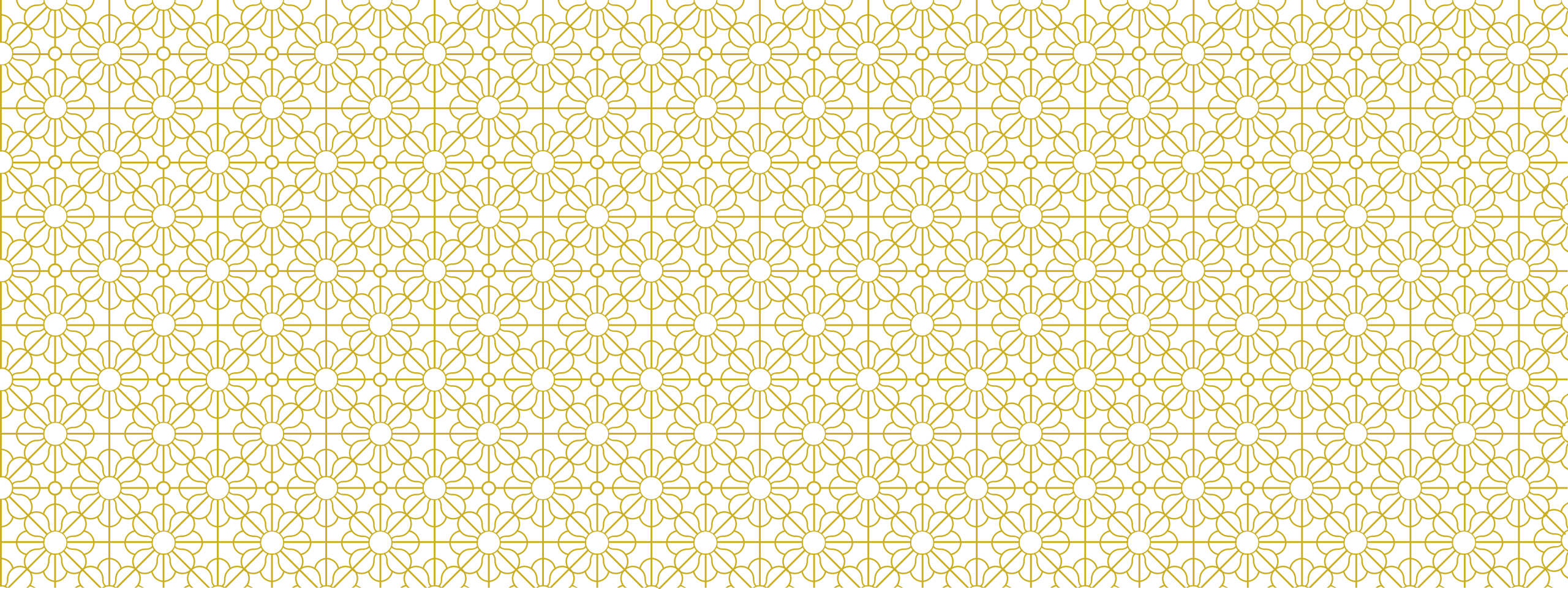# FUNCTIONAL AREAS OF HUMAN RESOURCE MANAGEMENT

Dr Vibhav Singh

FUNCTIONAL AREAS OF HUMAN RESOURCE MANAGEMENT
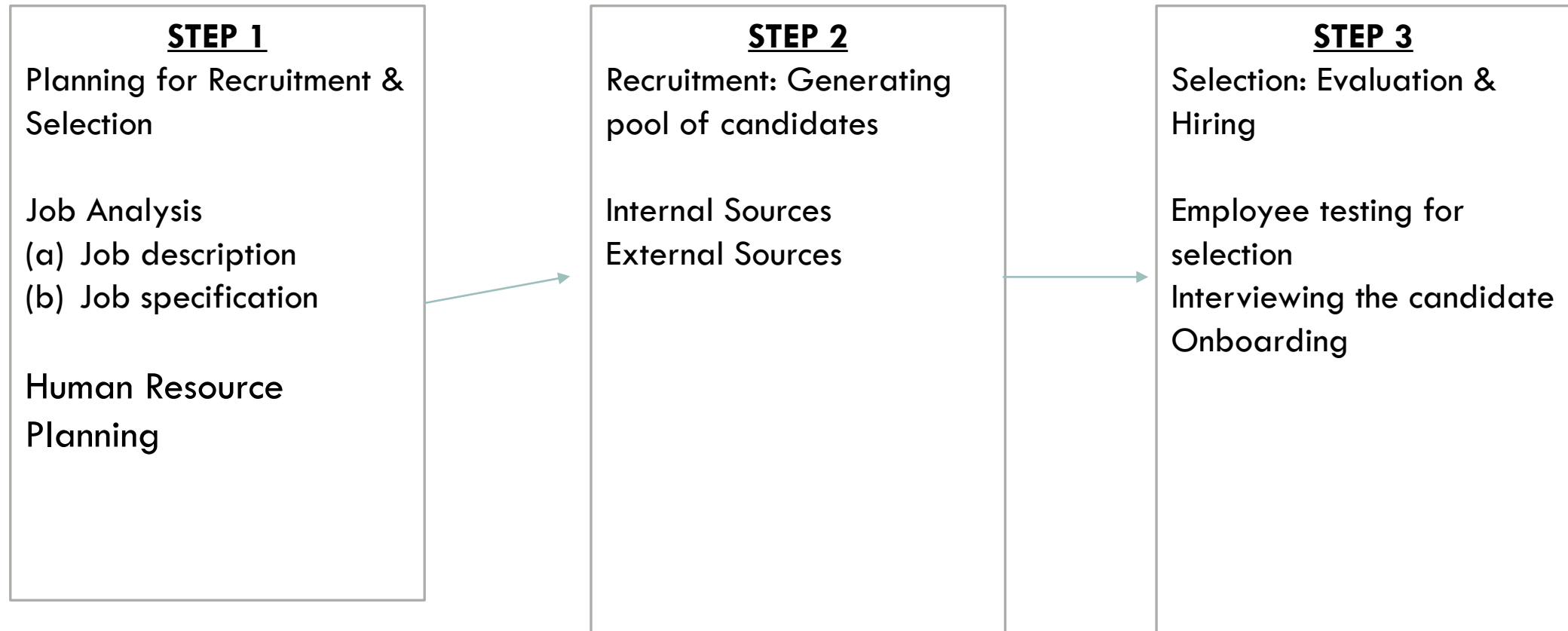
RECRUITMENT AND STAFFING

WORKFORCE/ HR PLANNING AND FORECASTING

The process of deciding what positions the firm will have to fill and how to fill them

PLANNING, RECRUITMENT & SELECTION PROCESS

STEP 1

Planning for Recruitment & Selection

Job Analysis
(a) Job description
(b) Job specification

Human Resource Planning

STEP 2

Recruitment: Generating pool of candidates

Internal Sources
External Sources

STEP 3

Selection: Evaluation & Hiring

Employee testing for selection
Interviewing the candidate
Onboarding

INTERNAL SOURCE OF CANDIDATES

Internal Recruiting is POPULAR

Essar has in-house initiative 'Next-moves'

Advantages-

- You know strengths and weakness of candidate
- Candidate more committed to company
- Moral rise
- Requires less orientation

Disadvantages-

- Rejected applicant may become disconnected
- Waste of time
- Immediate supervisor may not be behavior
- Inbreeding (nepotism)

Internal recruiting resources

Succession management

Talent Inventory

Employee development

Internal Job Postings

Rehiring

OUTSIDE SOURCES OF CANDIDATES

Recruiting via Internet & Social Media

- Most employers find that the Internet is their best choice for recruitment efforts.

