

UNIT 3 PART 1 : ORGANISING



Nature and purpose
Formal and informal organization
organization chart
organization structure & Types
Line and staff authority
Departmentalization
Delegation of authority
Centralization and Decentralization



Definition of Organizing

Organization is the process of identifying & grouping of the works to be performed, defining & delegating responsibility & authority and establishing relationships for the purpose of enabling people to work most efficiently



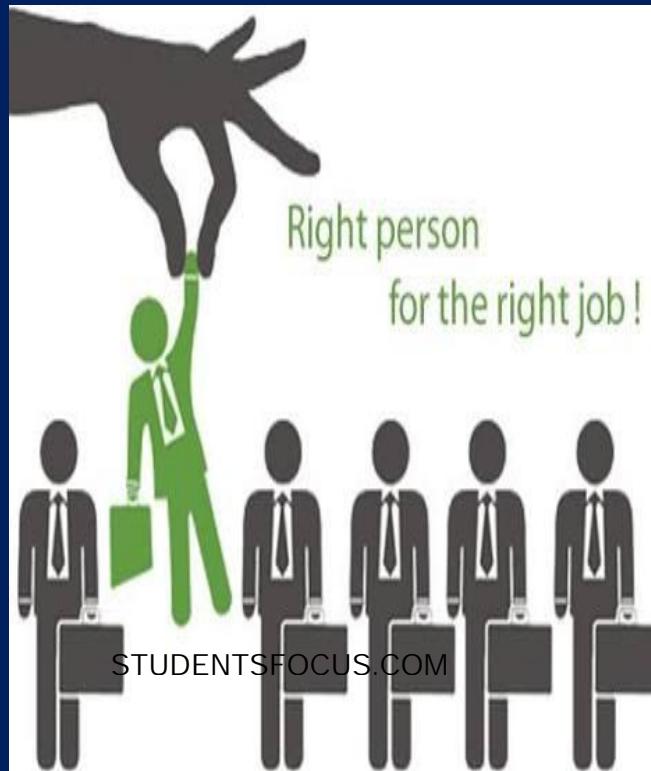
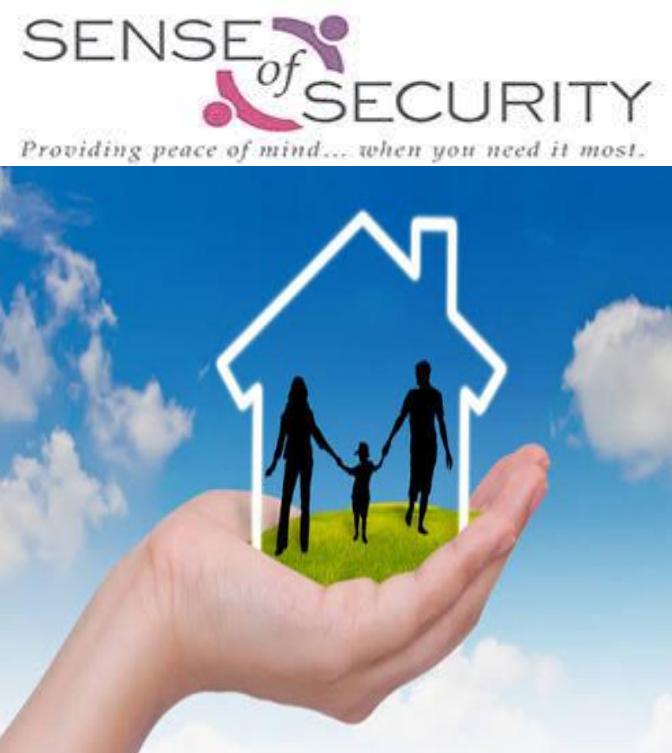
Koontz & O' Donnell defines as "organization is the establishment of authority & relationships with provision for coordination between them both vertically & horizontally in the enterprise structure"

Jobs related & co-ordination between authority & responsibility

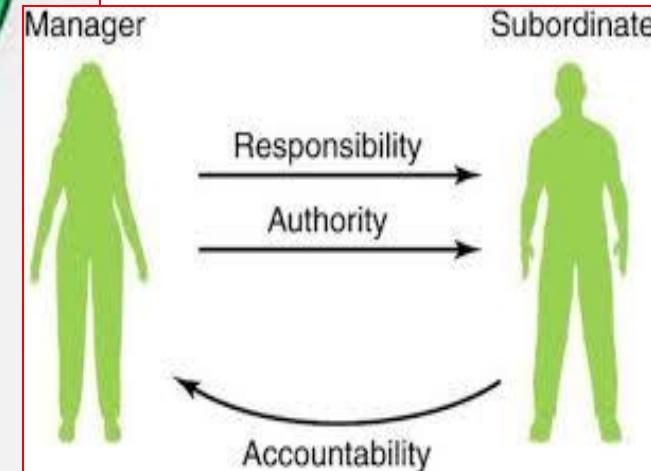
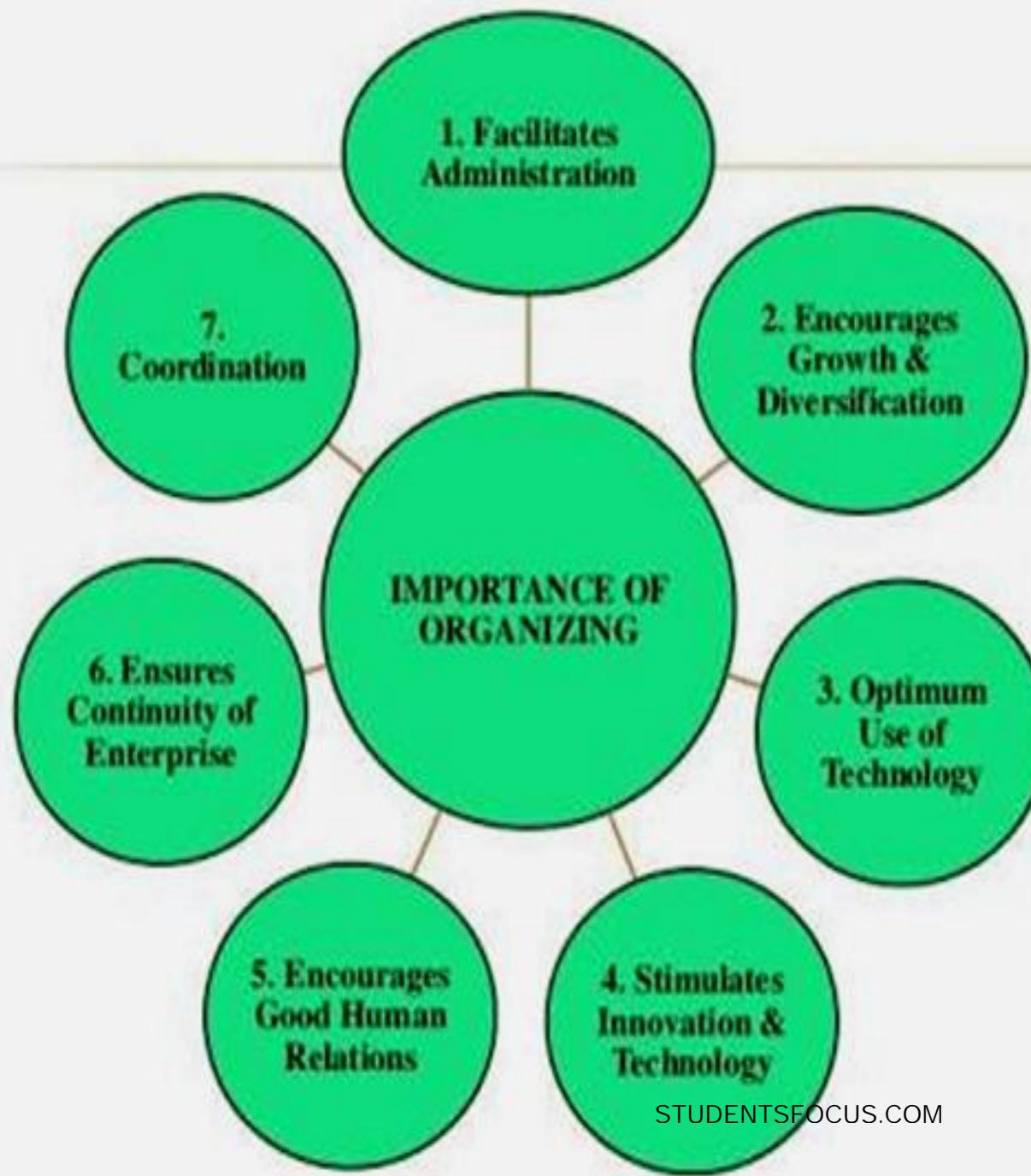


Importance of Organizing function

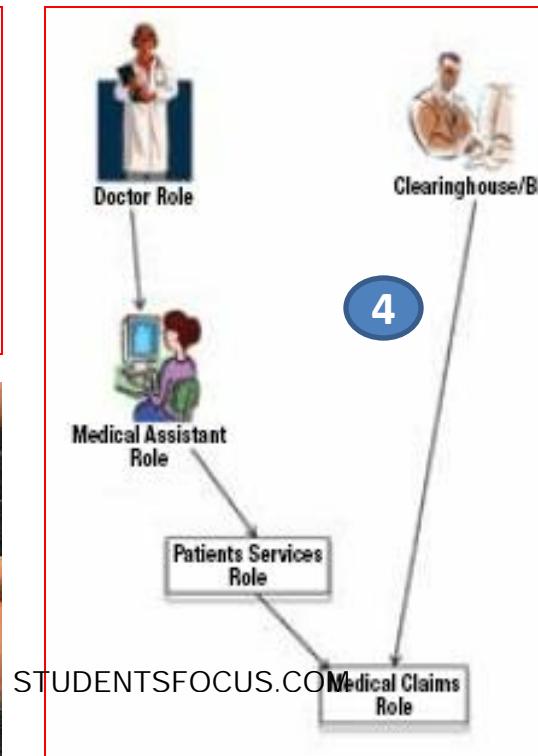
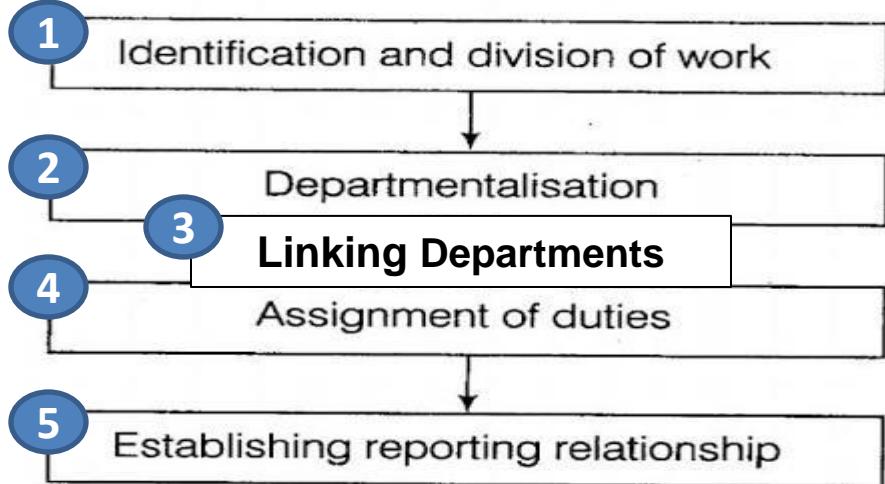
- ✓ Coordination
- ✓ Delegating Authority
- ✓ Sense of security
- ✓ Job definition
- ✓ Management Growth
- ✓ Personal Growth



