve the knowledge, skills aptitudes and values of employees so as to enable them to perform their jobs in a better manner in future. These functions may comprise training to employees, executive training to develop managers, organisation development to strike a better fit between organisational climate/culture and employees.

Compensation:

Compensation function involves determination of wages and salaries matching with contribution made by employees to organisational goals. In other words, this function ensures

equitable and fair remuneration for employees in the organisation. It consists of activities such as job evaluation, wage and salary administration, bonus, incentives, etc.

Maintenance:

It is concerned with protecting and promoting employees while at work. For this purpose various benefits such as housing, medical, educational, transport facilities, etc. are provided to the employees. Several social security measures such as provident fund, pension, gratuity, group insurance, etc. are also arranged.

It is important to note that the managerial and operative functions of HRM are performed in conjunction with each other in an organisation, be large or small organisations. Having discussed the scope and functions of HRM, now it seems pertinent to delineate the HRM scenario in India.

Objectives:

The primary objective of HRM is to ensure the availability of right people for right jobs so as the organisational goals are achieved effectively.

This primary objective can further be divided into the following sub-objectives:

1. To help the organisation to attain its goals effectively and efficiently by providing competent and motivated employees.
2. To utilize the available human resources effectively.
3. To increase to the fullest the employee's job satisfaction and self-actualisation.
4. To develop and maintain the quality of work life (QWL) which makes employment in the organisation a desirable personal and social situation.
5. To help maintain ethical policies and behaviour inside and outside the organisation.
6. To establish and maintain cordial relations between employees and management.
7. To reconcile individual/group goals with organisational goals.

Role of HR Manager:

HR manager plays a pivotal role to achieve organizational objectives. It is human resource/work people who perform task and achieve company goals.

So, human resource is a must in an organization. To get the right number and right kind of human resource at the right time of company need and to motivate, prepare and develop the

human resource to perform task, the person in charge of such job, i.e., human resource manager is no less important in an organization than human resource at work.

HR manager is a guide, philosopher, friend, path-finder, path identifier, problem solver, competence maker of the human resource.

1. Advisory Role:

One of the major roles of HR manager is, to advise the top management in the matter relating to management and development of human resource, in order to achieve organizational objects. Looking to the company's vision, mission and long range planning, HR executive advises the higher management to formulate appropriate HR policies, procedures which may create a perceptible change in the minds of the workers' to help the transformational process of dynamism.

2. Pro-Acting Role:

HR manager ascertains the probable areas of conflict and differences between workers and management, identifies the factors that may create problems in future, forecasts the extent, quantum of loss that may occur and the department may suffer loss and takes remedial measures beforehand by way of developing organizational culture, climate, introducing system, mechanism, and does not leave any room to crop up problems, grievances.

3. Welfare Role:

HR executive looks to the welfare aspect of the employee's viz., canteen, creche, rest-room, hospital, transportation, housing accommodation, school, etc. His one of the principal roles is to provide welfare facilities to the employees for their betterment and well-being.

4. Developmental Role:

Development of workers for attaining company goals is made by the HR manager through improvement of knowledge, skill, abilities, aptitude, attitude, value, beliefs etc. A dynamic organization needs dynamic employees and transformation of employee's mind-set to the process of dynamism is possible only when all the potential areas for growth and development are reinforced.

HR manager takes all possible measures for growth and development of employees through formulation of HR policies in the matter of training, career planning and development, counselling etc.

5. Mediator's Role:

HR manager works as a link personality between trade unions and top management in order to eliminate the differences of opinions cropped up in process of settlement of disputes. He takes initiative to sort out problems through collective bargaining/ bipartite negotiation process.

6. Social Upliftment Role:

Organization is part and parcel of the society. As a societal member it has ethical and moral obligation to contribute to the society for its growth and development by way of taking necessary measures like creating and improving infrastructure, spreading learning institutions, providing medical facilities, generating employment opportunities. HR executive plays a vital role to give a proper shape in the formulation of suitable HR policies for the people in the society.

7. Counsellor's Role:

Because of illiteracy and ignorance workers cannot take decision in their personal problems and they need advice to sort out such problems, viz. education of children, medical treatment,

marital matter, family problems, etc. HR manager, as he comes close to the workers because of his nature of work, develops understanding between them and advises, guides the workers in right direction.

8. Spokesperson Role:

HR executive works as a spokesperson of the company especially, in the matter of depicting organization health, condition, strength etc. to the employees while negotiating for settlement of industrial disputes. He also acts as a representative of the workers when they are non-unionized/unorganized and cannot represent their case properly to the top management. Under such circumstances HR manager places their grievances, problems, demand to the top management for settlement/redressal.

9. Motivator's Role:

One of the functions of HR manager is to motivate the employees to achieve their own goals, as well as organizational goals HR manager performs such role by way of introducing reward schemes. HR manager's role of establishing mutual understanding, mutual confidence and mutual trust helps to motivate the employees to excel in the level of their performance.

10. Procurer's Role:

HR manager helps to procure the right number and right kind of people at the right time, to enable the company to run smoothly, effectively and efficiently and to achieve its goals. He facilitates formulation of a dynamic recruitment policy, designs and develops Test/Interview techniques, selection process, suiting individuals and organization requirement in order to find out the right persons for the required jobs. He makes a systematic, problem free procurement exercise when workers express happiness, satisfaction and a state of contentment.

Areas in which Human Resource Manager can be of assistance:

1. Compensation and Benefits

Successful organizations understand the importance of providing competitive compensation and benefits to its employees.

Staying current on salary trends is critical to attracting and retaining top employees.

In today's job market, good employees will look for a position down the street if they think they will be better compensated.

A total compensation package should be part of a comprehensive compensation strategy and should include base pay and any other employee benefits – health, life, dental, disability insurance, paid time off, etc.

Employee compensation and benefits should be budgeted and managed through an annual budgeting process.

2. Recruitment and Staffing

It can be challenging to find the right employees for your organization.

Recruiting and screening applications can be a tiring chore but with electronic screening programs, it can be very manageable.

There are many vendors that can help with payroll services but also can help with the application process, screening, and employee background checks.

Often the fees for these services are reasonable and very affordable.

3. Training and Development

Training employees is key to maintaining high levels of employee performance and is considered an important benefit for employees.

Employees need to learn the culture of the organization, their specific job duties, and continuing education to maintain changing job skills.

a. Organizational Orientation

Orienting employees helps them get acclimated to the new work environment.

The structured process answers important logistical questions that the employee might have.

For example, the orientation will share information like building keys, access codes, review of the employee manual, how to operate the phone system, computer system, copy machine, fax machine, standard procedures for requesting time off, who to call when sick, how to confront and address internal issues.

Taking the time to orient new employees helps to eliminate problems that arise as a result of them simply not knowing or understanding something about the work environment.

b. Department Orientation

This next level of orientation allows the new employee to get acclimated to the specific department they will be working in.

There are cultures within cultures making it important for employees to get to know co-workers, the culture of the department, and basically “how things are done around here”

c. Job Training

Whether an employee is learning how to answer the telephone for their department or how to operate a piece of machinery, it is critical to have a documented, very descriptive job description outlining:

- who the employee reports to
- work hours
- specific job tasks and responsibilities
- individual SMART Goals with due date

d. Continuing Education

Job skills are changing rapidly making it important for organizations to invest in the continuing education of their workforce.

