

UNIT - I

Introduction:

Human Resource Mgmt :

Meaning for the term HRM : - HRM is the study of activities regarding people working in an org.

> It is a managerial function that tries to match an org's needs to the skills and abilities of the employee.

Definition of HRM :

HRM is a personnel function which is concerned with procurement, development, compensation, integration & maintenance of the personnel of an org for the purpose of contributing towards the accomplishments of org's objectives → given by

Edward D Phillippe

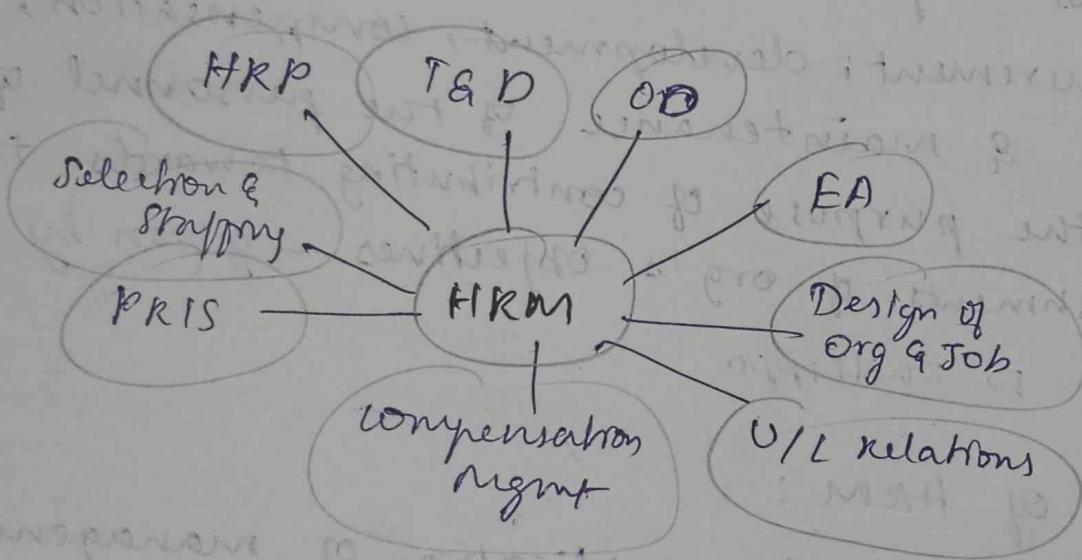
Nature of HRM :

- i) HRM involves the application of management functions & principles - The functions & principles are applied through acquiring, developing, maintaining & providing remuneration to employees.
- ii) Decisions relating to employees must be integrated - decisions on different aspects of employees must be consistent with organisation's HR decisions.

Zeeshan

- iii) Decisions made have influence on the effectiveness of the org - Effectiveness of an org result in betterment of service to customers in the form of high quality product at reasonable cost.
- iv) HRM functions are not confined to business establishment only but it also applies to non-business orgs such as Education, Healthcare, Recreation.

Scopes of HRM:



i) HR Planning :

- > The objective of HR planning is to ensure that the org has right type of person at the right time & right place.
- > It prepares HR inventory to assess present & future needs and also forecast on demand & supply of HR.

ii) Design of Org & Job :

- > The task of laying down organizational structure, authority & responsibilities.
- > Defining the work content of each job in the org is called Job Description.
- > Job specification defines the attributes or qualities of a person who will be suitable for the job.

iii) Selection & Staffing

- > This involves the process of recruitment & selection of the staff.
- & it involves matching the people & their expectations with job specification.

iv) Training & Development :

- > An organisation needs to find out the knowledge & skill which is needed not only to perform current job but also the future needs of an organization.

v) Organization Development :

- > Synergic effect ("2 + 2 = 5" effect) → 2 or more agent of the factors that can produce greater effect than sum of individual effects

vi) Compensation & Benefits

The compensation shd be fixed fairly & in addition to that various welfare benefits shd be provided.

VII) Employee Assistance:

- > Each employee is unique in character, personality & temperament.
- > Each one of them faces problems every day some are personal and some are official.
- > The org shd find out the worries & they have to remove that to make the employee more productive.

VIII) Union / Labour Relation

Healthy Industrial Relations helps to enhance the peace & productivity in an org.

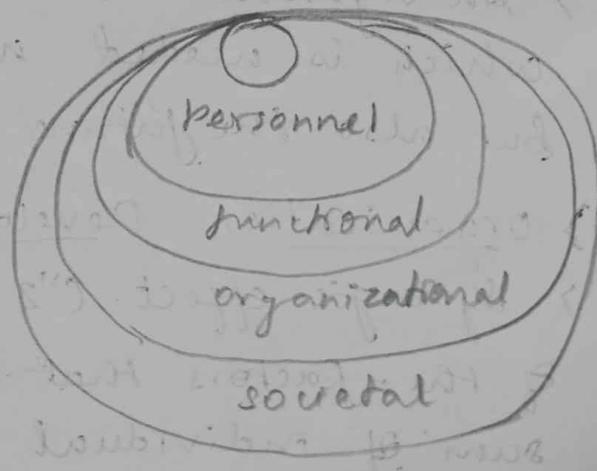
IX) Personnel Research Information System:

knowledge on Behavioural science & Industrial Psychology throws insight into worker's expectation & behaviour.

