

# **UCS1704 – Management and Ethical Practices**

**UNIT – II**

**Human Resource Management  
Planning, Recruitment and Selection**

**Semester – VII**



# OUTLINE

## **Why Human Resources Is Important: The HRM Process**

- Explain how an organization's human resources can be a significant source of competitive advantage.
- List eight activities necessary for staffing the organization and sustaining high employee performance.
- Discuss the environmental factors that most directly affect the HRM process.

# **OUTLINE (cont'd)**

## **Human Resource Planning; Recruitment/ Decruitment; Selection; Orientation; Training**

- Contrast job analysis, job description, and job specification.
- Discuss the major sources of potential job candidates.
- Describe the different selection devices and which work best for different jobs.
- Tell what a realistic job preview is and why it's important.
- Explain why orientation is so important.
- Describe the different types of training and how that training can be provided.

# OUTLINE (cont'd)

## **Employee Performance Management; Compensation/Benefits; Career Development**

- Describe the different performance appraisal methods.
- Discuss the factors that influence employee compensation and benefits.
- Describe skill-based and variable pay systems.
- Describe career development for today's employees.

## **Current Issues in Human Resource Management**

- Explain how managers can manage downsizing.
- Discuss how managers can manage workforce diversity.

# OUTLINE (cont'd)

## **Current Issues in Human Resource Management (cont'd)**

- Explain what sexual harassment is and what managers need to know about it.
- Describe how organizations are dealing with work-life balances.

# The Importance of Human Resource Management (HRM)

- As a necessary part of the organizing function of management
  - Selecting, training, and evaluating the work force.
- As an important strategic tool
  - HRM helps establish an organization's sustainable competitive advantage.
- Adds value to the firm
  - High performance work practices lead to both high individual and high organizational performance.

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## **Examples of High-Performance Work Practices**

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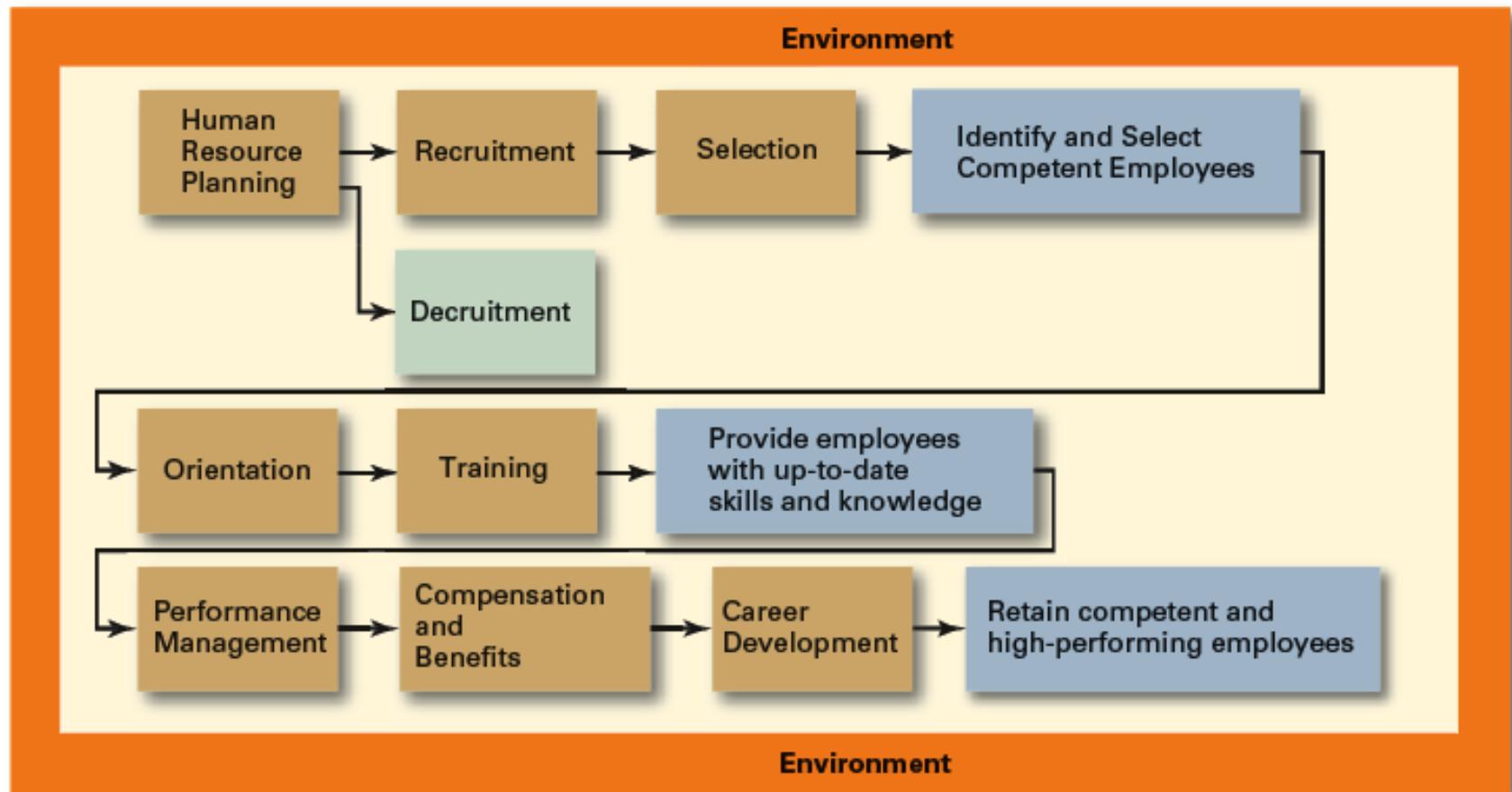
- Self-managed teams
- Decentralized decision making
- Training programs to develop knowledge, skills, and abilities
- Flexible job assignments
- Open communication
- Performance-based compensation
- Staffing based on person–job and person–organization fit

