

Human Resource Management:

Functions of HR management, human resource planning, recruitment, selection, placement, training & development and performance appraisal, Motivation theories, leadership styles.

Functions of HR management

Human Resource Management is that specialized and organized branch of management which is concerned with the acquisition, maintenance, development, utilization and coordination of people at work, in such a manner that they will give their best to the enterprise.

The functions of HRM can be broadly classified into two categories:

1. Managerial Functions
2. Operative Functions.

Managerial Functions

1. Planning
2. Staffing
3. Developing
4. Motivating
5. Managing change
6. Relationships
7. Evaluating
8. Appraising



Operative Functions

1. Procurement of Human Resource / Employment
2. Employee Compensation
3. Development of Human Resource
4. Developing Healthy Human Relations
5. Integration of Conflicting Interest
6. Safety and Health of Employees
7. Stability and Optimum Utilization of Employees
8. Personnel Research, Audit and Records
9. Motivation
10. Union-Management Relationship

Human resource planning

- Human Resource Planning (HRP) is the process of forecasting the future human resource requirements of the organization and determining as to how the existing human resource capacity of the organization can be utilized to fulfill these requirements.
- It, thus, focuses on the basic economic concept of demand and supply in context to the human resource capacity of the organization.
- A properly conducted process of HR Planning by an HR Consulting Firm helps the organization in meeting its goals and objectives in timely manner with the right HR strength in action.

HR Planning process simply involves the following four broad steps:

1. Current HR Supply:

- Assessment of the current human resource availability in the organization is the foremost step in HR Planning.
- It includes a comprehensive study of the human resource strength of the organization in terms of numbers, skills, talents, competencies, qualifications, experience, age, tenures, performance ratings, designations, grades, compensations, benefits, etc.
- At this stage, the consultants may conduct extensive interviews with the managers to understand the critical HR issues they face and workforce capabilities they consider basic or crucial for various business processes.

2. Future HR Demand:

- Analysis of the future workforce requirements of the business is the second step in HR Planning.
- All the known HR variables like attrition, lay-offs, foreseeable vacancies, retirements, promotions, pre-set transfers, etc. are taken into consideration while determining future HR demand.
- Further, certain unknown workforce variables like competitive factors, resignations, abrupt transfers or dismissals are also included in the scope of analysis.

3. Demand Forecast:

- Next step is to match the current supply with the future demand of HR, and create a demand forecast.
- Here, it is also essential to understand the business strategy and objectives in the long run so that the workforce demand forecast is such that it is aligned to the organizational goals.

4. HR Sourcing Strategy and Implementation:

- After reviewing the gaps in the HR supply and demand, the HR department develops plans to meet these gaps as per the demand forecast created by them.
- This may include conducting communication programs with employees, relocation, talent acquisition, recruitment and outsourcing, talent management, training and coaching, and revision of policies.
- The plans are, then, implemented taking into confidence the managers so as to make the process of execution smooth and efficient.
- Here, it is important to note that all the regulatory and legal compliances are being followed by the HR department to prevent any untoward situation coming from the employees.

Performance appraisal

It is a systematic evaluation of an individual with respect to performance on the job and individual's potential for development

It is a developmental tool used for all round development of the employee and the organization.

The performance is measured against such factors as job knowledge, quality and quantity of output, initiative, leadership abilities, supervision, dependability, co-operation, judgment, versatility and health etc

Objectives of Performance Appraisals

1. Promotions
2. Confirmations
3. Training and Development
4. Compensation reviews
5. Competency building
6. Improve communication
7. Evaluation of HR Programs
8. Feedback & Grievances

Goals of Performance Appraisals

General Goals	Specific Goals
Developmental Use	Individual needs Performance feedback Transfers and Placements Strengths and Development needs
Administrative Decisions / Uses	Salary Promotion Retention / Termination Recognition Lay offs Poor Performers identification
Organizational Maintenance	HR Planning Training Needs Organizational Goal achievements Goal Identification HR Systems Evaluation Reinforcement of organizational needs
Documentation	Validation Research for HR Decisions Legal Requirements

Performance Appraisal Process

1. Objectives definition of appraisal
2. Job expectations establishment
3. Design an appraisal program
4. Appraise the performance
5. Performance Interviews
6. Use data for appropriate purposes
7. Identify opportunities variables using social processes, physical processes, human and computer assistance

Motivation Theories

- From the very beginning, when the human organizations were established, various thinkers have tried to find out the answer to what motivates people to work.
- Different approaches applied by them have resulted in a number of theories concerning motivation.