Objectives of HRM

4 main objectives of HRM are

- i) Personnel Objectives
- ii) Functional objectives
- iii) Organizational objectives
- iv) Societal objectives



i) Personnel Objectives:

- > Assisting the employees in achieving the goals of an org
- > If individual goals are achieved then the organizational goals can be achieved.
- > The org has to maintain, retain & motivate the employees to achieve the goals.

ii) Functional Objectives:

- > It is important to maintain the dept's contribution to the organizational needs.

iii) Organizational Objectives:

- > The HRM role is to bring out organizational effectiveness.
- > It is not a stand alone department, rather they have to assist other depts to achieve the goals.

iv) Societal Objectives:

- > The org becomes socially responsible to the needs & challenges of the society, minimizing -ve impact upon the organization.

Functions of HRM

i) strategic HR mgmt:

As a part of maintaining organizational competitiveness, strategic planning for HR effectiveness can be increased through the use of IHR technology.

HRP function determine the number & type of employees needed to accomplish present & future goals of org.

> The basic HR strategy is Staffing & Employee Development

i) Equal Employment Opportunity :

compliance with EEO laws for carrying of the activities.

ii) Staffing :

1) The aim of staffing is to provide sufficient qualified individuals to fill the jobs in an org.

2) Job analysis, Recruitment & Selection are the main function under staffing.

iii) Talent Mgmt & Development :

1) Beginning with the orientation of new employees

Talent Mgmt & development includes different types of training.

v) Total Rewards : Financial & non-financial Benefits

vi) Risk Mgmt & worker protection :

following the legal requirements & protecting the employees.

vii) Employee & Labour Relations :

Follow the rights of employer & employee to handle both of them easily.

Challenges of HRM:

i) Globalization :

Growing Internationalization of Business has its impact on HRM in terms of problems of languages, competitions, attitudes, unfamiliar laws, etc.

- > HR managers have the challenges to deal with more heterogeneous functions rather than homogeneous.
- > It involves more of employees personal life.

ii) Corporate reorganization:

- > Reorganization relates merger & acquisitions, takeovers, joint ventures, etc..
- & It pose a great challenge to the HR Managers to manage employees anxiety & uncertainties & insecurities.

iii) New Organizational Forms:

- > The basic challenge of HRM comes from changing characters of competitors.
- > Previously the competition is b/w individual firms but now it is b/w group of firms.
- & Many companies are operating through the complex web of strategic alliance, etc.
- > The relations give birth to new forms of organizational structure which highly depend on regular exchange of people & information -
- > The challenge of HRM is to cope up with implications of newly networked relations inspite of comfortable hierarchical relations that existed in the past.

iv) Changing Demographics of Workforce:

- & changes in workforce are reflected by dual career couples. Large chunks of young blood infusing into the org, working mothers, etc. These dynamic workforces pose a great challenge to HR managers.

v) Changed Employee Expectations:

- > With the changes in demographic employees expectation & attitudes have also changed.
- > Traditionally people focused job security, house & remunerations which are not attracted today for the new employees.
- > It is a challenge for HR Managers to discover new methods of Hiring, Training & Motivating the employees.

vi) New Industrial Relations Approach:

- > In dynamic world, even unions have understood that strikes have lost their relevance & trade union membership has fallen drastically and it pose a challenge to HRM to adopt proactive industrial approach which look the challenges & prepared to convert them into opportunities.

vii) Renewed People Focus:

- > The need of today's world & business is the people's approach. The structure, strategy & system approach is no more relevant.
- > The challenges to HR Manager is to focus on people & make them more sustainable.

viii) Managing the Managers:

- > Managers are unique tribe in the society.
- > They demand bossism & misuse the hardworking juniors. The challenges of HRM is to manage these tribes.

ix) Weaker Society Interest :

- > Another challenge for HRM is to protect the interest of weaker sections of society.
- > It includes women workers, minorities & backward communities in the workforce.
- > They have to reexamine the policies, practices & values depending upon the needs of these people.

x) contribution to the success of org :

- > The biggest challenge of HR Manager is to make all employees contribute to the success of org in an ethical & socially responsible way.
- & Because society's well-being largely depends upon org.

Role of HR Manager :

i) Conscience role :

- > It is a Humanitarian role in which the manager should remind the mgmt of its morals & obligations to its employees.

ii) The counsellor :

- > Employees who are dissatisfied in the present job approach the HR manager for counselling.
- > In addition employee may face various problems like personal health & career related problems.
- > The HR manager shd counsel & offer suggestions to overcome the problems.

III) The Mediator :

- > As a Mediator the HR manager plays the role of peace maker.
- > He settle the disputes b/w employees & mgmt.
- > He acts as a liaison & communication link b/w both sides of them.

IV) The spokesman :

- > Spokesman is the representative of the company who talks on behalf of the company.

V) Problem solver :

- > He acts as problem solver with respect to the issues that involves HRM & organizational planning.

VI) Change Agent :

- > He shd act as a change agent & introduce the changes whenever there is a need in the existing program.

VII) Specialist :

- > HR manager performs various functions of employment, Training & development.
- > He is also responsible for representing various workers prblms to mgmt.
- > The HR manager has to persuade line managers, to work with the staff managers/ specialists & he shd tactfully with the confidence of both line & staff people.

VIII) As a source of help :

- > In certain situations some employees lacks skill or knowledge. The experienced HR shd be a src of help rather than the src of threat.

IX) As a controller :

- & the effective HR executives advise on policies & provides services & also monitor & control the func effectively.

