# *MGT501 Short Notes Mid term*

## *Lec 1 to18*

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## INTRODUCTION TO Human Resource Management (HRM)

HRM is the study of activates regarding people working in an organization. It is a managerial function that tries to match an organization's needs to the skills and abilities of its employees. Let's see what is meant by the three key terms (human, resource, and management)

- Human (Homo-sapiens – Social Animal)
- Resources (Human, Physical, Financial, Technical, Informational etc)
- Management (Function of Planning, Organizing, Leading & Controlling of organizational resources to accomplish goals efficiently and effectively)

## Functions of HRM

Basic functions that all managers perform planning, organizing, staffing, leading, and controlling.

- Staffing (HR planning, recruitment and selection)
- Human resource development
- Compensation and benefits
- Safety and health
- Employee and labor relations
- Records maintaining, etc.
- HR research (providing a HR information base, designing and implementing employee communication system).
- Interrelationship of HR functions

## What is human resource management?

Human resource management (HRM) is the practice of recruiting, hiring, deploying and managing an organization's employees. HRM is often referred to simply as human resources (HR). A company or organization's HR department is usually responsible for creating, putting into effect and overseeing policies governing workers and the relationship of the organization with its employees. The term human resources were first used in the early 1900s, and then more widely in the 1960s, to describe the people who work for the organization, in aggregate.

## The importance of human resource management

The purpose of HRM practices is to manage the people within a workplace to achieve the organization's mission and reinforce the corporate culture. When people management is done effectively, HR managers can help recruit new employees who have the skills to further the company's goals. HR professionals also aid in the training and professional development of employees to meet the organization's objectives.

HRM plays important role in creating organizations and helping them survive. Organizations on the other hand depend on people, and without people, they would disappear.

Factors Contributing to the Growing Importance of HRM

a. Accommodation to workers' needs
   Workers are demanding that organizations accommodate their personal needs by instituting such programs as flexible work schedules, parental leave, child-care and elder-care assistance, and job sharing.

b. Increased complexity of the Manager's job
   Management has become an increasingly complex and demanding job for many reasons, including foreign competition, new technology, expanding scientific information, and rapid change. Executives need assistance from the human resource department in matters of recruitment, performance evaluation, compensation, and discipline.

c. Legislation and litigation
   Four areas that have been influenced most by legislation include equal employment, Compensation, safety, and labor relations. An organization's failure to comply with laws regulating these areas can result in extremely costly back-pay awards, class action suits, and penalties.

d. Consistency
   Human resource policies help to maintain consistency and equity within an organization. Consistency is particularly important in compensation and promotion decisions. When managers make compensation decisions without consulting the human resource department the salary structure tends to become very uneven and unfair promotion decisions also may be handled unfairly when the HR department does not coordinate the decision of individual manger.

e. Expertise
   Many organizations have developed compensation systems with elaborate benefits packages to replace simple hourly pay or piece rate incentive systems.

f. Cost of Human Resource
   Human resource activities have become increasingly important because of the high cost of personal problem. The largest single expense in most organizations is labor

cost, which is often considerably higher than the necessary because of such problems as absenteeism tardiness and discrimination.

Human Resource Management (HRM) is a critical function within organizations, and there are several reasons why it is a source of concern and focus:

- Talent Acquisition and Retention:
  HRM is responsible for attracting and retaining a skilled and motivated workforce. In today's competitive business environment, finding and keeping the right talent is essential for organizational success.
- Employee Development:
  HRM plays a key role in fostering the professional development of employees. This includes training programs, performance evaluations, and creating opportunities for career advancement. A well-developed workforce contributes to organizational effectiveness.
- Employee Satisfaction and Engagement:
  HRM is concerned with creating a positive work environment that fosters employee satisfaction and engagement. Satisfied and engaged employees are more likely to be productive, innovative, and committed to the organization.
- Compliance with Laws and Regulations:
  HRM ensures that organizations comply with labor laws, regulations, and ethical standards. This includes issues related to workplace safety, diversity and inclusion, equal employment opportunity, and fair labor practices.
- Organizational Culture:
  HRM helps shape and maintain the organizational culture. A strong and positive culture can enhance teamwork, communication, and overall organizational performance.
- Conflict Resolution:
  HRM plays a crucial role in managing conflicts within the workplace. Whether its disputes between employees or issues related to work conditions, effective HRM practices can help resolve conflicts and maintain a harmonious work environment.
- Strategic Planning:
  HRM is involved in aligning human resources strategies with overall business strategies. This includes workforce planning, succession planning, and ensuring that the organization has the right talent to meet its long-term goals.
- Cost Management:
  Human resources are a significant cost for most organizations. HRM is concerned

with managing these costs efficiently while ensuring that the organization has the necessary human capital to achieve its objectives.

- Adaptation to Change:
  In today's dynamic business environment, organizations need to adapt quickly to changes. HRM helps in managing change by preparing employees for transitions, providing necessary training, and ensuring that the workforce remains flexible.

## Successful HRM

- Organization:
  High level of profitability, higher annual sales per employee, High market value.
- Employee:
  More employment security, more job opportunities, High wages.
- Society:
  Elevating the standard of living, strengthening ethical guidelines.

## Lesson 2 ESSENTIALS OF MANAGEMENT

### Concepts and Essential of Management

### What is Management?

Management is the process of working with different resources to accomplish organizational goals. Good managers do those things both effectively and efficiently. To be effective is to achieve organizational goals. To be efficient is to achieve goals with minimum waste of resources, that is, to make the best possible use of money, time, materials, and people. Some managers fail on both criteria, or focus on one at the expense of another. The best managers maintain a clear focus on both effectiveness and efficiency.

### The Functions of Management

The management process, properly executed, involves a wide variety of activities including planning, organizing, leading, and controlling. These activities, described below, are the traditional functions of management:

### **Planning**

Planning is specifying the goals to be achieved and deciding in advance the appropriate actions taken to achieve those goals. Planning activities include analyzing current situations, anticipating the future, determining objectives, deciding what types of activities the company will engage in, choosing corporate and business strategies, and

determining the resources needed to achieve the organization's goals. The outcome of the planning process is the organization's strategy.

## Organizing

Organizing is assembling and coordinating the human, financial, physical, informational, and other resources needed to achieve goals. The outcome of organizing is an organizational structure.

## Leading

Leading is stimulating people to be high performers. It is directing, motivating, and communicating with employees, individually and in groups. Leading involves close day-to-day contact with people, helping to guide and inspire them toward achieving team and organizational goals.

## Controlling

The fourth functional controlling, monitors progress and implements necessary changes. The controlling function makes sure that goals are met. Specific controlling activities are to set performance standards that indicate progress toward long-term goals; to identify performance problems by comparing performance data against standards; and to take actions to correct problems. Budgeting, information systems, cost cutting, and disciplinary action are just a few of the tools of control. They take fast action when problems arise, and are able to change as needed. The outcome of controlling is an accurate measurement of performance and regulation of efficiency and effectiveness.

## Effectiveness & Efficiency

Productivity = Efficiency x Effectiveness

- Efficiency: A measure of how well resources are used to achieve a goal —Doing Things Right‖ „
- Effectiveness: A measure of the appropriateness of the goals chosen (are these the right goals?), and the degree to which they are achieved —Doing the Right Things Right‖.

## Manager

The member of the organization who participates in the management process by planning, organizing, leading, or controlling the organization's resources.

## Types of Mangers

There are three types of mangers

**Strategic Manager:**

Strategic managers are the senior executives of an organization and are responsible for its overall management. Major activities include developing the company's goals and plans.

**Tactical Managers:**

Tactical managers are responsible for translating the general goals and plans developed by strategic managers into objectives that are more specific and activities. These decisions, or tactics, involve both a shorter time horizon and the coordination of resources. Tactical managers are often called middle managers, because in large organizations they are located between the strategic and operational managers. Today's best middle managers have been called "working leaders." They do not just make decisions, give orders, wait for others to produce, and then evaluate results. They get dirty, do hard work themselves, solve problems, and produce value.

**Operational Managers:**

Operational managers are lower-level managers who supervise the operations of the organization. These managers often have titles such as supervisor or sales manager. This role is critical in the organization, because operational managers are the link between management and non-management personnel.

Managers are Universal:

Managers work in all types of organizations, at all levels, and in all functional areas. Large and small businesses, hospitals, schools and governments benefit from efficient and effective management. The leaders of these organizations may be called executives, administrators, or principals, but they are all managers and are responsible for the success or failure of the organization. This success or failure is reflected in a manager's career.

**Technical Skills**

Technical skills involve the ability to use specific methods, processes, and techniques to perform tasks within a specific field or discipline.

Examples: In various professions, technical skills may include programming, data analysis, financial analysis, engineering, or any other job-specific expertise.

**Interpersonal Skills:**

Interpersonal skills, also known as human or people skills, relate to a manager's ability to interact, communicate, and work effectively with others.

Examples: Communication, teamwork, conflict resolution, leadership, and empathy are examples of interpersonal skills crucial for building positive relationships within a team or organization.

**<u>Conceptual Skills:</u>**

Conceptual skills involve the ability to think strategically, understand the organization as a whole, and recognize how various parts of the organization interact and contribute to its success.

Examples:. These skills are particularly important for top-level managers who need to set overall organizational direction.

## Levels of Management

Three levels in the organization can classify managers, particularly for traditionally structured organizations

1. **<u>First-line managers</u>** are the lowest level of management. They're often called supervisors
2. **<u>Middle managers</u>** include all levels of management between the first-line level and the top level of the organization.
3. **<u>Top managers</u>** include managers at or near the top of the organization who are responsible for making organization wide decisions and establishing the plans and goals that affect the entire organization.

## Manager's Roles:

a. Interpersonal roles
   - Figurehead—duties that are ceremonial and symbolic in nature
   - Leadership—hire, train, motivate, and discipline employees
   - Liaison—contact outsiders who provide the manager with information.

b. Informational roles
   - Monitor—collect information from organizations and institutions outside their own
   - Disseminator—a conduit to transmit information to organizational members
   - Spokesperson—represent the organization to outsiders

c. Decisional roles

- Entrepreneur—managers initiate and oversee new projects that will improve their organization's performance
- Disturbance handlers—take corrective action in response to unforeseen problems
- Resource allocators—responsible for allocating human, physical, and monetary resources
- Negotiator role—discuss issues and bargain with other units to gain advantages for their own unit

All managers are mostly concerned with following activities:

- Staffing
- Retention
- Development
- Adjustment
- Managing change

HR Professionals' Responsibilities:

Line manager Authorized to direct the work of subordinates they're always someone's boss. In addition, line managers are in charge of accomplishing the organization's basic goals. Staff manager Authorized to assist and advise line managers in accomplishing these basic goals. HR managers are generally staff managers.

Management and its relationship with HRM

There are five basic functions that all managers perform: planning, organizing, staffing, leading, and controlling. HRM can help to manage the following factors in the organization.

- Productivity
- Operations
- Relationships
- Conflict
- Stress
- Reward systems

Lesson 3 ORGANIZATION AND COMPONENTS OF ORGANIZATION

Organization

An organization is not a random group of people who come together by chance. A manager's job is to achieve high performance relative to the organization's objectives. An

organization is a social entity, which is goal orients and deliberately structured. Virtually all organization combines

    (1) Raw material,
    (2) Capital and
    (3) Labor & knowledge

To produce Goods and Services.

## Types of organization

- **Formal**: The part of the organization that has legitimacy and official recognition.
- **Informal**: The unofficial part of the organization.

## Components of Organization:

1. Task
2. People
3. Structure
4. Technology

### Task:
This refers to the specific activities and responsibilities that individuals and groups within the organization are expected to perform to achieve the organization's goals.

### People:
People are the individuals who make up the workforce of the organization. The success of an organization often depends on the skills, motivation, and collaboration of its people.

### Structure:
Structure involves the formal arrangement of roles, responsibilities, and relationships within the organization. It includes the organizational hierarchy, reporting lines, and the distribution of tasks and authority.

### Technology:
Technology encompasses the tools, equipment, and systems used by the organization to carry out its tasks and achieve its objectives. This includes both physical technologies and information systems.

## Systematic Approach to Management

All systems have four basic characteristics:

1) they operate within an environment;

2) they are composed of building blocks called elements, components, or subsystems;
3) they have a central purpose against which the organization's efforts and subsystems can be evaluated; and
4) Essential systems thinking places focus on the interrelatedness among the subsystems and its environment.