- Application filled through company's website

- Virtual office tour

- Intelligent automated resume screening

Advantages- The Web is cost efficient, generating more responses more quickly and providing exposure for a longer time at less cost.

Disadvantages – Gathering applications online may exclude more mature applicants and certain minorities.

OUTSIDE SOURCES OF CANDIDATES

Advertising

- The Media – The best medium should be selected based on the positions for which you are recruiting.

- Times of India, EPW advertise

- Local newspaper good source for local blue collar help, clerical roles

- EA (Electronic Arts) includes information about internship program on backside of video game manual

- Constructing (Writing) the Ad – Many experienced advertisers use a four-point guide called **AIDA (attention, interest, desire, action)** to construct their ads.

OUTSIDE SOURCES OF CANDIDATES

Employment Agencies

Public Agencies-

1) In India, every state has a public, state run employment agency

2) At the national level, employment exchange run by DG of employment and training, GoI

3) Employment Exchange act (1959) government companies and eligible private firm need   to notify vacancies to the exchange

4) employment exchange also provide helpline for job search

Mixed experience with employment exchange:

1) People who are not interested to work are also registered and sometimes get hired causing problem to employers

2) Employment exchange struggle to find suitable jobs & have lost credibility

OUTSIDE SOURCES OF CANDIDATES

<u>Temporary worker & Alternate Staffing</u>

1. Trend to hire them- weak economic confidence among employers, Short-term project, they provide flexibility
2. India, lack legal flexibility with regular employees so companies prefer contractual labor
3. It can be done through (a) direct hiring (USA) (b) Temp Agency (India)

<u>Offshoring/Outsourcing Jobs</u>

Special Challenges- (a) cultural misunderstanding (b) Security and information privacy concern (c) Liability and legal system (d) bringing 'jobs back'
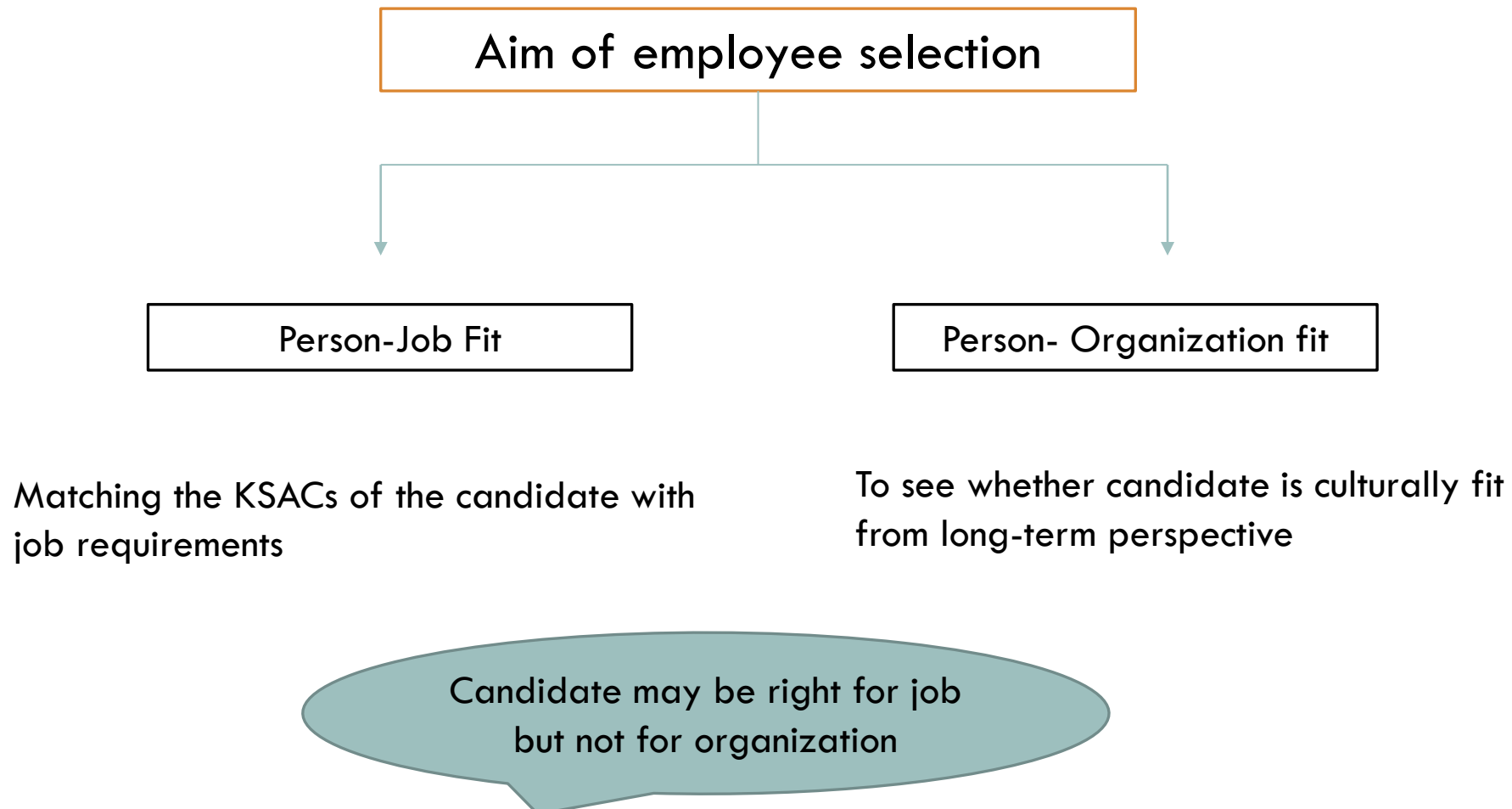
<u>Executive Recruiters</u>