Source: Based on W. R. Evans and W. D. Davis, "High-Performance Work Systems and Organizational Performance: The Mediating Role of Internal Social Structure," *Journal of Management*, October 2005, p. 760.

# The HRM Process

- Functions of the HRM Process
  - Ensuring that competent employees are identified and selected.
  - Providing employees with up-to-date knowledge and skills to do their jobs.
  - Ensuring that the organization retains competent and high-performing employees who are capable of high performance.

# Human Resource Management Process



# Environmental Factors Affecting HRM

- Employee Labor Unions

- Organizations that represent workers and seek to protect their interests through collective bargaining.
  - ❖ Collective bargaining agreement: A contractual agreement between a firm and a union elected to represent a bargaining unit of employees of the firm in bargaining for wage, hours, and working conditions.

- Governmental Laws and Regulations

- Limit managerial discretion in hiring, promoting, and discharging employees.
  - ❖ Affirmative action: Achieved by having organizations follow specific guidelines to ensure that they have a balanced and representative workforce.
  - ❖ To achieve these goals, employers must make a concerted effort to recruit, select, train, and promote members of protected classes.

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## **Major U.S. Federal Laws and Regulations Related to HRM**

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- 1963 Equal Pay Act
- 1964 Civil Rights Act, Title VII (amended in 1972)
- 1967 Age Discrimination in Employment Act
- 1973 Vocational Rehabilitation Act
- 1974 Privacy Act
- 1978 Mandatory Retirement Act
- 1986 Immigration Reform and Control Act
- 1988 Worker Adjustment and Retraining Notification Act
- 1990 Americans with Disabilities Act
- 1991 Civil Rights Act of 1991
- 1993 Family and Medical Leave Act of 1993
- 1996 Health Insurance Portability and Accountability Act of 1996
- 2003 Fair and Accurate Credit Transactions Act
- 2004 FairPay Overtime Initiative

# Labour Laws, M/o Labour & Employment

- Industrial Employment (Standing Orders)Act, 1946 & Rules 1957
- Payment of Bonus Act 1965, & Rules, 1965
- Appeals under the IE(S.Os) Act, 1946
- Maternity Benefit Act & Rules
- Payment of Gratuity Act, 1972
- Clarification/interpretation under the above said Act.
- Application filed for exemption under this Act.

## Labour Laws, M/o Labour & Employment

- Appeal/ Writ Petition filed against the decision of Controlling/ Appellate Authority under the Act.
- Employees Compensation Act, 1923 & Rules.
- The Sales Promotion Employees (Condition of) Act and Rules.
- Minimum Wages Act, 1948, M.W(C) Rules, 1950
- Payment of Wages Act, 1936,(i) Payment of Wages (Railways.) Rules, 1938 (ii) Payment of Wages (A.T.S), Rules, 1958 (iii) Payment Wages (Mines)Rules 1956

# Labour Laws, M/o Labour & Employment

- Equal Remuneration Act, & Rules.
- Child Labour (P&R) Act 1986 & Rules.
- R.T.I. Matters
- Complaints/Representation of Workmen, Unions and Employees.
- Amendments in Various Labour Laws received from State Government/Ministry.
- Revision of Various Dearness Allowance.
- General matters of interpretation, amendment, Clarification including issue of sanction letters relating to

# Labour Laws, M/o Labour & Employment

- Drafting of Replies to Parliament Question pertaining to above Acts.
- Matters pertaining to Minimum Wages Advisory Board, Parliament Standing Committees, Standard Notes, Annual Reports etc.

# Labour Laws, M/o Labour & Employment

- Contract Labour (Regulation And Abolition) Act,1970 And Rules.
- References received from Ministry of Labour and Employment in respect of above acts.
- Inter State Migrant Workmen (Regulation of Employment and Condition of Service) Act,1979/ Rules, 1980.
- Court-Cases related to above two Acts.
- RTI Matters.
- Compilation of Data pertaining to above acts and drafting of replies to Parliament Questions.