Role of HR Manager :

| HR role | welfare role | clerical role | fire-fighting legal role |
|--|---|--|--|
| a) Advisory advising mgmt on effective utilization of HR | a) Research on personnel & org problems | a) Time keeping | a) Grievance handling |
| b) Manpower planning | b) Managing services | b) Salary & wages administration | b) Settlement of disputes |
| c) Training & development | c) Group Dynamics | c) Maintenance of records | c) Handling disciplinary actions |
| d) Assessment of individual & group behaviour | - | d) Human engineering | d) Collective bargaining |
| | | | e) Joint consultation |

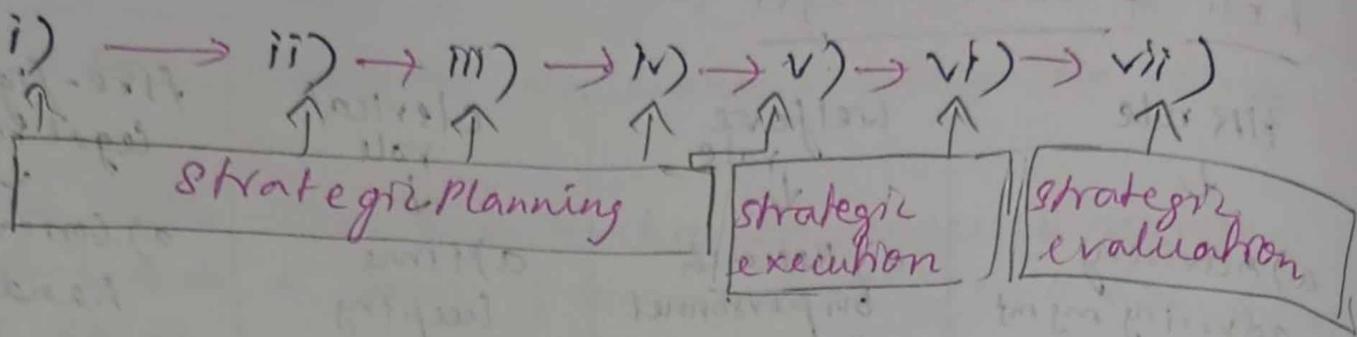
— HRM & philosophy notes at the back after HR audit

Strategic HR Mgmt :

Strategic HRM means formulating & executing HR policies & practices that helps to produce the employee competencies & behaviours which need to achieve the strategic aims.

Strategic Mgmt Process :

- i) Define the current business → ii) Perform external & internal audit → iii) Formulate the new plan → iv) Translate the mission into strategic goals → v) Formulate strategies to achieve the strategic goals → vi) Implementing the strategies → vii) Evaluating the performance



Strategy → A course of action the company pursues to achieve the strategic aim is called strategy.

Strategic Plan → The company's plan for how it will match its internal strengths & weakness with external opportunities & threats in order to maintain a competitive advantage.

Strategic Mgmt → The process of identifying & executing an org's strategic plan by matching the company's capabilities with the demand in its environment.

Strategic Mgmt Process

- i) Define the current business
specifically ask what product do you sell ?, where do you sell ?, how do you sell ?
- ii) Perform internal & external audit
 - > The manager has to ask Are we heading in the right direction given the challenges that we face ?
 - > The environmental scan worksheet is a guide for compiling information about the company's environment.
 - > Along with that the SWOT chart helps to create strategic plan .

iii) Formulate a new direction :

The managers formulate the vision statement which shows the intended direction that says "what we want to become". The company's mission summarizes "what is the main task of today" or "what business we are in".

iv) Translate the desired new direction into strategic goals :

'translate the desired new direction' means what exactly the company wants to do & make each & every dept to do it in order to achieve the strategic goals.

v) ~~Formulate~~ Implement strategies to achieve strategic goals :
The manager chooses the strategies or courses of action that will enable the company to achieve the strategic goals.

vi) Implement the strategies :

Strategic execution which means translating the strategies into action.

vii) Evaluate the performance :

Assessing the performance & see to that whether it goes on with the standard.

Types of strategy at each company level :

1) Corporate strategy

2) Competitive strategy

3) Functional strategy

WORK INTO PATTERN

portion : UNIT-I - III before CIA-II

1) corporate strategy :

The type of strategy that identifies the portfolio of business in total comprise the company & the base in which the business relate to each other.

2) competitive strategy :

A strategy that identifies how to build & strengthen the business and also long term competitive position in the market.

Competitive Adv : Any factors that allow an org to differentiate its product or service from most of the competition to increase the market share.

3) functional strategy :

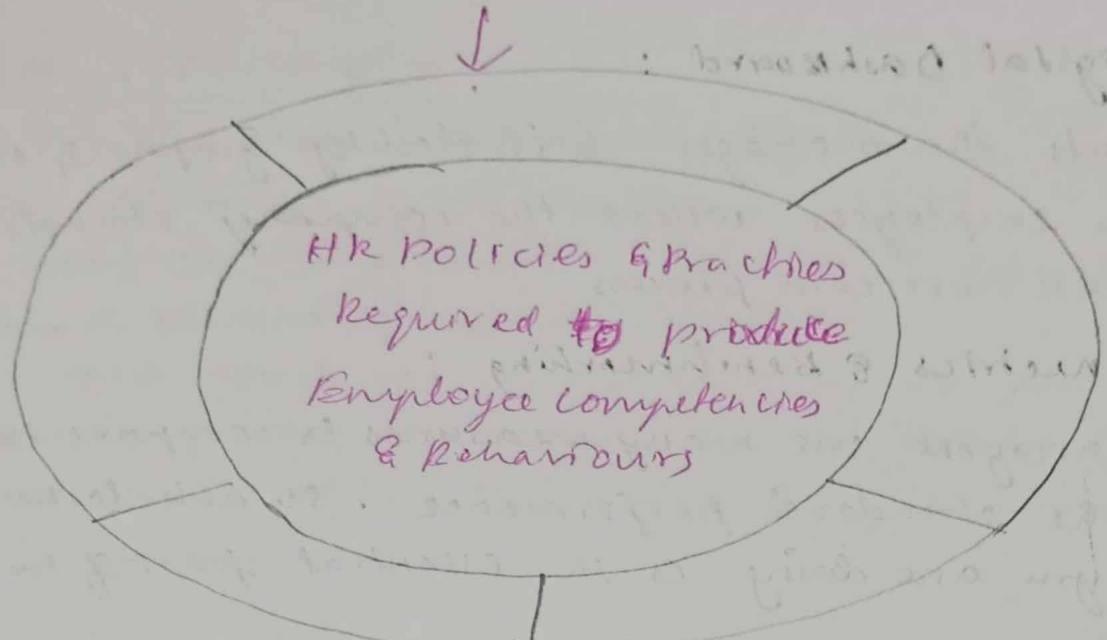
A dept's functional strategy identifies what a business must do in terms of specific departmental policies & practices in order to achieve organizational objective.