Employees should be required to maintain skills and develop new ones.

This can be done by in-house training, local seminars, or industry conferences.

A highly trained workforce helps to ensure high-quality products and services for your customers.

4. Employee Relations

A workforce of engaged employees can have a high correlation to increased productivity and improve the bottom line.

This suggests that having a plan to develop and sustain good employee relations is an important aspect of the HR management function.

It is important to have a process in place to deal with employee issues that will inevitably happen.

Effective conflict management in the workplace is important to successful work teams.

We all have issues in our personal lives so it is also important to have a process in place to help employees deal with these types of issues to ease the burden and stress that personal problems bring to the workplace.

For example, allowing an employee to work a flexible work schedule while caring for an ill family member can take some of the stress off the employee.

5. Employee Satisfaction

Monitoring employee satisfaction is important for understanding the employee's perception of how well the organization is managed.

It asks the question, "how are we doing managing the operation?"

Employees on the front line do the work and have a unique perspective of not only how things are done, but also how the customer views the organization's products and services.

By simply asking the question, managers can learn a lot.

And, if what is learned is put into an improvement plan with SMART goals, an organization can make great strides in improving how they operate – resulting in higher levels of customer satisfaction.

There are lots of survey software available.

Google Docs has a great survey tool that is free. You can learn how to use it here.

6. Labor Laws and Legal Compliance

There are countless laws that govern how organizations manage operations and labor. The DOL is a great resource for many of these laws.

Staying compliant is an important part of business management.

SHRM is also a great organization that helps business owners keep updated on changing employment laws.

Healthy and successful organizations spend time and resources to develop a strong HR program that supports employees.

Employees who understand what is expected of them, are given the tools to perform the job and get rewarded for doing a good job to make customers happy.

And, happy customers tell others of their great experience and come back.

Unit 3: Procurement

Concept of Human Resource Planning:

Human resources undoubtedly play the most important part in the functioning of an organization. The term 'resource' or 'human resource' signifies potentials, abilities, capacities, and skills, which can be developed through continuous interaction in an organizational setting. The interactions, interrelationships, and activities performed all contribute in some way or other to the development of human potential. Organizational productivity, growth of companies, and economic development are to a large extent contingent upon the effective utilization of human capacities.

Hence, it is essential for an organization to take steps for effective utilization of these resources. In the various stages in the growth of an organization, effective planning of human resources plays a key role. Matching the requirements of the job with the individual is important at all stages, including the recruitment procedures, in this endeavour.

The organisation's objectives and strategies for the future determine future requirement of human resources. It only means that the number and mix of human resources are reaction to the overall organisational strategy. If the intent is to get closer to people possessing requisite qualifications, the organisation should act quickly.

Human Resource Planning or Manpower Planning (HRP) is the process of systematically reviewing HR requirements to ensure that the required number of employees with the required skills is available when they are needed. Getting the right number of qualified people into the right job is the crux of the problem here.

In actual practice, this is not easy. Due to constant changes in labour market conditions, qualified people possessing relevant qualifications are not readily available. The organisation needs to go that extra mile, dig up every source of information and exploit every opportunity that comes its way in order to identify talent.

HRP is simply not a process of matching the supply of people (existing employees and those to be hired or searched for) with openings the organisation expects over a given timeframe. It goes a step further in order to reach out to right kind of people at right time, spending time, resources and energies. Without careful planning, advance thinking and prompt actions, it is next to impossible to get competent and talented people into the organisation.

Need for Human Resource Planning

Shortage of Skills: – These days we find shortage of skills in people. So it is necessary to plan for such skilled people much in advance than when we actually need them. Non-availability of skilled people when and where they are needed is an important factor which prompts sound Human Resource Planning.

- Frequent Labour Turnover: – Human Resource Planning is essential because of frequent labour turnover which is unavoidable by all means. Labour turnover arises because of discharges, marriages, promotion, transfer etc. which causes a constant ebb and flow in the workforce in the organisation.
- Changing needs of technology: – Due to changes in technology and new techniques of production, existing employees need to be trained or new blood injected into an organisation.
- Identify areas of surplus or shortage of personnel: – Manpower planning is needed in order to identify areas with a surplus of personnel or areas in which there is a shortage of personnel. If there is a surplus, it can be re-deployed, or if there is a shortage new employees can be procured.
- Changes in organisation design and structure: – Due to changes in organisation structure and design we need to plan the required human resources right from the beginning.
- Human resources planning :-
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- Human resource planning or Human Resource Planning refers to a process by which the company to identify the number of jobs vacant, whether the company has excess staff or shortage of staff and to deal with this excess or shortage.
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- Job analysis design :-
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- Another important area of Human Resource Management is job analysis. Job analysis gives a detailed explanation about each and every job in the company.
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- Recruitment and selection :-
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- Based on information collected from job analysis the company prepares advertisements and publishes them in the newspapers. This is recruitment. A number of applications are received after the advertisement is published, interviews are conducted and the right employee is selected thus recruitment and selection are yet another important area of Human Resource Management.
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- Orientation and induction :-
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- Once the employees have been selected an induction or orientation program is conducted. This is another important area of Human Resource Management. The employees are informed about the background of the company, explain about the organizational culture and values and work ethics and introduce to the other employees.
-
- Training and development :-
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- Every employee goes under training program which helps him to put up a better performance on the job. Training program is also conducted for existing staff that have a

lot of experience. This is called refresher training. Training and development is one area where the company spends a huge amount.

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- Performance appraisal :-
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Once the employee has put in around 1 year of service, performance appraisal is conducted that is the Human Resource department checks the performance of the employee. Based on these appraisal future promotions, incentives, increments in salary are decided.

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- Compensation planning and remuneration :-
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- There are various rules regarding compensation and other benefits. It is the job of the Human Resource department to look into remuneration and compensation planning.
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- Motivation, welfare, health and safety :-
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- Motivation becomes important to sustain the number of employees in the company. It is the job of the Human Resource department to look into the different methods of motivation. Apart from this certain health and safety regulations have to be followed for the benefits of the employees. This is also handled by the HR department.
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- Industrial relations :-
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- Another important area of Human Resource Management is maintaining co-ordinal relations with the union members. This will help the organization to prevent strikes lockouts and ensure smooth working in the company.

Objectives:

The objectives of HR planning are as follows:

Objective # 1. Provide Information:

The information obtained through HRP is highly important for identifying surplus and unutilised human resources. It also renders a comprehensive skill inventory, which facilitates decision making, like, in promotions. In this way HRP provides information which can be used for other management functions.

Objective # 2. Effective Utilisation of Human Resource:

Planning for human resources is the main responsibility of management to ensure effective utilisation of present and future manpower. Manpower planning is complementary to organisation planning.

Objective # 3. Economic Development:

At the national level, manpower planning is required for economic development. It is particularly helpful in the creating employment in educational reforms and in geographical mobility of talent.