# Managing Human Resources

- Human Resource (HR) Planning
  - The process by which managers ensure that they have the right number and kinds of people in the right places, and at the right times, who are capable of effectively and efficiently performing their tasks.
  - Helps avoid sudden talent shortages and surpluses.
  - Steps in HR planning:
    - ❖ Assessing current human resources
    - ❖ Assessing future needs for human resources
    - ❖ Developing a program to meet those future needs

# Current Assessment

- Human Resource Inventory

- A review of the current make-up of the organization's current resource status
- Job Analysis
  - ❖ An assessment that defines a job and the behaviors necessary to perform the job
    - Knowledge, skills, and abilities (KSAs)
  - ❖ Requires conducting interviews, engaging in direct observation, and collecting the self-reports of employees and their managers.

# Current Assessment (cont'd)

- Job Description
  - A written statement of what the job holder does, how it is done, and why it is done.
- Job Specification
  - A written statement of the minimum qualifications that a person must possess to perform a given job successfully.

# Recruitment and Decruitment

- Recruitment
  - The process of locating, identifying, and attracting capable applicants to an organization
- Decruitment
  - The process of reducing a surplus of employees in the workforce of an organization
- E-recruiting
  - Recruitment of employees through the Internet
    - ❖ Organizational web sites
    - ❖ Online recruiters

## **Major Sources of Potential Job Candidates**

| Source                                | Advantages  | Disadvantages                                       |
|---------------------------------------|---|---|
| Internet                              | Reaches large numbers of people; can get immediate feedback   | Generates many unqualified candidates               |
| Employee referrals                    | Knowledge about the organization provided by current employee; can generate strong candidates because a good referral reflects on the recommender | May not increase the diversity and mix of employees |
| Company Web site                      | Wide distribution; can be targeted to specific groups   | Generates many unqualified candidates               |
| College recruiting                    | Large centralized body of candidates  | Limited to entry-level positions                    |
| Professional recruiting organizations | Good knowledge of industry challenges and requirements  | Little commitment to specific organization          |

## Decruitment Options

| Option            | Description  |
|-------------------|--|
| Firing            | Permanent involuntary termination  |
| Layoffs           | Temporary involuntary termination; may last only a few days or extend to years   |
| Attrition         | Not filling openings created by voluntary resignations or normal retirements   |
| Transfers         | Moving employees either laterally or downward; usually does not reduce costs but can reduce intraorganizational supply-demand imbalances |
| Reduced workweeks | Having employees work fewer hours per week, share jobs, or perform their jobs on a part-time basis                                       |
| Early retirements | Providing incentives to older and more senior employees for retiring before their normal retirement date                                 |
| Job sharing       | Having employees share one full-time position  |

# Selection

- Selection Process
  - The process of screening job applicants to ensure that the most appropriate candidates are hired.
- What is Selection?
  - An exercise in predicting which applicants, if hired, will be (or will not be) successful in performing well on the criteria the organization uses to evaluate performance.
  - Selection errors:
    - ❖ Reject errors for potentially successful applicants
    - ❖ Accept errors for ultimately poor performers

## Selection Decision Outcomes

|                       |              | Selection Decision |                  |
|-----------------------|--------------|--------------------|------------------|
|                       |              | Accept             | Reject           |
| Later Job Performance | Successful   | Correct decision   | Reject error     |
|                       | Unsuccessful | Accept error       | Correct decision |

# Validity and Reliability

- **Validity (of Prediction)**
  - A proven relationship between the selection device used and some relevant criterion for successful performance in an organization.
    - ❖ High tests scores equate to high job performance; low scores to poor performance.
- **Reliability (of Prediction)**
  - The degree of consistency with which a selection device measures the same thing.
    - ❖ Individual test scores obtained with a selection device are consistent over multiple testing instances.

## Selection Devices

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- Application Forms
- Written Tests
- Performance Simulations
- Interviews
- Background Investigations
- Physical examinations



# Written Tests

- **Types of Tests**

- Intelligence: how smart are you?
- Aptitude: can you learn to do it?
- Attitude: how do you feel about it?
- Ability: can you do it now?
- Interest: do you want to do it?

- **Legal Challenges to Tests**

- Lack of job-relatedness of test items or interview questions to job requirements
- Discrimination in equal employment opportunity against members of protected classes

# Performance Simulation Tests

- Testing an applicant's ability to perform actual job behaviors, use required skills, and demonstrate specific knowledge of the job.
  - Work sampling
    - ❖ Requiring applicants to actually perform a task or set of tasks that are central to successful job performance.
  - Assessment centers
    - ❖ Dedicated facilities in which job candidates undergo a series of performance simulation tests to evaluate their managerial potential.

# Discussion - HRM

- Engagement
- Job demands-resources model
- Strategic Human Resource Management
- HR analytics
- Employee turnover
- Applicant tracking system
- HR report
- Employee experience
- 360-degree survey