Strategic HRM :

HR strategy model :

company's
strategic goals

Employee competencies and Behaviours
Required for company to achieve
These strategic goals



The basic idea behind the SHRM is formulating HR policies and to produce employee skills & behaviours that needs to achieve the strategic goals.

Strategic HRM tools:

1) Strategy Map:

A strategic planning tool that shows a big picture of how each dept. performance contribute to the company's overall strategic goals.

2) HR scorecard:

Process of assigning financial or non-financial roles to HRM for achieving the strategic result.

3) Digital Dashboard :

Presents the manager with desktop graphs & charts to show employees where the company stands in the HR score card process ..

4) HR Metrics & Benchmarking :

HR Managers use many measures to compare the actual with the standard performance . so able to measure what you are doing is the essential part of the process.

5) Strategy & strategy based metrics :

Metrics that specifically focus on measuring the activities that contribute to achieve the company's strategic aims.

HR Audit : 2m or 10m

An analysis by which an org measures where it currently stands & determines what it has to accomplish in order to improve the HR function . Requirements for HR Audit :

i) Roles & Headcount :

ii) Compliance with the legislation ix) Documentation & record keeping

iii) Recruitment & Selection

x) Employee communication

iv) Compensation

xii) Training & development

v) Employee Relations

xiii) Termination &

vi) mandatory Benefits

employees

vii) Group Benefits — [Group Insurance
Time off]

viii) Pay roll

HRM & Philosophy :

- > HR philosophy is a guiding belief that an org holds regarding the mgmt of its employees.
- > It comprises recruitment, training, development, retention & reward of the employees.
- > All these aspects are determined by HR philosophy.
- > The main factors influencing HR philosophy in the org are leadership style, corporate value, corporate culture & market competition.

i) Leadership style :

- > The leaders are the role models for managers & employee.
- > The manager always try to act as a leader.
- > The behaviour is observed and spread across the entire org.
- > The employees adjust their behaviour with the leader's expectations.
- > The leader usually calls as new HR leader who is responsible for leadership in the change mgmt.

ii) Corporate culture :

It is also known as company culture which includes a set of beliefs and behaviour that determine how the company's employees and mgmt interact and handle outside business transactions.

iii) Corporate values :

- > company core value are ethics and principles that govern the company decision making & actions.
- > The important factors of employee satisfaction will be culture & values of the org.

N) Market competition :

It is the place where numerous producer compete with one another in order to provide goods & services as consumer wants and needs.

Workplace Diversity:

→ Diversity in the workplace is a method of creating a diverse environment in which individual with diverse talents, cultural experience & backgrounds are respected.

→ People's diverse viewpoints are influenced by Age, Race, Gender, Religion & Education preferences.

Diversity Mgmt: It is an org structured & designed responsibility to hire, compensate, encourage & maintain a diverse workforce to blend with org culture for the benefit of the org.

Importance of diversity mgmt :

- i) Stimulating employee employer relationship
- ii) Creating & establishing the consumer connection
- iii) Helps in stabilizing balanced corporate growth & economic benefit.

7 steps to effective diversity mgmt :

i) Effective communication :

- HR Management was emphasized communication, feedback which can create the work environment.
- The communication emphasize to overcome cultural challenges.

ii) Equality :

- > stop stereotypical assumptions that are both true & false
- > Avoid making assumptions based on cultural background.
- > Encourage staff to consider peers as individuals & evaluate them for the work rather than personal considerations.

iii) Encourage Diverse Teams :

- > Encourage the uniqueness of diverse workforce by making them work in diversities.
- > Diverse working teams encourage workers to get to know each other & respect each other.
- > Diverse groups share their beliefs, & appreciate the strength of the sharing abilities.

iv) Maintain Transparent Policies :

- > code of conduct shd focus on company diversity agenda
- > policies on wages & incentives
- > regulation on unemployment & cessation on behaviour grounds.

v) Sensitivity Training :

- > If your org is new to workplace diversity then org shd give proper training.
- & the old employees & new employees may be reluctant to follow the norms since they are used to homogeneous culture.

vi) Leadership :

- > Workplace diversity can succeed if the company's top mgmt takes up a collective goal.
- > The org leaders are responsible for policy formulation.
- > If the mgmt does not display proper leadership the diversity initiative will be significantly curtailed.

VII) Hiring :

- > It is crucial to hire & recruit talent from diverse culture to create a diverse workforce.