Executive recruiters, also called **headhunters**, are special employment agencies **retained by employers** to seek out **top-management talent** for their clients.
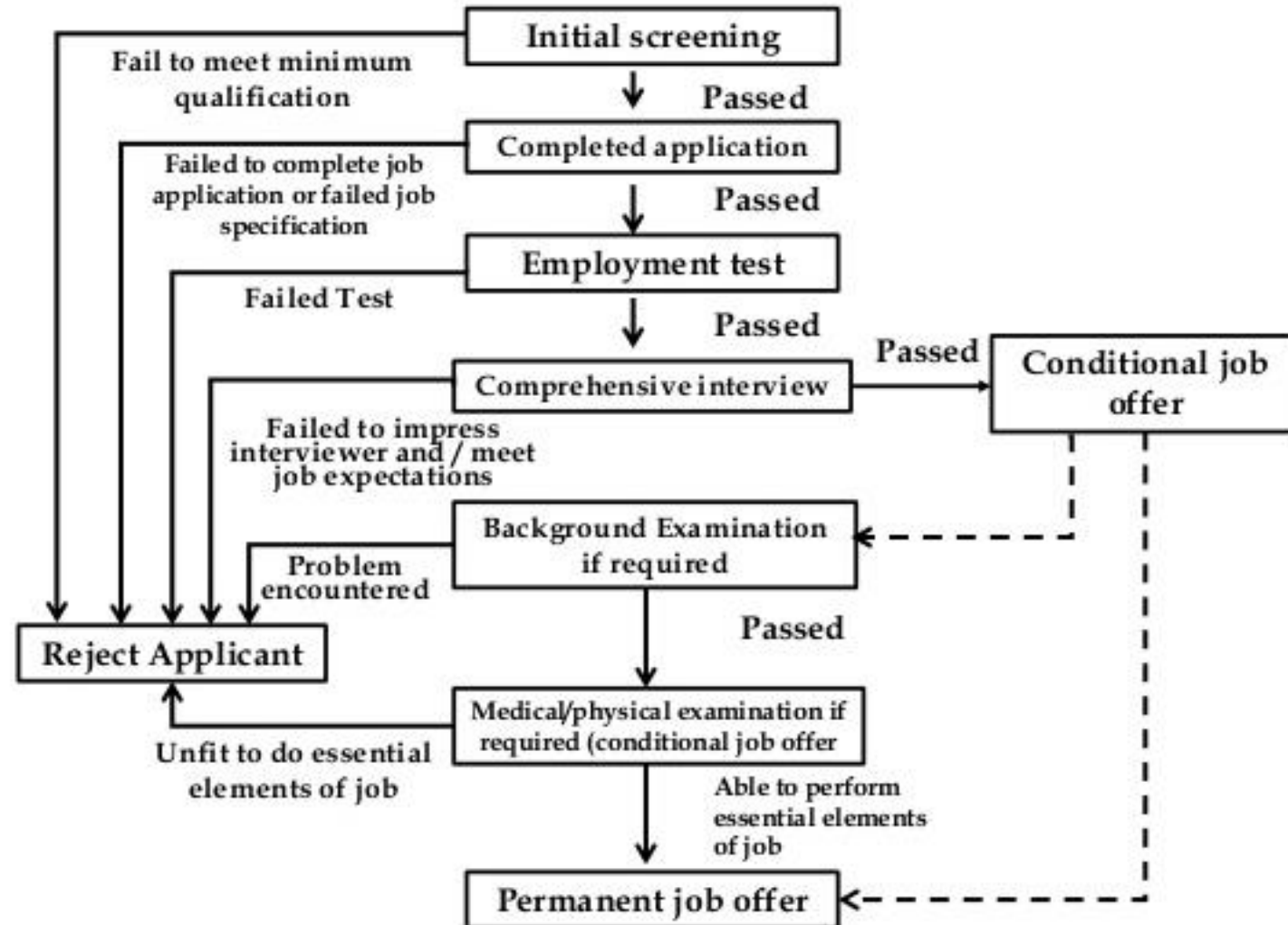
Pros and Cons – Recruiters can be **useful and save a manager's time**, but they may be more interested in **persuading managers to hire a candidate** than in finding one who will really do the job.

Guidelines – Make sure the recruiting firm is capable, meet the individual who will handle the assignment, and ask how much the firm charges. Never rely on the recruiter to do all the reference