## Open versus Closed Systems

A closed system does not interact with the outside environment. Although few systems actually take this form, some of the classical approaches treated organizations as closed systems. All organizations are open systems, dependent on inputs from the outside world, such as raw materials, human resources, and capital, and output to the outside world that meet the market's needs for goods and services.

The organizational system requires inputs, which the organization transforms into outputs, which are received by the external environment. The environment reacts to these outputs through a feedback loop, which then becomes an input for the next cycle of the system.

Business inputs typically known as resources include human, physical, financial etc resources. Some of the major components of the external environment include customers, competitors, suppliers, and investors.

## Efficiency and Effectiveness

Efficiency is the ratio of outputs to inputs. Systems theory highlights another important dimension for managers: effectiveness. Effectiveness is the degree to which the organization's outputs correspond to the needs and wants of the external environment. The external environment includes groups such as customers, suppliers, competitors, and regulatory agencies.

## Subsystem

Systems theory also emphasizes that an organization is one level in a series of subsystems. For instance, Pakistan Air force is a subsystem of our defense industry and the flight crews are a subsystem of Pakistan Air force.

## Human Relation

Approach Another approach to management, human relations, developed during the early 1930s.

### The Hawthorne Studies

Western Electric Company, a manufacturer of communications equipment, hired a team of Harvard researchers led by Elton Mayo and Fritz Roethlisberger. The Hawthorne Studies were a series of experiments conducted from 1924 to 1932. During the first stage of the project (the Illumination Experiments), various working conditions, particularly the lighting in the factory, were altered to determine the effects of these changes on productivity. Mayo and his team eventually concluded that the informal work group influenced productivity and employee behavior.

### The Human Relations Viewpoint

Human relations proponents argued that managers should stress primarily employee welfare, motivation, and communication. Human relations proponents argued that managers should stress primarily employee welfare, motivation, and communication.

In 1943, Maslow suggested that humans have five levels of needs. The most basic needs are the physical needs for food, water, and shelter; the most advanced need is for self-actualization, or personal fulfillment. Maslow argued that people try to satisfy their lower level needs and then progress upward to the higher-level needs.

### The Challenges of today's organization

Organizations are facing different challenges in today's environment like:

### Technology

Only 20 years ago, few workers used fax machines or e-mail, and computers occupied entire rooms, not desktops. Advances in information and communication technology have permanently altered the workplace by changing the way information is created, stored, used, and shared.

### Diverse Workforce

A diverse workforce refers to two or more groups, each of whose members are identifiable and distinguishable based on demographic or other characteristics like gender, age group, education etc. Several barriers in dealing with diversity include stereotyping, prejudice, ethnocentrism, discrimination, tokenism, and gender-role stereotypes.

### Multiple Stakeholders

Stakeholders are those who have interests in the organization. Multiple stakeholders for an organization include the customers, suppliers, consumers, investors, lenders, etc.

## Responsiveness

An organization has to be responsive to the challenges and threats that it faces from within the internal or external environment. It requires quick responsiveness to meet the challenges and opportunities arising out of these changes.

## Rapid Changes

Due to changing internal and external environment, rapid changes in the organization occur. Organization has to be flexible to adjust to those changes.

## Globalization

Managers are faced with a myriad of challenges due to an array of environmental factors when doing business abroad. These managers must effectively plan, organize, lead, control, and manage cultural differences to be successful globally.

## Lesson 4 PEOPLE AND THEIR BEHAVIOR

Each human is different from one another. This difference is due to the difference of behavior of each employee. In order to manage the humans well, managers need to know the behavior of people in order to take the best out of them

## Concepts of people working together

## Why to work in organizations?

People can be more productive when working in groups than when working alone. Basic purpose of the working or existence of organization is:

- Link individuals into relationships
- Allocate the tasks to fulfill the objective
- Allocate authority to perform individual tasks
- Coordinate the objectives and activities of separate units
- Facilitate the flow of work

## Organizational Behavior

Organizational behavior (OB) is a field of study that investigates the impact that individuals, groups, and structure have on behavior within an organization, and then applies that knowledge to make organizations work more effectively. Specifically, OB

focuses on how to improve productivity, reduce absenteeism and turnover, and increase employee citizenship and job satisfaction. People are different; we need to look at OB in a contingency framework, using situational variables to moderate cause-effect relationships.

OB addresses some issues that are not obvious, such as informal elements. It offers both challenges and opportunities for managers. It recognizes differences and helps managers to see the value of workforce diversity and practices that may need to change when managing in different situation and countries. OB can offer managers guidance in creating an ethically healthy work environment.

## Focus of Organizational Behavior

OB looks at individual behavior, which includes personality, perception, learning, and motivation. It is also concerned with group behaviors specifically in areas of norms roles, team building, conflicts and negotiation.

## The Goals of Organizational Behavior

1. The emphasis will be on employee productivity, reduce absenteeism, and turnover.
2. Organizational citizenship a fourth type of behavior becoming important in determining employee performance.
3. Attitudes are evaluative statements favorable or unfavorable concerning objects, people, or events.
4. An attitude is made-up of three components: cognition, affect, and behavior.
5. The cognitive component consists of a person's beliefs, opinions, knowledge, and information held by a person.
6. The affective component of an attitude is the emotional, or feeling, segment of an attitude.
7. The behavioral component of an attitude refers to an intention to behave in a certain way.
8. The three most important job-related attitudes are job satisfaction, job involvement, and organizational commitment.

## Contribution of OB to effectiveness of Organization:

The goal of OB is to explain and predict behavior of employees at work. OB focuses on both individual behavior and group behavior. Managers must understand behavior in both the formal and informal components of an organization. Managers are particularly concerned with three types of employee behaviors: productivity, absenteeism, and turnover. A fourth type of behavior, organizational citizenship, is emerging as a vital

concern. Managers must also be attentive to employee attitudes. Review the relationship between employee happiness and productivity and see what you think.

Five specific personality traits have proven most powerful in explaining individual behavior in organizations. These are locus of control, Machiavellians, self-esteem, self-monitoring, and risk propensity.

Perception is the process of organizing and interpreting sensory impressions in order to give meaning to the environment. Managers need to recognize that employees react to perceptions, not to reality (if there is such a thing as ―reality‖).

Sometimes we learn from rewards and punishments that are a consequence of our behavior. We learn to behave in order to get something we want or to avoid something we do not want. This is called operative conditioning. The behavior of individuals in groups is not the same as the sum total of all of the individuals' behavior. Individuals often act differently in groups than when they are alone.

## Organizations and human behavior

## Variables Influencing the Individual Human Behaviors:

In simple word behavior is the function of Person and Environment in which he/she is working. The following two factors mainly influence the individual behaviors

- The Persons
- The Environment of the Organization

## The Persons
No single measure of individual differences can provide a complete understanding of an individual or predict all the behaviors of an individual.

- Skills & Abilities
- Personality
- Perceptions
- Attitudes
- Values
- Ethics

## Skills & Abilities:

Mental and physical capacities to perform various tasks. This comes from knowledge, learning, and experiences.

## Personality:

Research has shown five major dimensions to be consistent components of personality. The Big Five personality dimensions are conscientiousness, extroversion/introversion, and openness to experience, emotional stability, and agreeableness. Conscientiousness - defined as being reliable and dependable, being careful and organized, and being a person who plans - is the dimension most strongly correlated to job performance. Extroversion/introversion refers to the degree to which a person is sociable, talkative, assertive, active, and ambitious. Openness to experience is the degree to which someone is imaginative, broad-minded, curious, and seeks new experiences. Emotional stability is the degree to which someone is anxious, depressed, angry, and insecure. Agreeableness refers to the degree to which a person is courteous, likable, good-natured, and flexible. Managers must remember that the relevance of any personality dimension depends on the situation, the type of job, and the level at which a person is working.

Four personality traits that have been consistently related to work-related behavior are locus of control, Type-A behavior, self-monitoring, and Machiavellianism. Locus of control indicates an individual's sense of control over his/her life, the environment, and external events. Those with an internal locus of control believe that their actions affect what happens to them, while those with an external locus of control believe that outside factors affect what happens to them. People who exhibit Type-A behavior try to do more in less and less time in an apparently tireless pursuit of everything. Type-A people feel great time urgency, are very competitive, try to do many things at once, and are hostile. Self-monitoring, the fourth personality trait is the degree to which people are capable of reading and using cues from the environment to determine their own behavior.

People with elements of a Machiavellian personality put self-interest above the group's interests and manipulate others for personal gain.

## Perceptions:

Perception is the process of selecting, organizing, and interpreting information from our senses.

## Selection:

Focusing attention on certain sights, sounds, tastes, touches, or smells in your environment. Something that seems especially noticeable and significant is considered salient.

There are two types of perception. Social perception process is the process of gathering, selecting, and interpreting information about how we view themselves and others. In contrast, physical perception focuses on gathering and interpreting information about physical objects rather than people.

## Attitudes:

Attitudes are comprised of feelings, beliefs, and behaviors. Main five factors contribute to job satisfaction: pay; the job itself; promotion opportunities; the supervisor; and relations with co-workers.

## Values

Values are individual beliefs that motivate people to act one way or another. They serve as a guide for human behavior. Generally, people are predisposed to adopt the values that they are raised with. People also tend to believe that those values are —right‖ because they are the values of their particular culture.

## ETHICS:

A key work-related value is the employee's ethics. Those with a Universalist's view believe that ethical standards should be applied consistently in all situations and cultures. To avoid value conflict, managers should work toward integrating and fitting the values of different employees with the values of the organization.

## The Environment Of Organization

- Work group
- Job
- Personal life

Interpersonal value conflicts occur when two or more people have opposing values, which can prevent coworkers from working together effectively. The factors that influence job satisfaction are pay; the job itself; promotion opportunities; supervisors; and coworkers.

## The Basic OB Model

The basic OB model suggests study of the organization at following three levels:

- Organization
- Group
- Individual

Focusing on the individual level allows us to understand individual differences, perception, motivation, and learning. Focusing on the group level shows us how more than two people can work together in groups or teams within an organization. Focusing on the organization level allows us to see the effects of the organizational environment, technology, strategy, structure, and culture.

## Lesson 5 INDIVIDUAL VS GROUP BEHAVIOR

The emphasis will be on employee productivity, reduce absenteeism and turnover, and increase job satisfaction.

## Individual

## Why to Focus on Individuals:

Individuals are important units of any organization. If we understand the behavior of individuals, we can predict the outcomes; it will become easy to manage the behaviors of individuals in desirable directions.

Three individual variables biographical characteristics, ability, and learning. Biographical characteristics are readily available to managers. Generally, they include data that are contained in an employee's personal file.

Ability directly influences an employee's level of performance and satisfaction through the ability-job fit. There are 4 levels first, second, third, final.

- First, an effective selection process will improve the fit. A job analysis will provide information about jobs currently being done and the abilities that individuals need to perform the jobs adequately.
- Second, promotion and transfer decisions affecting individuals already in the organization's employ should reflect the abilities of candidates.
- Third, the fit can be improved by fine-tuning the job to better match an incumbent's abilities.
- A final alternative is to provide training for employees. This is applicable to both new workers and present job incumbents. Positive reinforcement is a powerful tool for modifying behavior. By identifying and rewarding performance-enhancing behaviors, management increases the likelihood that they will be repeated. Finally, managers should expect that employees would look to them as models. Managers who are constantly late to work, or take two hours for lunch, or help themselves to company office supplies for personal use should expect employees to read the message they are sending and model their behavior accordingly.

## Group

A group is defined as two or more interacting and interdependent individuals who come together to achieve particular objectives.

## Types of Groups

a. **Formal groups** are work groups established by the organization and have designated work assignments and established tasks.
b. **Informal groups** are of a social nature and are natural formations. They tend to form around friendships and common interests.

## Why Do People Join Groups?

There is no single reason why individuals join groups.

1. Security reflects strength in numbers.
2. Status indicates a prestige that comes from belonging to a particular group
3. Self-esteem conveys people's feelings of self-worth.
4. Affiliation with groups can fulfill one's social needs.
5. One of the appealing aspects of groups is that they represent power.
6. Finally, people may join a group for goal achievement

## Group Roles What Are Roles?

Following are the different types of group roles:

1. Task-oriented roles
2. Relationship-oriented roles
3. Individual roles

## Task-oriented roles

- Initiator-Contributors
- Information seekers/providers

## Relationship-oriented roles

- Encouragers
- Harmonizers

## Individual roles

- Blockers
- Jokers

A group is considered effective if it is having following characteristics.