HR Information System (HRIS) :

- > It is a software soln which is used to collect, manage, store & process employee information.
- > It helps org to manage employee data effectively allowing better decision making abt the workforce.

HR strategy Model :

Company's strategic Goals : ~~Opns~~ ~~Dig in what app grp~~

- > Company wants to achieve
 - Market share
 - Quality
 - Customer satisfaction
- > Increasing profitability
- > product

Role in HR strategy } goals define the hiring of workforce

Employee competencies & Behaviour :

- > Competencies refers to skills, knowledge & ability that employee must possess to perform the jobs effectively.
- > Behaviours are the actions that expected from the employees in the workplace.

Role in HR strategy : Identifying the necessary

competency & behaviour which is very crucial because it ensures that only the workforce can enforce the company's strategies.

→ HR practices must be tailored to develop the competencies & promote desired behaviour among employees.

HR policies & practices :

→ These are the specific actions, procedures & systems that HR implements to manage the workforce.

→ They include various HR functions such as recruitment, training, performance management, compensation & employee relations.

Role in HR strategy : HR policies & practices are designed to share the employee competency & behaviour in order to align with the company's strategic goals.

→ Effective HR practices ensure that the org has right people in the right role equipped with the necessary skills & motivated to perform.

HR functions :

a) Recruitment & Selection :

The process of attracting, screening & selecting qualified candidates for the job position.

Role in HR strategy : Ensure that an org hires the individuals who possess necessary competency & fit to company culture, contributing to long term success.

b) Training & Development :

Program designed to improve employee skills, knowledge & ability through training sessions, workshops & continuous learning opportunities.

Role in HR strategy :- Enhance employee competencies ensuring they remain capable of meeting evolving demands of the roles & the company's strategic objectives.

c) Performance Mgmt :

The system & the process used to evaluate & improve employee performance including setting performance standard, conducting appraisal & providing feedback.

Role in HR strategy :- Align individual performance with strategic goals, encouraging the behaviors that drive org success.

d) Compensation & Total Rewards :

The strategy for rewarding employee including salary, bonuses, benefits & other incentives.

Role in HR strategy :- Motivate employee to perform at their best, attracting & retaining talent by fair compensation packages.

e) Employee & Labour Relations :

Managing the relationship b/w org & employees including handling disputes, labour laws, fostering a work environment.

Role in HR strategy :- promotes harmonious workplace reducing conflicts & improving employee satisfaction.

f) Strategic & Legal environment:

Ensuring HR practices, comply with legal standards & align with strategic context in which the org operates.

Role in HR strategy: Prevent legal issues & ensures that HR activity supports the company's strategic goals w/in the constraints of the legal environment.

UNIT-II

HR Planning:

> HRP is the process of examining the orgs or individuals future HR needs.

> It ensures that the org has right no. of people, w/in the right skills, in right places & at right time.

Job specification: the qualifications that are req for the individual to perform the job

Job Analysis: Analyzing the nature of job

Job Description: written doc which states abt the job

Methods of HR Planning (iom)

i) Qualitative Techniques:

i) Managerial Judgements.

ii) Delphi Technique

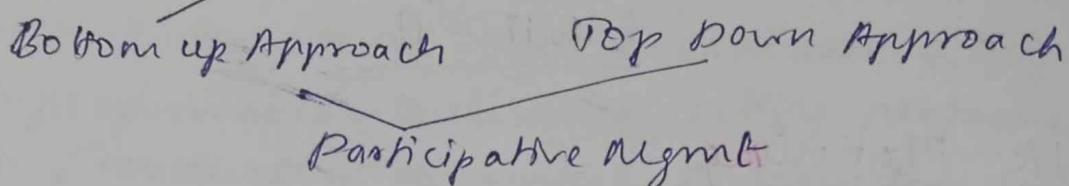
iii) Econometric Models

~~2)~~ Quantitative Techniques:

- i) Ratio Trend Analysis
- ii) Markov Model/Analysis
- iii) Work Study Technique

1.i) Managerial Judgement:

Determining the future of HRP using analysis of inflow & outflow of org by



ii) Delphi Technique

> It is originally developed by Ronald corporation after renamed as ~~"is the answer"~~ in the ancient greek oracle.

> Delphi → A group of experts join together & discuss the personnel needs & future requirements are estimated.

Collection of HR needs

↓
Group of experts

↓
Summarizes various response

↓
Prepare a report

↓
Review of report by experts

↓
Agree Disagree

(Forecast the HR demand for org)

(Process will be repeated)

until (all the experts agreed to the point)

iii) Econometric Model :
It is based on mathematical & statistical technique for estimating the future demand.

Establish relationship by mathematical calculation

Independent variable

e.g.: sales, profit,

Dependent variable

e.g.: Manpower, HK

2.4) Ratio Demand Analysis :

> Demand for manpower is estimated on the basis of ratio of man & production i.e.) studying cost ratios.

e.g.: Productivity ratio 1:150 \Rightarrow 1 man for 150 units
so for 150000 units 1000 manpower needed.

NO. of workers = Volume of sales

v) Markov Analysis :

This technique is named with Russian Mathematician Andrie Markov. He developed a probability matrix which shows the avg rate of historical movement from one job to another. Analysis to predict internal employee movement from 'Yr to another by identifying the % of employee who remained their job got promoted, transferred & left from the job.

2.iii) Work study Techniques :

It can be used when it is possible to apply work measurement to calculate the length of operation & amt of labour required.