WHY EMPLOYEE SELECTION IS IMPORTANT

Aim of employee selection

Person-Job Fit

Person- Organization fit

Matching the KSACs of the candidate with job requirements

To see whether candidate is culturally fit from long-term perspective

Candidate may be right for job but not for organization

SELECTION PROCESS

Initial screening

Fail to meet minimum qualification

↓ Passed

Completed application

Failed to complete job application or failed job specification

↓ Passed

Employment test

Failed Test

↓ Passed

Comprehensive interview — Passed → **Conditional job offer**

Failed to impress interviewer and / meet job expectations

Background Examination if required

Problem encountered

↓ Passed

Reject Applicant

Medical/physical examination if required (conditional job offer

Unfit to do essential elements of job

Able to perform essential elements of job

↓

Permanent job offer

SELECTION METHODS
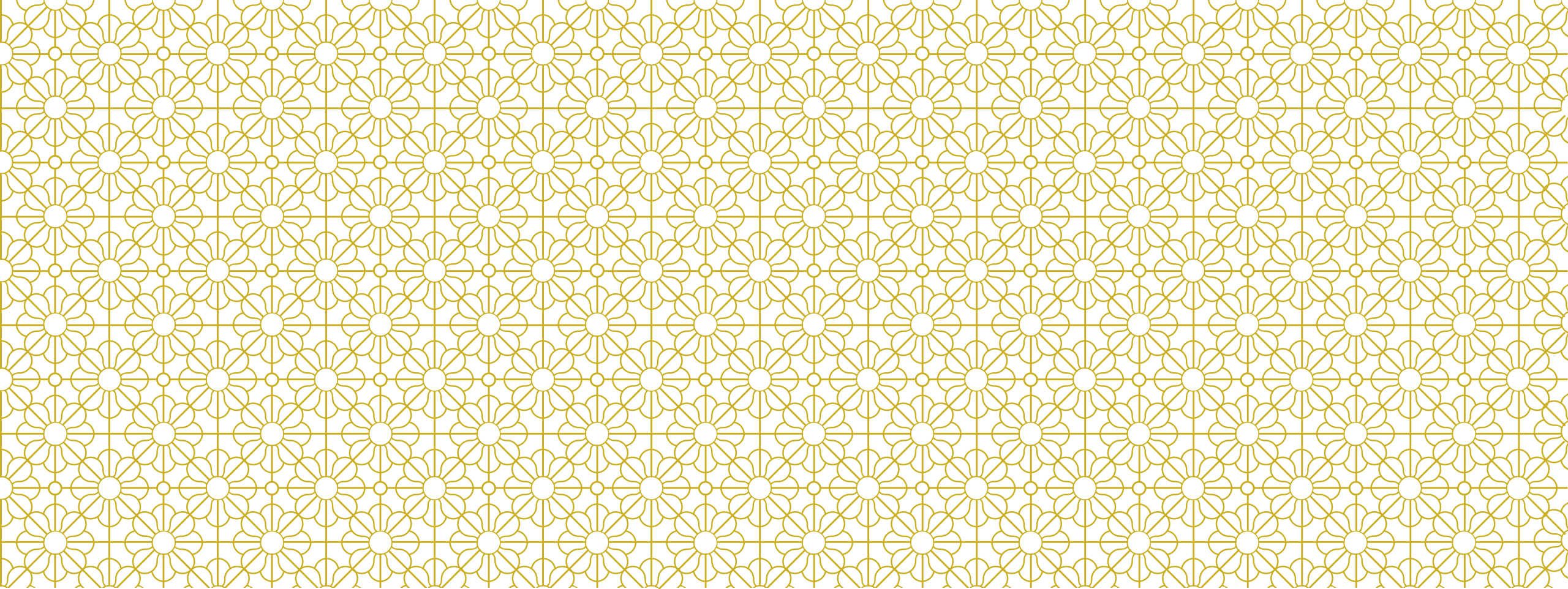
INTERVIEW

PERSONALITY PROFILING

ONLINE SCREENING

PSYCHOMETRIC TESTING

APTITUDE TEST

Screening Methods

- Resumes and cover letters

- weighted application blanks

- Biographical information

- Telephone screens
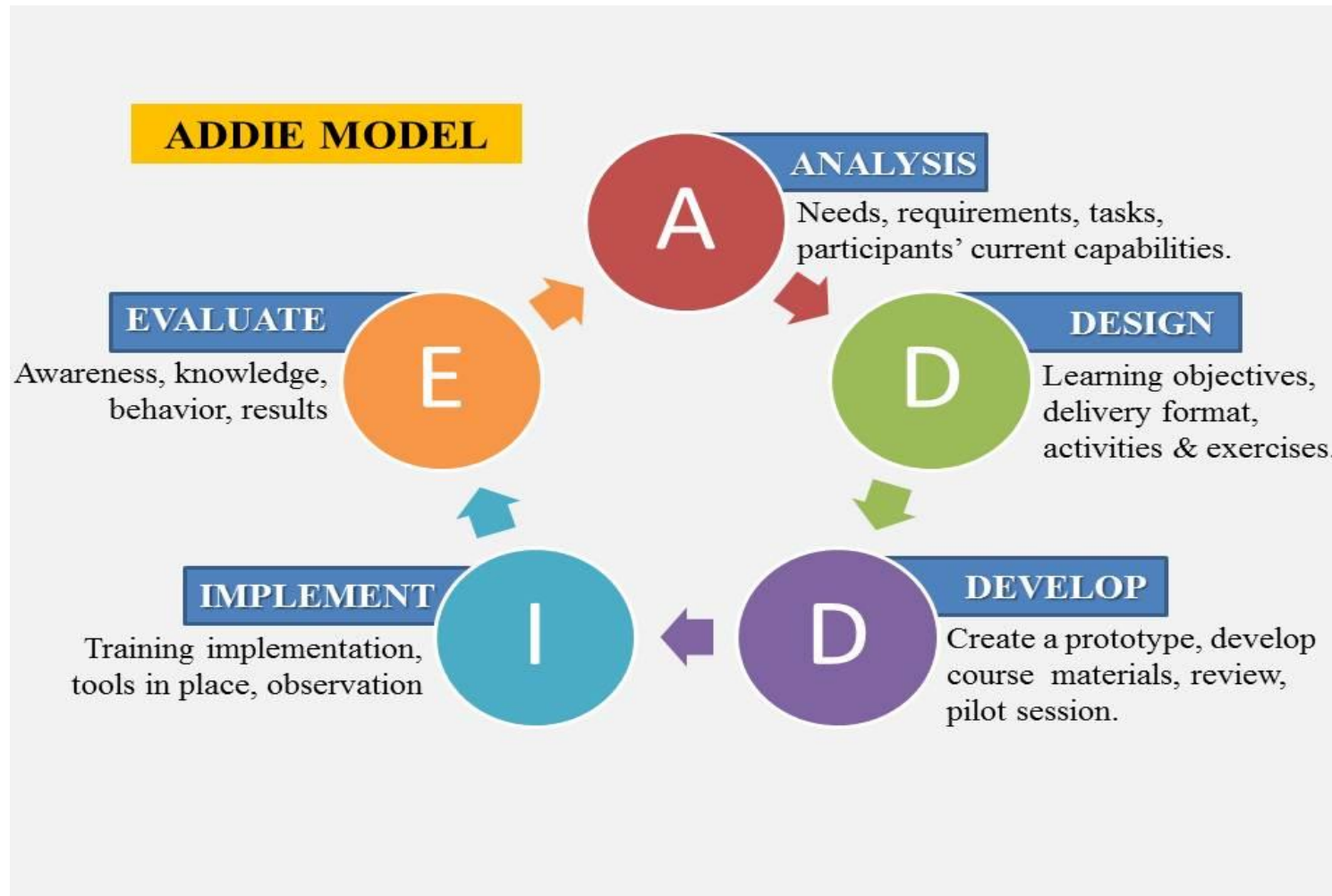
FUNCTIONAL AREAS OF HUMAN RESOURCE MANAGEMENT

TRAINING AND DEVELOPMENT

TRAINING AND DEVELOPMENT

TRAINING PROCESS

ADDIE MODEL

ANALYSIS
Needs, requirements, tasks, participants' current capabilities.

DESIGN
Learning objectives, delivery format, activities & exercises.

DEVELOP
Create a prototype, develop course materials, review, pilot session.

IMPLEMENT
Training implementation, tools in place, observation

EVALUATE
Awareness, knowledge, behavior, results

CONDUCTING THE TRAINING NEED ANALYSIS

Current training need analysis

Most of the training aims at improving current performance- specially new employees & those whose performance is deficient.

➤**New employees**

To determine what the job entails and to break it down into subtasks, and then assess

➤**Current employees**

Training needs are more complex – is training the real solution

CONDUCTING THE TRAINING NEED ANALYSIS

Task analysis: analyzing new employees' training needs

—At the lower level, you hire inexperienced and train them in comparison to higher level.

—Task analysis is a detailed study of job to determine what specific skills-Java (web developer).

—For task analysis, job description and job specification is required

CONDUCTING THE TRAINING NEED ANALYSIS

Performance analysis: analyzing current employees' training needs

–Performance analysis is the process of verifying that there is a performance deficiency and determining whether the employer should correct such deficiencies through training or some other means.

–Performance appraisal.

Can't do/ won't do

The biggest issue is to figure out what is causing the lower performance. If the problem is employee motivation then training is unlikely to fix this.

DESIGNING TRAINING PROGRAM

1. Setting learning objectives

2. Creating a motivational learning environment

3. Make the Learning Meaningful

- Bird's-eye view to participants
- Familiar examples/terms
- Organize the content
- Perceived need

4. Making Skills Transfer Obvious and Easy

- Similarity
- Practice
- Attention to important aspect of the job
- "Heads-up"
- Trainee's learn at their own pace

5. Reinforce The Learning

- Reinforce correct responses
- Partial day training
- Follow-up assignments
- Incentivize

DESIGNING TRAINING PROGRAM

Ensure transfer of learning to the job

Prior to training- get trainee and supervisor input in designing the program, institute a training attendance policy, and encourage employees to participate

During training-, provide trainees with training experiences and conditions (surroundings, equipment) that resemble the actual work environment

After training -reinforce what trainees learned

IMPLEMENT TRAINING PROGRAM

On-the-job training (OJT)

Having a person learn a job by actually doing it.

Types of OJT

- Coaching or understudy method- experienced supervisor trains the employee
- Job rotation- employee moves from one job to another at planned intervals
- Peer training – radio program, experienced employees answer queries of other employees

IMPLEMENT TRAINING PROGRAM

Apprenticeship Training

Apprenticeship training is a process by which people become skilled workers,usually through a combination of formal learning and long-term on-the-job training

involves having the learner/apprentice study under the tutelage of a master craftsperson.

Informal Learning

As much as 80% of what employees learn is through informal means

Cheesecake Factory, the restaurant chain allows employees to create, upload and share video clips on job-related topics through a portal called Video Cafe.

Job Instruction Training

Listing each job's basic tasks, along with key points, in order to provide step-by-step training for employees

IMPLEMENT TRAINING PROGRAM

Lectures

Lecturing is a quick and simple way to present knowledge to large group of trainees

Programmed Learning

1. Systematic method for teaching job skills, involving presenting questions or facts

2. Allowing the person to responds

3. Giving the learner immediate feedback on the accuracy of his or her answers.

IMPLEMENT TRAINING PROGRAM

Behavior Modeling

Bobo doll (video)

Behavior modeling involves

(1) showing trainees the right (or "model") way of doing something,

(2) letting trainees practice that way, and then

(3) giving feedback on the trainees' performance.