Objective # 4. Determine Manpower Gap:

Manpower planning examine the gaps in existing manpower so that suitable training programmes may be developed for building specific skills, required in future.

Objective # 5. To Forecast Human Resource Requirements:

HRP to determine the future human resource needed in an organisation. In the absence of such a plan, it would be difficult to have the services of the right kind of people at the right time.

Objective # 6. Analyse Current Workforce:

HRP volunteers to assist in analysing the competency of present workforce. It determines the current workforce strengths and abilities.

Objective # 7. Effective Management of Change:

Proper HR planning aims at coping with severed changes in market conditions, technology products and government regulations in an effective way. These changes call for continuous allocation or reallocation of skills evidently in the absence of planning there might be underutilisation of human resource.

Objective # 8. Realising Organisational Goals:

Merits and Demerits of HRP:

Merits:

- **Building skills.** Human resource planning helps your staff to do their jobs better. If you invest in providing the training and education necessary to build skills and increase capacity, your company will be able to achieve more high-quality work with the people you currently have on staff rather than having to rely on outside contractors.
- **Increasing retention.** If you show your employees that you value them enough to invest time and resources in giving them the tools they need to grow, they're more likely to stay with your company over time. Not only will you make their jobs more interesting, but you will also show them that you value their work and their tenure.
- **Predictability.** Your business faces enough day-to-day uncertainties from market conditions, the economic climate and supply-chain issues. Devoting thought and planning to giving your employees what they need to do a good job and stay with your company over time lessens some of these inevitable uncertainties by providing an extra degree of certainty in scheduling, staffing and handling your ongoing workload.

Demerits:

- **Expense.** It costs money to train and invest in your staff. Whether you're paying for dedicated training or diverting employee hours from tasks that are more likely to directly increase your incoming revenue, human resource planning may likely decrease your bottom line in the short term before it increases your profits in the long term.
- **Unpredictability.** Although human resource planning has the potential to give your business a greater degree of stability by building the skills of your workforce, there is no guarantee that the workers you train will stay with your company long enough for you to reap the benefits of your investment.
- **Illusion of certainty.** While human resource planning can make your workforce better able to do their jobs, you may be training personnel to perform functions that become obsolete as your company and your industry evolve. This can give you a false sense of security and may prevent you from reacting quickly enough to developments.

Process of HRP:

The process of human resource planning involves the following steps:

Step # 1. Ascertaining Current Inventory:

Analysis of current manpower supply may be undertaken by department, by function, or by occupation. Appropriate adjustments in these would need to be made in the light of any foreseeable changes in weekly hours of work, holidays, leave entitlements, etc. Assessment of demand for the operative personnel presents less problems of uncertainty and manpower supply can be adjusted accordingly.

Step # 2. Estimating Human Resource Demand or Requirements:

Forecast of manpower requirements may be done by finding the total workload and then converting it into manpower required. Workload analysis proceeds with the projection of sales in the coming year. The budget of productive hours is compiled by the use of standard hours for direct labour.

Step # 3. Projecting Supply of Human Resources:

It is necessary to estimate the number and kinds of employees that are expected to be with the organisation after one year, two years, three years and so on. Such projections should be based on careful assessment of organisation's current human resources and consideration of employee movement through retirement, resignation, etc. in future

Step # 4. Comparing Forecast Demand with Projected Supply:

The human resource planner must compare the forecast demand for human resources with the projected internal supply of human resources before coming to any conclusion. This exercise

should be carried out department and skill wise to know the deficiencies or surplus of various types of personnel in future. The possibilities of transfer of personnel from one department to another and promotion of personnel to higher jobs must also be considered to determine net human resource requirements in the organisation as a whole.

Step # 5. Planning Employment Programme to Meet Human Resource Needs:

Long-term employment programme must be chalked out to deal with expected deficits of manpower. It will include steps like recruitment, selection, placement, performance appraisal, transfer and promotion. Recruitment, selection and placement.

Step # 6. Training and Development Programme:

The purpose of assessing the manpower inventory is to find out the training and development needs of the organisation. The operative employees must be given appropriate training so that they may learn the required skills. Appropriate development programmes should also be designed for the executives so that the required talents could be developed.

Step # 7. Evaluation of Human Resource Planning Effectiveness:

Human resource planning is closely linked to the goals of human resource management and those of the organisation. Shortage or surplus of human resources in any department or at any level should be minimized. Human resource planning programme will be effective if it can anticipate the deficiencies of various skills well in time so that steps are initiated for recruitment of required human resources. Similarly, if some types of personnel are surplus, they should be adjusted after giving them appropriate training. If it is not possible, they may be phased out through voluntary retirement scheme.

Recruitment:

Recruitment is a positive process of searching for prospective employees and stimulating them to apply for the jobs in the organisation. When more persons apply for jobs then there will be a scope for recruiting better persons. The job-seekers too, on the other hand, are in search of organisations offering them employment. Recruitment is a linkage activity bringing together those with jobs and those seeking jobs. In simple words, the term recruitment refers to discovering the source from where potential employees may be selected. The scientific recruitment process leads to higher productivity, better wages, high morale, reduction in labour turnover and enhanced reputation. It stimulates people to apply for jobs; hence it is a positive process.

Definition:

According to Edwin B. Flippo, "It is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organisation." He further elaborates it, terming it both negative and positive.

He says, "It is often termed positive in that it stimulates people to apply for jobs, to increase the hiring ratio, i.e. the number of applicants for a job. Selection, on the other hand, tends to be negative because it rejects a good number of those who apply, leaving only the best to be hired."

In the words of Dale Yoder, Recruitment is the process to "discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force."

Joseph J. Famularo has said, "However, the act of hiring a man carries with it the presumption that he will stay with the company-that sooner or later his ability to perform his work, his capacity for job growth, and his ability to get along in the group in which he works will become matters of first importance." Because of this, a critical examination of recruitment methods in use should be made, and that is the purpose of this chapter.

Sources of Recruitment:

The eligible and suitable candidates required for a particular job are available through various sources. These sources can be divided into two categories

Internal Sources of Recruitment:

1. Promotions:

The promotion policy is followed as a motivational technique for the employees who work hard and show good performance. Promotion results in enhancements in pay, position, responsibility and authority. The important requirement for implementation of the promotion policy is that the terms, conditions, rules and regulations should be well-defined.

2. Retirements:

The retired employees may be given the extension in their service in case of non-availability of suitable candidates for the post.

3. Former employees:

Former employees who had performed well during their tenure may be called back, and higher wages and incentives can be paid to them.

4. Transfer:

Employees may be transferred from one department to another wherever the post becomes vacant.

Methods of Recruitment:

Recruitment is the process of attracting individuals on a timely basis, in sufficient numbers, and with appropriate qualifications, to apply for jobs with an organization.

Once the organization has decided that it needs additional or replacement employees, it is faced with the decision of where to generate the applications from. Most organizations have to use both internal and external sources for generating a sufficient number of applicants. The organization can look to internal company sources and, if necessary, to sources external to the company. The organization's choice of a particular method of external recruitment to effectively "get its message across" to external candidates, can make all the difference to the success of recruiting efforts.