Some of the most important theories of motivation are as follows:

- 1. Maslow's Need Hierarchy Theory**
- 2. Herzberg's Motivation Hygiene Theory**
- 3. McClelland's Need Theory**

Types of Motivation

Positive Motivation:

- People are said to be motivated positively when they are shown a reward and the way to achieve it. Such reward may be financial or non-financial.
- Monetary motivation may include different incentives, wage plans, productive bonus schemes etc.
- Non-monetary motivation may include praise for the work, participation in management, social recognition etc.
- Monetary incentives provide the worker a better standard of life while non-monetary incentives satisfy the ego of a man.
- Positive motivation seeks to create an optimistic atmosphere in the enterprise.

Negative Motivation:

- By installing fear in the minds of people, one can get the desired work done.
- In this method of motivation, fear of consequences of doing something or not doing something keeps the worker in the desired direction.
- This method has got several limitations. Fear creates frustration, a hostile state of mind and an unfavorable attitude towards the job which hinders efficiency and productivity. So the use of it should be kept to its minimum.

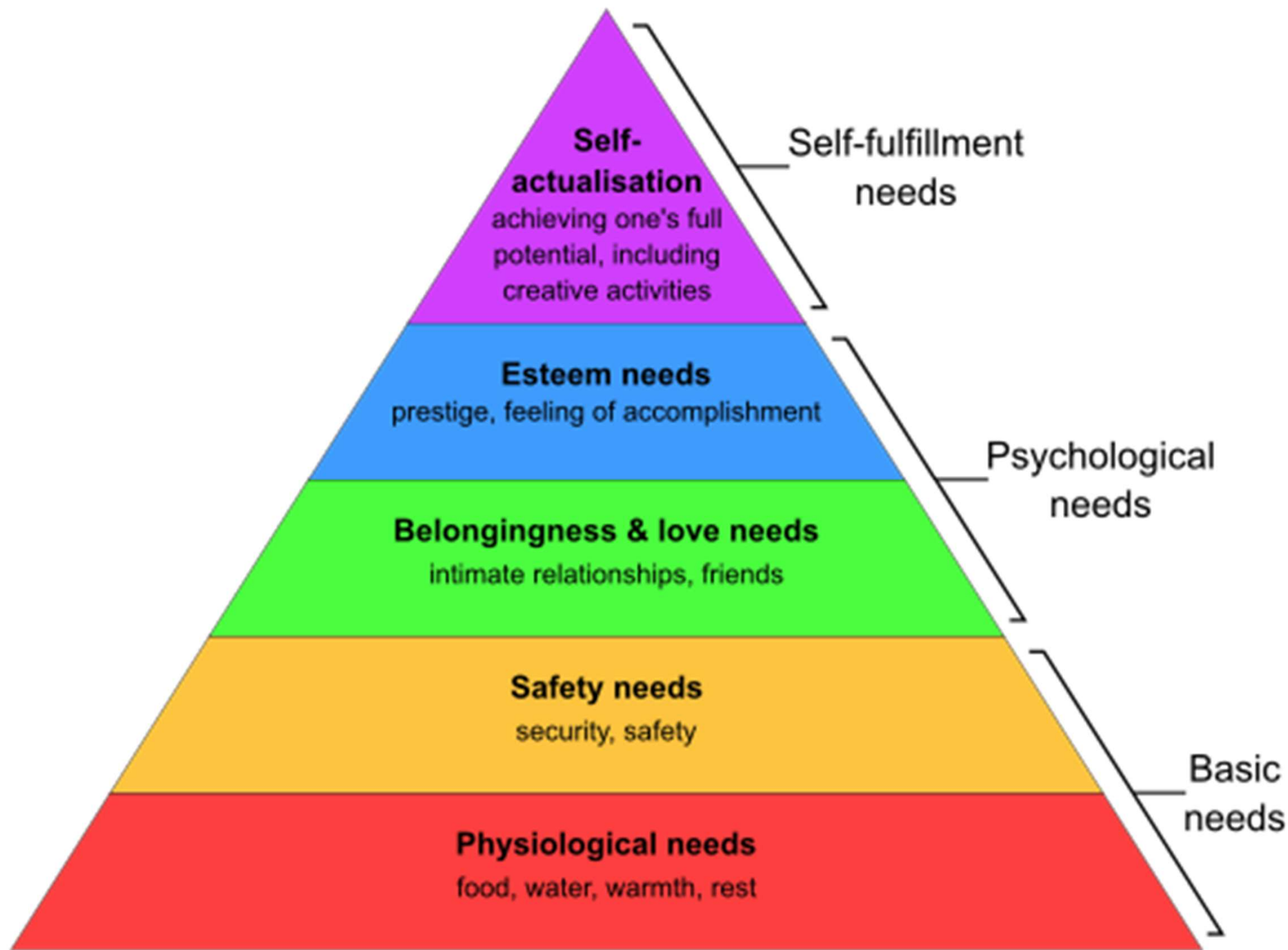
1. Maslow's Need Hierarchy Theory:

- The most well-known theory of motivation is Maslow's need hierarchy theory Maslow's theory is based on the human needs.
- All human needs grouped into a hierarchical manner from the lower to the higher order.

In essence, he believed that once a given level of need is satisfied, it no longer serves to motivate man.

Then, the next higher level of need has to be activated in order to motivate the man.





2. Herzberg's Motivation Hygiene Theory:

- The psychologist Frederick Herzberg extended the work of Maslow and proposed a new motivation theory popularly known as Herzberg's Motivation Hygiene (Two-Factor) Theory.
- Herzberg conducted a widely reported motivational study on 200 accountants and engineers employed by firms in and around Western Pennsylvania.

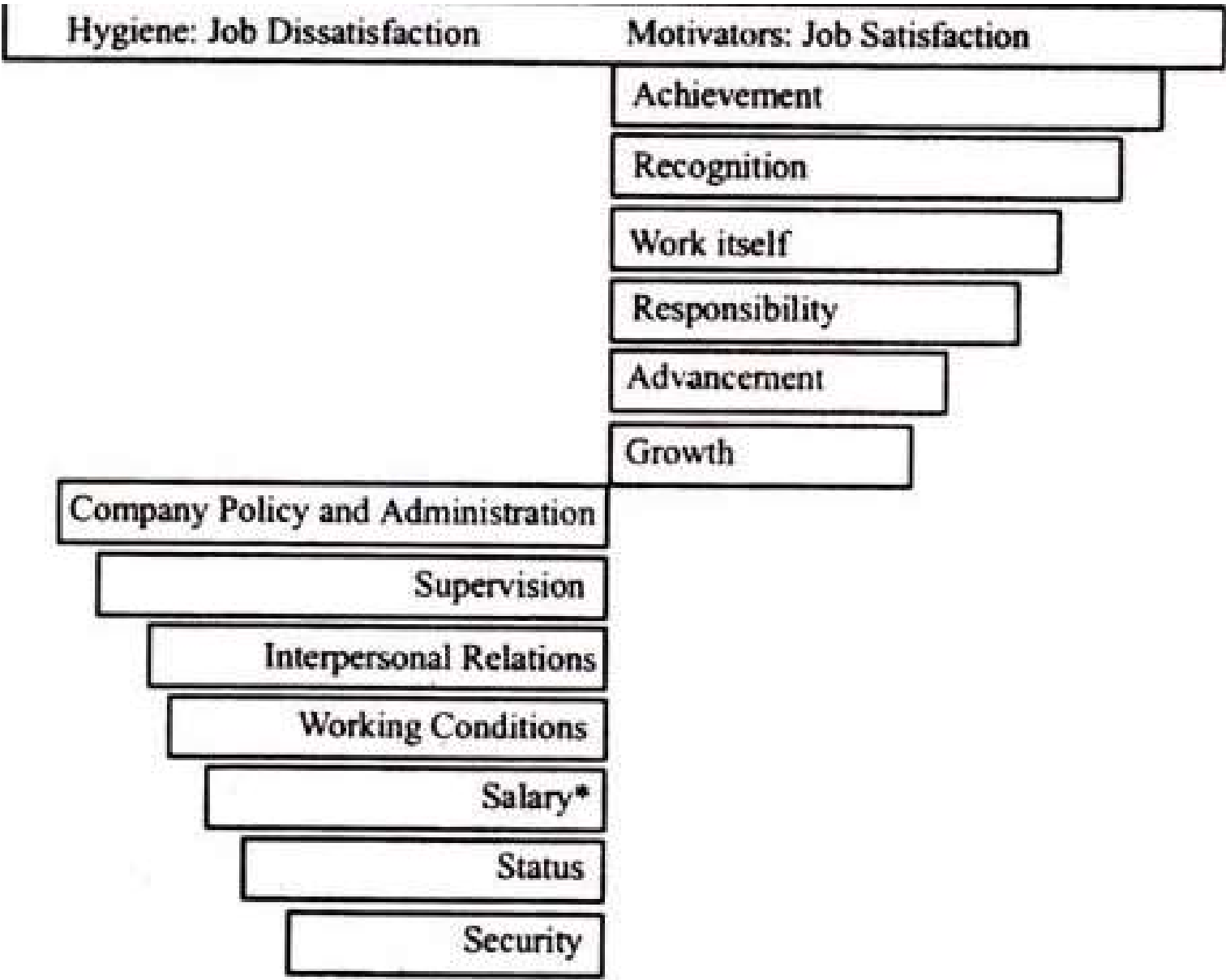
He asked these people to describe two important incidents at their jobs:

- (1) When did you feel particularly good about your job?
- (2) When did you feel exceptionally bad about your job?

The responses when analysed and were found quite interesting and fairly consistent.

Herzberg labelled the job satisfiers motivators, and he called job dissatisfies hygiene or maintenance factors. Taken together, the motivators and hygiene factors have become known as Herzberg's two-factor theory of motivation

Herzberg's Motivation Hygiene Theory:

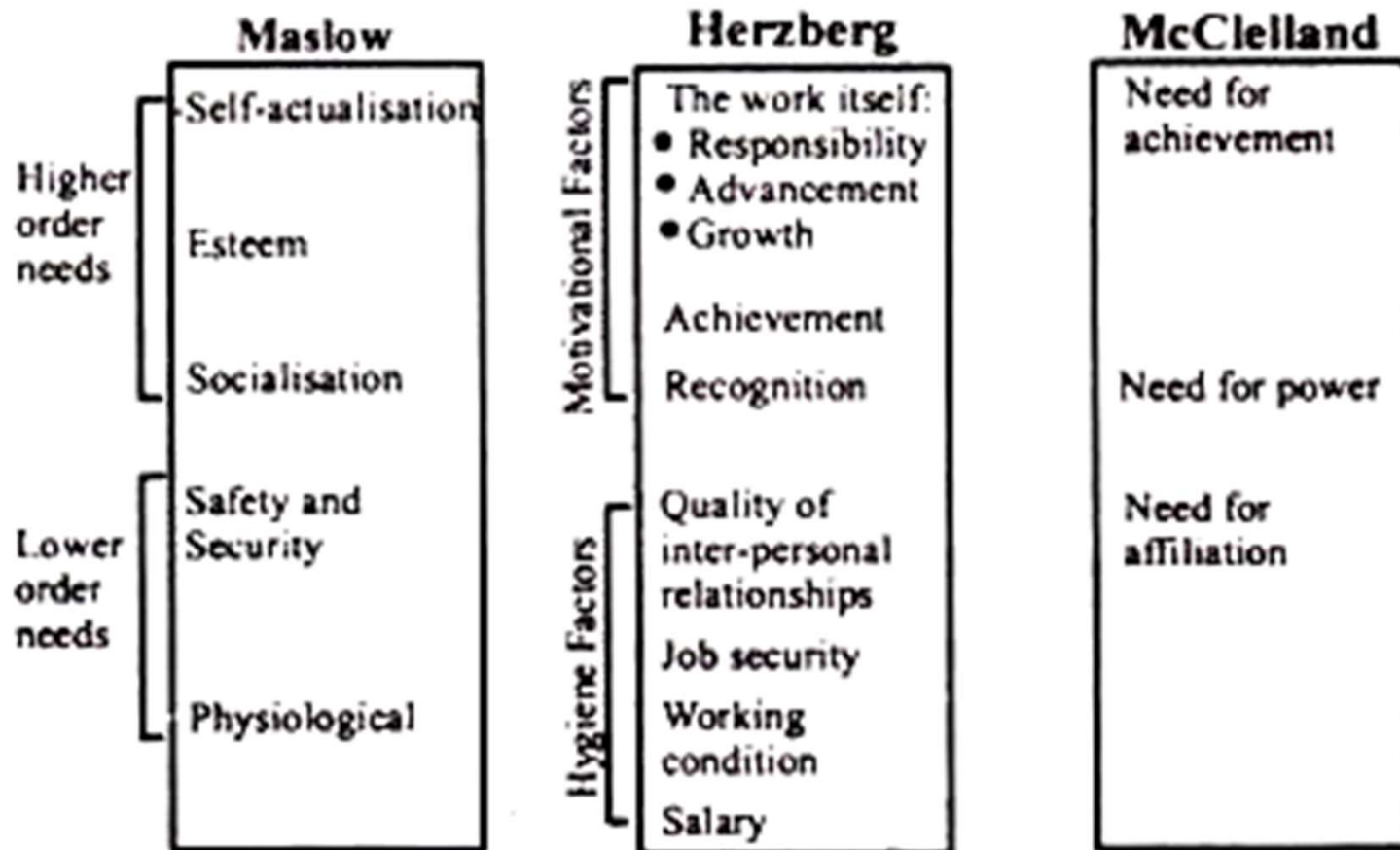


According to Herzberg, today's motivators are tomorrow's hygiene because the latter stop influencing the behaviour of persons when they get them. Accordingly, one's hygiene may be the motivator of another.

3. McClelland's Need Theory:

McClelland's need-theory is closely associated with learning theory, because he believed that needs are learned or acquired by the kinds of events people experienced in their environment and culture.

He found that people who acquire a particular need behave differently from those who do not have. His theory focuses on Murray's three needs; achievement, power and affiliation. In the literature, these three needs are abbreviated "n Ach", "n Pow", and "n Aff" respectively'.



Need for Achievement:

- This is the drive to excel, to achieve in relation to a set of standard, and to strive to succeed. In other words, need for achievement is a behaviour directed toward competition with a standard of excellence.
- McClelland found that people with a high need for achievement perform better than those with a moderate or low need for achievement

Through his research, McClelland identified the following three characteristics of high-need achievers

1. High-need achievers have a strong desire to assume personal responsibility for performing a task for finding a solution to a problem.
2. High-need achievers tend to set moderately difficult goals and take calculated risks.
3. High-need achievers have a strong desire for performance feedback.

Need for Power:

- The need for power is concerned with making an impact on others, the desire to influence others, the urge to change people, and the desire to make a difference in life.
- People with a high need for power are people who like to be in controlling people and events. This results in ultimate satisfaction to man.

People who have a high need for power are characterized by:

1. A desire to influence and direct somebody else.
2. A desire to exercise control over others.
3. A concern for maintaining leader-follower relations.

Need for Affiliation:

The need for affiliation is defined as a desire to establish and maintain friendly and warm relations with other people'. The need for affiliation, in many ways, is similar to Maslow's social needs.