- Relaxed, comfortable, informal atmosphere
- Task to be performed are well understood & accepted
- Members listen well & participate in given assignments
- Clear assignments made & accepted
- Group aware of its operation & function
- People express feelings & ideas
- Consensus decision making
- Conflict & disagreement center around ideas or method

## Team

A team is a mature group with highly independent members who are completely committed to a common goal.

- full commitment by members to a common goal and mission
- interdependent
- mutual accountability
- shared leadership
- trust and a collaborative culture, and
- achievement of synergy

## Differentiating Groups and Teams:

Groups and teams are different. All teams are groups, but a group is not always a team. A team is always distinguished by the fact that its members are committed to a common purpose, a set of performance goals, and an approach for which they hold themselves mutually accountable. A group is defined as two or more persons who are interacting with one another in such a manner that each person influences and is influenced by each other person.

## Types of Teams

Organizations use four types of teams, which differ according to the complexity of their task and the fluidity of their membership.

1. Self-managed Teams
2. Cross Departmental Team
3. Quality Circles
4. Virtual Teams

### Self-Directed /managed Work Teams:

A self-managed work team is a formal group of employees who operate without a manager and are responsible for a complete work process or segment that delivers a product or service to an external or internal customer.

### Cross Departmental Team

Cross-departmental teams work on simpler tasks, and their membership fluidity is high, which means that members come and go over time. Process teams, which address complex tasks, have highly fluid membership.

### Problem solving Team

Problem solving also known as Quality circles, which are simple work teams, consist of eight to ten volunteers from a common work area who meet to find solutions to specific problems about the quality of work processes, products, or services.

### Are Virtual Teams a Reality Today?

A virtual team is an extension of the electronic meetings; virtual team allows groups to meet without concern for space or time and enables organizations to link workers together that in the past couldn't have been done.

### Process Teams:

Today's team-based organizations rely mainly on process teams, which do not have departmental affiliation but function independently to undertake broad organizational-level process improvements.

### Making Teams Effective Through Team Building

Team building activities aimed at improving the internal work and relationship processes of teams requires attention to both task and interpersonal relationships. In team building, organizations apply the principles of group dynamics to select complementary members, support more cohesion, manage stages of group development, and establish constructive norms that foster high performance.

### Turning Individuals into teams:

Productive teams require careful selection, training, and management.

### Turning Individuals In to Team Players

## Introduction

a. Some individuals prefer to be recognized for their individual achievements.
b. In some organizations, too, work environments are such that only the "strong" survive.
c. Creating teams in such an environment may meet some resistance.
d. Teams fit well with countries that score high on collectivism.

## What Are the Management Challenges of Creating Team Players?

a. Employees' success, when they are part of teams, is a function of how well the team as a whole performed.
b. To perform well as team members, individuals must be able to communicate openly and honestly with one another.
c. The challenge of creating team players will be greatest where
   I. The national culture is highly individualistic.
   II. The teams are being introduced into an established organization that has historically valued individual achievement.
   III. This describes, for instance, what faced managers at AT&T, Ford, Motorola, and other large U.S. companies.
d. In contrast, the challenge for management is less demanding when teams are introduced where employees have strong collectivism values--such as in Japan or Mexico.
e. The challenge of forming teams will also be less in new organizations that use teams as their initial form of structuring work.

## Lesson 6 PERSONNEL MANAGEMENT TO HUMAN RESOURCE MANAGEMENT

### The Concept of Personnel Management

Human resource management is a modern term that emerged during the 1970s and won final acceptance in 1989. Both terms, however referred to the same thing; the personnel who work for a company represent that company's human resources.

Human Resource Management department as we know them did not generally exist until the 1940s, the activities performed by these departments were not all brand new; in fact, many of the Human Resource practices and programs that we see today ace roots in the earlier times. Human Resource Management (HRM) historically known as personal management, deals with formal system for the management of the people within the organization, as many well-known companies report that they are trying to transform their workforce into a source of completive advantage.

HR mangers have many concerns regarding their workers. These concerns include how to manage layoffs, address reduced employee loyalty, and create a well-trained highly motivated work force that can deliver higher quality and productivity. Mange and increase diverse workforce and contain health care cost. In the 1980s HR mangers had to address staffing costs related to mergers and acquisitions and downsizing. The economic issues related to an increasingly global and completive workplace characterize the 1990s.

Manager and say a word about where human resources fit into the organization. Managers are people who are in charge of others and are responsible for the timely and correct execution of actions that promote their units' successful performance.

History of Personnel Management

A group of people becomes an organization when they cooperate with each other to achieve common goals. Communication among them is therefore important. But people have individual motivations, which often differ, from the corporate goals. An effective organization is one which succeeds in getting people to accept that cooperating to achieve organizational goals also helps them to achieve their own goals provided they are adequately rewarded through extrinsic and intrinsic rewards. This is achieved primarily through leadership and motivation.

HRM has three basic goals, which contribute to achieving management objectives.

**The first is integration of HRM** in two senses: integrating HRM into an organization's corporate strategy, and ensuring an HRM view in the decisions and actions of line managers. (E.g. innovation) needed to further the corporate strategy. For instance, the HRM policies in relation to recruitment, appraisal, compensation, training, etc. A cost reduction strategy may lead to pay rates being strongly influenced by market levels. This requires that HRM should not be a centralized function.

**A second goal of HRM** is securing commitment through building strong cultures. This involves promoting organizational goals by uniting employees through a shared set of values (quality, service, innovation, etc.)

A **third goal of HRM** is to achieve flexibility and adaptability to manage change and innovation in response to rapid changes consequent upon globalization. HRM policies are designed, for instance, to recruit, develop and retain quality staff, to formulate and implement agreed performance goals and measures, and to build a unified organizational culture.

Shifting from Personnel Management to HRM

Human Resource Management (HRM); historically known as personal management, deals with formal system for the management of the people within the organization.

First, HRM earlier reacted piece-meal to problems as they arose. Integration is needed in two senses - integrating HRM issues in an organization's strategic plans and securing the acceptance and inclusion of a HRM view in the decisions of line managers.

Second, building strong cultures is a way of promoting particular organizational goals, in that "a 'strong culture' is aimed at uniting employees through a shared set of managerially sanctioned values ('quality', 'service', 'innovation' etc.) that assume an identification of employee and employer interests.

Third, the attitude that people are a variable cost is, in effective HRM, replaced by the view that people are a resource and that as social capital can be developed and can contribute to competitive advantage.

Fourth, the view that the interests of employees and management or shareholders are divergent and confliction - though substantially true in the past - is giving way to the view that this need not necessarily be so. As organization, which practices, effective HRM seeks to identify and promote a commonality of interests.

Fifth, top-down communication coupled with controlled information flow to keep power within the control of management giving way to a sharing of information and knowledge. This change facilitates the creation of trust and commitment and makes knowledge more productive. Control from the top is in effective HRM being replaced by increasing employee participation and policies, which foster commitment and flexibility that help organizations to change when necessary. The ways in which the larger Japanese enterprises have installed participatory schemes and introduced information-sharing and two-way communication systems are instructive in this regard.

Shift of personnel management to HRM took place in three stages: MCQ

HRM took place in three stages

- Records and Administration MCQ
- Accountability Regulations MCQ
- Competitive Advantage MCQ

**Records and Administration**

In first stage the primary activities, which were carried out by personnel department, were, Planning Company picnics Scheduling vacations, Enrolling workers for health-care coverage, Planning retirement parties These concerns include how to manage layoffs, address reduced employee loyalty, create a well-trained highly motivated work force that can deliver higher quality and productivity, manage and increase diverse workforce and contain health care cost.

## Accountability Regulations

In 1970s, the job of the HR manger was to keep their companies out of court and in compliance with the increasing number of regulations governing the work place. In the 1980s HR mangers had to address staffing costs related to mergers and acquisitions and downsizing. The economic issues related to an increasingly global and completive workplace characterize the 1990s.

## Competitive Advantage

The aim of this shift stage is from merely securing compliance to the more ambitious one of winning commitment. The employee resource, therefore, becomes worth investing in, and training and development thus assume a higher profile.

## Lesson 7 HRM IN A CHANGING ENVIRONMENT

## HRM in a Changing Environment:

The Challenges organizations are facing challenges upon following levels:

    i.   Environmental Challenges
    ii.  Organizational Challenges
    iii. Individual Challenges

## Environmental Challenges

Environmental challenges refer to forces external to the firm that are largely beyond management's control but influence organizational performance. They include: rapid change, the internet revolution, workforce diversity, globalization, legislation, evolving work and family roles, and skill shortages and the rise of the service sector.

Six important environmental challenges today are:

    a) Rapid change,
    b) Work force diversity,
    c) Globalization,

d) Legislation,
e) Technology
f) Evolving work and family roles,
g) Skill shortages and the rise of the service sector

## Rapid Change

They need to adapt to change quickly and effectively. Human resources are almost always at the heart of an effective response system.

## Work Force Diversity

All these trends present both a significant challenge and a real opportunity for managers. Firms that formulate and implement HR strategies that capitalize on employee diversity are more likely to survive and prosper.

## Globalization

Weak response to international competition may be resulting in upwards layoffs in every year. Human resources can play a critical role in a business's ability to compete head-to-head with foreign producers.

Here are a few examples:

### *Worldwide company culture*

Some firms try to develop a global company identity to smooth over cultural differences between domestic employees and those in international operations.

### *Global alliances*

 Some firms actively engage in international alliances with foreign firms or acquire companies overseas to take advantage of global markets. Making such alliances work requires a highly trained and devoted staff. For instance, Phillips (a Netherlands lighting and electronics firm) became the largest lighting manufacturer in the world by establishing a joint venture with AT&T and making several key acquisitions. These illustrations show how firms can use HR strategies to gain a worldwide competitive advantage.

## Legislation

Much of the growth in the HR function over the past three decades may be attributed to its crucial role in keeping the company out of trouble with the law. These laws are

constantly interpreted in thousands of cases brought before government agencies, federal courts, state courts, and t Supreme Court. Operating within the legal framework requires keeping track of the external legal environment and developing internal systems.

## **Differential impact on public and private**

Legislation often has a differential impact on public- and private sector organizations. (Public sector is another term for governmental agencies; private sector refers to all other types of organizations.)

## Technology

One estimate is that technological change is occurring so rapidly that individuals may have to change their entire skills three or four times in their career.

## Evolving Work and Family Roles

The proportion of dual-career families, in which both wife and husband (or both members of a couple) work, is increasing every year. Unfortunately, women face the double burden of working at home and on the job, devoting 42 hours per week on average to the office and an additional 30 hours at home to children. This compares to 43 hours spent working in the office and only 12 hours at home for men.

More and more companies are introducing "family-friendly" programs that give them a competitive advantage in the labor market. These programs are HR tactics that companies use to hire and retain the best-qualified employees, male or female, and they are very likely to payoff.

These firms have started to change their policies and are already seeing gains as a result. Different companies have recently begun offering child-care and eldercare referral services as well to facilitate women workers as well as are introducing alternative scheduling to allow employees some flexibility in their work hours.

## Skill Shortages and the Rise of the Service Sector

Unfortunately, most available workers will be too unskilled to fill those jobs. Even now, many companies complain that the supply of skilled labor is dwindling and that they must provide their employees with basic training to make up for the shortcomings of the public education system. To rectify these shortcomings, companies currently spend large amount year on a wide variety of training programs.

## Organizational Challenges

Organizational challenges refer to concerns that are internal to the firm. However, they are often a byproduct of environmental forces because no firm operates in a vacuum. These issues include: competitive position (cost, quality, and distinctive capability), decentralization, downsizing, organizational restructuring, self-managed work teams, small businesses, organizational culture, technology, and outsourcing. Effective managers spot organizational issues and deal with them before they become major problems.