Importance of Organizing function



Process of Organizing



Nature of organizing

✓ Division of work or specialization

In specialization ,various activities are assigned to different people who are specialists in that area

✓ Orientation towards goals

Organizing is the function employed to achieve the overall goals of the organization

✓ Composition of individuals & groups

Individuals form a group, groups form an organization

✓ Differentiated functions

→Organization divides the entire work & assigns the tasks to individual

→Tasks of one individual must be coordinated with task of others

Playing meaningful organizational role involves

- ✓ Variable objectives
- ✓ Clear idea of major duties or activities involved
- ✓ Understood of authority, role & Responsibility



Purpose of organizing

✓ Helps to achieve organizational goal

→ Organization focuses attention of individual objectives towards overall objectives

✓ Optimum use of resources

Make best use of resources such as Men, Material , Money . Machine , Method & Market, It is necessary to design an organization properly. Should be given right person for right job

✓ To perform managerial function

Planning, staffing, Directing & controlling cannot be implemented without proper organization

✓ Facilitates growth & diversification

A good organization are essential for expanding business activity & essential for product diversification such as establishing a new product line

✓ Human treatment of employees

Organization has adapted the modern concept of system approach based on human relations

Formal Organization

An organization is formal when the activities are coordinated towards a common objective

It is basically goal oriented entity that exist the efforts of individuals

It refers to the structure of jobs & positions with clearly defined functions, responsibilities & authorities

It has a specific set of commands to direct employees in achieving goals

Organization chart identifies the following aspects of formal structure

- ✓ Division of work.
- ✓ Supervisory relationships.
- ✓ Communication channels.
- ✓ Major subunits.
- ✓ Levels of management.



Principles of Formal Organization

1. Official nature of the organization
2. Authority and Responsibility
3. Focus on position
4. Power delegated by Management
5. Specific Rules and Policies
6. Rewards & Penalties

Advantages of formal organization

- ✓ Reduces confusion
- ✓ Ensures specialization
- ✓ Fixing of responsibility
- ✓ Help in achievement of objectives
- ✓ Provide stability to the firm
- ✓ Increase organizational efficiency

Disadvantages of formal organization

- ✓ Reduced Initiatives
- ✓ Lack of match between objectives
- ✓ Delay in work due to rules & regulations
- ✓ Disturbance in relations
- ✓ Problem due to informal relations



<u>INFORMAL Vs. FORMAL DRESS CODE</u>					
Streetwear	Casual	Business Casual	Smart Casual	formal	Semi-Formal
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Informal Organization

Informal organizations are formed on the basis of individual relations, communication, general knowledge etc

It is found at all levels of management

It reflects human relationships

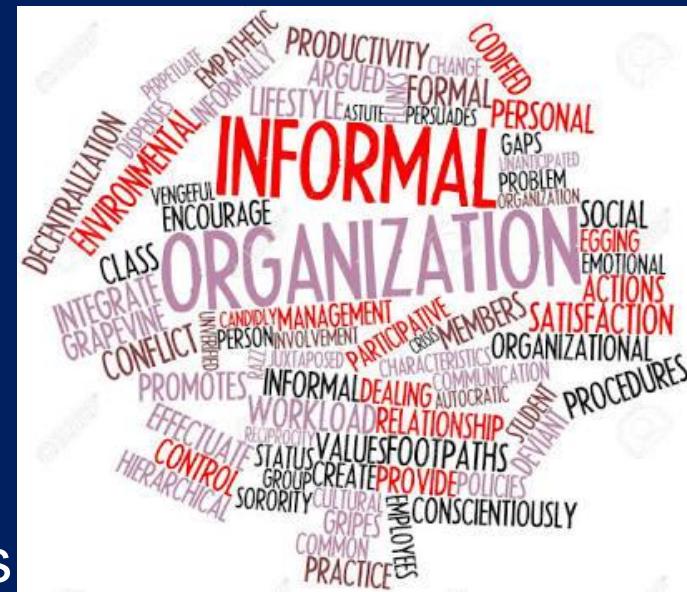
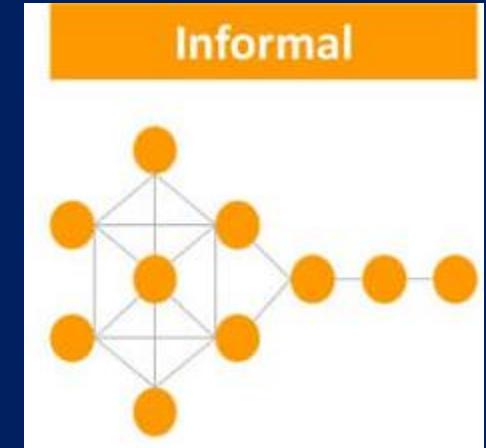
Informal organization is any human group interactions that occur spontaneously & naturally over long period of time

Importance of Informal organization

It serves as a very useful channel of communication in the organization .

It is very fast. It gives support to the formal organization

Informal organization gives **psychological satisfaction** of the members. They get a platform to express their feelings



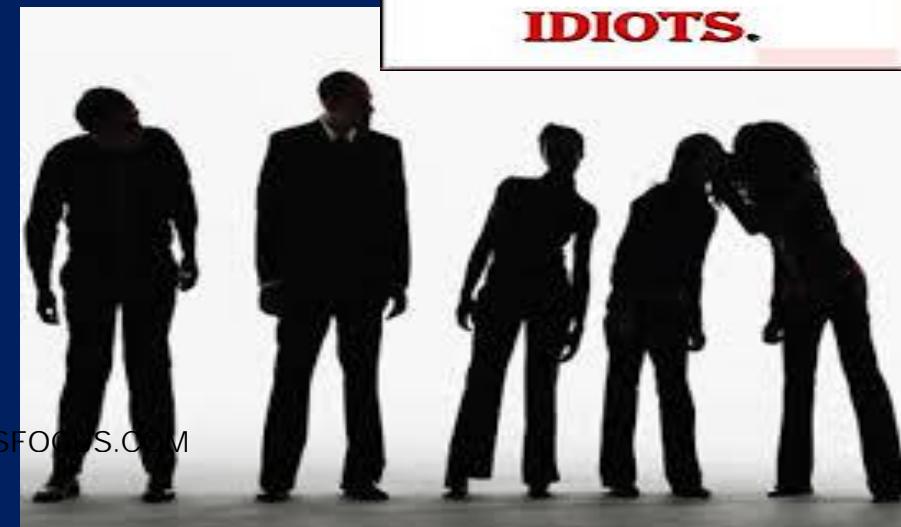
The informal organization is sometimes just as powerful , if not more powerful , then the formal structure

Advantages of informal organization

- ✓ Cooperation
- ✓ Sense of Belonging ness (Stress free)
- ✓ Fast communication
- ✓ Aid (Help or assist) on the job

Disadvantages of informal organization

- ✓ Resistance to change (sometimes management are not accepted)
- ✓ Clash (fight) in interest
- ✓ It is very much affected by the rumors
- ✓ Disturbance in relations
- ✓ Problem due to informal relations



**RUMORS ARE
CARRIED BY
HATERS,
SPREAD BY
FOOLS, &
ACCEPTED BY
IDIOTS.**

Organization		
Elements of Difference	Formal organization	Informal organization
Salient goals	Organization's	Individuals
Structural units	Offices/positions	Individual roles
Basis for communications	Offices formally related	Proximity: Physical, professional, task, social, formal.
Basis for power	Legitimate authority	Capacity to satisfy individual's needs (often through expert or referent power)
Control mechanisms	Rules	Norms
Type of hierarchy	Vertical	Lateral
Belonging of individuals	Specific	Ambiguous
Communication	Structured	Unstructured
Origin	Planned	Spontaneous
Changes over time	Shifts	Incremental
Group leadership	STUDENTSFOCUS.COM Explicit	Implicit

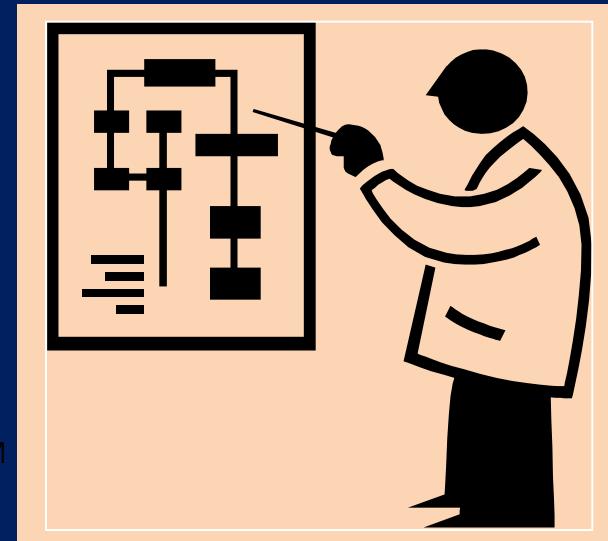
Organization Chart

A graphic representation of the structure of an organization showing the relationships of the positions or jobs within it