Modeling
Role Playing
Social reinforcement
Transfer of training

Sales skills
Interviewer
skills

IMPLEMENT TRAINING PROGRAM

Audiovisual-based Training

Audio- videotapes used to train. The **ford Motor company** uses videos in its **dealer training session** to simulate problems and reactions to various customer complaints.

Vestibule Training

When it is **too costly or dangerous to train employees on the job.** Indian Banks train new entrant through **dummy banks**

Videoconferencing (Video)

Videoconferencing is popular for training **geographically dispersed employees**. It involves delivering programs via compressed audio and video signals over cable broadband lines, the Internet, or satellite. **CISCO** offers training through videoconference on Webex, telepresence

Simulated Learning (Video)

virtual reality-type games with a step-by-step animated guide, and online role-play with photos and videos. In general, interactive and simulated technologies reduce learning time by an average of 50%.
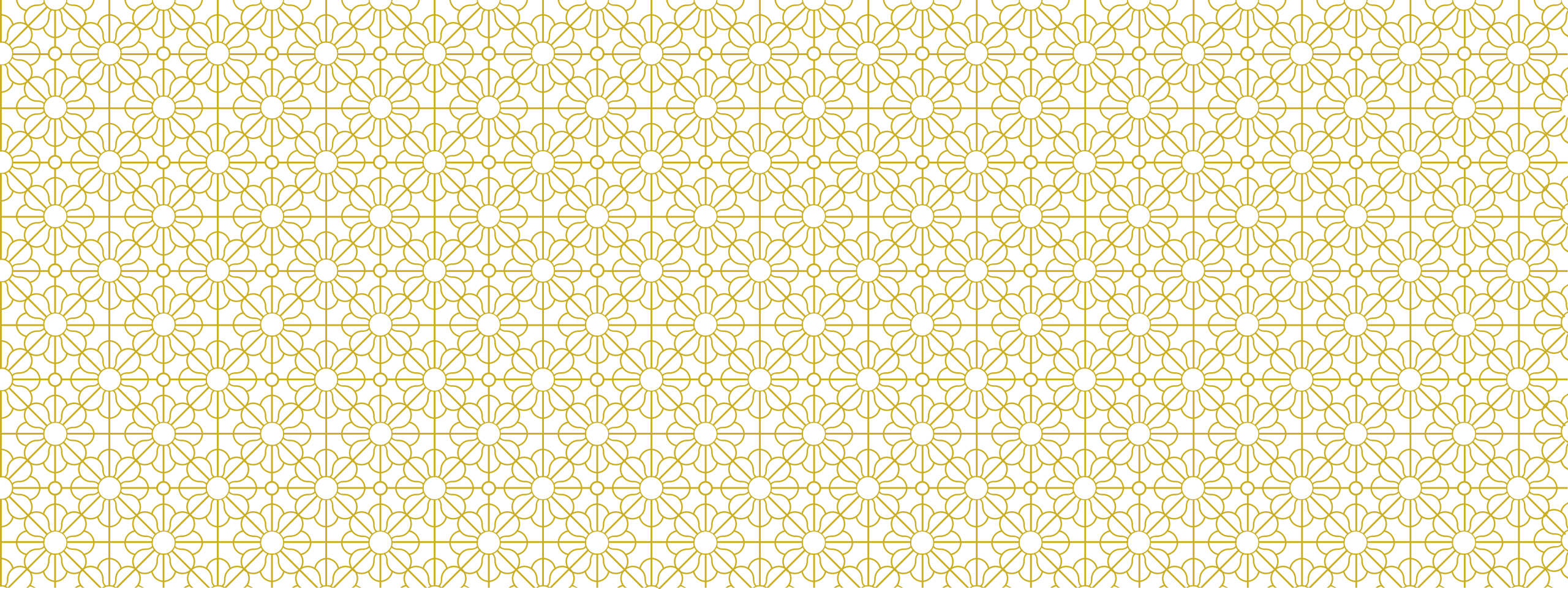
THE KIRKPATRICK MODEL

Level 4: Results

Level 3: Behavior

Level 2: Learning

Level 1: Reaction

FUNCTIONAL AREAS OF HUMAN RESOURCE MANAGEMENT

COMPENSATION

COMPENSATION

Direct Financial Payments

Pay in the form of wages, salaries, incentives, commissions, and bonuses.

Indirect Financial Payments

Pay in the form of financial benefits such as insurance.

BASIC FACTORS IN DETERMINING PAY RATES

Aligning total rewards with strategy

The basic thrust in pay plans today is to produce an aligned reward strategy

To create compensation plans that guide employee behaviors in the desired, strategic direction

Total rewards include traditional pay, incentives, and benefits. It also includes challenging jobs, career development, and recognition programs.

Establishing Strategic Pay Plan-

- Job evaluation
- Market-based Pay Plan
- Executive Compensation
- Competency Pay Plan

Pay for Performance-

- Individual employee incentive and recognition programs
- Incentives for Sales People
- Team and Organization wide incentives

Benefits and Services-

ESTABLISHING PAY RATES

Employers use two basic approaches to setting pay rates →

Market Based approaches
Job evaluation methods

THE BENEFITS PICTURE

Benefits are indirect financial and nonfinancial payments

Policy Issues- The list of policy issues includes what benefits to offer.

1. who receives coverage,
2. whether to include retirees in the plan,
3. whether to deny benefits to employees during initial "probationary" periods
4. how to finance benefits, cost-containment procedures, and how to communicate benefits options to employees.