HRP Trends (X) sem (X) Drop in Whiskey

i) Prioritising Employee wellness :

- > The significance of workers health has been brought to the light by pandemic.
- > Stress level among people have greatly increased as a result of pandemic and the possibility of recession.
- > This worried the families and health of the employees.
- > HR must create employee support & wellness programs in order to address both physical & emotional health.
eg : The aronia world for example has done great work in prioritizing employee well being.

ii) Management of workforce eco-system

- > Although HR dept focus only on fulltime employee, now they are focusing on free lancers or gig economy workers who are all temporary to company success.
- > The management of gig labour will initially be spread headed by HR.
- > The value chain consist of external stakeholders as well as temporary employees.
- > The HR has to create mentoring programs & employment rotation.

iii) reskilling & up-skilling:

- Employee training & development go beyond in the competitive world. Now-a-days automation & artificial intelligent is reshaping the world.
- People will remain in gainful employment if skill initiatives are revised to satisfy both present & future demands for talent.
- Leveraging AI & other kinds of technology will be an crucial component for skill based talent development.

iv) Retraining:

It is a practice of one's ability & knowledge to keep pace with work place environment. It is necessary when an employee is not qualified for a skill or knowledge as determined by the evaluation of employee.

v) Discovering the right talent:

Company invest a lot of money, time, effort & resources for carrying out the objective. But these resources are useless without appropriate people in the place.

vi) Grooming the workforce (VUCA D2)

(volatile, uncertain, complex, ambiguous, Digitally, descriptive)

This is the current business situation so the org has to clarify the task, project & technology in alignment to the company's environment where staff members are encouraged to inquire, argue & invent.

vii) Use of AI :

We have welcomed AI into our lives. AI is a broader term, a ground breaking technology in the workplace. It is difficult to foresee how AI will affect HR & people management. Both negative & positive aspects coexist.

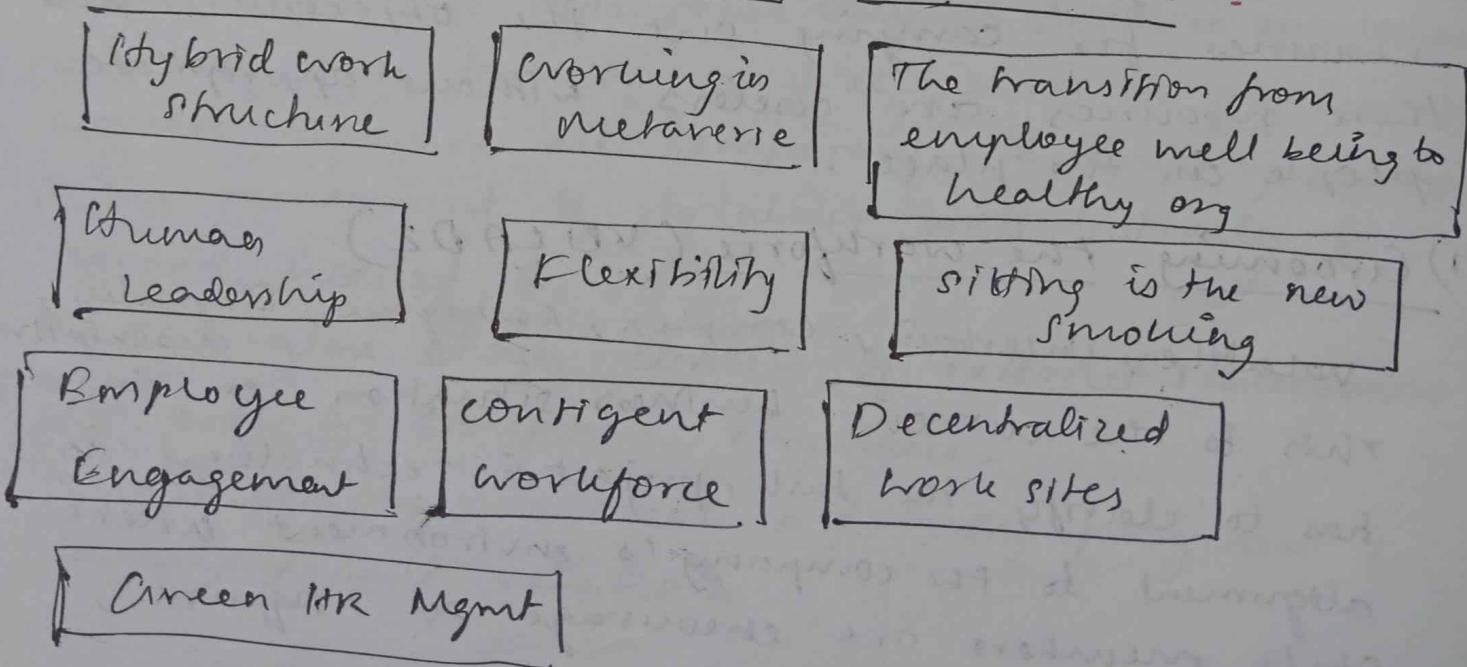
viii) DEI :

The shift from ~~in person~~ to virtual & hybrid environment has raised the need for DEI.