The Various Types of Internal and External Recruitment:

Method # A. Internal Recruitment:

Although recruiting often brings to mind employment agencies and classified ads, current employees are often the largest sources of recruits. Internal recruitment involves generating active, voluntary participation of current employees. It is a process designed to create sufficient interest among current employees to cause them to formally indicate an interest in a given position.

The positions applied for may represent promotions, transfers, and perhaps demotion. It is different from internal staffing which involves the actual selection of employees for promotions, transfers, demotions, and lay-offs made without the active and voluntary participation of current employees.

Following is a discussion of various internal recruitment methods:

(1) Personnel Records and Skills Banks:

Examining personnel records may uncover employees who are working in jobs below their educational or skills level. It may also reveal persons who have potential for further training or those who already have the right background for the open jobs in question.

Organizations can also effectively use skills inventories for identifying internal applicants for job vacancies. Computerized systems can help to ensure that qualified internal candidates are identified and considered for the opening.

(2) Job Posting and Bidding:

Since HR managers may not be aware of all current employees who might be interested in the vacancy, the organization may use an approach called job posting and bidding. This is the most common method of generating a pool of internal applicants

It requires that management post or otherwise circulates and notifies listings of available job openings and let the current employees bid for the same, should they be interested. While job posting is often a requirement in unionized firms, managerial jobs are not covered which, therefore, may not be posted.

Employees must feel that positions will be given to those best qualified, and that their interest in the position will not compromise their relationships, status, or future in their current jobs. It is clear to employees that not everyone who indicates an interest in another position will be placed in it. Job postings allow employees to evaluate job opportunities relative to their skills, attributes, experience, interests and career objectives.

In the past, job posting was little more than the use of bulletin boards, and company publications for advertising job openings. However, today, it has become one of the more

innovative recruiting techniques being used by organizations. It is now seen by many companies as an integrated component of an effective career management system.

(3) Informal Methods:

Job posting is a formalized process of advertising available positions to employees and a means by which employees can express an interest in being considered for those positions. There are many organizations that have not formalized that process. For example, the grapevine may provide information about anticipated openings within the firm.

An indication of interest by an employee through the use of 'important' channels may result in his or her screening that position. Unfortunately, the less formalized the process, the more likely that organizational politics and issues other than employee qualifications will decide who receives a particular position.

For a short – term labour shortage or for a limited amount of additional work, the organization can use inside moonlighting. While overtime procedures are well-established for those on time payrolls, bonus could be offered to people not on a time payroll.

Method # 2. External Recruitment:

When an organization has exhausted its internal supply of applicants, it must turn to external sources to supplement its workforce. As the human resource shortages of the 1990s increase, organizations are becoming more proactive in their recruitment efforts.

A number of methods are available for external recruiting. There is no single combination of resources and methods that will work well for all organizations, or for that matter, across all types of jobs and labour market, or even within a labour market. Research and experience indicates that there are particular methods that are more effective for some types of jobs and potential applicants than for others.

A survey reported that the top three sources for professional hires were employee referrals (27.8%), advertising (25%), and employment agencies (22.5%). The top three sources for management hires were employee referrals (57%), executive search (19.6%), and advertising (15%).

Nevertheless, Hodes (1983), advises that employers must keep four questions in mind- What are the recruitment goals? Who are the people we want to reach? What message do we want them to receive? How can the message best be delivered?

This methods of external recruitment are:

(1) Professional or Trade Associations:

Many associations provide placement services for their members. These services may consist of compiling listings of job – hunting members and their qualifications, and providing access to members during regional or national conventions. Many associations also publish trade journals or magazines for their membership.

These publications often carry classified advertisements from employers interested in recruiting their members, along with articles of interest for its membership. Accountants, engineers, and many other professionals have such associations and publications. Professional or trade

associations are especially useful for attracting highly educated, experienced, or skilled individuals.

(2) Employee Databases:

Employers are increasingly turning to computerized resume registries to identify candidates. Today, there is a dramatic increase in the number of firms selling resume databases. The reason – organizations can quickly and efficiently gain access to national samples of prospective applicants by using these databases.

Organizations maintaining resume databases are not an employment agency, but rather a company that compiles a data base of resumes from people who are looking for jobs. That database is then available on – line to all businesses, service organizations, and government agencies that subscribe to the company’s large computerized information network.

Any employer can have access to the database of resumes, with or without subscribing to the company’s database, at a cost. The company requires the job-seekers to fill out data entry forms covering items such as name, address, career objectives, work experience, type of position desired, location and educational background. Candidates can also specify preference for geographic areas.

Along with the “personal summary of qualifications” the form presents a fairly complete picture of each candidate’s qualifications, occupational preferences, and desired salary range. This data/resume for each job – seeker is entered into the company’s database for a fixed registration fee to be paid by the job seeker. The amount of registration fee frequently is determined by the salary level desired by the job – seeker.

However, some companies do not charge any fee from the job-seekers for including their names in the database. Resumes of each job seeker remain in the database for 6 months, and are available to employers 24 hours a day, seven days a week.

(3) Media Advertisements:

Organizations advertise to acquire recruits. Various media – both print media and audio-visual, are used, the most common of which are the daily newspaper help-wanted ads. Organizations routinely advertise in daily newspapers, several unskilled, semi-skilled, clerical, administrative, and entry-level managerial job openings.

There are several reasons why employers use newspaper advertisements. Job openings can be announced quickly appearing in the newspaper within 1 or 2 days. They are fairly inexpensive when compared with other methods, and more than one position can be included in the same advertisement.

These also have the advantage of reaching many people in a short period of time and depending upon the newspaper; can reach a very representative sample of job candidates.

Further, newspaper advertisements offer flexibility to employers, who may specify that applicants apply for the position in person, send their resume and salary requirements through mail, or telephone or personally drop in the personnel office during prescribed hours on certain days.

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(4) Employment Agencies:

There are two types of employment agencies:

- i. Those operated by the government
- ii. Privately owned agencies.

Public employment agencies exist in the form of Employment Exchanges in India. The Compulsory Notification of Vacancies Act of 1959 requires all public sector and government owned firms to notify all vacancies in the employment exchanges. These exchanges register the job seekers and help in their placement in notified vacancies.

They, thus, help both the job seekers (to find suitable employment) and employers (find suitable workers), by forwarding the names of eligible candidates to the organization, when there is a vacancy.

However, the public employment agencies are dogged by poor image. Employers sometimes claim that the quality of candidates employed through these agencies is not up to the standards. Even the applicants believe that these get them jobs that are not very prestigious. Further, most mid-level or higher managerial or professional job openings are unlikely to be filled through these agencies. Yet, these are an excellent source of blue – collar and hourly workers.

Private employment agencies can serve as an excellent source of qualified applicants for a wide range of job openings. These agencies typically specialize in the skill level or profession of the applicants that they provide, and they charge fees to either the applicant or the organization for successful placements.

(5) Executive Search Firms (Head Hunters):

The executive recruitment agencies direct their efforts toward finding high – level managerial and professional talent for organizations. They also provide a more complete range of services to their client organization. The search firms attempt to find the person who best suits the requirements of the organizations and will adjust best.