These challenges include the need for a competitive position and flexibility, the problems of downsizing and organizational restructuring, the use of self-managed work teams, the rise of small businesses, the need to create a strong organizational culture, the role of technology, and the rise of outsourcing. HR policies can influence an organization's competitive position by

- Controlling costs,
- Improving quality, and
- Creating distinctive capabilities
- Restructuring

Controlling costs

One way for a firm to gain a competitive advantage is to maintain low costs and a strong cash flow. A well-designed compensation system rewards employees for behaviors that benefit the company. Other factors besides compensation policies can enhance a firm's competitiveness by keeping labor costs under control. These include: better employee selection so that workers are more likely to stay with the company and to perform better while they are there, training employees to make them more efficient and productive; attaining harmonious labor relations); effectively managing health and safety issues in the workplace and structuring work to reduce the time and resources needed to design, produce, and deliver products or services.

Improving quality

The second way to gain a competitive advantage is to engage in continuous quality improvement. Many companies are implementing total quality management (TQM) initiatives, which are programs designed to improve the quality of all the processes that lead to a final product or service. In a TQM program, every aspect of the organization is oriented toward providing a quality product or service.

Creating Distinctive Capabilities

The third way to gain a competitive advantage is to utilize people with distinctive capabilities to create unsurpassed competence in a particular area.

<span style="background-color: cyan">Restructuring</span>

A number of firms are changing the way the functions are performed. For example, some companies are restructuring HR for reasons such as time pressures, financial considerations, and market pressures.

The size of some HR departments is getting smaller because certain functions are now being accomplished by others. This shift permits the HR managers to focus on more strategic and mission-oriented activities.

1. **The Human Resource Manager:**
   An individual who normally acts in an advisory or staff capacity, working with other managers to help them deal with human resource matters. One general trend is that HR personnel are servicing an increasing number of employees. The human resource manager is primarily responsible for coordinating the management of human resources to help the organization achieve its goals.

2. **Shared Service Centers:**
   Take routine, transaction-based activities that are dispersed throughout the organization and consolidate them in one place.

3. **Outsourcing Firms:**
   The process of transferring responsibility for an area of service and its objectives to an external provider. The main reason for this movement was to reduce transaction time, but other benefits include cost reductions and quality improvements.

4. **Line Managers:**
   Line managers, by the nature of their jobs, are involved with human resources. Line managers in certain firms are being used more to deliver HR services. When implemented, this change reduces the size of the HR department.

5. **Decentralization:**
   In the traditional organizational structure, most major decisions are made at the top and implemented at lower levels. Employees who are committed to the firm tend to move up the ranks over time in what some have called the internal labor market. It is being replaced by decentralization, which transfers responsibility and decision-making authority from a central office to people and locations closer to the situation that demands attention.

6. **Downsizing:**
   Periodic reductions in a company's work force to improve its bottom line-often called downsizing-are becoming standard business practice, even among firms that

were once legendary for their "no layoff' policies, such as AT&T, IBM, Kodak, and Xerox. In addition to fostering a lack of emotional commitment, transient employment relationships create a new set of challenges for firms and people competing in the labor market, as well as for government agencies that must deal with the social problems associated with employment insecurity (including loss of health insurance and mental illness).

## Individual Challenges

How individuals are treated also is likely to have an effect on organizational issues. For instance, if many key employees leave a firm to join its competitor, it will affect the competitive posture of the firm. The individual issues include matching people and organization, ethics and social responsibility, productivity, empowerment, brain drain, and job insecurity.

The most important individual challenges today involve, productivity, ethics and social responsibility, productivity, empowerment, brain drain, job security and matching people and organizations

## Productivity

Productivity is a measure of how much value individual employees add to the goods or services that the organization produces. The greater the output per individual, the higher the organization's productivity. Two important factors that affect individual productivity are ability and motivation. Motivation refers to a person's desire to do the best possible job or to exert the maximum effort to perform assigned tasks.

A growing number of companies recognize that employees are more likely to choose a firm and stay there if they believe that it offers a high quality of work life (QWL).

## Empowerment

In recent years many firms have reduced employee dependence on superiors and placed more emphasis on individual control over (and responsibility for) the work that needs to be done. This process has been labeled empowerment because it transfers direction from an external source (normally the immediate supervisor) to an internal source (the individual's own desire to do well). In essence, the process of empowerment entails providing workers with the skills and authority to make decisions that would traditionally be made by managers. The goal of empowerment is an organization consisting of enthusiastic, committed people who perform their work ably because they believe in it and enjoys doing it (internal control). This situation is in stark contrast to an organization

that gets people to work as an act of compliance to avoid punishment (for example, being fired) or to qualify for a paycheck (external control).

## Brain Drain:

Brain drain occurs when educated, professional workers leave a place or company in order to move elsewhere where they can benefit from better pay, working conditions, lifestyle and sometimes work-life balance. This brain drain can negatively affect innovation and cause major delays in the introduction of new products.

## Ethics and Social Responsibility

People's expectations that their employers will behave ethically are increasing. Unfortunately, these codes often do not meet employees' expectations of ethical employer behavior. These negative perceptions have worsened over the years. In a recent poll of Harvard Business Review readers, almost half the respondents indicated their belief that managers do not consistently make ethical decisions.

A company that exercises social responsibility attempts to balance its commitments-not only to its investors, but also to its employees, its customers, other businesses, and the community or communities in which it operates. For example, McDonald's established Ronald McDonald houses several years ago to provide lodging for families of sick children hospitalized away from home. Sears and General Electric support artists and performers, and many local merchants support local children's sports teams.

## Job Insecurity:

In this era of downsizing and restructuring, many employees fear for their jobs. s. Companies argue that regardless of how well the firm is doing, layoffs have become essential in an age of cutthroat competition. In addition, the stock market often looks favorably on layoffs. For employees, however, chronic job insecurity is a major source of stress and can lead to lower performance and productivity.

## Matching People and Organizations Research suggests that

HR strategies contribute to firm performance most when the firm uses these strategies to attract and retain the type of employee who best fits the firm's culture and overall business objectives.

## New Trends at Work Place:

The past two decades have witnessed a dramatic transformation in how firms are structured. Tall organizations that had many management levels are becoming flatter as companies reduce the number of people between the chief executive officer (CEO) and the lowest-ranking production employee in an effort to become more competitive.

a. Education
b. Work time
c. Standard of living
d. Expectations & demand
e. Diversity and gender issues at work place
f. QWL
g. TQM

Education:

Now a day organizations are available with the opportunity of having more knowledge and skilled workers, increase in the education level of society's continuously providing the highly educated work force in the organizations.

Work time:

- **Flextime**
  the practice of permitting employees to choose, with certain limitations, their own working hours.
- **Compressed Workweek**
  Any arrangement of work hours that permits employees to fulfill their work obligation in fewer days than the typical five-day workweek.

Standard of living:

High employment rate, low inflation and Steady economic growth provide opportunity and rising living standards.

Expectations & demand:

People's expectations that their employers will behave ethically are increasing, so much that many firms and professional organizations have created codes of ethics outlining principles and standards of personal conduct for their members.

Diversity and gender issues at work place:

Managing diversity means planning and implementing organizational systems and practices to manage people so that the potential advantages of diversity are maximized while its potential disadvantages are minimized.

## QWL:

High quality of work life is related to job satisfaction, which in turn is a strong predictor of absenteeism and turnover.

## TQM:

Many companies are implementing total quality management (TQM) initiatives, which are programs designed to improve the quality of all the processes that lead to a final product or service.

## Lesson 8 WORK PLACE DIVERSITY

### Work Force Diversity

Any perceived difference among people: age, functional specialty, profession, sexual orientation, geographic origin, life style, tenure with the organization, or position. Diversity simply refers to human characteristics that make people different. But they can generally be grouped into two categories: those over which individuals have little or no control and those over which individuals have more control. Affirmative action emerged from government pressure on business to provide greater opportunities for women and minorities. Diversity is considered an asset in terms of improving organizational functioning and reflecting the customer market.

### Sources of work force Diversity

Diversity refers to far more than skin color and gender. It is a broad term used to refer to all kinds of differences. These differences include women in business, dual-career families, workers of color, and older workers persons with disabilities, immigrants, young persons with limited education or skills, educational level of employees.

    I.   Racial & Ethnical Groups
   II.   Older Workers
  III.   Gender
   IV.   Education
    V.   Dual-career Families

VI.    Religions & Culture
VII.   Persons with Disabilities
VIII.  Immigrants
IX.    Young persons with limited education or skills
X.     Competitive advantage though work force diversity
XI.    Marketing
XII.   Creativity, innovation, and problem solving
XIII.  Flexibility

## Racial & Ethical Groups:

Workers of color often experience stereotypes about their group (Hispanics, African Americans, Asians, etc.).

## Older Workers

As the world population is growing older, a trend that is expected to continue through the year 2000. In addition, the trend toward earlier retirement appears to be reversing itself.

## Gender (Women in Business):

Women represent almost 11.9 percent of corporate officers at largest companies. However, the number of women in entry and midlevel managerial positions has risen from 34 percent in 1983 to 46 percent in 1998, meaning many more women are in the pipeline to executive spots. Today, there are more than 9 million women-owned businesses, up from 400,000 in 1972. There are always widows and widowers, who have children as well, and there are some men and women who choose to raise children outside of wedlock.

## Education:

The United States is becoming a bipolar country with regard to education, with a growing number of very educated people on one side and an alarming increase in the illiteracy rate on the other.

## Dual-Career Families:

The increasing number of dual-career families presents both challenges and opportunities for organizations. As a result of this trend, some firms have revised their policies against nepotism to allow both partners to work for the same company.

## Religion and Culture:

Due to globalization religion and culture based diversity is also increasing in organizations.

## Persons with disabilities:

A handicap, or disability, limits the amount or kind of work a person can do or makes achievement unusually difficult. The Americans with Disabilities Act (ADA), passed in 1990, prohibits discrimination against qualified individuals with disabilities.

## Immigrants:

Some are highly skilled and well educated, and others are only minimally qualified with little education. They have one thing in common an eagerness to work.

## Young persons with limited education or skills:

Each year thousands of young, unskilled workers are hired, especially during peak periods, such as holiday buying seasons. In general, they have limited education high school or less.

## Competitive advantage through Work Force Diversity:

For many years' organizations, the original impetus to diversify their workforces was social responsibility and legal necessity. Morally ethically it was right to do so.

## Marketing:

Companies are realizing that consumers, like the workforce, are changing demographically. Just as women and minorities may prefer to work for an employer that values diversity, they may prefer to patronize such organizations.

## Creativity, innovation, and problem Solving:

Work team diversity promotes creativity and innovation, because people from different backgrounds hold different perspective on issues.

## Flexibility:

A diverse workforce can enhance organizational flexibility because successfully managing diversity requires a corporate culture that tolerates many different styles and approaches.

## Diversity Management and Affirmative Action Programs:

We can define the workforce diversity management as set of activities involved in integrating diverse employees into the work force and using their diversity to the firm's competitive advantage.

## How organization Cultivate a Diverse Workforce:

An Organization's plans for becoming multicultural and making the most of its diverse workforce should include:

I.    Securing top management support and Commitment
II.   Organizational Assessment
III.  Attracting employees
IV.   Developing Employees
V.    Retaining employees

## Securing top management support and commitment:

Obtaining top-level commitment and support is critical for diversity programs to succeed. One way to communicate this commitment to all employees as well as to the external environment is to incorporate the organization's attitudes toward diversity into the corporate mission statement and into strategic plans and objectives.

## Organizational Assessment:

The demographics of the labor pool and the customer base should be evaluated. The objective is to identify problem areas and make recommendations where changes are needed.

## Attracting Employees:

Companies can attract a diverse, qualified workforce through using effective recruiting process, accommodating employees' work and family needs, and offering alternative work arrangements.

## Developing Employees:

Employees can be developed in a variety of ways. Here we will focus on skills training and diversity training.

## Retaining Employees:

As replacing qualified and experienced workers become more difficult and costly, retaining good workers will become much more important. A number of policies and

strategy will increase retention of all employees, especially those who are —different‖ from the norm.

## STEPS TOWARD MANAGEMENT OF DIVERSITY

### Managing Diversity

Means taking steps to maximize diversity's potential advantages while minimizing the potential barriers, such as prejudices and bias that can undermine the functioning of a diverse workforce.

### Boosting Workforce Diversity

Employers use various means to boost workforce diversity: start diversity programs; have departmental diversity meetings; form special networking and mentoring groups.

### Equal Employment Opportunity Versus Affirmative Action

Equal employment opportunity aims to ensure that anyone, regardless of race, color, sex, religion, national origin, or age, has an equal chance for a job based on his/her qualifications.