Vacations and Holidays

Sick Leave

Cost-Reduction Tactics

Leaves and the Family, and medical Leave Legislation

Severance Pay

Hospitalization, health, and disability insurance benefits are aimed at

Pension Plans

Family-friendly (work–life) benefits

The cafeteria approach
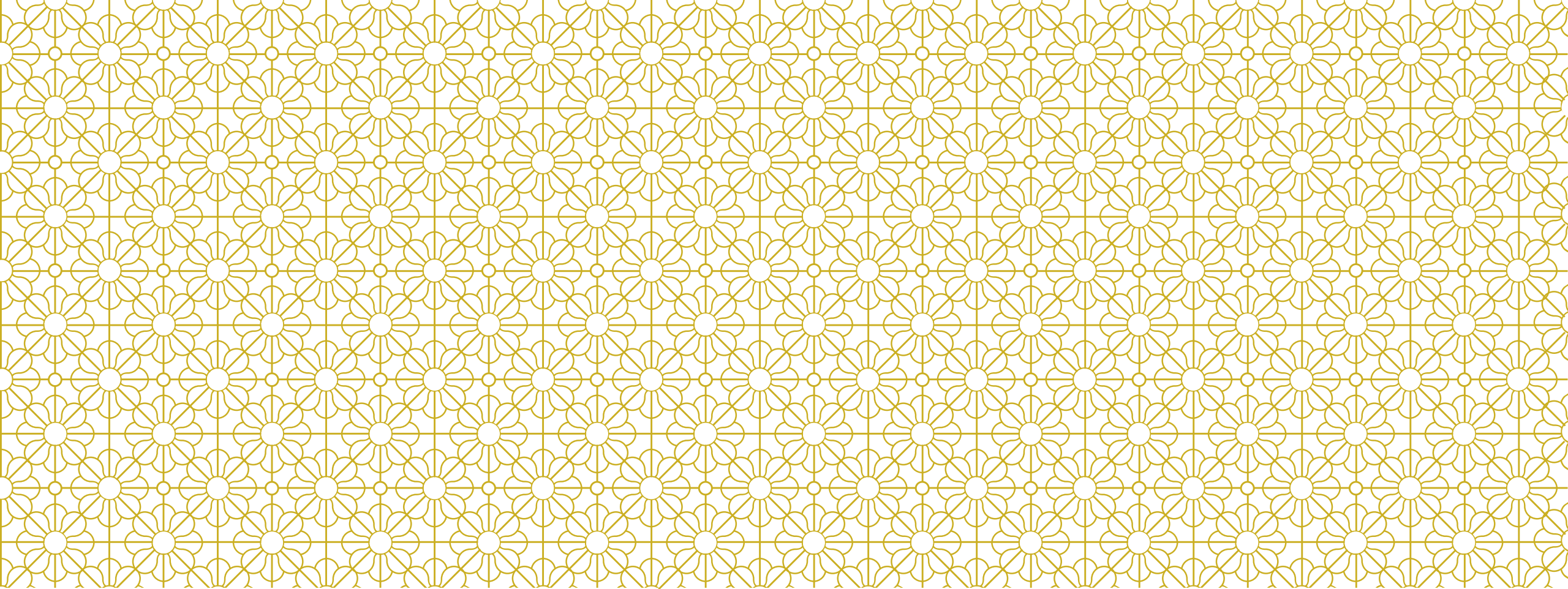
FUNCTIONAL AREAS OF HUMAN RESOURCE MANAGEMENT

EMPLOYEE RELATIONS

Managing Employee Relations

- **What Is Employee Relations?**
  - o **Positive employee–employer relationships contribute to productivity**
- **Improving and assessing employee relations through better communications**
  - o **Organizational climate surveys**
  - o **Distributive justice and Procedural Jutsice**

Managing Employee Relations

- **Developing Employee Recognition/Relations Programs**

- **Creating Employee Involvement Strategies**
  - **Teams to gain employees' involvement**
  - **Employee suggestions**

TRADE UNIONS

Why do people unionize?
1. It's majorly about pay or working conditions.
2. In India, unionized workers in the formal sector earn more than their counterparts in the informal sector

Bottom Line

1. The urge to unionize due to the **belief** on the part of workers that it is only **through unity** that they can get their fair share of the pie.

2. It is sometimes the result of workers trying to **protect themselves from management's whims.**

3. Union workers tend to receive significantly more pay, holidays, sick leave, unpaid leave, insurance plan benefits, long-term disability benefits, and various other benefits than do nonunion workers.

4. Unions seem to have **reduced the impact of downsizings and wage cuts** in most industries, in part because union employees are not entirely "at will."

INDIA'S UNION MOVEMENT

1. India's labour movement is more than 150 years old

2. It gained its momentum in 1918 when Madras labour union was formed with mill workers as members

3. The focus of the unions was to end exploitations of workers in factories

4. Trade unions participated in freedom struggle

5. Trade unions in India are often influenced by political parties and elected governments

6. Emergency in 1975 led to suspensions of Trade unions

7. At the first wave of partial economic liberalization 1984 led to change in orientation, linking productivity with agreements.

INDIA'S UNION MOVEMENT

The next phase of economic reforms introduced in 1992- VRS, National renewal fund (to adjust economic realities)

IT sector approach unionization.

THE COLLECTIVE BARGAINING PROCESS

To **bargain collectively** is a **mutual obligation** to meet at reasonable times and confer in good faith with respect to **wages**, **hours**, terms and **conditions of employment**, the negotiation of an agreement, and other related matters.

Good faith bargaining means that **both parties communicate and negotiate**, that **they match proposals with counterproposals**, and that both make every **reasonable effort** to arrive at an **agreement**. A **violation** of the requirement for good faith bargaining may include the following: surface bargaining, **inadequate concessions**, and **inadequate proposals** and demands.

DEALING WITH DISPUTES AND GRIEVANCES

Employees may use just about any factor involving wages, hours, or conditions of employment as the basis of a grievance. The grievance procedure is specified in most collective bargaining contracts. It specifies the various steps in the procedure, time limits, and specific rules.

Examples of guidelines for handling grievances include investigating and handling each and every one of the grievances filed, talk with the employee and require the union to identify specific contractual provisions allegedly violated. Don't discuss the case with the union steward alone – the grievant should be there. Don't make arrangements with individual employees. Don't hold back the remedy if the company is wrong and don't admit the binding effect of a past practice.

SAFETY AND THE MANAGER

- **Why safety is important**
  - **The hidden story**
- **Management's role in safety**
- **What top management can do**
- **The supervisor's role in safety**

Occupational Health and Safety in India

- **List of important Indian legislations covering Safety and Health, and the administrative mechanisms –**
- **The Factories Act of 1948**
- **The Mines Act, 1952**
- **The Dock Workers (Safety, Health and Welfare) Act, 1986**

OCCUPATIONAL SAFETY LAW - INDIA

- **The Contract Labour (Regulation and Abolition) Act, 1970**

- **The Workmen's Compensation Act, 1923**

- **Employees Sate Insurance Act (ESI Act) 1948**

- **Firm level Safety Management: Safety Officers and Committees**

WHAT CAUSES ACCIDENTS?

There are three basic causes of workplace accidents: chance occurrences, unsafe conditions, and employees' unsafe acts. Unsafe conditions are a main cause of accidents. They include:

- Improperly guarded or defective equipment

- Hazardous procedures

- Unsafe storage

- Improper illumination or ventilation

Occupational Security and Safety

- **Preventing and Dealing with Violence at Work**
  - o **Security measures**
  - o **Employee screening**
  - o **Supervisory training**
  - o **Violence toward women**