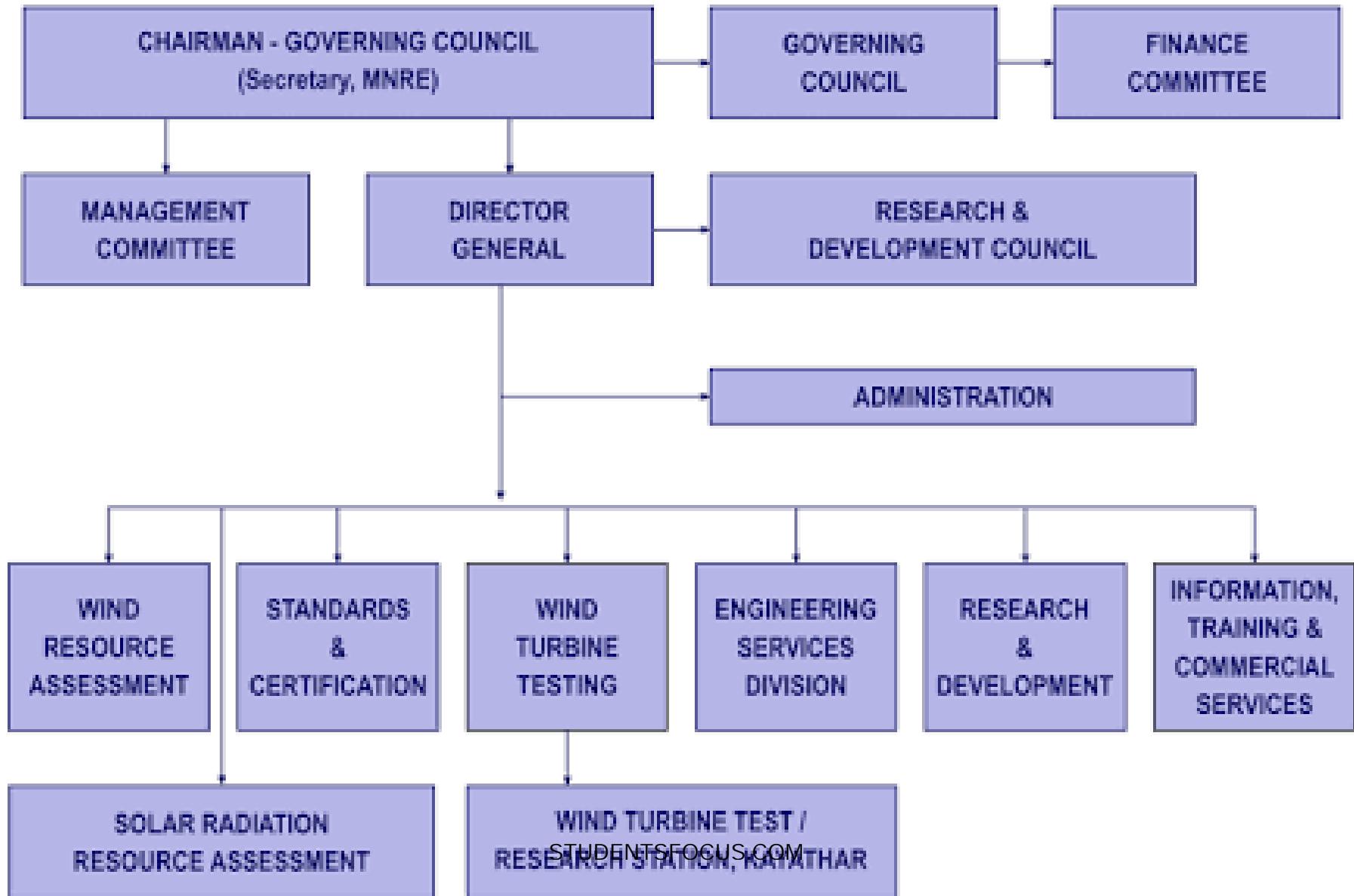
Visual representation of how a firm intends authority, responsibility and information to flow within its formal organizational structure

It usually shows different management functions (accounting, finance, human resources , marketing, production and R & D)

It shows Decision making power travels downwards & answerability travels upwards

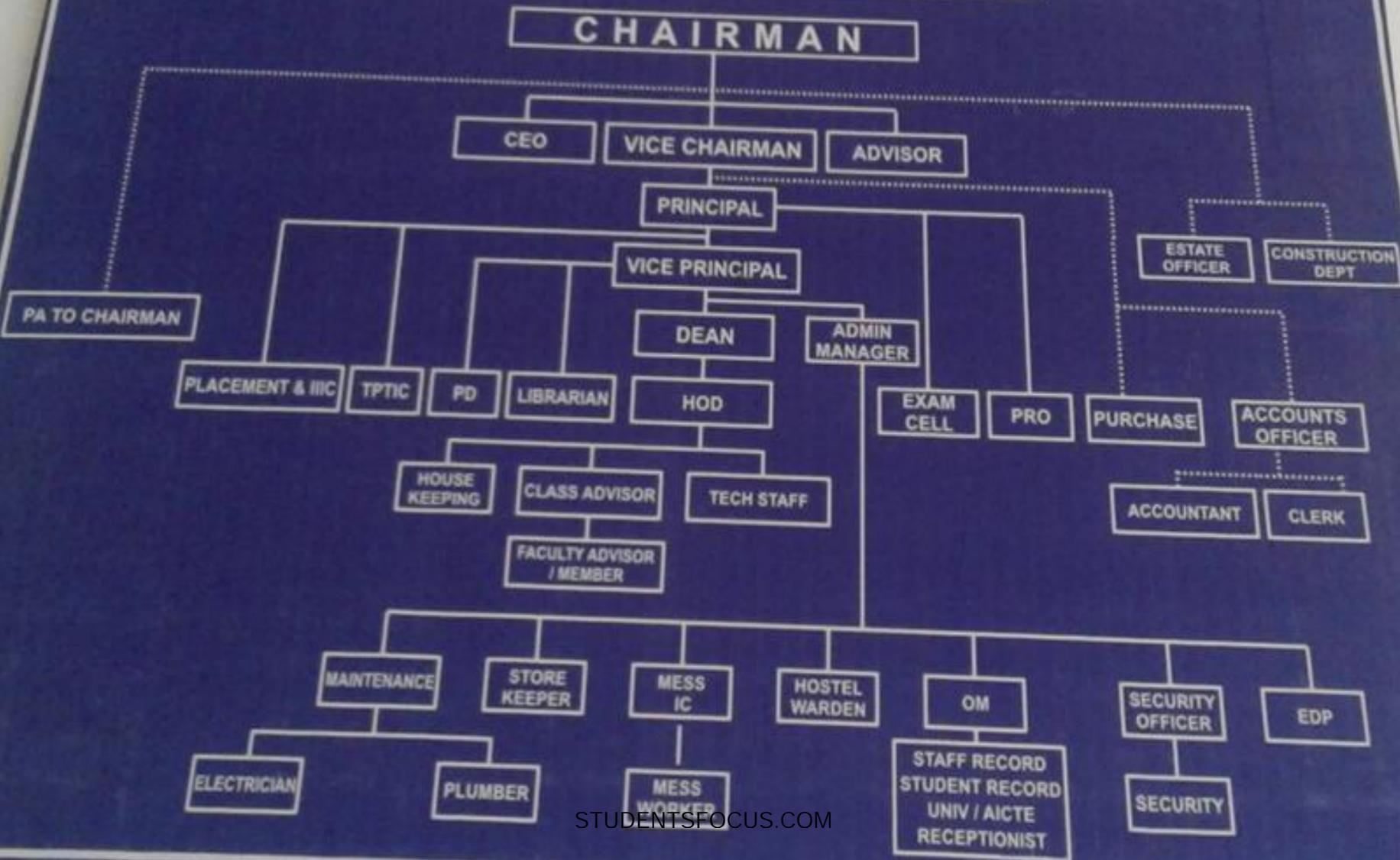


ORGANISATION CHART





SRI VIDYA



Organization Structure

It defines how tasks are divided, resources are deployed and Departments are coordinated

Structure basically deals with the relationships.

The system of job positions, role assigned to these positions & specifying authority, responsibility & task of every position is known as organization structure

Organization structure shows the authority & responsibility relationship also clarifies who reports to whom

Structure provides a means of balancing **two conflicting forces**

1. Need for the **division of tasks** into meaningful groupings
2. Need to **integrate the groupings** for efficiency & effectiveness



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Three main objectives of organizational structure

1. To develop **coordination** among the different activities performed by various department
2. To avoid **duplication** of the efforts at the time of execution of the necessary activities
3. To execute all necessary activities & **unnecessary activity avoided**

Types of Organizational Structure

Based on the power flow within the organization may be classified as

1. Bureaucratic or Mechanistic structure
2. Organic or adaptive structure

Based on the formation of departments or groups may be classified as

1. Line organization structure
2. Functional organization structure
3. Divisional organization structure
3. Line & Staff organization structure
4. Product organization structure
5. Committee or Matrix organization structure

Elements of Organizational Structure

Specifies how employees and their activities are grouped together

Departmentalization

Span of Control

Number of people directly reporting to the next level

Formalization

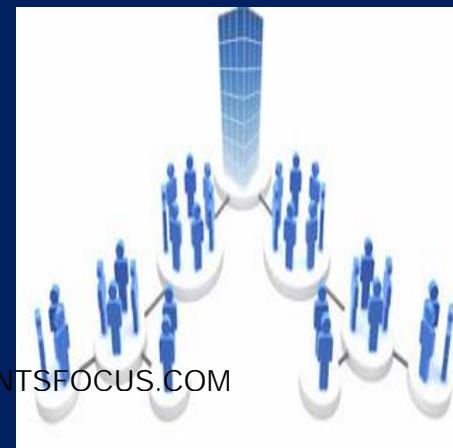
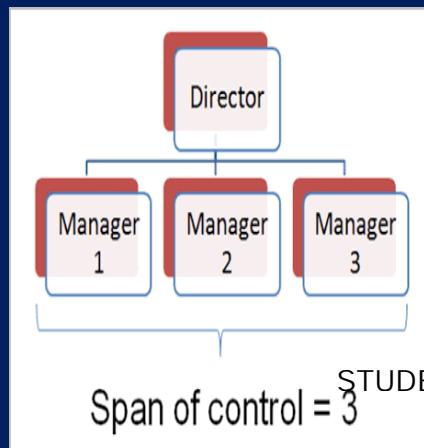
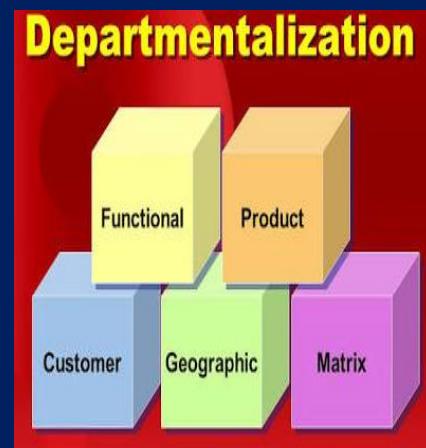
Elements of
Organizational
Structure

Centralization

Assumes coordination through direct supervision

The degree to which organizations standardize behavior through rules, procedures, formal training, and related mechanisms.

Formal decision making authority is held by a few people, usually at the top



Bureaucratic (Technical) or Mechanistic organization

- It is based on a formal, centralized network
- It is high in specialization, formalization & centralization
- It is easy to maintain & rarely needs to be changed
- well defined hierarchy where top level make the majority of decisions



Organic or Adaptive organization

- It is unstable & dynamic environment
- It is complex & need to quickly adapt or changed
- It is low in specialization, formalization & centralization
- When environment changes an organization must be able to gather, process & distribute information very quickly



Characteristics	Mechanistic	Organic
Type of Environment	Stable	Innovative
Comparable to	Classical organization	Behavioral organization emphasis on self-control
Adherence to Chain of Command	Firm	Flexible—chain of command often bypassed
Type of Departmentalization	Functional	Divisional
How Specialized Are Jobs?	Specialized	Unspecialized—jobs change daily, with situation
Degree of Decentralization	Decision making centralized	Decision making decentralized
Span of Control	Narrow	Wide
Type of Coordination	Hierarchy and rules	Committees, liaisons, and special integrators

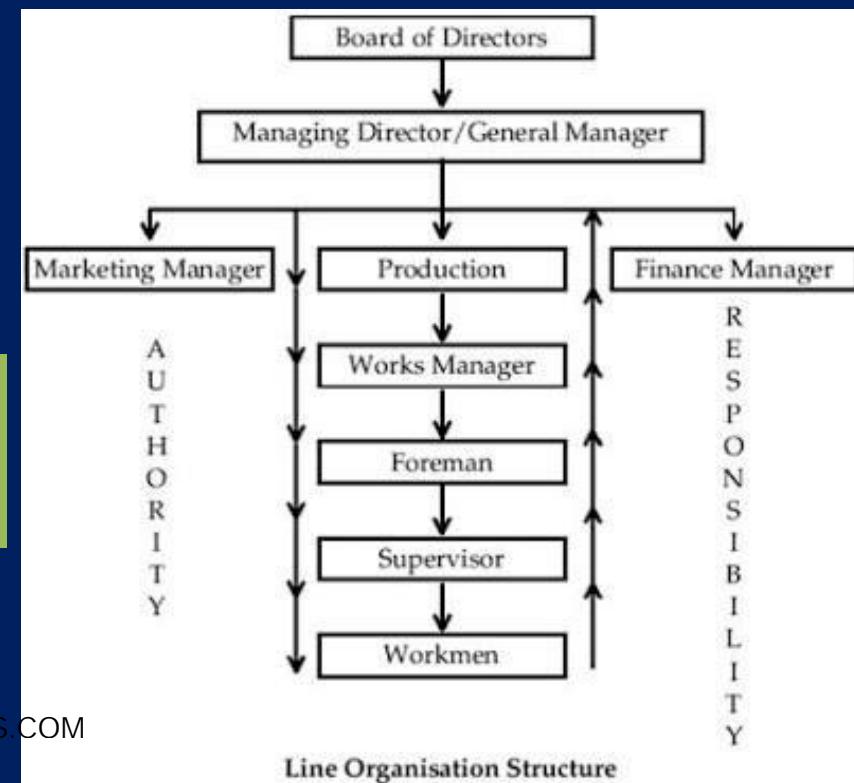
Line organization Structure

Line or Simple Structure

An organizational form in which the owner-manager makes most of the decisions and controls activities, and the staff serve as an extension of the top executive.