### Affirmative Action:

Two Basic Strategies the good faith effort strategy is aimed at changing the practices that contributed to minority groups' or females' exclusion or underutilization. The quota strategy mandates bottom-line results through hiring and promotion restrictions.

### Challenges in Managing Employee Diversity

The challenges include appropriately valuing diversity, balancing individual needs and group fairness, dealing with resistance to change, ensuring group cohesiveness and open communication, avoiding employee resentment, keeping the focus on performance, retaining valued performers, and maximizing opportunity for all employees.

### Resistance to Change:

Although employee diversity is a fact of life, the dominant groups in organizations are still composed of white men.

### Segmented Communication Networks:

One study found that most communication within organizations occurs between members of the same sex and race. Therefore diversified workforce organization may face the challenge of segmented communication networks.

## Resentment:

Equal employment opportunity that can be defined as fairness of employment that is free from all sort of discrimination in majority of organizations was a forced change rather than a voluntary one.

## Backlash:

While women and minorities may view a firm's ―cultural diversity policy‖ as a commitment to improving their chances for advancement, white men may see it as a threat.

## How to avoid Backlash:

Many organizations that have instituted diversity programs have experienced adverse reactions from employee groups, particularly white men. Here are some guidelines for HR professionals and company managers who are attempting to manage diversity without adversity.

i.      Adopt an inclusive definition of diversity that addresses all kinds of differences among employees, including (but not limited to) race and gender.
ii.      Make sure that top management is not only committed to establishing a diversity program but also communicates that commitment directly to all employees
iii.     Involve everyone, including white men, in designing the diversity program.
iv.     Avoid stereotyping groups of employees, such as white men, when explaining cultural or ethnic differences
v.      Recognize and reward white men who are part of the solution rather than blaming men who are part of the problem.
vi.     Avoid one-time training efforts that stir up emotions without channeling them in productive directions. Use ongoing training that encompasses diversity as only one facet of needed change in the corporate culture.

## Retention:

The job satisfaction levels of women and minorities are often lower than those of white men

## Competition for Opportunities:

As minority populations grow in the U.S., competition for jobs and opportunities is likely to become much stronger.

## Lower Cohesiveness:

Diversity can create a lack of cohesiveness. Cohesiveness' refers to how tightly knit the group is and the degree to which group members perceive, interpret and act on their environment in similar or mutually agreed upon ways.

## Communication problem:

Perhaps the most common negative effect of diversity is communication problems.

## Diversity also increases errors and misunderstandings

Group members may assume they interpret things similarly when in fact they do not, or they may disagree because of their different frames of references.

## Mistrust and tension:

This tendency often leads to mistrust and misunderstanding of those who are different because of lack of contact and low familiarity. It also causes stress and tension ,and reaching agreement on problems can be difficult.

## Stereotyping:

Such stereotypes inurn affect how people employee stereotyped as unmotivated or emotional will be given less -stress – provoking jobs than their coworkers. Those job assignments will create frustrated employees, perhaps resulting in low commitment, higher turnover, and underused skills.

## Affirmative Action VS Cohesiveness

**Affirmative Action:**

Steps that are taken for eliminating the present effects of past discrimination.

**Cohesiveness:**

Refers to how tightly knit the group is and the degree to which group members perceive, interpret and act on their environment in similar or mutually agreed upon ways.

## Human Resource Functions in Small Businesses

Some aspects of the human resource function may actually be more significant in smaller firms than in larger ones.

Firms grow and become more complex, the human resource function becomes more complex, and its function achieves greater importance. The basic purpose of human resource management remains the same, but the approach followed in accomplishing its objectives changes. Firm grows; a separate staff function may be required to coordinate human resource activities.

## Traditional Human Resource Functions in a Large Firm

When the firm's human resource function becomes too complex for one person, separate sections are often created and placed under a human resource manager. These sections will typically perform tasks involving training and development, compensation and benefits, employment, safety and health, and labor relations.

## Functions of HRM department:

### Staffing (Planning and selection)

An organization must have qualified individuals, in specific jobs at specific places and times, in order to accomplish its goals. Obtaining such people involves job analysis, human resource planning, recruitment, and selection. Job analysis is the systematic process of determining the skills, duties, and knowledge required for performing specific jobs in an organization. Human resource planning (HRP) is the process of systematically reviewing human resource requirements to ensure that the required numbers of employees, with the required skills, are available when needed. Recruitment is the process of attracting such individuals in sufficient numbers and encouraging them to apply for jobs with the organization. Selection is the process through which the organization chooses, from a group of applicants, those individuals best suited both for open positions and for the company.

### Human Resource Development (Measuring performance and employee development)

Training is designed to provide learners with the knowledge and skills needed for their present jobs. Development involves learning that goes beyond today's job; it has a more long-term focus. Human resource development (HRD) helps individuals, groups, and the

entire organization become more effective. Career planning is an ongoing process whereby an individual sets career goals and identifies the means to achieve them.

## Compensation and Benefits (Maintaining effective employee-management relations)

The term compensation includes all rewards that individuals receive as a result of their employment. The reward may be one or a combination of the following:

- Pay: The money that a person receives for performing a job. „
- Benefits: Additional financial rewards other than base pay include paid vacations, sick leave, holidays, and medical insurance. „
- Non-financial rewards: Non-monetary rewards, such as enjoyment of the work performed or a pleasant working environment.

## Safety and Health (Maintaining effective employee-management relations)

Safety involves protecting employees from injuries caused by work-related accidents. Health refers to the employees' freedom from illness and their general physical and mental well-being.

## Employee and Labor Relations (Anticipating and coping with change)

Since 1983, union membership has fallen approximately 8 percent, to only 13.9 percent of the workforce, the lowest level since the Great Depression. Subtracting government employees, unions represent only 9.5 percent of the private industry workforce.

## Interrelationships of HRM Functions

Management must recognize that decisions in one area will affect other areas. The interrelationships among the five HRM functional areas will become more obvious.

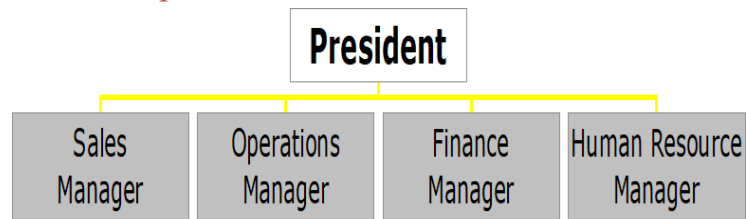## The HR function in organizations of various sizes

## HR in Small Businesses

- ➢ Seldom have a formal HR unit
- ➢ Other managers handle HR functions
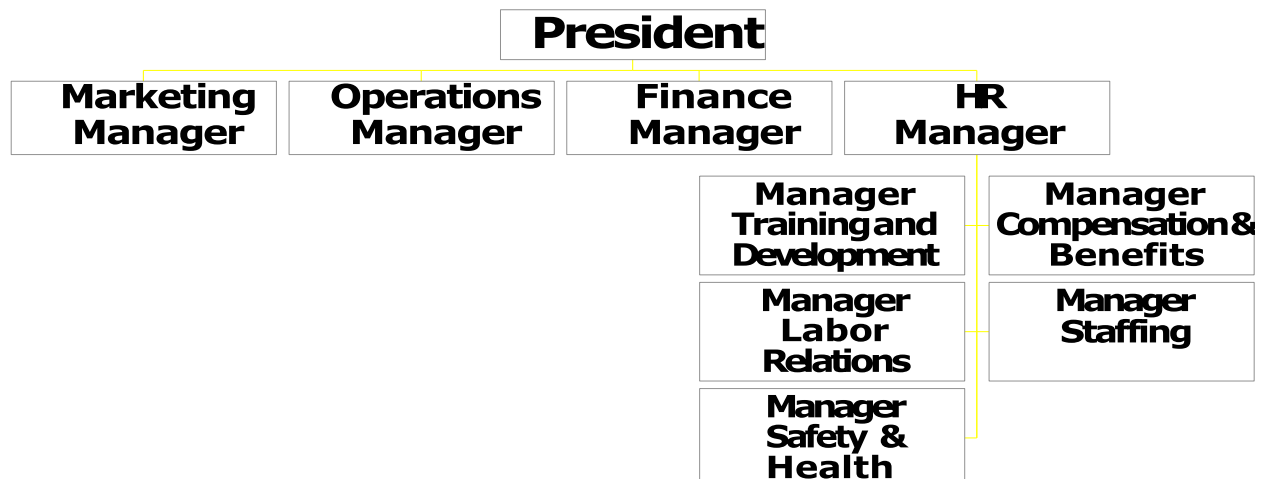- ➢ Focuses on hiring & retaining capable employees

Manager/ Owner

Sales    Operations    Finance

➢ Little specialization
➢ HR manager is essentially the entire department

**President**

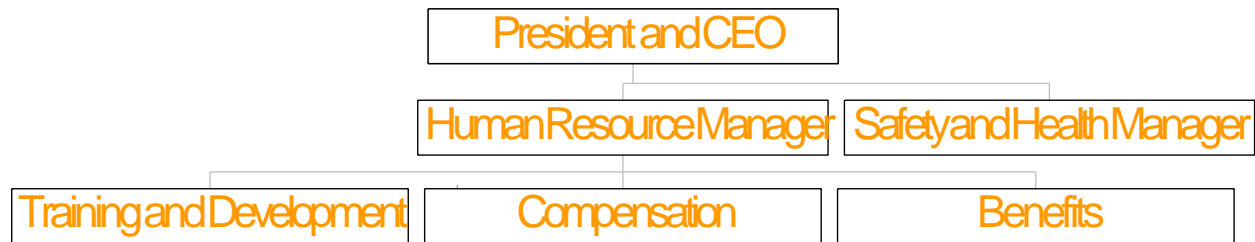| Sales Manager | Operations Manager | Finance Manager | Human Resource Manager |

## Traditional Human Resource Functions in a Large-Sized Firm

➢ Separate sections are often created
➢ Placed under an HR Manager
➢ Each HR function may have a supervisor & staff
➢ HR Manager works closely with top management in formulating policy

**President**

| Marketing Manager | Operations Manager | Finance Manager | HR Manager |

| Manager Training and Development | Manager Compensation & Benefits |
| Manager Labor Relations | Manager Staffing |
| Manager Safety & Health | |