Their fees are rather high (equal to one month's salary of the successful applicant or sometimes as much as 30 percent of a year's salary of the successful applicant). But, they provide a specialized service that may require personnel skills not available in the organizations' own personnel department.

Further, the best talent is already employed. To the extent that this is true, executive search firms may provide high quality talent by luring away employees from other organizations. Because of this, these firms are called “Headhunters”.

The term “Headhunters” refers to the tribe that beheaded its enemies and kept their heads as trophies. Now, it symbolises a method of recruiting for top – level positions through informal channels or personal contacts. Normally the firm is asked to get a person for the client organization at any cost.

(6) Campus Recruiting:

Many entry – level professional and managerial jobs require a college degree. Perhaps the best source of college graduates is the college campus. Campus recruiting began to increase substantially in the mid -1980s, and in the 1990s, it has reached aggressive proportions. Unfortunately for the organization, college recruiting can be extremely difficult, time consuming, and expensive. But pressures from the external environment will continue to force organizations to be highly visible and active in this kind of recruiting.

In college recruiting, the organization sends an employee (recruiter), or a team (recruiting team), to a campus to interview candidates and describe the organization to them. They act as the organizations representatives to individuals (who typically may have no first-hand knowledge of the firm), as well as a first – level screening agent for the organization.

E- Recruitment:

Definition:

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

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

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

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

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

Advantages of E-Recruitment

- Low cost per candidate, as compared to the physical recruitment process.
- Wide geographical coverage, i.e. the candidates can be hired from any part of the world.
- Beneficial for both the employer and the job seeker, the corporations can find the prospective candidates through their CVs attached to world wide web, and similarly, the candidates can search the employer through their job vacancy advertisement posted on the internet.
- Less time required in hiring the potential candidate for the firm.
- Right people for the right job can be easily found through E-Recruitment, by matching the candidate's CVs with the job profile.
- The recruitment process becomes more efficient and easy to record details of the applicant.

Selection:

Selection is the process of choosing the most suitable candidates from those who apply for the job. It is a process of offering jobs to desired candidates.

Once the potential applicants are identified, the next step is to evaluate their qualification, qualities, experience, capabilities, etc. & make the selection. It is the process of offering jobs to the desired applicants.

Selection means choosing a few from those who apply. It is picking up of applicants or candidates with requisite qualifications and qualities to fill jobs in the organization.

Definition of Selection

According to Harold Koontz, "Selection is the process of choosing from the candidates, from within the organization or from outside, the most suitable person for the current position or for the future positions."

Dale Yoder said, "Selection is the process by which candidates for employment are divided into classes those who will be offered employment and those who will not."

David and Robbins said, "Selection process is a managerial decision-making process as to predict which job applicants will be successful if hired."

According to R.M. Hodgetts, "Selection is the process in which an enterprise chooses the applicants who best meet the criteria for the available positions."

Steps in Selection Process:

The selection process typically begins with the preliminary interview; next, candidates complete the application for employment.

They progress through a series of selection tests, the employment interview, and reference and background checks. The successful applicant receives a company physical examination and is employed if the results are satisfactory.

Several external and internal factors impact the selection process, and the manager must take them into account in making selection decisions.

Typically selection process consists of the following steps but it is not necessary that all organization go through all these steps as per the requirement of the organization some steps can be skipped while performing the selection process.

1. Initial Screening

The selection process often begins with an initial screening of applicants to remove individuals who obviously do not meet the position requirements.

At this stage, a few straight forward questions are asked. An applicant may obviously be unqualified to fill the advertised position, but be well qualified to work in other open positions.

The Purpose of Screening is to decrease the number of applicants being considered for selection.

Personal Resume presented with the job application is considered a source of information that can be used for the initial screening process. It mainly includes information in the following areas:

- Employment & education history.
- Evaluation of character.
- Evaluation of job performance.

Advantages of Successful Screening

If the screening effort is successful, those applicants that do not meet the minimum required qualifications will not move to the next stage in the selection process. Companies utilizing expensive selection procedures put more effort into screening to reduce costs.

2. Completion of the Application Form

Application Blank is a formal record of an individual's application for employment. The next step in the selection process may involve having the prospective employee complete an application for employment.

This may be as brief as requiring only an applicant's name, address, and telephone number. In general terms, the application form gives a job-performance-related synopsis of applicants' life, skills and accomplishments.

The specific type of information may vary from firm to firm and even by job type within an organization. Application forms are a good way to quickly collect verifiable and fairly accurate historical data from the candidate.

3. Employment Tests

Personnel testing is a valuable way to measure individual characteristics.

Hundreds of tests have been developed to measure various dimensions of behavior. The tests measure mental abilities, knowledge, physical abilities, personality, interest, temperament, and other attitudes and behaviors.

Evidence suggests that the use of tests is becoming more prevalent for assessing an applicant's qualifications and potential for success. Tests are used more in the public sector than in the private sector and in medium-sized and large companies than in small companies.

Large organizations are likely to have trained specialists to run their testing programs.

4. Job Interview

An interview is a goal-oriented conversation in which the interviewer and applicant exchange information. The employment interview is especially significant because the applicants who reach this stage are considered to be the most promising candidates.

Interview Planning

Interview planning is essential to effective employment interviews.

The physical location of the interview should be both pleasant and private, providing for a minimum of interruptions. The interviewer should possess a pleasant personality, empathy and the ability to listen and communicate effectively.

He or she should become familiar with the applicant's qualifications by reviewing the data collected from other selection tools. In preparing for the interview, a job profile should be developed based on the job description.

1. Occupational experience: Exploring an individual's occupational experience requires determining the applicant's skills, abilities, and willingness to handle responsibility.

2. Academic achievement: In the absence of significant work experience, a person's academic background takes on greater importance.
3. Interpersonal skills: If an individual cannot work well with other employees, chances for success are slim. This is especially true in today's world with increasing emphasis being placed on the use of teams.
4. Personal qualities: Personal qualities normally observed during the interview include physical appearance, speaking ability, vocabulary, poise, adaptability, and assertiveness.
5. Organizational fit: A hiring criterion that is not prominently mentioned in the literature is organizational fit. Organizational fit is ill-defined but refers to management's perception of the degree to which the prospective employee will fit in with, for example, the firm's culture or value system.

5. Conditional Job Offer

Conditional job offer means a tentative job offer that becomes permanent after certain conditions are met.

If a job applicant has passed each step of the selection process so far, a conditional job offer is usually made.

In essence, the conditional job offer implies that if everything checks out – such as passing a certain medical, physical or substance abuse test – the conditional nature of the job offer will be removed and the offer will be permanent.

6. Background Investigation

Background Investigation is intended to verify that information on the application form is correct and accurate.

This step is used to check the accuracy of application form through former employers and references. Verification of education and legal status to work, credit history and criminal record are also made.

Personal reference checks may provide additional insight into the information furnished by the applicant and allow verification of its accuracy.

Past behavior is the best predictor of future behavior. It is important to gain as much information as possible about past behavior to understand what kinds of behavior one can expect in the future.

Knowledge about attendance problems, insubordination issues, theft, or other behavioral problems can certainly help one avoid hiring someone who is likely to repeat those behaviors.