Occupational Security and Safety

- **Setting Up a Basic Security Program**

    o **Analyze current level of risk**

    o **Installing mechanical**

    o **Natural and**

    o **Organizational security systems**
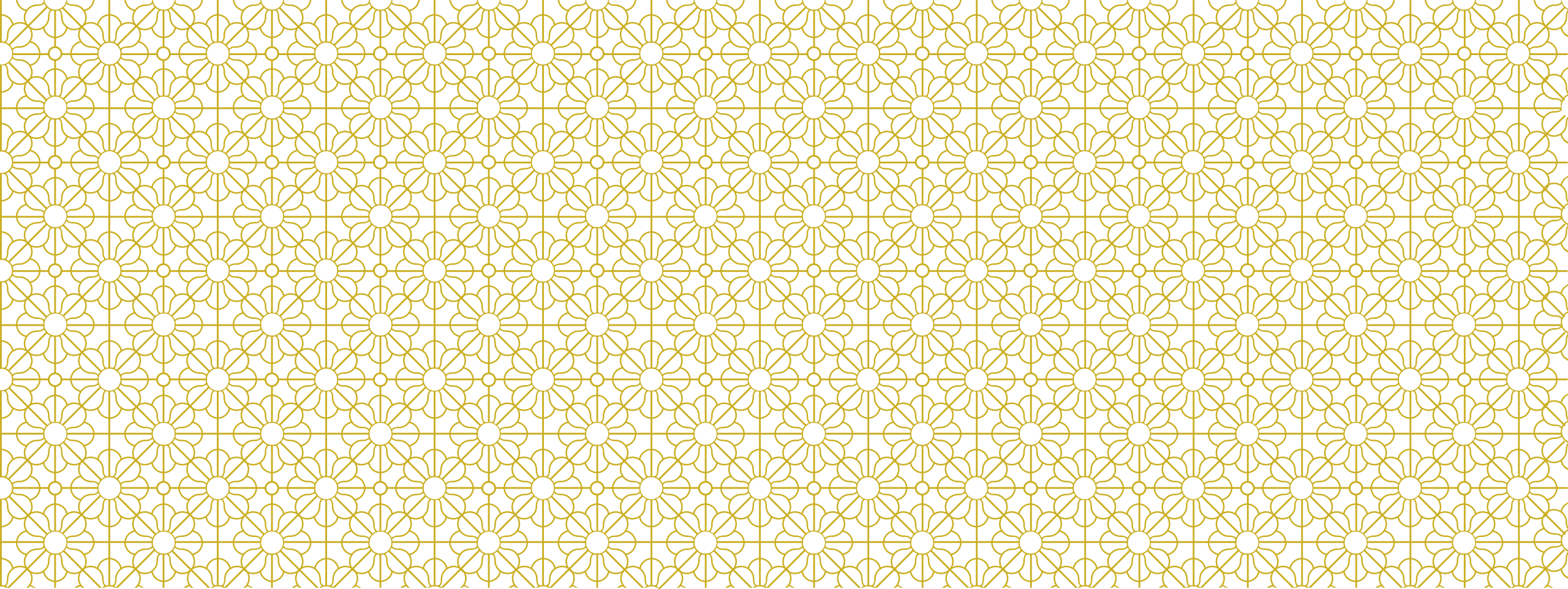
FUNCTIONAL AREAS OF HUMAN RESOURCE MANAGEMENT

HRIS

HRIS

What is HRIS

It is a systematic way of storing data & information for each individual employee to aid planning, decision making & submitting of returns and reports to the external agencies. A method by which an organization collects, analyses & reports the information about people and job.

Objectives of HRIS

To offer sufficient, comprehensive & ongoing information about people & jobs.To supply up to date information at a reasonable cost.To offer data security & personal privacy.
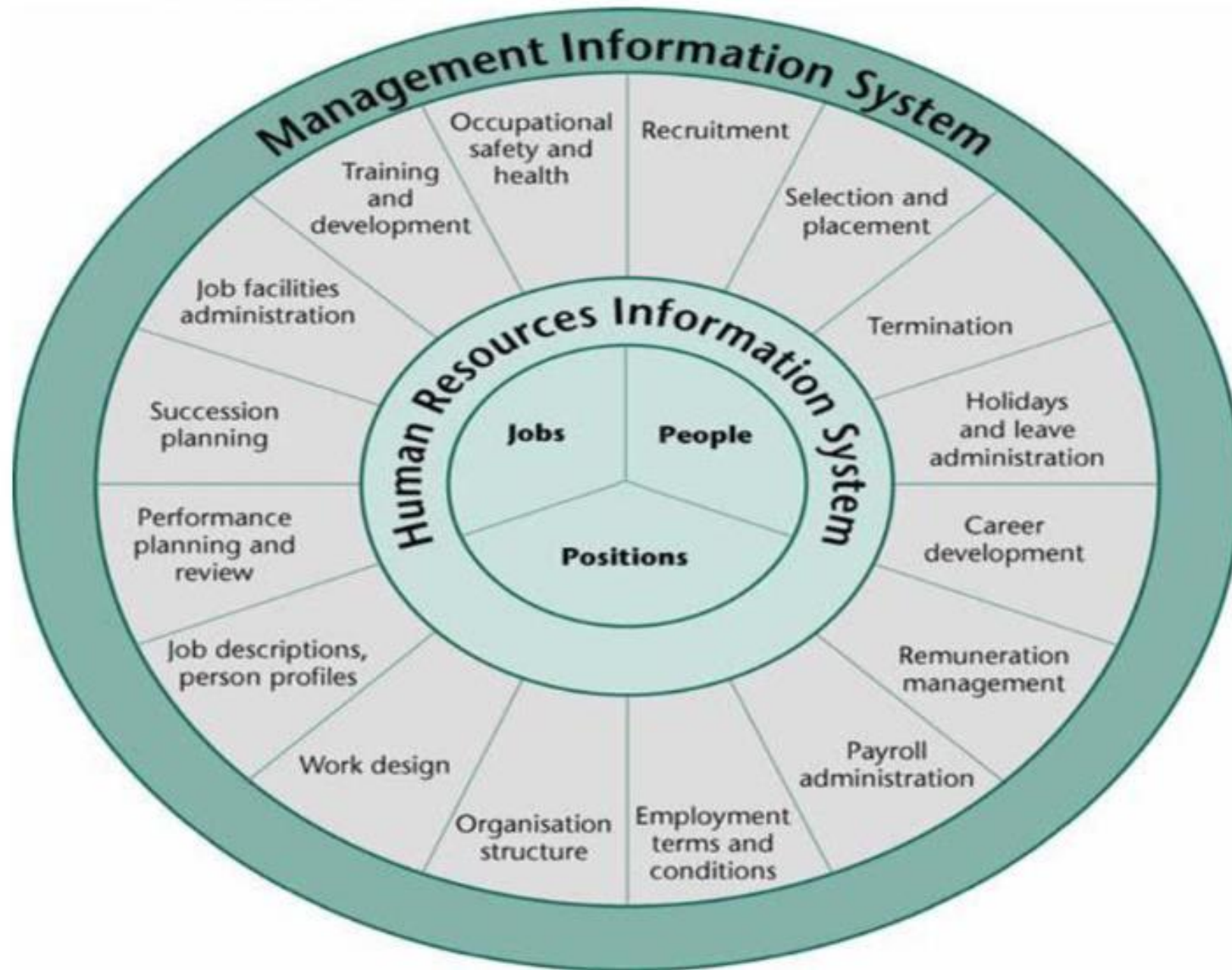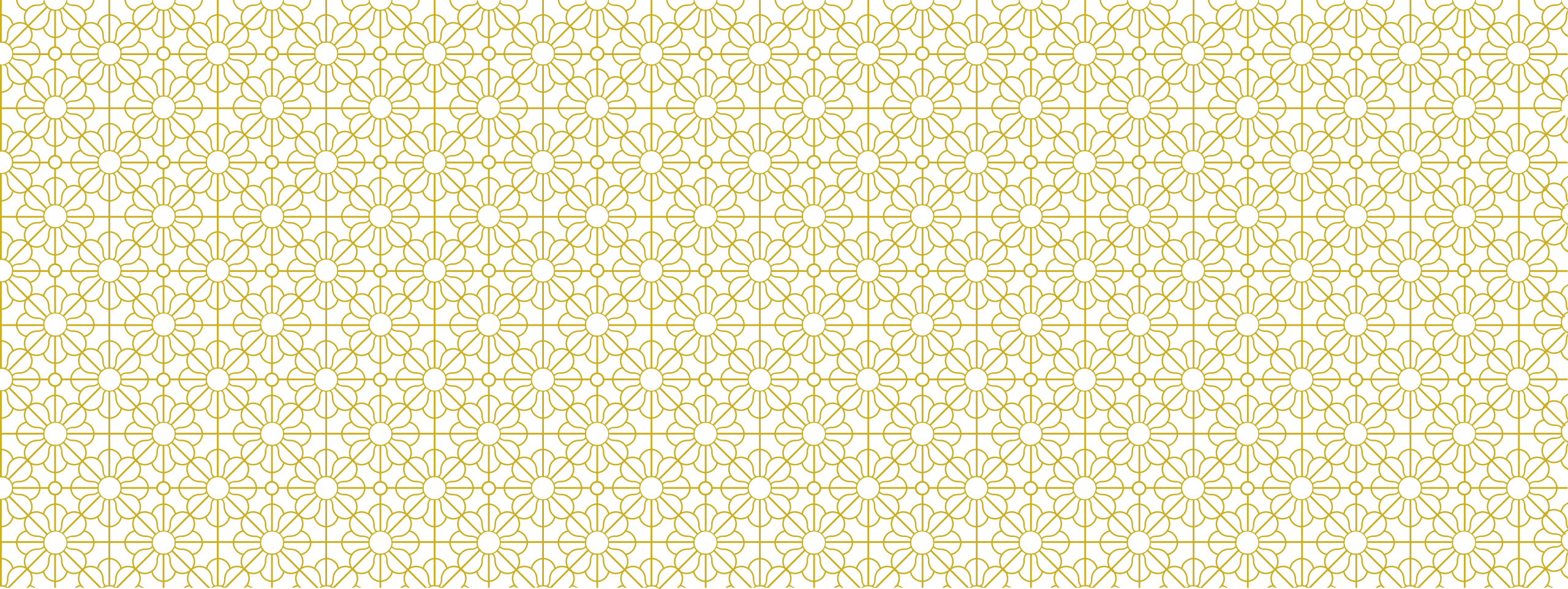
HUMAN RESOURCES INFORMATION SYSTEM