- Military/Scalar organization
- Line of authority moves directly from top to lowest level in a step by step manner
- It is straight & vertical
- Responsibility moves upward

Line Authority = individuals in management positions have the formal power to direct and control immediate subordinates



Advantages

- ✓ Highly informal
- ✓ Centralized decision making
- ✓ Little specializationon
- ✓ Discipline
- ✓ Attracts to talented persons
- ✓ High efficiency & employee moral



Limitations

- ✓ Heavy burden on line executive
(Too many duties & responsibilities)
- ✓ Rigidity (strictness)**
- ✓ Delays in communication
- ✓ Non availability of services of experts
- ✓ Favoritism (partiality or bias)



Functional Structure

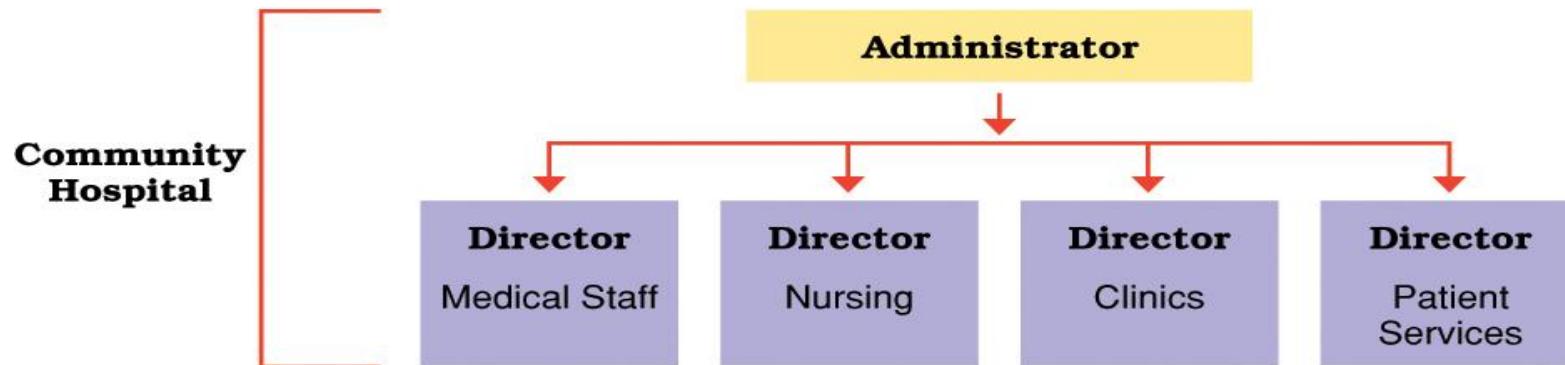
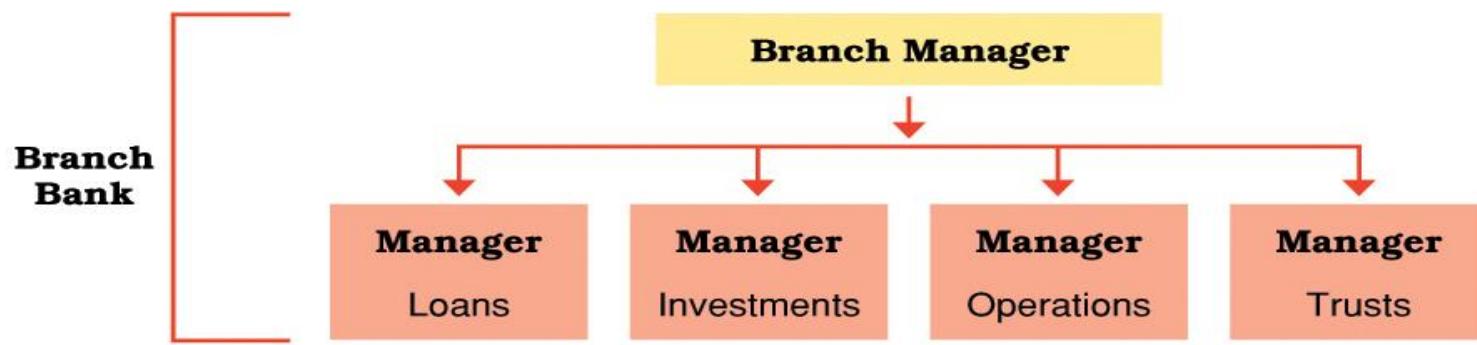
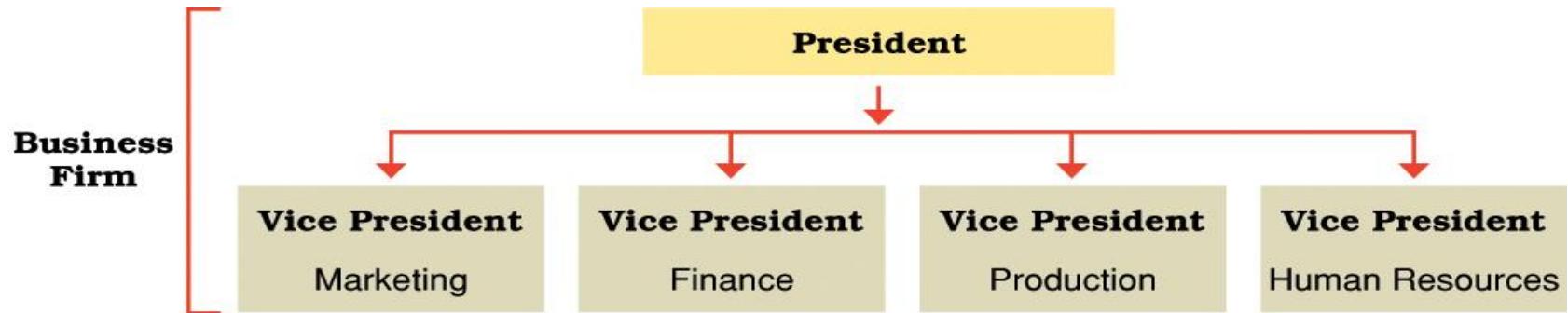
An organizational form in which the major functions of the firm, such as production, marketing, R&D, and accounting are grouped internally

→ People with similar skills and performing similar tasks are grouped together into formal work units.

→ All report up to one director or Vice President / CEO

→ Members work in their functional areas of expertise (knowledge)





Vertical functional approach
People are grouped together in departments by common skills.

Advantages

- ✓ Enhanced coordination and control
- ✓ Centralized decision making
- ✓ Operational flexibility
- ✓ Ensures effective supervision
- ✓ More efficient use of managerial and technical talent
- ✓ Facilitated career paths and development in specialized areas

Disadvantages

- ✓ Absence of unity of command (Instructions from several bosses)
- ✓ Fixing responsibility is difficult
- ✓ Unsuitable to non-manufacturing activities
- ✓ Costly : More specialist are required to be appointed
- ✓ Creates confusion among workers

(Authority is overlapping the responsibility is divided)

Divisional Structure

Divisional approach. Grouped together based on a common product, program, or geographical region.

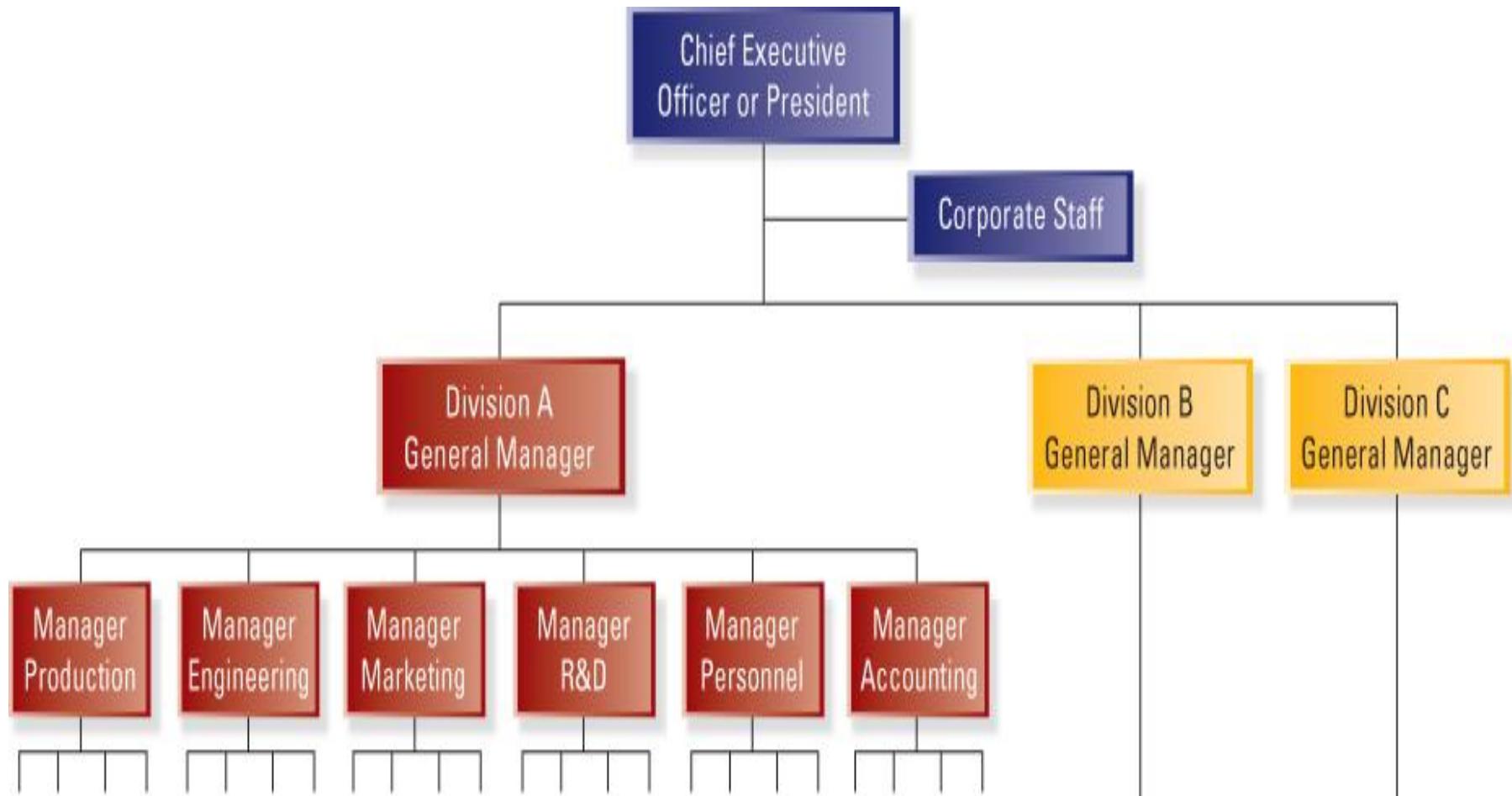
→ Also called multidivisional structure or M-Form