Company can utilize the following indicators in order to increase DEI,

- i) Recruiting metrics
- ii) Hiring metrics
- iii) Onboarding metrics
- iv) Compensation & reduction metrics

Emerging post pandemic trends in HRP:



i) Hybrid work structure :

- > Due to covid-19 the remote & hybrid working method & digitalization of HR increased in the world.
- > The flexible work approach focus on the needs of the individual employees & combines office & remote work.
eg : Ford, Siemens, Amazon with explanation
HubSpot

ii) Working in Metaverse :

- > Metaverse refers to 3D network virtual world where they can communicate & establish social bonds using virtual mode.

iii) The transition from employee well-being to healthy org :

- > According to a recent McKinsey Health Institute survey, 1 in 4 workers have Burn Out Symptoms & they found that there is ~~an~~ direct conc b/w toxic work environment & burn out.
- > Now the org shifted to focus on healthy orgs.
- > It includes → Physical health, ~~etc~~
 - Mental well being
 - safety workplace
 - Healthy culture
 - Financial fitness
 - Social health

iv) Green HR mgmt :

- > Employee behaviour shd focus more attention on environmental issues i.e) protecting the environment as a result business are implementing environmental protection effects & creating Green business plans.

v) Human Leadership :

- > A recent Harvard Business Article shows the diff b/w the Manager & leader & they codes that CEO needs to manage not just lead but middle managers needs the skills of leadership too.
- > The following strategies have to be adopted for Human leadership,
 - 1) Improve company communications
 - 2) Prioritize team work
 - 3) Invest in People
 - 4) Encourage Feedback
 - 5) Recognition & Reward

vi) Flexibility :

- > Now the employees are working from home & by that the employees are enjoying more flexibility & virtual office possibility. while considering the future of work location shd not be the main factor but company shd focus on the employee motivation.

vii) Sitting is the new smoking :

- > There is a scientific proof that when you spend more time sitting in one place, the sicker we become.
- > Unhealthy lifestyle can kill us much violently than smoking . we may stand up, put our smartphones away & exercise consistently while maintaining a healthy diet.

viii) Employee Engagement:

Employee participation is considered to be the most important aspect of successful org.

- > this includes → Goal setting
- work in Teams
- Participative mgmt
- Employee training, etc

ix) Contingent workforce :

> People who are hired on a temporary basis are contingent labours but without adequate preparation no firm shd shift to contingent workforce.

x) Decentralized work site :

Today Technology allows for telecommuting enabling employees to work from anywhere in the world.

(Recruitment : Process of attracting, screening & selecting qualified candidates.)

⑥ Sources of Recruitment : (ix)

Recruitment Meaning & definition:

Recruitment is the 1st process of employment which helps in providing adequate manpower resources for the org.

Definition : Acc to Edwin Flippo, "Recruitment is the process of searching prospective employees & stimulating them to apply for jobs in the org."



Sources of Recruitment: ~~Ex~~ ~~Ex~~ ~~Ex~~ C.R & rem

Sources of Recruitment

Internal sources

1. Existing employees
2. Present temporary employee
3. Retrenched employees
4. Retired employees
5. Dependents of deceased, Retired, and present employees

External sources

Traditional sources

1. Advertisement
2. Employment exchanges
3. Personnel consultants
4. college, Universities & institutions
5. Recommendations
6. Labour contractors
7. casual & consolidated applications

Modern sources

1. Campus interview
2. Walk-in interview
3. Personal consultation
4. Hunting the Head
5. Leasing
6. E-Recruitment
7. outsourcing

Internal Sources:

1. Existing employees:

- > Personnel already on a pay roll of an org or its present working force.
- > Majority of the orgs all over the world prefer this source.

2 - Present Temporary employees:

- > Employees who are already employed on temporary basis may be taken for work on permanent basis if they found to be sincere, honest & hardworking.

3 - Retrenched employees:

The company may retrench their employees due to lack of work. When the jobs are additionally

created the retrenched employees may be taken back again due to the pressure of trade union.

4. Retired employees :

Some companies may take back the employees who retired from a service for recognizing their loyalty & experience.

5. Dependents of deceased, retired & present employees :

It is the normal practice to give employment to the dependents of deceased, disabled & present employees.

It is considered as an effective source of recruitment.

Benefits of Internal sources of recruitment :

- > Builds loyalty among employees
- > Sense of security among employees
- > The persons are already familiar with an org & its requirements.
- > It ensures stability of employment.

Demerits of Internal sources of recruitment :

- > It discourages capable & talented persons from outside joining the team.
- > For certain jobs innovation & original thinking is required this method cannot be followed.
- > Sometimes inefficient people may be promoted to senior post this may ruin the prospects of the firm.

External sources of Recruitment :

- > The person recruited from outside are known as external sources.
- > In the present competitive economy, fresh blood should be injected into the org in order to make it more dynamic.

1) Traditional sources :

1. Advertisement :

- > The common & effective method of bringing in the candidates from outside. The employer puts up an advertisement in the newspaper in the form of display advertisement or classified advertisement.
- > The name of the post, educational qualification, experience are given in the advertisement.
- > This method is useful for finding skilled personnel.

2. Employment Exchange :

- > In our country the govt runs employment exchanges. The employment exchange Act 1959 provides for compulsory notification of vacancies to the employment exchange before filling the vacancies by the employers both the private & public sectors. But unfortunately employment exchange is unpopular in India because the recruitment practices taken by private sector undertakings in India.

3. Personnel consultants :

- > Some specialised agencies undertake the work of recruiting personnel on behalf of the employers. The consultants help to procure top & middle level executive.
- > This method is very costly.

4. College, Universities & Institutions :

- > The other name for that is "catch the young".
- > The employers maintain a closed contact with the universities & colleges for recruitment to various jobs.

5. Recommendations :

- > Introduction of applicants by friends & relatives is another source for recruitment.
- > Many employers prefer this method because background of the candidate is known.

6. Labour contractors :

- > The method is popular for hiring skilled & semi-skilled workers.