SYSTEM	DESCRIPTION
TRAINING & DEVELOPMENT	TRACK TRAINING, SKILLS, APPRAISALS
CAREER PATHING	DESIGN EMPLOYEE CAREER PATHS
COMPENSATION ANALYSIS	MONITOR WAGES, SALARIES, BENEFITS
HUMAN RESOURCES PLANNING	PLANLONG-TERM LABOR FORCE NEEDS

SUBSYSTEMS OF HRIS

FUNCTIONAL AREAS OF HUMAN RESOURCE MANAGEMENT

ORGANIZATION DESIGN

SEVEN ELEMENTS OF AN ORGANIZATION'S STRUCTURE

| The Key Question	The Answer Is Provided by
1. To what degree are activities subdivided into separate jobs?	Work specialization
2. On what basis will jobs be grouped together?	Departmentalization
3. To whom do individuals and groups report?	Chain of command
4. How many individuals can a manager efficiently and effectively direct?	Span of control
5. Where does decision-making authority lie?	Centralization and decentralization
6. To what degree will there be rules and regulations to direct employees and managers?	Formalization
7. Do individuals from different areas need to regularly interact?	Boundary spanning

MECHANISTIC VS. ORGANIC STRUCTURAL MODELS

Exhibit 15-7 Mechanistic versus Organic Models

The Mechanistic Model
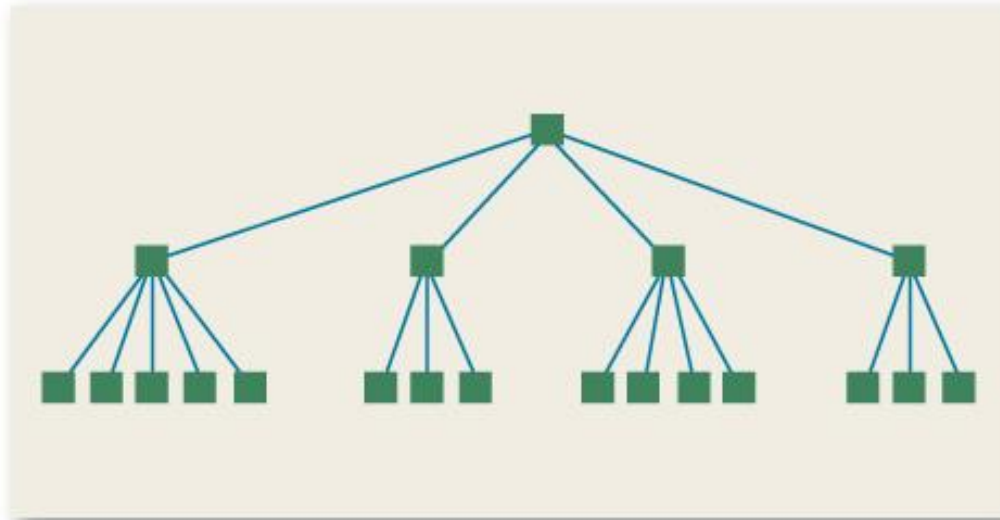
- High specialization
- Rigid departmentalization
- Clear chain of command
- Narrow spans of control
- Centralization
- High formalization

The Organic Model
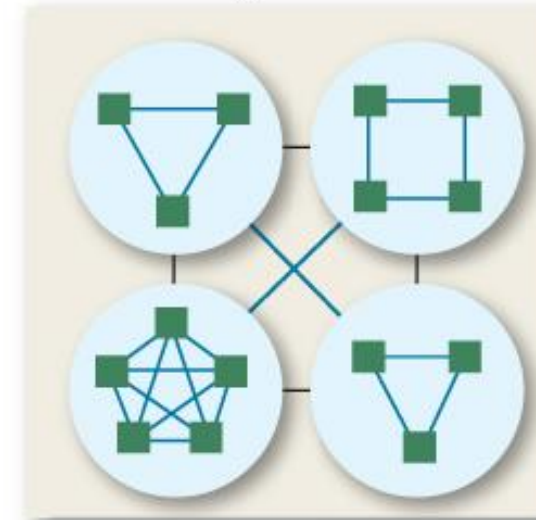
- Cross-functional teams
- Cross-hierarchical teams
- Free flow of information
- Wide spans of control
- Decentralization
- Low formalization

NEW DESIGN- **TEAM STRUCTURE**

In an organizational structure based on teams, the structure breaks down department barriers and decentralizes decision making to the level of the team.

Team structures usually require employees to be generalists as well as specialists.

COMMON ORGANIZATIONAL FRAMEWORKS AND STRUCTURES

The **matrix structure combines two forms** of departmentalization—functional and product:

- The strength of functional is putting specialists together.

- Product departmentalization facilitates coordination.

- It provides clear responsibility for all activities related to a product, but with duplication of activities and costs.

Academic Departments \ Programs	Undergraduate	Master's	Ph.D.	Research	Executive Development	Community Service
Accounting						
Finance						
Decision and Information Systems						
Management						
Marketing						

ALTERNATE DESIGN OPTIONS

The Virtual Organization

- The essence of the **virtual organization** is that it is typically a small, core organization that outsources major business functions.
- Also referred to as a **modular or network** organization.
- It is highly centralized, with little or no departmentalization.