Advantages

- ❖ Separation of strategic and operating control
- ❖ Quick response to important changes in external environment
- ❖ Minimal problems of sharing resources across functional departments
- ❖ Development of general management talent is enhanced

Disadvantages

- ✓ Can be very expensive
- ✓ Can be functional competition among divisions
- ✓ Differences in image and quality may occur across divisions
- ✓ Can focus on short-term performance



Lower-level managers, specialists, and operating personnel

Organized
similarly to
Division 1

Organized
similarly to
Division 1

Line and Staff organization structure

Line Authority = individuals in management positions have the formal power to direct and control immediate subordinates

Staff Authority = granted to staff specialists in their area of expertise

The authority to make recommendations to line organization
The recommendations can be accepted, rejected, or altered by the line organization

Organizations begin as line only with line managers having direct control over all activities including administrative ones. Only later as organizations grow in size, do they add staff positions.

→ It is combination of Line & functional authority

Note : Pending

Departmentalization

Specifies how employees and their activities are grouped together

It is process of grouping tasks into jobs, the combining jobs into effective work groups

Departmentation takes place at all levels

- ❖ Primary Departmentation (Top Level)
- ❖ Intermediate Departmentation (Middle Level)
- ❖ Ultimate or Secondary Departmentation (Lower Level)

Koontz Definition

“A department is a distinct area, division or branch of an enterprise over which a manager has authority for the performance of specified activities



Importance of Departmentation

- ✓ Specialization → One major function & efficiency of operation increases
- ✓ Expansion (Growth)
- ✓ Autonomy (Independent) → Freedom provides job satisfaction & motivation
- ✓ Fixation of responsibility → It provides a basis for building up locality & commitment
- ✓ Appraisal of managerial performance becomes easier when specific tasks are assigned to specific personnel
- ✓ Managerial development → It facilitates communication, coordination & control

Advantages

- ❖ Employees can develop skills depth
- ❖ Good Coordination
- ❖ Easily direct & control
- ❖ Responsibility easily located

Disadvantages

- ✓ Lack of communication
- ✓ Individuality

Functional Departmentalization

Production Department Finance Department Marketing Department Human Resource (HR) Department

Process Departmentalization

Spinning Department Weaving Department Dyeing Department Printing Department

Customer Departmentalization

Department to handle Foreign Customers Department to handle Domestic Customers Department to handle Wholesale Customers Department to handle Retail Customers

Geographic Departmentalization

North Zone Department South Zone Department East Zone Department West Zone Department

Time Departmentalization

Morning Shift Department Evening Shift Department Night Shift Department

Product Departmentalization

Two Wheeler Department Three Wheeler Department Four Wheeler Department Heavy Motors Department

Number Departmentalization

Division "A" Department Division "B" Department Division "C" Department Division "D" Department

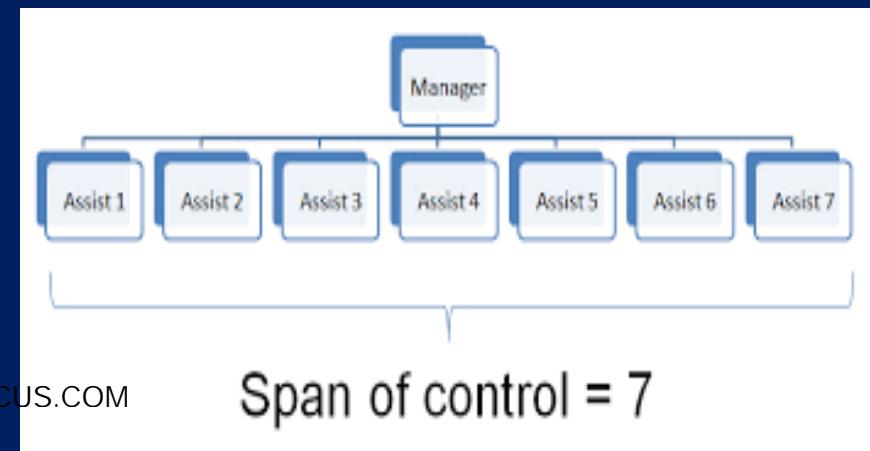
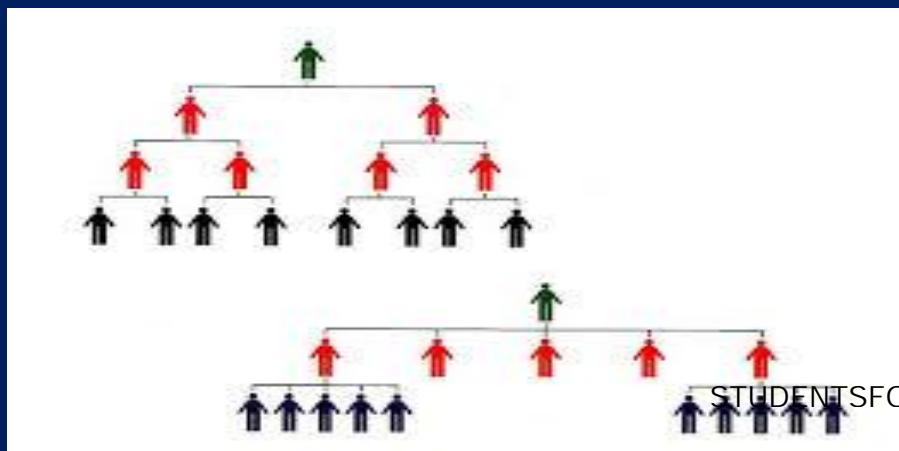
Span of control

Span of control in management & administration thus refers to the total number of people (subordinates or employees working under) whom a manager can effectively control or supervise

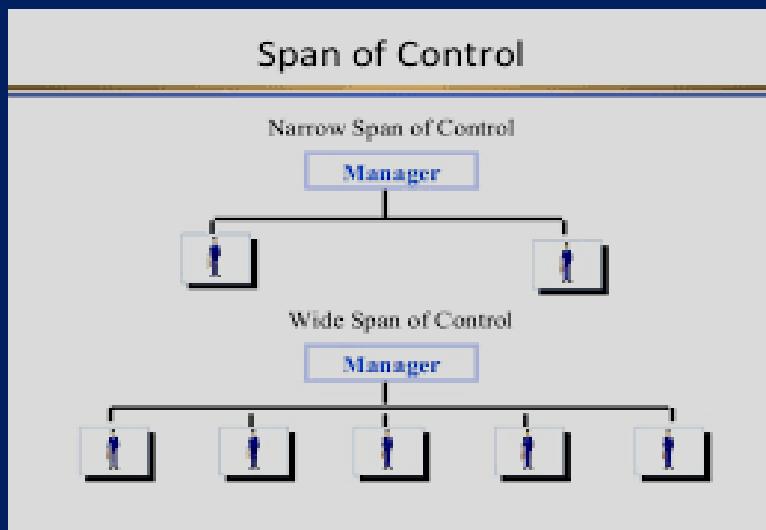
- Number of people directly reporting to the next level
- Assumes coordination through direct supervision
- It is often known as “Span of Supervision” or “ Span of Management” or “ Span of Attention”
- Span of control depends on nature of work , ability of superior, ability of subordinates etc

Top Level → 1 : 6 (more than 6 subordinates under control)

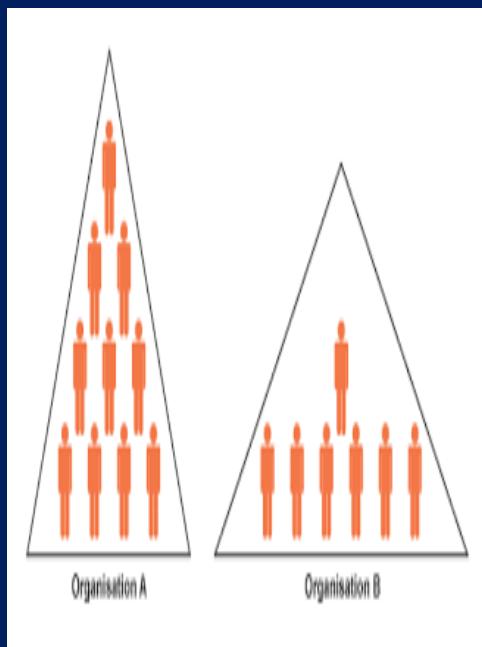
Lower Level → 1 : 20 (more than 20 subordinates under control)



Types of Span of control



Narrow	Wide
Allows for closer supervision of employees	Gives subordinates the chance for more independence
More layers in the hierarchy may be required	More appropriate if labour costs are significant – reduce number of managers
Helps more effective communication	



Narrow span (Tall Structure)

A supervisor or manager oversees few subordinates
→ Selected number of employees present
→ Coordination is difficult to be achieved
→ Specialization can be achieved
→ Tight Control

Span of 3 below

Wide span (Flat Structure)

A supervisor or manager oversees large subordinates
→ Few hierarchy level
→ Facilities delegation → Suitable for repetitive jobs
→ Loose Control
→ Better supervision & coordination

Span of 7 below

Advantages of Span of control

- Better supervision & control
- Increases efficiency
- Increases goodwill (Friendliness)
- Good professional relations
- Facilitates quick action
- Superiors can concentrate on important work