The people with high need for affiliation have these characteristics:

1. They have a strong desire for acceptance and approval from others.
2. They tend to conform to the wishes of those people whose friendship and companionship they value.
3. They value the feelings of others

Leadership Styles in Management

A leader is a person who influences a group of people towards the achievement of a goal while leadership is the art of motivating a group of people to act towards achieving a common goal.

Different **leadership styles** will result in different impact to organization. The leader has to choose the most effective approach of leadership style depending on situation because leadership style is crucial for a team success.

By understanding these **leadership styles** and their impact, everyone can become a more flexible and better leader.

1. Transactional Leadership

- This style of leadership starts with the premise that team members agree to obey their leader totally when they take a job on.
- The “transaction” is usually that the organization pays the team members, in return for their effort and compliance. As such, the leader has the right to “punish” team members if their work doesn’t meet the pre-determined standard.
- Team members can do little to improve their job satisfaction under transactional leadership. The leader could give team members some control of their income/reward by using incentives that encourage even higher standards or greater productivity.
- Alternatively a transactional leader could practice “management by exception”, whereby, rather than rewarding better work, he or she would take corrective action if the required standards were not met.

2. Autocratic Leadership

- Under the autocratic leadership styles, all decision-making powers are centralized in the leader as shown such leaders are dictators.
- Autocratic leadership is an extreme form of transactional leadership, where a leader exerts high levels of power over his or her employees or team members.
- People within the team are given few opportunities for making suggestions, even if these would be in the team's or organization's interest.

- Autocratic leadership style is often considered the classical approach. It is one in which the manager retains as much power and decision-making authority as possible.

- The manager does not consult employees, nor are they allowed to give any input. Employees are expected to obey orders without receiving any explanations. The motivation environment is produced by creating a structured set of rewards and punishments.

- Autocratic leaders make decisions without consulting their teams. This is considered appropriate when decisions genuinely need to be taken quickly, when there's no need for input, and when team agreement isn't necessary for a successful outcome.