7. Medical/Physical Examination

After the decision has been made to extend a job offer, the next phase of the selection process involves the completion of a medical/physical examination.

This is an examination to determine an applicant's physical fitness for essential job performance.

8. Permanent Job Offer

Individuals who perform successfully in the preceding steps are now considered eligible to receive the employment offer. The actual hiring decision should be made by the manager in the department where the vacancy exists.

Notification to Candidates

The selection process results should be made known to candidates—successful and unsuccessful—as soon as possible.

Any delay may result in the firm losing a prime candidate, as top prospects often have other employment options. As a matter of courtesy and good public relations, the unsuccessful candidates should also be promptly notified.

Types of Interview:

Everything you need to know about the types of interviews. Interview is one of the procedures of selection of an employee. It is most widely and popularly used selection technique. Irrespective of nature, size and type of organization, all organizations use 'interview' as a best tool or weapon to select an employee.

Interview is conducted not only for selecting an employee; it is even conducted for placement, counselling, separation, disciplinary action and even for admitting students for higher learning.

Type # 1. Formal Interview and Informal Interview:

It is a planned and well-arranged interview. It is conducted in a formal atmosphere in a fixed venue, time and through a panel of interviewers. All the formalities and procedures are followed in this type of interview. Even questions to be asked are decided well in advance.

Informal Interview:

It is an un-planned and un-scheduled interview and may take place anywhere. Venue and time is not fixed. Questions are not prepared well in advance. Whenever staff is required, this kind of interview is conducted by asking simple questions like name, age, qualification birth place etc., if candidates approach employer.

Type # 2. Structured or Patterned Interview and Un-Structured or Non-Directed Interview:

It is a fully planned interview and questions to be asked are already structured well in advance on the basis of an analysis of job specification. The time to be allowed to each candidate and the information to be collected is also predefined. The interviewer is carefully selected and he has no or little scope for deviation. Thus, a standardized pattern is adopted to conduct the interview.

Un-Structured or Non-Directed Interview:

It is an un-planned and unstructured interview where questions to be asked, time to be allowed and response to be collected are not thought in advance. Broad general questions are asked to the candidate and candidate is allowed to speak his mind freely without any restrictions.

Therefore, better assessment of candidate becomes possible.

Type # 3. Stress Interview:

It is a deliberate attempt to create tension and pressure to observe how an applicant responds under stress and strain. Interviewer puts the candidate by putting him under stress and strain by interrupting the applicant from answering, criticizing his opinion, asking questions in rapid succession and keeping silent for unduly long period of time etc. This kind of interview is conducted just to find out how a candidate behaves in stressful situation.

Type # 4. Group Interview:

In this type of interview, group of individuals are interviewed. For this purpose, a problem is given to a group of candidates for discussion. The candidates are carefully observed as to who will lead the group, who is active and who is in-active, who will dominate and who will keep silence. Actions and reactions of the members in the group are also observed and potential candidate is selected.

Type # 5. Depth Interview:

Depth interview is conducted to test the candidates in depth knowledge in a special area of interest and to get true picture of the candidate in such area or subject. Experts in the concerned area of subject ask the question to test the candidate's capacity in the concerned subject. Thus, candidate is examined thoroughly before he is selected for a particular post.

Type # 6. Panel or Board Interview:

It is an interview conducted by a panel or group of interviewers. Panels of experts interview each candidate, judge each candidates performance and prepare the list of candidate in order of merit. Here group judgment is involved in the selection of candidates as it seeks to pool the collective judgment of several interviewers.

Type # 7. Exit Interview:

Exit interview is conducted for those who leave or quit the organization. The main purpose of conducting this interview is to know the feelings of the outgoing employees towards organization, fellow workers, policy and rules of the organization and also to know the reason for quitting the job so that any defect associated with the organization can be rectified.

Type # 8. Walk-in-Interview:

Recently many companies have started to hold walk-in-interview. Here candidates are to appear for interview directly without sending their application in advance. At the time of interview candidates are asked to submit application and testimonials in support of their qualification. Questions are asked in the area of candidate's specialization in accordance with job requirement.

E- Selection:

E-Selection

E selection begins where e-recruitment ends. Gueutal and Stone (2005) define e- selection as a process of web-based testing, face to face interviews, and job offers.

Most organizations use e-selection to achieve some specific purposes, such as cost reduction, maximum utilization of human resources and sustainability. To operate e- selection properly, organizations need to consider few procedural requirements, including design upfront, vendor selection, and project steps, assessment steps, and protocol for the test event, and feedback to candidates.

E-learning/web-based training

Web-based training (sometimes called e-learning) is anywhere, anytime instruction delivered over the Internet or a corporate intranet to browser-equipped learners. There are two primary models of Web-based instruction: synchronous (instructor-facilitated) and asynchronous (self-directed, self-paced). Instruction can be delivered by a combination of static methods (learning portals, hyperlinked pages, screen cam tutorials, streaming audio/video, and live Web broadcasts) and interactive methods (threaded discussions, chats, and desktop video conferencing).

Audio

The radio has been around for a long time and has. been used in educational classrooms. Recent technologies have allowed classroom trainers or instructors to stream audio over the internet. There are also webcasts and podcasts available over the internet for students and teachers to download for free.

Video

Videos allow a trainer to reach trainee who is visual learners and tend to learn best by seeing the material rather than hearing or reading about it.

Trainers can access video clips through the internet instead of relying on DVDs or VHS tapes. Web sites like YouTube are used by many trainers. They can use messaging programs such as Skype, Adobe Connect, or webcams, to interact with guest speakers and other experts.

Videoconferencing

Emery and Schubert highlighted the benefits of videoconferencing. They argue that firms use videoconferencing to train employee who is geographically separated from each other or from the trainer.

Videoconferencing allows people in one location to communicate live via a combination of audio and visual equipment with people in another city or country or with groups in several cities. Keypads allow audience interactivity.

Computers, tablets and mobile devices

Computers and tablets allow students and teacher's access to websites and other programs, such as Microsoft Word, PowerPoint, PDF files, and images. Many mobile devices support m-learning.

Blogging

Blogs allow trainers and trainees to post their thoughts, ideas, and comments on a website. Blogging allows students and instructors to share their thoughts and comments on the thoughts of others which could create an interactive learning environment.

E-learning has both merits and demerits. It is a user-friendly tool. E-learning is self-paced, interactive, consistent, and easy to update. However, it is not without limitations. It may cause trainee anxiety, requires significant upfront and substantial investment. Top management support is a must to introduce the e-training program.

E-performance management

E-Performance Management by its name indicates that performance management with the help of electronic systems. E-Performance Management, a web-based tool, has been designed to make the performance reviews easier than ever.

An online performance appraisal system is a software program that facilitates the completion of performance evaluations online. It may be integrated with an employee position description module, allowing managers to pull data from the employee's position description and insert this information into the evaluation.

Further, it can act as a historical archive, storing past evaluations and permitting comparisons between evaluations over time. The primary advantage of these systems is the accessibility of the data any time from any computer with internet access, as well as the ease and speed with which they can generate accurate HR-related reports.