## A New and Evolving HR Organization for Large-size Firms (1/2)

➢ Performance in Five functional areas
➢ Outsource
➢ Shared service centers
➢ Line managers have more HR authority

```
                    President and CEO
                          │
              Human Resource Manager    Safety and Health Manager
                          │
Training and Development      Compensation         Benefits
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## External Influences

- ➢ State of the economy
- ➢ Competition for product and labor markets
- ➢ Government laws, regulation, and public policy
- ➢ Characteristics of the labor force
- ➢ Technology

## Internal Influences

- ➢ Unions(Union is a group of employees who have joined together for the same purpose)
- ➢ Characteristics of HRM activities
- ➢ Attitudes of managers

## Lesson 10 LINE AND STAFF ASPECTS OF HRM

Authority, different types of the authority and difference between the line and staff managers recruiting, interviewing, selecting, and training.

## Line and staff aspects of HRM

### Authority

Authority is the right to make decisions, to direct the work of others, and to give orders. Authority is related to one's position and ignores personal characteristics. The early management writers distinguished between two forms of authority.

- • Line Authority
- • Staff Authority
- • Functional Authority

### Line Authority

Line authority entitles a manager to direct the work of an employee. It is the employer-employee authority relationship that extends from top to bottom. A line manager directs the work of employees and makes certain decisions without consulting anyone. Sometimes the term line is used to differentiate line managers from staff managers.

## Staff Mangers and Staff Authority

Staff managers have staff authority. A manager's function is classified as line or staff based on the organization's objectives. They create staff authority functions to support, assist, advice, and generally reduce some of the informational burdens they have.

## Functional control

The authority exerted by a personnel manager as a coordinator of personnel activities. Here the manager acts as —the right arm of the top executive.‖

## Line versus Staff Authority

## Line VS Staff Authority

Authority is the right to make decisions, to direct the work of others, and to give orders. Line managers are authorized to direct the work of subordinates. Staff managers are authorized to assist and advise line managers in accomplishing their basic goals. HR managers are generally staff managers.

## Line Managers' HRM Responsibilities

Most line managers are responsible for line functions, coordinative functions, and some staff functions.

## Cooperative line and staff hr management:

In recruiting and hiring, it's generally the line manager's responsibility to specify the qualifications employees need to fill specific positions. Then the HR staff takes over.

## Line Manager

Authorized to direct the work of subordinates they're always someone's boss. Line Managers' Human Resource Management Responsibilities

1. Placement
2. Orientation
3. Training

4. Improving job performance
5. Gaining creative cooperation
6. Interpreting policies and procedures
7. Controlling labor costs
8. Developing employee abilities
9. Creating and maintaining departmental morale
10. Protecting employees' health and physical condition

## Staff Manager

Authorized to assist and advise line managers in accomplishing these basic goals. HR managers are generally staff managers.

## Responsibilities Of Staff Managers

Staff managers assist and advise line managers in accomplishing these basic goals. HR responsibilities of staff managers include assistance in hiring, training, evaluating, rewarding, counseling, promoting, and firing of employees, and the administering of various benefits programs.

## Human Resource Manager:

An individual who normally acts in an advisory or staff capacity, working with other managers to help them deal with human resource matters. One general trend is that HR personnel are servicing an increasing number of employees.

## Distinguish among human resource executives, generalists, and specialists.

### HR Executives

Executives are top-level managers, who report directly to the corporation's chief executive officer or the head of a major division.

### HR Generalists:

Generalists are people who perform tasks in a wide variety of human resource-related areas. The generalist is involved in several, or all, of the human resource management functions.

### HR Specialist:

Specialist may be a human resource executive, manager, or non-manager who typically is concerned with only one of the functional areas of human resource management.

## Legal context of HR decisions

Legal considerations are significant external force affecting human resource management relates to federal, state, and local legislation and the many court decisions interpreting this legislation.

## Why Understanding the Legal Environment is Important?

Understanding and complying with HR law is important for three reasons.

- It helps the company to do the right thing,
- to realize the limitations of the HR and legal departments,
- And it limits potential liability.

## Doing the Right Thing

Compliance with the law is the right thing to do. The primary requirement of these laws is to mandate good management practice. Operating within these laws has benefits beyond simple legal compliance.

## Realizing the Limitations of the HR and Legal Departments

If managers make poor decisions, the HR department neither always be able to resolve the situation nor can a firm's legal department solve problems created by managers.

## Limiting Potential Liability

Considerable financial liabilities can occur when HR laws are broken or perceived to be broken.

## Legal regulation of HRM

Legal environment and considerations can influence potential and prospective as well as current employees of the organization to Prospective Employees. It provides Protection from discrimination in selection, initial job placement, and initial compensation.

## Fair employment

A situation in which employment decisions are not affected by discrimination is termed as Fair employment.

## Employment discrimination

Civil Rights Act of 1964 (CRA) Title VII Amended by Civil Rights Act of 1991. Any employment decision: hiring, promotions, pay, discipline, etc fail to use job-related factors, and for employment decisions Instead, of legitimate factors employer uses false stereotypes and prejudices. Law Prohibits Discrimination in Hiring, Compensation, terms, conditions or privileges of employment based on Race, religion, color, sex, national origin and Physical Disability.

## Laws affecting HRM

The laws affecting HRM can be divided into two broad categories: equal employment opportunity (EEO) laws and other laws. The major EEO laws cut across nearly every aspect of managing human resources.

## Equal Employment Opportunity (EEO)

The concept of equal employment opportunity has undergone much modification and fine-tuning since the passage of the Civil Rights Act in 1964. EEO is a combination of legislative and judicial policy set forth by federal, state, and local governments that ensures fair and equal treatment of all persons. Job applicants may not be rejected based on discriminatory practices.

## Affirmative action

A strategy intended to achieve fair employment by urging employers to hire certain groups of people who were discriminated against in the past Steps that are taken for the purpose of eliminating the present effects of past discrimination.

## Major Federal Laws (USA)

There have been many laws passed and court decisions rendered that affect the everyday actions of human resource management. Human resource decisions that were made in the past may no longer be feasible.

## Equal Pay Act of 1963

This law requires the same pay for men and women who do the same job in the same organization. Basically this law provides protection against discrimination based upon sex.

## Civil Rights Act of 1964 (CRA) Title VII

This act prohibits discrimination based on race, color, sex, religion, or national origin. The Civil Rights Act of 1991 amended the Civil Rights Act of 1964 and had the following purposes:

- To provide appropriate remedies for intentional discrimination and unlawful harassment in the workplace.
- To codify the concepts of business necessity and job related pronounced by the Supreme Court.
- To confirm statutory authority and provide statutory guidelines for the adjudication of disparate impacts under Title VII of the Civil Rights Act of 1964.
- To respond to recent decisions of the Supreme Court by expanding the scope of relevant civil rights statutes in order to provide adequate protection to victims of discrimination.

## Age Discrimination in Employment Act of 1967 (ADEA)

The Age Discrimination in Employment Act (ADEA) (amended 1978, 1986) prohibits employers from discriminating against individuals who are over 40 years of age. Title I contains the employment provisions. Titles II and III concern the operation of state and local governments and places of public accommodation such as hotels, restaurants, and grocery stores.

1. Individuals with disabilities
2. Essential Functions
3. Reasonable accommodation
4. The Vocational Rehabilitation Act of 1973

## THE AMERICANS WITH DISABILITIES ACT (ADA)

The Americans with Disabilities Act (ADA), passed in 1990, prohibits discrimination against qualified individuals with disabilities.

## EXECUTIVE ORDER 11246, AS AMENDED BY EO 11375

An executive order (EO) is a directive issued by the president and has the force and effect of laws enacted by Congress. A major provision of EO 11246 is that every executive department and agency that administers a program involving federal financial assistance will require adherence to a policy of nondiscrimination in employment as a condition for the approval of a grant, contract, loan, insurance, or guarantee.

## Affirmative Action

An approach that an organization with government contracts develops to demonstrate that women or minorities are employed in proportion to their representation in the firm's relevant labor market Executive Orders 11246 & 11375 require companies with federal contracts to develop affirmative action plans (AAPs) it provides preferential treatment to minority group members in functions like Recruiting and Hiring The three steps involved in developing an affirmative action program are

(1) conducting a utilization analysis,
(2) establishing goals and timetables, and
(3) Determining action options.

## Challenges to Legal Compliance:

HRM practices may be challenged by anyone of stakeholders like society, community, customers, employees and shareholders so management for every decision should have legal backing in order to defend and explain its decisions.

## A Dynamic Legal Landscape

In addition to the many HR related laws that have been passed, there have been a myriad of opinions handed down in court cases that have affected the HR legal environment. The legal landscape is changing quickly.

## The Complexity of Laws

Each individual law is accompanied by a set of regulations that can be quite lengthy. Nonetheless, the gist of most HR law is fairly straightforward.

## Conflicting Strategies for Fair Employment

Society at large, political representatives, government employees, and judges all has different views regarding the best ways to achieve equitable HR laws.

## Unintended Consequences

It is very common for a law, government program, or an organizational policy to have numerous unanticipated consequences, some of which turn out to be quite negative. The challenge to managers is to anticipate and deal with both the intended and unintended consequences of law.

## Lecture 12 HUMAN RESOURCE PLANNING (HRP)

## Human Resources Planning (HRP)

## What is planning?

Plans are methods for achieving a desired result. Goals or objectives are specific results you want to achieve. Planning is thus —the process of establishing objectives and courses of action prior to taking action.‖

## What is planning concerned with?

Planning provides a sense of purpose and direction. Planning allows you to make your decisions ahead of time, it helps you to anticipate the consequences of various courses of action, it provides direction and a sense of purpose, it provides a unifying framework against which to measure decisions, and thus helps you avoid piecemeal decision making.

## Is planning really needed?

If organizations never faced changes in the environment, there would have been no need for planning. Planning is one of the functional areas of HR.

## Strategic Planning and the Human Resource Planning Process

Strategic planning is the process by which top management determines overall organizational purposes and objectives and how they are to be achieved.

Human resource planning (HRP) is the process of systematically reviewing human resource requirements to ensure that the required number of employees, with the required skills, is available when they are needed.

Human resource planning has two components: requirements and availability. Forecasting human resource requirements involves determining the number and type of employees needed by skill level and location. In order to forecast availability, the human resource manager looks to both internal sources (presently employed employees) and external sources (the labor market).

When employee requirements and availability have been analyzed, the firm can determine whether it will have a surplus or shortage of employees. Ways must be found to reduce the number of employees if a surplus is projected. Some of these methods include restricted hiring, reduced hours, early retirements, and layoffs. In this case, external recruitment and selection is required.

## Objectives of Human Resource Planning

Enable organizations to anticipate their future HR needs to identify practices that will help them meet those needs.

- Helps in planning job assignments
- Helps cope with fluctuations in staffing
- Identifies recruiting needs
- Provides other useful information

Forecasting is carried out in two basic areas which are demand forecast of workforce for organization and supply forecast for the organization.

## Statistical approaches

a) Trend analysis
b) Ratio analysis
c) Regression analysis

Judgmental methods

a) Managerial judgment

## Forecasting Involves Two Activities

- Monitoring current HR programs and personnel staffing levels
- Investigating future HR needs and concerns

A requirements forecast is an estimate of the numbers and kinds of employees the organization will need at future dates in order to realize its goals.

## Zero-Base Forecasting

This method uses the organization's current level of employment as the starting point for determining future staffing needs.

## Bottom-Up Approach

A forecasting method in which each successive level of the organization, starting with the lowest, and forecasts its employee requirements in order to, ultimately, provide an aggregate forecast of employment needs.

## Use Of Mathematical Models

Mathematical models can assist in forecasting HR requirements. The relationship between sales demand and the number of employees needed is a positive one.

## Simulation

It is a technique for experimenting with a real-world situation through a mathematical model representing that situation. A model is an abstraction of the real world.

## Forecasting Human Resource Availability

Determining whether the firm will be able to secure employees with the necessary skills and from what sources these individuals may be obtained is called an availability forecast.

## Surplus of Employees Forecasted

When a comparison of requirements and availability indicates a worker surplus will result, restricted hiring, reduced hours, early retirements, or layoffs may be required to correct the situation.

- Restricted Hiring
- Reduced Hours
- Early Retirement
- Layoffs

## Shortage of Workers Forecasted

Faced with a shortage of workers, many organizations had to intensify their efforts to recruit the necessary people to meet the needs of the firm. Some actions that were taken included:

## Compensation Incentives

More subtle forms of rewards may be required to attract employees to a firm, such as four-day workweeks, flexible working hours, telecommuting, part-time employment, and child care centers.

## Training Programs

Special training programs may be needed to prepare previously unemployable individuals for positions with a firm. Remedial education and skills training are two types of programs that may help attract individuals to a particular company.

## Different Selection Standards

For instance, instead of desiring extensive work experience, a firm may be willing to hire an inexperienced worker and train him or her to do the job.

## Succession Planning and Development

a. **Succession Planning**
The process of ensuring that a qualified person is available to assume a managerial position once the position is vacant.

b. **Succession Development**
The process of determining a comprehensive job profile of the key positions and then ensuring that key prospects are properly developed to match these qualifications.