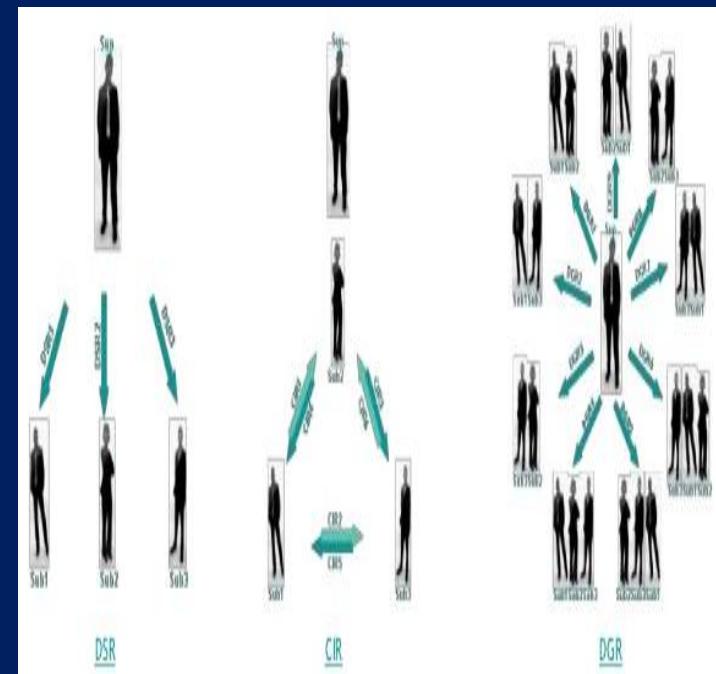
Graicunas Formula

$$r = n(\frac{2^n}{2} + (n - 1))$$

r = number of relationships
n = number of subordinates

No of Subordinates	No. of relationships
1	1
2	6
3	18
4	44
5	100
6	222

Kind of Relationship	Formula	No. of Subordinates	No. of Relationships
1. Direct relationship (one-to-one relationship)	n	$\frac{2}{3}$	$\frac{2}{3}$
2. Cross relationship	$n(n-1)$	$\frac{2}{3}$	6
3. Group relationship	$n\left(\frac{2^n}{2}-1\right)$	$\frac{2}{3}$	9
Total number of relationships	$n\left(\frac{2^n}{2}+n-1\right)$	$\frac{2}{3}$	18



Centralization

Formal decision making authority is held by a few people, usually at the top

Centralization is said to be a process where the concentration of decision making is in a few hands.

Centralization is the systematic & consistent reservation of authority at central points in the organization

The important & key decisions are taken by the top management & the other levels are into implementations as per the directions of top level

Formal decision making authority is held by a few people, usually at the top

Centralization

Decentralization

Decision making authority is dispersed throughout the organization

Centralization

A function of how much decision-making authority is pushed down to lower levels in an organization

Decentralization

The pushing down of decision-making authority to the lowest levels of an organization

Organizational authority for most departmental decisions is delegated to the department heads



Burger King
Pizza Hut
McDonalds

Pending

WM Morrison
Tesco

Delegation of Authority

Delegation of Authority

It is the essence of management

It is very important factor in formal organization

Delegation of Authority means the **granting of authority** to **subordinates** to operate within prescribed limits

Assigning jobs to others & giving rights to execute them

Importance of Delegation of Authority

- ✓ It develops Team Spirit
- ✓ Allows for efficiency & fast actions
- ✓ Maintains Harmony



T - TOGETHER
E - EVERYONE
A - ACHIEVES
M - MORE



Fast Action Fast Result
STUDENTSFOCUS.COM



Elements of Delegation of Authority

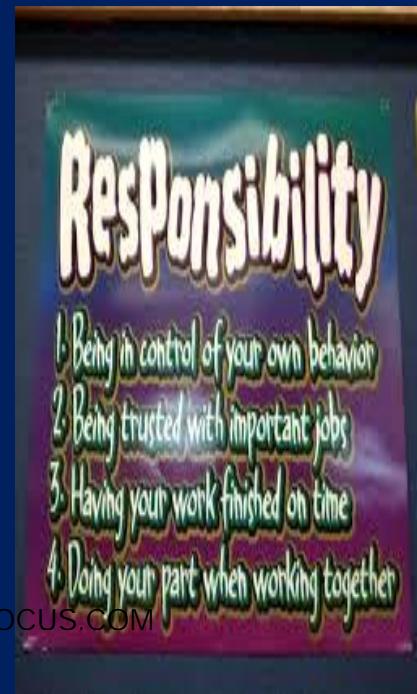
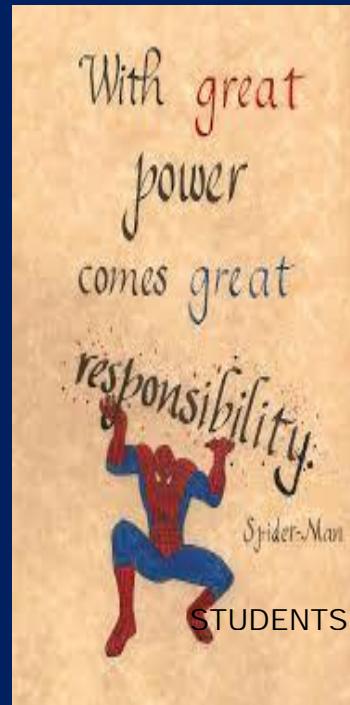
1. Responsibility

It is obligation of the subordinate to complete the work which is assigned to him

Basis of responsibility is superior subordinate relationship that exists in the organization

Koontz :

“Responsibility may be defined as the obligation of a subordinate to whom the duty has been assigned to perform”



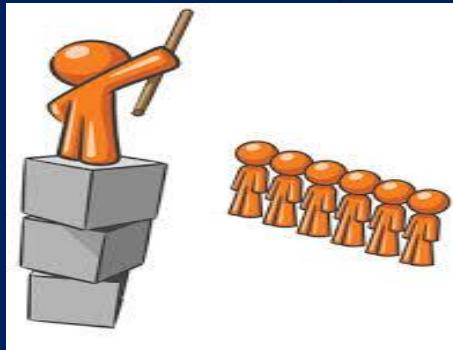
2.Authority

Rightful power or Rightful command

Henry Fayol

Authority is the right to give orders to & **power to extract** obedience (submission) from the subordinates

It helps to control subordinates



The purpose of granting authority is to accomplish the organizational objectives

It is not absolute & is limited

It is to influence the behaviour of subordinates to in the right direction

If the subordinate does not obey superior can take disciplinary action & can be exercised through advice & approve



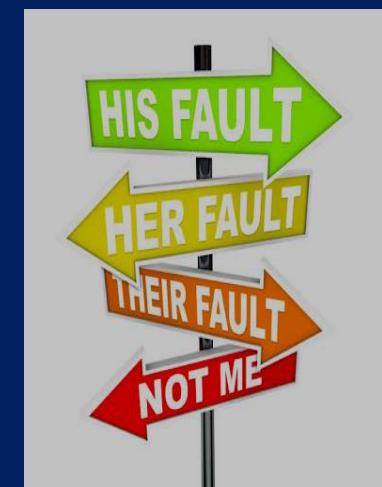
3. Accountability

It denotes **answerability** for the accomplishment of the task assigned by the superior to his subordinates

To be accountable is to be answerable for one's conduct
In respect to obligation fulfilled or unfulfilled



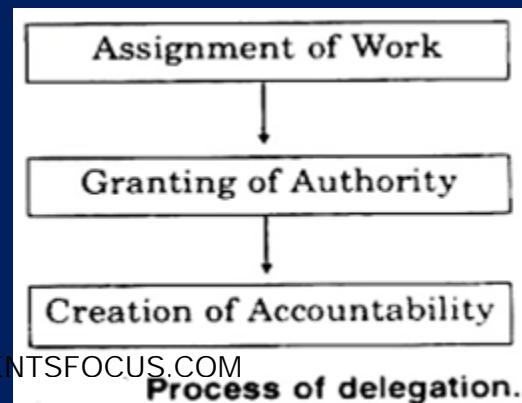
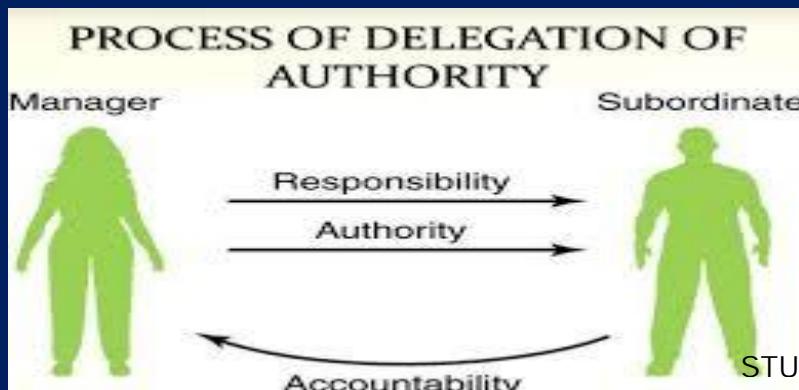
**It is not only what we do, but also what we do not do,
for which we are accountable**



Accountability – Empowerment = Blame

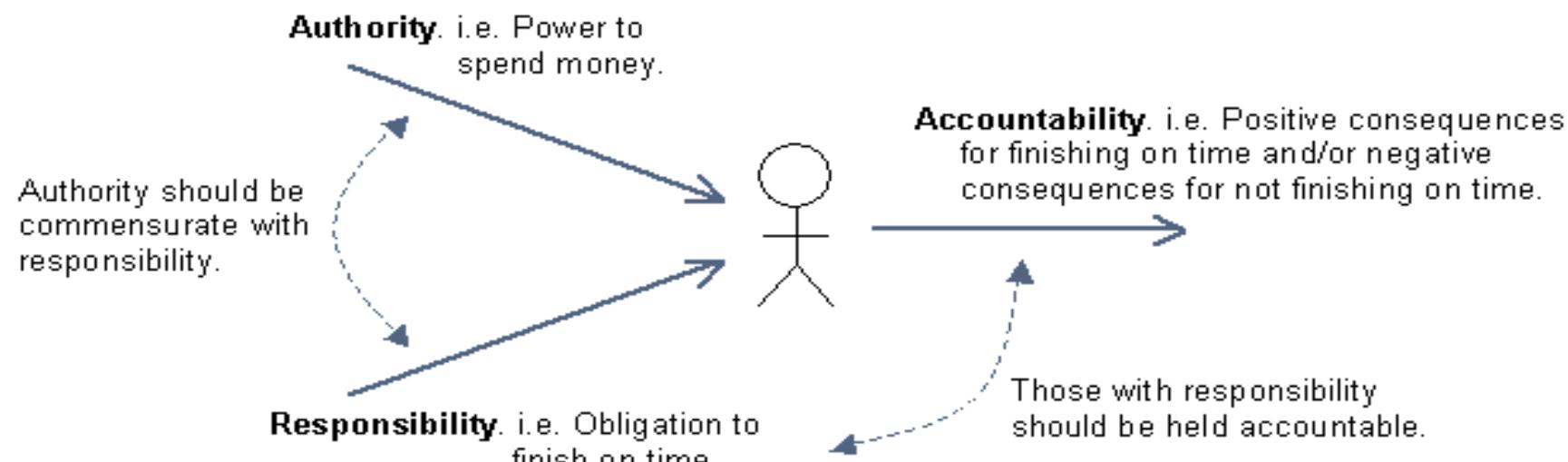
Empowerment – Accountability = Low performance

Accountability + Empowerment = High performance



Difference between authority, responsibility and accountability

Basis	Authority	Responsibility	Accountability
Meaning	Right to command.	Obligation to perform the assigned task.	Answerability for outcome of the assigned task.
Delegation	Can be delegated.	Cannot be fully delegated.	Cannot be delegated at all.
Origin	Arises from formal position.	Arises from delegated authority.	Arises from responsibility.
Flow	Always flows downward.	Always flows upward.	Always flows upward.