Unit 4: Training and Development

Training and Development:

Training and Development is a subsystem of an organization which emphasize on the improvement of the performance of individuals and groups. Training is an educational process which involves the sharpening of skills, concepts, changing of attitude and gaining more knowledge to enhance the performance of the employees. Good & efficient training of employees helps in their skills & knowledge development, which eventually helps a company improve.

Training is about knowing where you are in the present and after some time where will you reach with your abilities. By training, people can learn new information, new methodology and refresh their existing knowledge and skills. Due to this there is much improvement and adds up the effectiveness at work. The motive behind giving the training is to create an impact that lasts beyond the end time of the training itself and employee gets updated with the new phenomenon. Training can be offered as skill development for individuals and groups.

Organizational Development is a process that “strives to build the capacity to achieve and sustain a new desired state that benefits the organization or community and the world around them.”

Relation between Training and Development

There is a relation between training and development, and there is clear difference between the two based on goals to be achieved. Development is made to answer the training problems:

| TRAINING | DEVELOPMENT |
|-----------------------------------|---------------------------------------|
| Training is meant for operatives | Development is meant for executives |
| It is reactive process | It is pro- active process |
| AIM: To develop additional skills | AIM: To develop the total personality |

| | |
|--|---|
| It is short term process | It is continuous process |
| OBJECTIVE: To meet the present need of an employee | OBJECTIVE: To meet the future need of an employee |
| Initiative is taken by the management | Initiative is taken by an individual. |

Importance of Training and Development

For companies to keep improving, it is important for organizations to have continuous training and development programs for their employees. Competition and the business environment keeps changing, and hence it is critical to keep learning and pick up new skills. The importance of training and development is as follows:

- Optimum utilization of Human resources
- Development of skills like time management, leadership, team management etc
- To increase the productivity and enhance employee motivation
- To provide the zeal of team spirit
- For improvement of organization culture
- To improve quality, safety
- To increase profitability
- Improve the morale and corporate image

Methods of Training and Development:

1. Classroom lecture method: This is the most commonly used, simple, cost effective and conventional method. It is timesaving because it covers maximum number of people in a short period of time. It involves a speech by the instructor with very limited discussions. Clear and direct methods of presentation. Weaknesses of the method are that, lecture time is more than the normal human attention span of fifteen minutes and the contents of the lecture could be easily forgotten. Since the method does not provide for active

participation on the part of the trainees, the extent of take-home learning is not to be known clearly. Moreover, lecture might be useful only if the presentation is made skillfully. While lecture is a useful method in so far as information dissemination is the objective, it has not been highly successful in modifying human behavior or in building commitments in the audience's minds. An improvisation of this method is the lecture-cum-demonstration method in which the lecturer reemphasizes a skill or information by displaying the same in action.

2. Group Discussion Method:

In this method sets of people examine several empirical studies to find out commonalities to derive the underlying general principles. They then combine their ideas and focus their attention on a given problem at a time, speaking from multiple points of view within a group. An instructor is optional, while a leader is necessary in this method. The various advantages of the method are that more ideas can be generated from each session. Moreover each member gets an opportunity to present one's own ideas and get feedback from members of the same group. Peer pressure and commitments made to groups serve to ensure adherence to decisions jointly taken in the group. As a precaution, care must be taken to secure the participation of all members and make sure that a few members do not pre-determine the course of discussions or dominate the whole proceedings.

3. Simulation Exercises Method:

Simulators are a group of training devices of varying degrees of complexity that model the real world. They range from simple paper mock-ups of mechanical devices to computerized creations of total environments. In fact, some argue that case-study, roleplay and a host of other methods can be brought under the category of simulation. The advantage of simulation methods is that they improve the possibility of learning without damaging the equipments or human life or facing the numerous risks involved in actual performance. For example, most of traffic rules, signals and procedures of driving could be taught in a park that resembles main road or through a video game featuring car or two-wheeler driving. Piloting planes are taught using more complex simulations. The methods are indirect but could also be expensive. The method calls for a certain level of grasp and information processing capability and transfer of learning on the part of the trainees.

4. Role Playing Method:

Role is a set of expectations around a given position and is determined by the role partners. Roles are always reciprocal and described in pairs such as trainer-trainee, buyerseller, interviewer-interviewee and so on. Playing roles would entail practical problems like inter-role conflicts, intra-role dilemmas, role overloads and role under loads. As a result of these hurdles, role confusion ensues. In order to be trained to perform roles, trainees must attain role clarity. This may involve negotiation among the role senders and role receivers with regard to their expectations with counter expectations upon one another. Participants in role-play method are required to respond to specific problems and expectations of people that they might actually encounter in their jobs. Role-playing is often used to teach such skills as interviewing,

negotiating, grievance handling, performance appraisal, and buying and selling and effective communication. It promotes healthy human relations skills among people.

5. Case Study Method:

It is a written down, narrative description of a real situation or incident relating to an organization and its business, depicting any problem that participants could face in their employment. Participant trainees are required to propose any number of viable solutions or decisions that match the variables represented in the case. Case study can be interest creating and thought stimulating for the participants. It helps to develop analytical, reasoning and problem-solving skills of the participants. As it shows and reduces gaps in understanding, a holistic understanding of reality is made possible through case study method. It also helps to reemphasize messages provided during lectures, group discussions and other methods. The disadvantage of the method might be the difficulty in drawing adequate number of stimulating cases that actually represent the real life situations of the trainees.

6. Sensitivity Training or T Group Training or Laboratory training Method:

It is a set of experiences in unstructured agenda-less groups designed to make people aware of themselves (self-insight), their immediate situation and their own impact on others. Unlike many other programs, T-groups are concerned with the real problems existing within the group itself. People are helped to become more responsive to others' sensitivities and work more harmoniously and responsibly together by encouraging them to interact freely and actively. The members are enabled to recognize group dynamics and diagnose human relationship problems. The participants are encouraged to communicate thoughts and feelings with each other in an open, unstructured, warm and honest manner than is typically done in the usual work or social situation. A beneficial outcome of the method is that participants find better means of behavior for effective interpersonal relationships without the aid of power or authority over others. The method has to be used carefully as people may resent negative feedback and show anger in response. People have to be first prepared well to accept criticism in a constructive manner so that conflicts could be managed properly.

7. Management Games Method:

Games are used as a training tool, than as mere pastimes or amusement. Trainees are divided into teams and are given common tasks on which they would be competing to arrive at decisions, and then jointly implementing and evaluating the decisions taken with regard to the games. For example, blocks of wood would be supplied to every team and one of the members would be blind-folded with a piece of cloth. The person would have to arrange the blocks one above the other, as per the instructions and guidance of the other members. As they set on to reach greater target heights, the rewards would also grow exponentially. This game is used to bring out the nuances of teamwork, leadership styles and communication patterns exhibited by the members while playing the game. The demerits of the method are that, at times, games might result in lack of seriousness in some trainees and that the learning is indirect and slow. But it helps to convey messages in a non-threatening and fun-filled manner.