## THE GOAL OF HR PLANNING

The goal of forecasting and planning is to keep a stable workforce that meets needs of the organization.

## STEPS IN HRP PROCESS

- Determine the impact of organizational objectives on specific organizational unit
- Define the skills required to meet objectives (demand for Human Resource) Determine additional human resource requirements in light of current HR (net HR requirements)
- Develop action plan to meet the anticipated HR needs.

## Importance of HRP

HRP has become more important in recent years for a number of reasons like:

- Globalisation of Business
- New Technologies
- The changing skill levels in the Workforce
- The changing demographics of the workforce
- Mergers and Acquisitions
- Legal developments

## Requirements for effective HR planning

Successful HR planning requires:

- HR personnel understand the HR planning process

- Top management is supportive
- The communications between HR staff and line management are healthy
- The HR plan is integrated with the organization's strategic business plan

## Lesson 13 STRATEGIC PLANNING AND HRIS

### Strategic planning:

It is the process by which top management determines overall organizational purposes and objectives and how they are to be achieved. HR's role would include environmental scanning, competitive intelligence, internal strengths and weaknesses analysis, and the implementation of the strategies. HR process involves following activities or steps.

### HR Planning Process:

### Determine the organizational mission:

It states Organization's overall purpose and basic business scope and operations it provides information like.

### Scan the organizational environment(SWOT)

This is also known as SWOT analysis through this process organizations identify different opportunities available in the market and the threats that can be faced by the organization, and the weaknesses and strengths possessed by organizations are also measured and identified through this process.

### Set strategic goals:

To achieve the overall mission or purpose of the organization it is required to set specific long-term and short term objectives and goals. The goal can be defined as desired outcomes to accomplish mission. Following are the characteristics of effective goals.

- Specific
- Challenging
- Measurable

### Formulate a strategic plan:

Designed to meet strategic goals, also specifies functional or departmental goals are selected at this step.

### Strategic Planning and Strategic Trends

a. The Basics of Strategic Planning a strategy is the company's plan for how it will balance its internal strengths and weaknesses with its external opportunities and threats and maintain a competitive advantage.
b. The Strategic Planning Process entails conducting a SWOT analysis to identify its strengths, weaknesses, opportunities, and threats.
c. Basic Strategic Trends ƒ
   - Globalization refers to the tendency of firms to extend their sales, ownership, and/or manufacturing to new markets abroad.
   - Technological Advances have been forcing, and enabling, firms to become more competitive. ƒ
   - The Nature of Work is changing due to new technological demands.
   - The Workforce demographics are changing as well.
   - Managerial Consequences of the Basic Trends
     Managers have to craft strategies that balance opportunities and threats (like those previously discussed) with their firm's strengths and weaknesses, such as global expansion and improved competitiveness strategies.

## HR's Strategic Role

- HR's role is shifting from protector and screener to strategic partner and change agent.
- Strategic Human Resource Management refers to improving business performance and developing an organizational culture that fosters innovation and flexibility by linking HRM with the strategic goals and objectives of the firm.
- HR's Role as a Strategic Partner can be seen as either adapting individual HR practices to fit specific corporate and competitive strategies or as an equal partner in the strategic planning process.

## Human Resource Information System (HRIS)

HRISs are systems used to collect, record, and store, analyze, and retrieve data concerning an organization's human resources.

Forms were used to collect leave requests, workers compensation and accident data, and salary variation and superannuation entitlements. During the 1970s and 1980s, several factors radically changed attitudes towards human resource information systems.

Nature and benefits of HRIS

Modern human resource information systems are comprehensive, accurate and accessible systems for recording employee and work data relevant to HRM, HR and organizational planning.

**An HRIS is:**

Its purpose is to facilitate, or support, straight, tactical and operational decision making, to avoid litigation, to evaluate programs, policies, or practice and daily operations Specific benefits of such systems include:

i. Improved planning and program development using decision support software. Faster information processing and improved response times
ii. Decreased administrative and HR costs
iii. Accuracy of information
iv. Enhanced Communication at all levels.

**HRIS contain information on:**

- Employees
- Jobs and work conditions
- Positions

- HR events (e.g. recruitment. training and development, performance appraisals, and terminations).

## Uses of HRIS

Comprehensive and integrated information systems can be used widely -in administrative, operational and strategic fields by HR and other managers. On the operational level HRIS data can be used to identify potential internal applicants for job vacancies, saying external recruitment costs and assuring employees of career opportunities.

## Strategic HR planning and HR information systems

Proactive HR managers ensure that their HRIS contributes to organizational performance. As a strategic 'tool', HRIS can be used to contribute to the development and modification of HR plans, on both quantitative and qualitative bases, and to feed into specific HRM functions.

## HRIS Applications

A computerized HRIS contains hardware and software applications that work together to help managers make HR decisions. HRIS software applications currently available to business include those for employee information, applicant tracking, skills inventory, payroll, and benefits administration.

## HRIS Security and Privacy

The HR department must develop policies and guidelines to protect the integrity and security of the HRIS so that private employee information does not fall into the wrong hands. To maintain the security and privacy of HRIS records, companies should control access, develop policies and guidelines that govern the utilization of information, and allow employees to check their records.

## Purposes of HRIS

All organizations and their HR mangers need to consider whether their HRIS will be primarily used for collecting, analyzing, interpreting or reporting employee information. Small organizations with stable workforces and secure markets do not require complicated data analysis, but can benefit from comprehensive and accurate databases for reporting purposes.

Common HRIS Functions

Mainly following functions are performed by the HRIS in different organizations.

- Job analysis information can be placed in the HRIS.
- The program can write job descriptions and job specifications.
- Constant monitoring of compliance with EEO legislation.
- Maintain records of rejected applicants.
- Saves money and time in compiling reports.
- Ensure that women and minorities or not be adversely affected.
- Provides reports for Occupational Safety and Health Administration (OSHA).
- Track hazardous materials.
- Track accidents and costs of accidents.
- Record employee safety training.
- Record employee exposure to various conditions and chemicals.
- Track disciplinary actions and grievances.
- Labor contract data.
- Worker seniority list. Etc...

## Relationship of HRIS with overall MIS

Information is the backbone of healthy and efficient business management. Information management must conform to well-defined principles, run on appropriate software, and be completely adapted to your organization within an integrated system usually known as Management Information System (MIS). Management Information System is the entire set of systems and activities required to manage, process, and use information as a resource in the organization. Stated slightly differently, MIS is the management and use of computer-based systems, computer-resident data, and telecommunications for the support of business decision processes. HRIS is the part of MIS that provides the information regarding workforce in the organization and facilitates the decision makers in decision making process in this regard.

## Lesson 14 JOB ANALYSIS

## Job Analysis:

Studying and under-standing jobs through the process known as job analysis is a vital part of any HRM program.

## Purposes of the job Analysis

Job analysis is used to acquire the information in following areas

1. Major duties or activities required

2. Conditions under which the job is performed
   - Job: A group of tasks that must be performed in an organization to achieve its goals.
   - Position: The tasks and responsibilities performed by one person; there is a position for every individual in an organization.
   - Task: A distinct, identifiable work activity composed of motions
   - Duty: A larger work segment composed of several tasks that are performed by an individual.
   - Responsibility: An obligation to perform certain tasks and duties.

Job Analysis Defined:

Job Analysis is the SYSTEMATIC process of collecting and making judgments about all the important information related to a job. Job analysis is the procedure through which you determine the duties and nature of the jobs and the kinds of people who should be hired for them.

Reasons for Conducting Job Analysis

A sound job analysis system is extremely critical for numerous reasons.

- **Staffing**
  All areas of staffing would be haphazard if the recruiter did not know the qualifications needed to perform the job.
- **Training And Development**
  if the specification suggests that the job requires a particular knowledge, skill, or ability and the person filling the position does not possess all the qualifications required training and/or development is probably in order.
- **Compensation and Benefits**
  The relative value of a particular job to the company must be known before a dollar value can be placed on it. From an internal perspective the more significant its duties and responsibilities, the more the job is worth.
- **Safety and Health**
  Information derived from job analysis is also valuable in identifying safety and health considerations.
- **Employee and Labor Relations**
  Regardless of whether the firm is unionized, information obtained through job analysis can often lead to more objective human resource decisions.
- **Legal Considerations**
  having properly accomplished a job analysis is particularly important for supporting the legality of employment practices.

- **Job Analysis for Teams**
  What this means is that if a project has to be completed, individuals do what has to be done to complete the task.

Types of Job Analysis Information

Considerable information is needed if job analysis is to be accomplished successfully. Knowledge of the types of machines, tools, equipment, and work aids that are used in performing the job is important.

When Job analysis is performed?

When the organization is founded

When organizations are created complete information about jobs to be performed is collected through job analysis.

When new jobs are created

When jobs are changed significantly as a result of new technologies, methods, procedures, or systems for analyzing them job analysis is conducted.

## Uses of Job Analysis Information

1. **Recruitment and Selection:**
   Job descriptions and job specifications are formed from the information gathered from a job analysis, which help management decide what sort of people to recruit and hire.
2. **Compensation**
   The estimated value and the appropriate compensation for each job is determined from the information gathered from a job analysis.
3. **Performance Appraisal**
   Managers use job analysis to determine a job's specific activities and performance standards.
4. **Training**
   Based on the job analysis, the job description should show the job's required activities and skills.
5. **Discovering Unassigned Duties**
   Job analysis can help reveal unassigned duties.
6. **EEO Compliance**
   The Uniform Guidelines on Employee Selection stipulate that job analysis is a crucial step in validating all major personnel activities.

The job analysis process has the following steps:

1. Identify how the information will be used because that will determine what data will be collected and how it should be collected. Interviewing and position analysis questionnaire are some examples of data collection techniques.
2. Review relevant background information, such as organization charts, process charts, and job descriptions.
3. Select representative positions to analyze because there may be too many similar jobs to analyze, and it may not be necessary to analyze them all.
4. Analyze the job by collecting data on job activities, required employee behaviors, working conditions, and human traits and abilities needed to perform the job.
5. Review and verify the job analysis information with job incumbents to confirm that it is factually correct and complete.
6. Develop a job description and job specification from the job analysis information.

Job analysis outcomes

## Job description

A job description is a written statement of what the jobholder actually does, how he or she does it, and under what conditions the job is performed. There is no standard format for writing job descriptions, but most descriptions include sections on:

- job identification
- job summary
- relationships, responsibilities, and duties
- authority of incumbent
- standards of performance
- working conditions
- job specifications

## Job specification

A job specification is a document containing the minimum acceptable qualifications that a person should possess in order to perform a particular job.

## Job evaluation

In Job Evaluation process the worth of job is identified based upon job comparability and according to worth, importance of job and relative value Compensation is designed and selected.

## Lesson 15 JOB ANALYSIS

### Job Analysis Methods

Job analysis traditionally has been conducted in a number of different ways. Also, firms differ in their needs and in the resources they have for conducting job analysis.

1. An HR specialist (an HR specialist, job analyst, or consultant), a worker, and the worker's supervisor usually work together in conducting the job analysis.
2. Job analysis data is usually collected from several employees from different departments, using interviews and questionnaires.

### The Interview

The three types of interviews managers use to collect job analysis data are:

1. Individual (to get the employee's perspective on the job's duties and responsibilities,
2. group (when large numbers of employees perform the same job),
3. Supervisor (to get his/her perspective on the job's duties and responsibilities).

### The following are interview guidelines:

a) the job analyst and supervisor should identify the workers who know the job best and would be objective;
b) establish a rapport with the interviewee;
c) follow a structured guide or checklist;
d) ask worker to list duties in order of importance and frequency of occurrence; and
e) Review and verify the data.

### Questionnaire

1. Structured or unstructured questionnaires may be used to obtain job analysis information.
2. Questionnaires can be a quick, efficient way of gathering information from a large number of employees.

### Observation

1. Direct observations are useful when jobs consist of mainly observable physical activity as opposed to mental activity.
2. Reactivity can be a problem with direct observations, which is where the worker changes what he/she normally does because he/she is being watched.

3. Managers often use direct observation and interviewing together.

## Quantitative Job Analysis Techniques

1. Position Analysis Questionnaire (PAQ) is a questionnaire used to collect quantifiable data concerning the duties and responsibilities of various jobs.
2. Department of Labor Procedure (DOL) is a standardized method for rating, classifying, and comparing virtually every kind of job based on data, people, and things.
3. Functional job analysis (Identifies performance standards and training requirements.)

## Source of Data

Main sources of collection of data for job analysis are as following:

- Employees
- Supervisor
- Manager
- Job Analyst
- Job Analyst (HR)
- Outside consultant
- Supervisor/Manager

## Lesson 16 JOB ANALYSIS (CONTD)

### Human resource planning (HRP):

It is the process of systematically reviewing human resource requirements to ensure that the required number of employees, with the required skills, is available when they are needed.

### HUMAN RESOURCE FORECASTING TECHNIQUES

Several techniques of forecasting human resource requirements and availability are currently used by those in the profession.