STAFFING

Introduction

Job Design

Human Resource Management

HR Planning

Recruitment

Selection

Training & Development

Performance Management

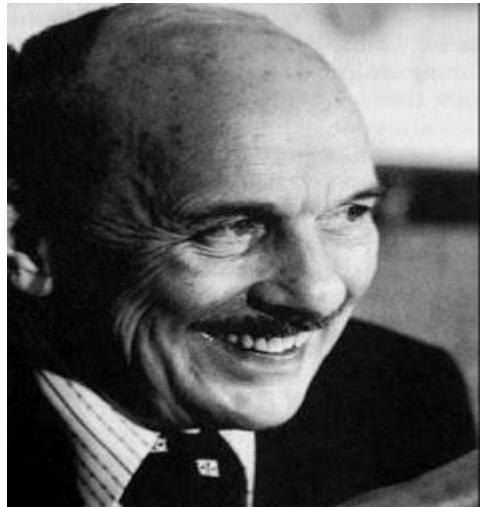
Carrier Planning & Management



INTRODUCTION

The managerial function of staffing involves manning the organization structure through proper and effective selection, appraisal and development of the personnel to fill the roles assigned to the employers/workforce.

Harold Koontz



Staffing is the process of acquiring, deploying and retaining a workforce of sufficient quantity & quality to create positive impacts on the organization effectiveness

"Staffing means filling and keeping filled, positions in the organisation structure."

Staffing involves Human Resource Planning i.e estimating the size and nature of the personnel required for the recruitment & selection of the best candidates to train ,to induct, to reward & to have regular and effective communication with them

NATURE OF STAFFING FUNCTION

- Staffing is an important managerial function.
- Staffing is a pervasive activity.
- Staffing is a continuous activity.
- The basis of staffing function is efficient management of personnel.
- Staffing helps in placing right men at the right job.
- Staffing is performed by all managers .



Characteristics Of Directing

1. Delegate Function
2. Executive Function
3. Creative Activity
4. Human Factor
5. Pervasive Function
6. Continuous Activity



FACTORS AFFECTING STAFFING

INTERNAL ENVIRONMENT

Promotion policy

Future Growth plans of Organization

Technology Used

Support from Top Management

Size & Image of the Organization

EXTERNAL ENVIRONMENT

Labor Laws (Legal factors)

Pressure from Socio-political group

Competition

Educational Standards

Other external factors

IMPORTANCE OF STAFFING

1. Efficient Performance
2. Use of Latest Technology
3. Development of Manpower
4. Optimum Use of Manpower
5. Proper Motivation
6. Higher Morale (Self Confidence)



5

**PROPER MOTIVATION
LEADS TO A
WIN-WIN SITUATION
FOR ALL**

A black background with yellow text that reads "PROPER MOTIVATION LEADS TO A WIN-WIN SITUATION FOR ALL".

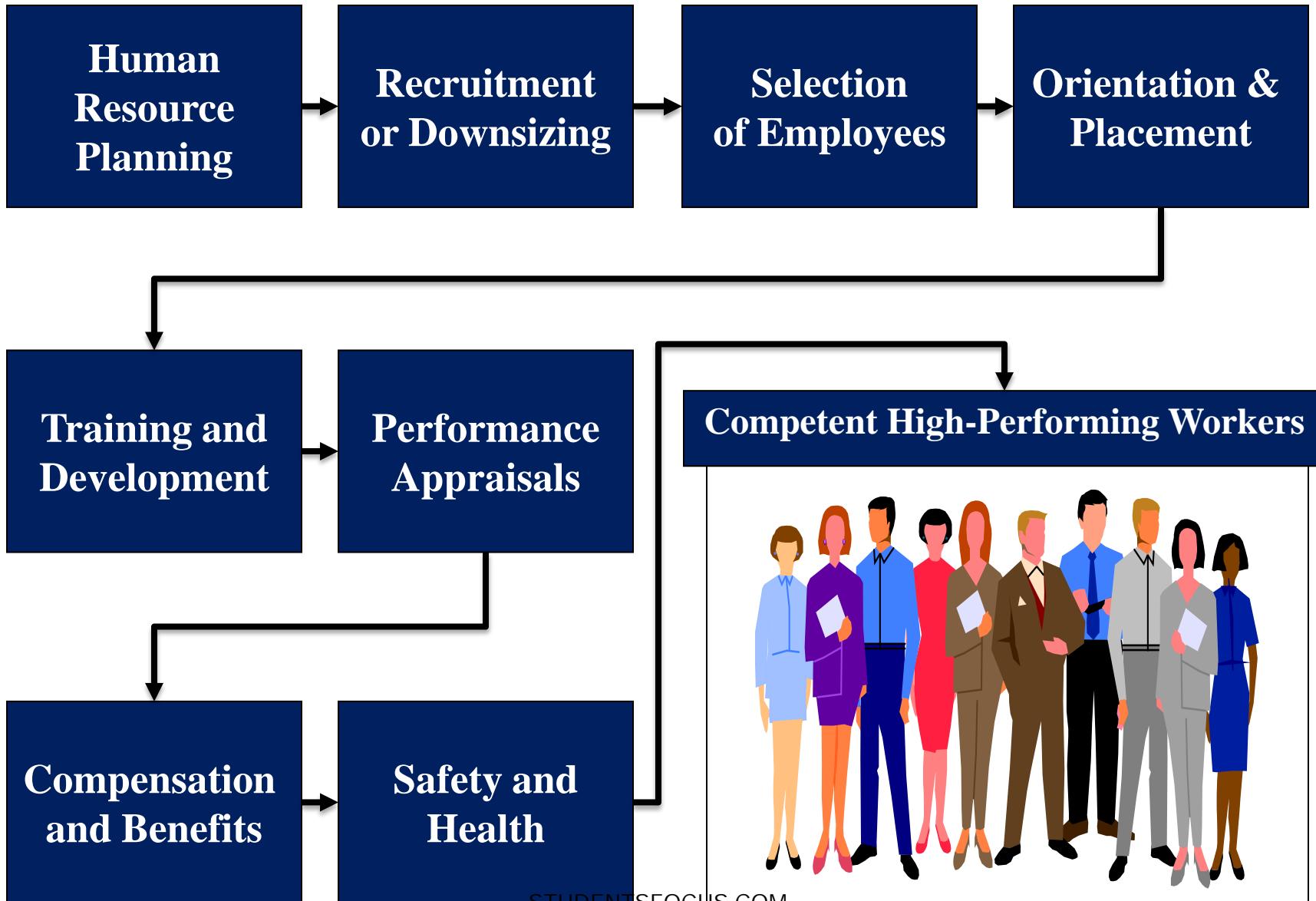
TRAINING AND MANPOWER SUPPLY

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3 & 4

A 3D illustration showing blue human figures scattered around a blue bar chart. The chart has a rising trend line, symbolizing growth or success.

STAFFING PROCESS



Manpower Planning

Manpower Planning which is also called as Human Resource Planning consists of putting



- ✓ Right number of people
- ✓ Right kind of people at the right place, right time
- ✓ Doing the right things for which they are suited for the achievement of goals of the organization

Recruitment

1. Internal Recruitment

It is a recruitment which takes place within the concern or organization. Internal sources of recruitment are readily available to an organization.

a) Transfers b) Promotions c) Re-employment of ex-employees

2. External Recruitment

External sources of recruitment have to be solicited from outside the organization. But it involves lot of time and money.

- a) Employment at factory level
- c) Employment exchanges
- e) Educational Institutions
- g) Labor contractors

- b) Advertisement
- d) Employment agencies
- f) Recommendations

Selection

Employee Selection is the process of putting right men on right job. It is a procedure of matching organizational requirements with the skills and qualifications of people.

Assessment

Interviews



Tests



Placement

- Once the candidates are selected for the required job, they have to be fitted as per the qualifications.
- Placement is said to be the process of fitting the selected person at the right job or place, i.e. **fitting square pegs in square holes and round pegs in round holes.**
- Once he is fitted into the job, he is given the activities he has to perform and also told about his duties.



Orientation

During Orientation employees are made aware about the Mission & vision of the organization

Generally information given during orientation program includes → Employee's layout

→ Type of organizational structure → Departmental goals

→ Organizational layout → General rules and regulations

→ Standing Orders → Grievance system or procedure



Training and Development

Training is the process of enhancing the skills, capabilities and knowledge of employees for doing a particular job.

Training process moulds the thinking of employees and leads to quality performance of employees. It is continuous and never ending in nature.



Remuneration

Employee Remuneration refers to the reward or compensation given to the employees for their work performances.

Remuneration provides basic attraction to a employee to perform job efficiently and effectively.



JOB DESIGN

Job design

Organising task ,duties and responsibility into a single unit of Work for achievement of certain objectives

- Identification of individual tasks
- Specification of methods of performing the tasks
- Combination of tasks into specific jobs to be assigned to individuals

Matching characteristics of people with matching characteristics of job

→ Job performance → Job satisfaction → Physical & Mental Health

More specifically following areas of job design process

- ✓ Checking the work overload
- ✓ Checking upon the work under load
- ✓ Ensuring tasks are not repetitive in nature
- ✓ Defining working hours clearly
- ✓ Defining the work processes clearly

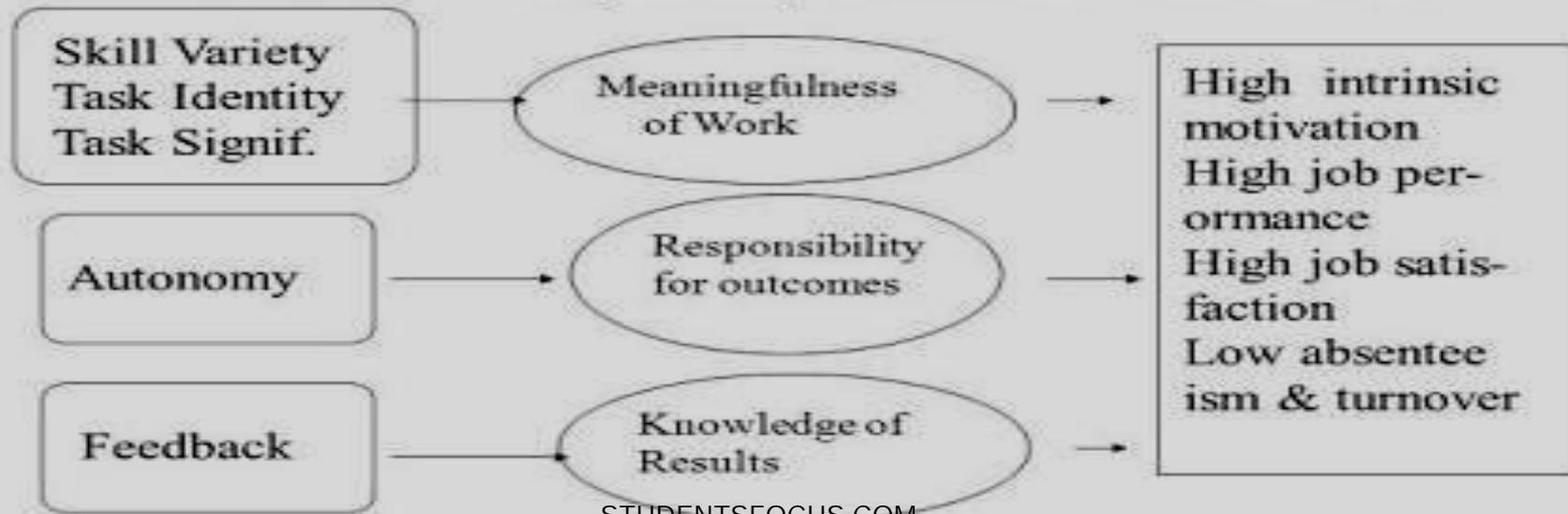


Job design is the process of

- a) Deciding the contents of the job.
- b) Deciding methods to carry out the job.
- c) Deciding the relationship which exists in the organization.