3. Transformational Leadership

- Transformational leadership is a leadership style that is defined as leadership that creates valuable and positive change in the followers.
- A transformational leader focuses on “transforming” others to help each other, to look out for each other, to be encouraging and harmonious, and to look out for the organization as a whole.
- In this leadership, the leader enhances the motivation, morale and performance of his follower group.

- A person with this leadership style is a true leader who inspires his or her team with a shared vision of the future.
- Transformational leaders are highly visible, and spend a lot of time communicating.
- They don't necessarily lead from the front, as they tend to delegate responsibility amongst their teams.

4. Servant Leadership

- This term, coined by Robert Greenleaf in the 1970s, describes a leader who is often not formally recognized as such. When someone, at any level within an organization, leads simply by virtue of meeting the needs of his or her team, he or she is described as a “servant leader”.
- Servant Leadership’s focus was on the leader as a servant, with his or her key role being in developing, enabling and supporting team members, helping them fully develop their potential and deliver their best.
- In many ways, servant leadership is a form of democratic leadership, as the whole team tends to be involved in decision-making.

- Supporters of the servant leadership model suggest it is an important way ahead in a world where values are increasingly important, and in which servant leaders achieve power on the basis of their values and ideals.
- Others believe that in competitive leadership situations, people practicing servant leadership can find themselves “left behind” by leaders using other leadership styles.
- Followers may like the idea of servant leadership so there’s something immediately attractive about the idea of having a boss who’s a servant leader. People without responsibility for results may like it for its obviously democratic approach.

5. Charismatic Leadership

- The Charismatic Leader and the Transformational Leader can have many similarities, in that the Transformational Leader may well be charismatic.
- Their main difference is in their basic focus. Whereas the Transformational Leader has a basic focus of transforming the organization and, quite possibly, their followers, the Charismatic Leader may not want to change anything.
- A charismatic leadership style can appear similar to a transformational leadership style, in that the leader injects huge doses of enthusiasm into his or her team, and is very energetic in driving others forward.

- However, charismatic leaders can tend to believe more in themselves than in their teams.
- This can create a risk that a project, or even an entire organization, might collapse if the leader were to leave because in the eyes of their followers, success is tied up with the presence of the charismatic leader.
- As such, charismatic leadership carries great responsibility, and needs long-term commitment from the leader.

6. Democratic Leadership or Participative Leadership

- Although a democratic leader will make the final decision, he or she invites other members of the team to contribute to the decision-making process.
- This not only increases job satisfaction by involving employees or team members in what's going on, but it also helps to develop people's skills.
- Employees and team members feel in control of their own destiny, and so are motivated to work hard by more than just a financial reward. Democratic leadership can produce high quantity work for long periods of time.

- Many employees like the trust they receive and respond with cooperation, team spirit, and high morale.

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As participation takes time, this style can lead to things happening more slowly than an autocratic approach, but often the end result is better.

- It can be most suitable where team working is essential, and where quality is more important than speed to market or productivity.

7. Laissez-Faire Leadership

- The laissez-faire leadership style is also known as the “hands-off ” style. It is one in which the manager provides little or no direction and gives employees as much freedom as possible.
- All authority or power is given to the employees and they must determine goals, make decisions, and resolve problems on their own.
- This French phrase means “leave it be” and is used to describe a leader who leaves his or her colleagues to get on with their work. It can be effective if the leader monitors what is being achieved and communicates this back to his or her team regularly.

- Most often, laissez-faire leadership works for teams in which the individuals are very experienced and skilled self-starters. Unfortunately, it can also refer to situations where managers are not exerting sufficient control.
- The advantage of this kind of style is positive only in the case when the employees are very responsible and in case of creative jobs where a person is guided by his own aspirations. In these cases, less direction is required so this style can be good.
- This style has more disadvantages because usually it is the result of the lack of interest of the leader that leads to his adopting this style. It proves poor management and makes the employees lose their sense of direction and focus.
- The disinterest of the management and leadership causes the employees to become less interested in their job and their dissatisfaction increases.

8. Bureaucratic Leadership

- This is style of leadership that emphasizes procedures and historical methods regardless of their usefulness in changing environments.
- Bureaucratic leaders attempt to solve problems by adding layers of control, and their power comes from controlling the flow of information.
- Bureaucratic leaders work “by the book”, ensuring that their staff follow procedures exactly.
- This is a very appropriate style for work involving serious safety risks such as working with machinery, with toxic substances, at heights or where large sums of money are involved such as cash-handling.