### Zero Based Forecasting

This method uses the organization's current level of employment as the starting point for determining future staffing needs. The key to zero-base forecasting is a thorough analysis of human resource needs.

### Bottom-Up Approach

A forecasting method in which each successive level of the organization, starting with the lowest, forecasts its employee requirements in order to, ultimately, provide an aggregate forecast of employment needs.

## Use Of Mathematical Models

Mathematical models can assist in forecasting HR requirements. The relationship between sales demand and the number of employees needed is a positive one.

## Simulation

Simulation is a technique for experimenting with a real-world situation through a mathematical model representing that situation. A model is an abstraction of the real world.

## Forecasting Human Resource Requirements

A requirements forecast is an estimate of the numbers and kinds of employees the organization will need at future dates in order to realize its goals.

## Forecasting Human Resource Availability

Determining whether the firm will be able to secure employees with the necessary skills and from what sources these individuals may be obtained is called an availability forecast.

## SURPLUS OF EMPLOYEES FORECASTED

When a comparison of requirements and availability indicates a worker surplus will result, restricted hiring, reduced hours, early retirements, or layoffs may be required to correct the situation.

## Restricted Hiring

When a firm implements a restricted hiring policy, it reduces the workforce by not replacing employees who leave.

## Reduced Hours

Reaction to a declining demand can also be made by reducing the total number of hours worked. Instead of continuing a 40-hour week, management may decide to cut each employee's time to 30 hours.

## Early Retirement

Early retirement of some present employees is another means of reducing the supply of workers.

## Layoffs

At times, the firm has no choice but to actually lay off part of its workforce.

## SHORTAGE OF WORKERS FORECASTED

Unemployment in the United States was at an all-time low in the summer of 2000. Faced with a shortage of workers, many organizations had to intensify their efforts to recruit the necessary people to meet the needs of the firm. Some actions that were taken included:

## Creative Recruiting

A shortage of personnel often means that new approaches to recruiting must be used. The organization may have to recruit in different geographical areas than in the past, explore new methods, and seek different kinds of candidates.

## Compensation Incentives

Firms competing for workers in a high-demand situation may have to rely on compensation incentives. Premium pay is one obvious method. More subtle forms of rewards may be required to attract employees to a firm, such as four-day workweeks, flexible working hours, telecommuting, part-time employment, and child care centers.

## Training Programs

Special training programs may be needed to prepare previously unemployable individuals for positions with a firm. Remedial education and skills training are two types of programs that may help attract individuals to a particular company.

## Different Selection Standards

Another approach for dealing with shortages of workers is the lowering of employment standards. Selection criteria that screen out certain workers may have to be altered to ensure that enough people are available to fill jobs.

## HR Hiring Process:

HR hiring process involves the activities that are required to make the workforce or staff available to fill and keep filled different positions in the organization. This process includes the following steps:

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

- Selection
  The process of making a —hire‖ or —no hire‖ decision regarding each applicant for a job.
- Socialization
  The process of orienting new employees to the organization or the unit in which they will be working.

## Goals of Recruitment:

Mainly there are two recruitment goals

### To attract qualified applicants:

Recruiting process is used to create the pool of qualified applicants. By qualified applicants we mea those applicants who are having abilities that are perfect match with the job requirements.

### To discourage non-qualified applicants:

Second goal of recruitment is to avoid nonqualified applicants. When recruiting is based upon careful designing of the job disruption and job specification most of the applicants having irrelevant qualifications are eliminated fro the list of potential applicants which makes recruiting process more effective and easier.

## Constraints of Recruitment Process:

Different factors in internal or external environment can influence the effectiveness of recruiting process in negative manner and can become hurdles in recruiting process. They mainly include:

## Image of the Organization

If employees believe that their employer deals with them fairly, the positive word-of-mouth support they provide is of great value to the firm. It assists in establishing credibility with prospective employees.

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mouth support they provide is of great value to the firm. It assists in establishing credibility with prospective employees.

## Government Influence

The recruitment process is influenced by the laws provided by the government. Organizations to be more successful are required to work according to these laws.

## Labor Market Influence:

The recruitment process is influenced by labor market conditions. When the economy is growing rapidly and unemployment levels are very low, recruiting is extremely difficult. However, when the economy is stagnant and unemployment levels are high, organizations can obtain large applicant pool with very little effort.

## Recruiting Costs

Companies use to bear very high costs while performing the recruitment process especially when the recruitment is external.

## Global Issues

Whenever staffing function is performed at the international level or across the national boundaries beside internal environment of organization polices of the host country regarding employment also influence the recruitment process. They can include basic labor laws regarding quality of work life EEO, remuneration packages, etc.

## Philosophy of the Recruitment:

Major decision in performing the recruitment process is selection of sources from the available sources which are:

- Internal Recruitment
- External Recruitment.

## Ethical Issues in Recruitment:

Performs recruiting and employment activities for the off-site location, providing qualified candidates in a cost-effective and timely manner while ensuring adherence to the corporate job posting procedure.

## Lesson 17 SOURCES OF RECRUITMENT

## Recruitment:

Recruiting refers to the process of attracting potential job applicants from the available labor force. Every organization must be able to attract a sufficient number of the job candidates who have the abilities and aptitudes needed to help the organization to achieve its objectives.

Recruiting is typically a human resource function. In planning recruiting activities, an organization needs to know how many applicants must be recruited. Yield Ratios help organizations decide how many employees to recruit for each job opening.

## Source of Recruitment:

Basically organizations are available by the two main sources of recruitment which are:

I.      External Recruitment.
II.     Internal Recruitment.

## Internal Recruiting Sources:

When job vacancies exist, the first place that an organization should look for placement is within itself. An organization's present employees generally feel that they deserve opportunities to be promoted to higher-level positions because of their service and commitment to organization.

The major forms of the internal recruiting include:

1. Promotion from within.
2. Job posting.
3. Contacts and referrals

**Promotion from within:**

Promoting entry level employees to more responsible positions is one of the best ways to fill job vacancies and important reason why company should have a human resource planning system.

**Job posting**

An organization can also use the policy of job posting as a internal recruitment source. In the job posting system the organization notifies its present employees about job openings through the use of bulletin boards, company publications, or personal letters.

An effective job posting system involves the following guidelines:

- Job posting should be prominent.

- Clear job specification should be communicated so that applicants assess themselves either they are eligible to apply or not.
- Once the decision is made, all applicants should be informed about the decision.
- Job posting systems generally work quite well.

## Contacts and Referrals:

Before going outside to recruit employees, many organizations ask present employees to encourage friends or relatives to apply for the job openings. Contacts and referrals from the present employees are valuable sources of recruits.

## Advantages of Internal Recruitment:

- Provides greater motivation for good performance.
- Provides greater opportunities for present employees
- Provides better opportunity to assess abilities
- Improves morale and organizational loyalty
- Enables employees to perform the new job with little lost time

## Disadvantages of Internal Recruitment:

- Creates a narrowing thinking and stale ideas
- Creates pressures to compete
- Creates homogeneous workforce
- Chances to miss good outside talent Requires strong management development programs specially
- to train for technology

## External Recruiting Sources:

A broad variety of methods are available for external recruiting. An organization should carefully assess the kinds of positions it wants to fill and select the recruiting methods that are likely to produce the best results.

## EXTERNAL SOURCES OF RECRUITMENT

There are some employee needs that a firm must fill through external recruitment. Among them are: filling entry-level jobs, acquiring skills not possessed by current employees, and obtaining employees with different backgrounds to provide new ideas.

- High Schools and Vocational Schools
- Community Colleges

- Colleges and Universities
- Competitors and other Firms
- Unemployed
- Older Individuals
- Military Personnel
- Self-Employed Workers

## EXTERNAL RECRUITMENT METHODS

Recruitment methods are the specific means through which potential employees are attracted to the firm.

- Advertising
- Advertising
- Recruiters
- Special Events
- Internships
- Executive Search Firms (Executive search firms sometimes called HEAD HUNTERS)
- Professional Associations
- Unsolicited Walk-In Applicants (If an organization has the reputation of being a good place to work)
- Open Houses
- Event Recruiting
- Virtual Job Fairs (Individuals meet recruiters face-to-face in interviews conducted over special computers that have lenses that transmit head-and-shoulder images of both parties).
- Cyber Recruiting (Organizations can also use web sites and internet sources to recruit people application submission test and interview and other recruitment and selection activities can be performed online).

## Advantages of External Recruitment:

- Provides new ideas and new insights
- Provides greater diversity and helps achieve EEO goals by making affirmative action easy
- Provides opportunities to handle rapid growth if the organization
- Opportunities to get people with up-to-date knowledge education and training

## Disadvantages of External Recruitment:

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- It is more expensive and time consuming
- Destroys incentives of present employees to strive for promotion
- More chances to commit hiring mistakes due to difficult applicant assessment that will lead to wastage of resources.

## ALTERNATIVES TO RECRUITMENT

When an organization decides to add personnel to its staff, it makes a significant financial investment. Recruitment and selection costs are high, especially for professionals, technical and managerial employees.

### Outsourcing

Out sourcing is the process of transferring responsibility for an area of service and its objectives to an external service provider instead of internal employee.

### Contingent Workers

It is also known as part-timers, temporaries, and independent contractors, comprise the fastest-growing segment of our economy.

### Professional Employer Organization (Employee Leasing)

Using this approach, a firm terminates some or most of its employees. A leasing company then hires them, usually at the same salary, and leases them back to the former employer, who becomes the client.

### Overtime

Perhaps the most commonly used method of meeting short-term fluctuations in work volume is through the use of overtime.

### Recruitment - An applicant perspective:

- Applicant should be provided with necessary information regarding organization job, remuneration package etc.
- If rejection is to be communicated it should be done with tactics.

### Evaluating the Recruitment Process:

Recruitment process can be evaluated by the following factors:

1. Quantity of the Applicants
2. Quality of the Applicants

## Quantity of the Applicants

Recruitment process can be evaluated by the number of applicants who have applied for the job greater the number of applications greater will be the chance to select best people from available pool.

## Quality of the Applicants

Effectiveness of recruitment can be estimated by the quality of the applicants. Quality can be assessed by the education, skills, capabilities and competencies of the applicants.

## Yield Ratios:

The effectiveness of the recruitment process also depends upon the acceptability of the yield ratio.

## Lesson 18 SELECTIONS

## SELECTION PROCESS

Selection is the process of choosing from a group of applicants those individuals best suited for a particular position. Most managers recognize that employee selection is one of their most difficult, and most important, business decisions.

## ENVIRONMENTAL FACTORS AFFECTING THE SELECTION PROCESS

A permanent, standardized screening process could greatly simplify the selection process.

- Development of such a process
- even if it were possible and desirable
- Would not eliminate deviations to meet the unique needs of particular situation.

## Legal Considerations

Legislation, executive orders, and court decisions have a major impact on human resource management.

## Speed of Decision Making

The time available to make the selection decision can have a major effect on the selection process. Closely following selection policies and procedures can provide greater protection against legal problems.

## Organizational Hierarchy

Different approaches to selection are generally taken for filling positions at different levels in the organization.

<mark>Applicant Pool</mark>

The number of applicants for a particular job can also affect the selection process. The process can be truly selective only if there are several qualified applicants for a particular position.

<mark>Type of Organization</mark>

The sector of the economy in which individuals are to be employed

- private, governmental, or not-for-profit
- Can also affect the selection process.

<mark>Probationary Period</mark>

Many firms use a probationary period that permits evaluating an employee's ability based on performance. This may be either a substitute for certain phases of the selection process or a check on the validity of the process.

<mark>Selection Criteria:</mark>

Mostly the selection of applicant depends upon the following factors or criterions.

1. Education
2. Competencies
3. Experience
4. Skills And Abilities
5. Personal Characteristics

<mark>STEPS IN THE SELECTION PROCESS</mark>

The selection process typically begins with the preliminary interview. 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. These steps as per requirement of the organization some steps can be skipped while performing the selection process.

1. Initial Screening
2. Application Blank
3. Pre-employment Testing
   - General Intelligence Tests

- Aptitude Tests
- Personality and Interest Tests
- Achievement Tests
- Honesty Tests

4. Interview
   - Structured Interview
   - Unstructured Interview
   - Mixed Interview
5. Background Checks
6. Conditional job offer
7. Medical Exam/Drug Tests
8. Final Selection Decision

## Initial Screening

The selection process often begins with an initial screening of applicants to remove individuals who obviously do not meet the position requirements. The Purpose of Screening is to decrease the number of applicants being considered for selection.

### Sources utilized in the screening effort

Personal Resume presented with the job application is considered as 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

### Screening Interviews:

Screening interviews are used to:

- To verify information provided on resume or application blank.
- They are usually very short (approximately 30 minutes or so).

### Advantages of Successful Screening:

Companies utilizing expensive selection procedures put more effort in screening to reduce costs.

## Application Blank /Review of Applications

Application Blank is a formal record of an individual's application for employment. 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.