8. Outward Bound Training (OBT) Method:

As part of OBT, managers and other staff members meet and cohabitate as teams at unfamiliar wilderness out of the workplace and away from the hustles and bustles of daily life, where they would live in cabins or tents for a certain number of days. They test their survival skills and learn about their own personality and hidden potentials for creativity, cooperation and leadership. Participants get opportunities to learn their limits and capabilities. Participants irrespective of their official position and seniority would have to learn to be natural in their behavior and get rid of masks worn in an office situation. It is an expensive method and the learning might not be transferable to others or to other situations.

9. In -basket Training (IBT) Method:

IBT is a method where the trainee is required to examine a basket full of papers and files relating to his area of work and make recommendations on problems contained in them. This method is meant for trainees in a managerial level to improve their decision-making and problem-solving abilities. This is a form of simulation training designed around day to- day business situations and hence is transferable to the job experiences. The participant is usually asked to establish priorities for and then handle a number of office papers, such as memoranda, reports, telephone messages and emails that would typically cross a manager's desk. The method has at least two main stages. At the outset, the participant starts by working through the case within a specified time limit all by himself without discussing the details with anyone. Subsequently, other participants analyze and discuss the questions of who's, which's, how's, what's, where's, why's and when's of each decision or step. The merits of this method include the best of traditional case study at the same time combining the refinements to allow greater flexibility, realism and involvement.

The emphasis here is to understand things thoroughly, which is an opportunity too rarely presented during busy working days. It is done in a permissive atmosphere of experimenting and learning, rather than within the confines of a boss subordinate relationship.

10. Vestibule Training Method:

This kind of training takes place away from the production area on equipment that closely resembles the actual ones used on the job. It is a type of off-the-job training in which employees get training in a realistic job setting but in a location different from the one in which they would be working. For example, a group of lathes may be located in a training center where the trainees will be instructed in their use. The method is used frequently for training typists and bank tellers, among others. The word 'vestibule' means entrance. Thus vestibule training serves to facilitate full-fledged entry into job. A primary advantage of vestibule training is that it removes the employee from the pressure of having to produce while learning. Disturbance of production or supervisor during training is minimized. The disadvantages include the extra investment on equipment and additional persons to be employed as trainers.

E- Training:

The concept of E-training The concept of e-training is still evolving, unsettled and in constant modification as it is related to modern technologies which grow and develop day by day, adding that it is connected to a virtual changing world. Some argue that the origins of this term dating back to the 1980s, within the same time framework of the emergence of other types of online training. There are several terms used to indicate e-training including: distance training; virtual training; online collaborative training; web-based training; training by technological media¹ . E-training is defined as “a process of distance training through the use of the Internet or Intranet, providing the individual the necessary knowledge on various selected subjects or chosen specialty, in order to raise the scientific level or to achieve rehabilitation, using the computer, sound, video, multimedia, e-books, email, chat and discussion groups”² . Others believe that it is “the Internet-based training that facilitates cooperation among trainers and trainees to improve education”³ . Others consider the term e-training refers to “the use of multimedia technologies and the Internet to improve the quality of education by facilitating media and services access as well as distance exchanges and cooperation”⁴ . It is also defined as “a trend in the cluster network; that network which has changed individuals’ lives in all fields; education was based on power technology which can be divided into time scales and spatial scales, education happens all the time, and the learner can store and reference to it at any time”⁵. It is “a training process aims to provide training contents through any medium of modern communication mechanisms as computers and the Internet to overcome geographical distances between the trainer and trainee; it is a training system between distant trainees and trainers in space and time to enable individuals to train and overcome time and space conditions”⁶ .

The importance of e-training:

The importance of e-training is highlighted as follows: Rapid development in innovations, their applications and integration with education, learning, information and communication, technologies as well as the digital technology;

Allowing for the greatest amount of trainees to attend different levels of training in accordance with the principle of equal opportunities and training for all⁷ ;

Reducing material cost and saving time and effort for obtaining specific training;

E-training creates interactive relationship between trainees and trainers;

E-training develops the trainee’s ability to use computer and take advantage of the Internet, which assists him in his career⁸ ;

The necessity to accompany knowledge explosion and prepare an individual able to deal with globalization through lifelong learning.

Recent Trends in Training:

No. 1: We'll see an increase in personalized learning.

Personalized learning will boom in 2020, thanks to the ability of artificial intelligence and machine learning to assess a learner's needs and offer customized learning content, predicted Celeste Martinell, vice president of customer success at BenchPrep. A Chicago-based company, BenchPrep works with large training and credentialing organizations to improve the employee learning experience.

"This could mean delivering remediation courses or content if a learner struggles in a course or with a specific topic. We will also see increased gamification of content. Professional training designers will take a page out of consumer Web and mobile playbooks to get this done. 2020 will also bring more user experience [UX] applied approaches that many haven't seen before. Professional training companies need to invest in content and the overall UX if they want to be successful in the years to come."

No. 2: The tech industry will take the lead in training.

"The technology sector is doing a great job in training recent college graduates and placing them into professional roles, and we'll see this become more popular in 2020," Martinell said.

"There are a number of companies that are employing recent graduates, paying them salaries and providing benefits to train them in the latest technologies, development or data science skill sets, and then staffing them at their client sites. They also provide ongoing professional coaching for them so that their clients are confident they are receiving a high-quality employee, albeit a contract employee. It's an innovative model that removes a lot of the friction in the education and training space."

No. 3: Tech upskilling will reduce displacement.

Hamilton thinks teaching employees "no-code" technological platforms will reduce the likelihood of knowledge workers being replaced by automation, because the platforms will give these employees time to work on more meaningful and efficient problem-solving.

"There is a sense that employees will get displaced [by technology], which we don't believe to be true. Humans create technology, and we can all benefit from that, and it adds to the sense of meaningful work," she said.

"Any knowledge worker has the capability at their fingertips to create their own automation and workflow without IT or in partnership with IT," she said. "For the actual workflow you're creating ... you're in an interface where you can apply your knowledge very directly."

No. 4: Continuous professional learning will outpace one-off training.

"In today's fast-paced society, it's important for professionals to keep their skills up-to-date," said Joe Miller, vice president of learning design and strategy at BenchPrep. Miller foresees organizations implementing learning components into a curriculum to make the training stick with employees.

"For example, after passing a certification exam, an employee would still engage in occasional learning activities over an indefinite period of time within that certified subject matter to maintain mastery. The previous one-off training programs," such as a one-day workshop or a few hours of a training session, "lose their effectiveness if that content is not reinforced and constant in nature."

Employers will put time and resources into developing different training programs or implementing upskilling initiatives in 2020 to retain employees and grow internal talent for jobs of the future, according to Jodi Chavez, group president, Randstad professional staffing group.

No. 5: Power skills will reign supreme.

An increased emphasis on behavioral skills—also known as power skills or soft skills—will become a top priority for companies to address in 2020, said Will Foussier, CEO and co-founder of AceUp, a Boston-based talent management platform offering personalized executive coaching. He pointed to an IBM report that showed behavioral skills dominate the list of core competencies that global executives seek in employees, supplanting technical skills for the first time.

"Employees at all levels across the organization will need to reskill and upskill their power skills to successfully manage and operate in teams that are confronting the rapidly changing workplace landscape."