Hackman & Oldham's Job Characteristics Model

Core Dimensions Psychological States Outcomes



Issues in Job Design

- Telecommuting/ Work from Home
- Job Sharing
- Flexi-Working Hours
- Alternative Work Pattern
- Techno-stress
- Task Revision

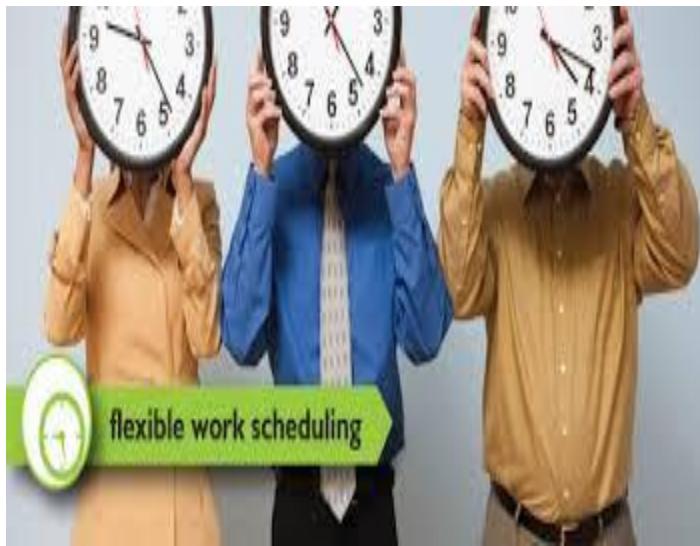


Adding new job duties & responsibility



	6 a.m.	6 p.m.
M	Group A	I
T	Group A	I
W	Group A	I
Th	Group B	
F	Group B	
Sa	Group B	

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Factors affecting job design

Organizational factors	Environmental factors	Behavioral factors
1. Task characteristics	1. Employee availability and ability	1. Feedback
2. Process or flow of work in organization	2. Social and cultural expectations	2. Autonomy
3. Ergonomics		3. Variety
4. Work practices		

Table 10.1 Job content factors

Dissatisfying factors	Satisfying factors
1. Administrative policies 2. Supervision 3. Working conditions 4. Interpersonal relations 5. Salary 6. Status 7. Job security 8. Personal life	1. Achievement 2. Recognition 3. Work itself 4. Responsibility 5. Advancement 6. Growth

Techniques of Job Design

Individual Design Options

WORK SIMPLIFICATION

JOB ROTATION

Rotating from job to job within an organization.

JOB ENLARGEMENT

Adding more tasks to the job: Horizontal Loading

JOB ENRICHMENT

Making jobs more meaningful and Challenging: Vertical Loading

Group Design Options

WORK TEAMS

Large task that is completed by a group of specific task Assignments.

AUTONOMOUS WORK GROUPS

Work teams are given a goal to achieve and the control over its accomplishment.

Job Design Techniques

Human Resource Management

The integration of all processes, programs, and systems in an organization that ensure staff are acquired and used in an effective way

HRM is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization



HR is multidisciplinary: It applies the disciplines of

- **Economics (wages, markets, resources),**
- **Psychology (motivation, satisfaction),**
- **Sociology (organization structure, culture) and**
- **Law (min. wage, labor contracts)**



What HR Professionals Do?

- **HR planning**
- **Recruitment & Selection**
- **Training and development**
- **Compensation & Performance review**
- **Labor relations**

Mr.Krishnamurthy Shankar
Infosys HR



Mr. Rajesh Gopinath
TCS HR

Human Resource Planning

The process of systematically reviewing HR requirements to ensure that the required number of employees, with the required skills, are available when they are needed

► We have found the gap, how do we fill this void?

- ◆ Internal Labour Supply

- ◆ Skill Inventory

- ◆ Succession Planning

- ◆ Replacement Planning

- Inventory Chart

- Present & Future staffing situations

- Helps in retention & expulsion strategy

- ◆ External Labour Supply

Human Resource Planning

Making a Current Assessment

Making a Future Assessment

Designing a Future Program

Downsizing Options

Firing

Layoffs & Attrition

Transfers

Reduced Workweeks

Early Retirements

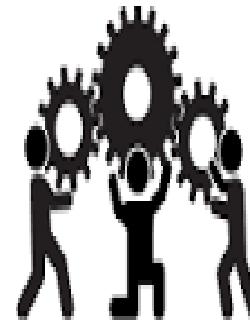
Job Sharing

HRP Phases

- ✓ Analyzing → What are the key human resources information needed?
- ✓ Forecasting → Demand versus supply analysis
- ✓ Planning → Identification of strategy
- ✓ Implementing → Executing the new strategy
- ✓ Evaluating → Feedback on effective of outcomes



Executing Your Business Strategy



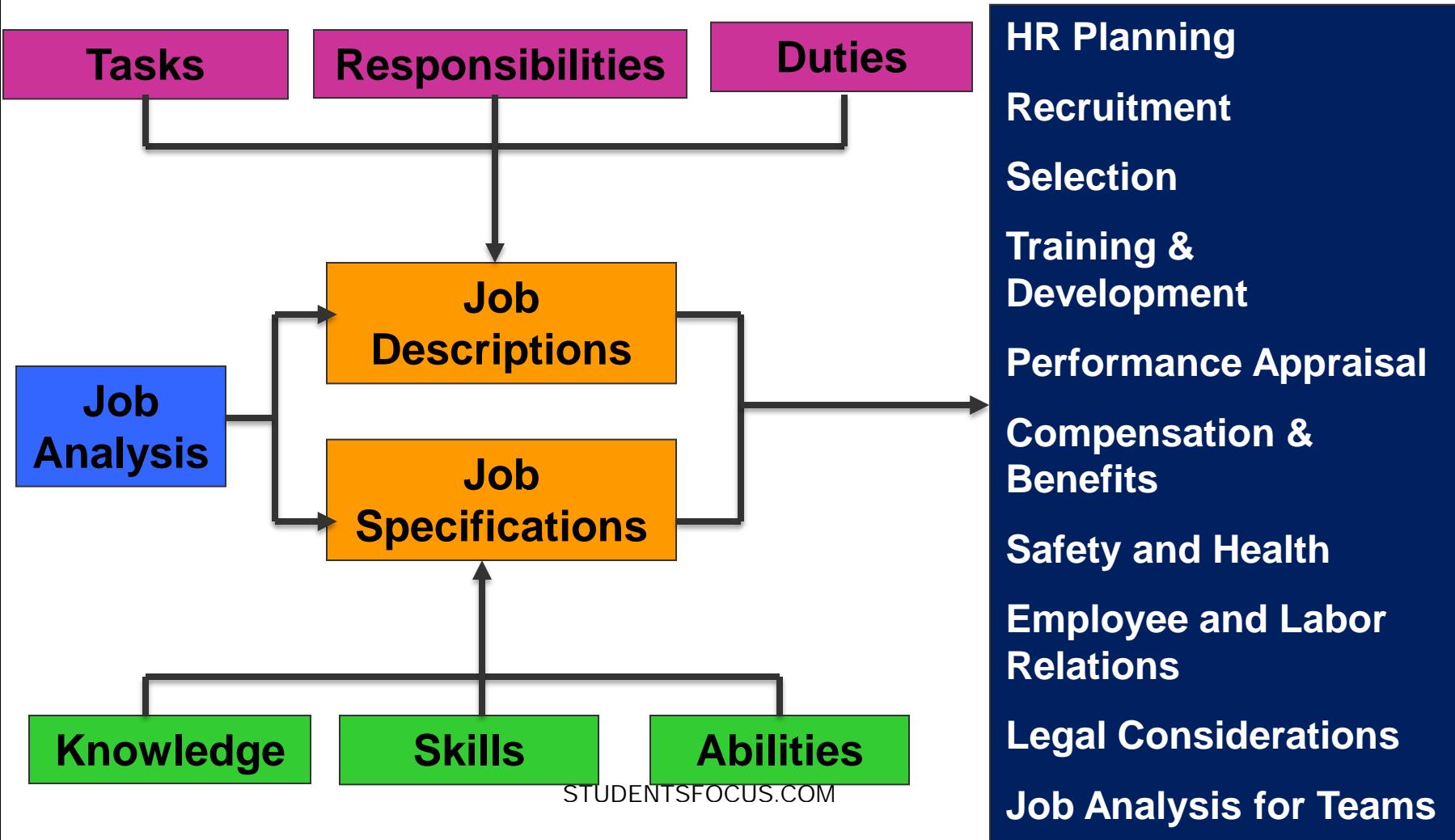
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Basic HRM Tool

Job Analysis

(Functional Job Analysis, Position analysis questionnaire)



Recruitment

- Process of locating, identifying, and attracting capable or suitable candidates to one or more jobs within an organization, either permanent or temporary
- Can be for current or future needs
- Every organization must be able to attract a sufficient number of job candidates who have the abilities and aptitudes needed to help the organization to achieve its objectives



Sources of Recruitment

Internal Sources

1. Present Employees
2. Employee Referrals
3. Former Employees
4. Previous Applicants

External Sources

1. Employment Exchanges
2. Advertisements
3. Employment Agencies
4. Professional Associations
5. Campus Recruitment
6. Deputation
7. Word-of-Mouth
8. Raiding.

Recruitment Process

Step 10 : Assistance & Evaluation

Step 9 : On boarding & induction

Step 8 : Selecting candidates & making an offer

Step 7 : Reference & Medical check

Step 6 : Interview & final call

Step 5 : Sorting applications & candidates

Step 4 : Initial screening & Selection Process

Step 3 : Understanding Target candidates & their sources

Step 2 : Drafting a Job Description

Step 1 : Focusing on the Job Requirements

Selection Process

Selection refers to the process by which qualified applicants are selected by means of various tests in predetermined numbers, out of large number of applications

Selection is the process of putting right man on right job

Step 7 : Physical Examination

Step 6 : Checking References

Step 5: Employment Interview

Step 4 : Employment Test

Step 3 : Screening of Applications

Step 2 : Receiving Applications

Step 1 : Preliminary Interview

SELECTION DECISION OUTCOMES

Later Job Performance

Successful

Unsuccessful

Reject
Error

Correct
Decision

Reject

Correct
Decision

Accept
Error

Accept