& The contractor keeps in touch with the workers & bring the workers to the places where they are required.

eg: Middle east countries.

7. Casual & Unsolicited Applicants :

- > The job seeker visit the factory or office and put their application.
- > If suitable jobs are available, they are interviewed. If there is no vacancy, the applications are preserved for the future.

ii) Modern sources :

1. campus Interview :

- > campus Interview is widely used by orgs where they need highly educated entry level employees.
- > In this method good candidates can be interviewed in a short span at a single location.

2. Walkin interviews :

- > Company with large scale operation & subject to rapid changes normally resort this source.
- > The candidates are advised to attend for an interview directly without any prior appointment.
- > They will just walk & meet the HR Manager & he conducts various tests if suitable he will be selected for appointment.

3. Personal consultation :

- > The company that are busy & subject to rapid changes they encourage the candidates to seek the job personally.
- > They consult the companies regarding the jobs. If they find suitable, the company select them for appointment.

4. Hunting the Head :

- > This method is adopted to employ senior executives who have rich knowledge & experience.
- > The company normally approach the professional orgs or sometimes by themselves to search for such candidates which is called "hunting the head".

5. Leasing :

- > The leased employees are individuals who are hired by one firm but sent to work for another for a shorter duration of time.
- > The acquiring org pay a flat fee for the employees.
- > But the company will not provide any social security payment.

6. E-recruitment (Cyber spaced Recruitment)

- It is also known as Electronic Recruitment which is a modern source of recruitment made by internet.
- org advertise about their job vacancy through the websites. It is also called "Cyber space recruiting."

7. Outsourcing :

- It is an arrangement where HR are drawn from the pool developed by orgs instead of having own HR Mgmt.

Selection :

Selection is the process of discovering the most suitable & promising to fill up the vacancies.

8 stages in Selection (Part - C)

1. Scrutiny of Application received

↓
Preliminary interview

↓
Blank Application forms

↓
conducting tests

↓
Final Interview

↓
Checking of references

↓
Medical Examination

↓
Final selection

↓
Placement & induction

Step 1 : Scrutiny of Applications & Received

- > Applications of the candidates who have the required educational qualification & experience and segregate the application who don't have required qualification.
- > The rejected applicants are informed by sending a letter.
- > The candidates who have required qualification, are called for preliminary interview.

Step 2 : Preliminary Interview

Many companies use preliminary screening before the final interview to eliminate the unsuitable candidates.

Techniques adopted to screen candidates.

i) GID : applicants selected at 1st stage will be called for & asked to take part in GID. Under this method applicant will be given an important issue & ask to discuss on that & arrive at a conclusion to solve it.

ii) Games : It evaluates the applicants in areas such as decision making, identifying the potentials, handling critical situations, ability to solve problems, etc.

Important business games are as follows.

- a) casestudy
- b) Role play
- c) In Basket
- d) sensitivity
- e) simulations

Step 3 : Blank Application Forms

- > A blank application is a printed application form used to collect the individual bio data of the candidate.
- > The Application form should be carefully drafted so as to solicit all important information about the candidate.

Step 4 : conducting test

- > Mr. Simon & Mr. Binet Adopted various Intelligence Test in the year 1914 - 1918 in various important jobs.

Types of Test :

i) Performance test → a) Work Sampling : It is the selection device requiring applicant to actually perform a small segment of the job. It is an effort to create the miniature replica of the job.

→ b) Assessment centre : An elaborate set of performance simulation test specifically designed to evaluate a candidate's managerial potential which is assessed by assessment centre. Applicants go through a series of exercises given by trained psychologists to see how they perform.

ii) Psychological test :

→ a) Intelligence test : It is used to measure the mental ability or the mental alertness of the applicant. Right people can learn the job more quickly than those who are less intelligent.

→ b) Aptitude test : It is a kind of Intelligence test that measures the overall learning ability rather than past achievement. Some of the important tests under the category are given below :

- Nagru Mental exercises - P&G of India has designed this test

- Clerical Aptitude test - It is used to assess vocabulary, spelling & arithmetical ability of an individual.
- Pilot Aptitude Test - The test is designed to assess word formation, b/w hands & feet movements.
- Computer Aptitude Test - It was designed to assess the power of reasoning & analysis.

iii) Interest Test: The test is conducted to analyse the likes & dislikes of the individual. Interest is a free factor which leads to favourable results of the job.

The following are the widely used interest test:

- a) Strong Vocational Interest Blank - The Applicant is asked whether he likes, dislikes about school, subjects, occupation, people, etc.. The answers will be compared with answers given by successful people.
- b) Kuder Preference Test - The Kuder has designed this technique to differentiate b/w honest answers & to make good impression. The system reported that 90% of the answers honest & it also helps to detect dishonest answers.

iv) Personality Test :

- a) Thematic Apperception Test (TAT) : In this test, the candidate is shown a series of pictures & ask to write the story about the picture. For eg., a man having revolver in his hand & standing behind an old lady. The candidate has to describe 'what is the current scene', 'what is happening at the moment', 'what are characters feelings', 'what will be the outcome of the situation'. The Psychologist using this creates the personality description of the individual upon his needs,

ego activities, etc ..

b) RORSCHACH INK BLOTTEST : The candidate is asked to organize unstructured ink blots into meaningful concepts. The resulting projections are analyzed in terms of use of color & shades, the movement of blots, etc.

Step 5 : Final Interview :

A face to face interview where the candidates job & the salary will be negotiated.

Step 6 : Checking the References :

The referees shd be contacted before the final selection to know about the individual.

Step 7 : Medical Examination :

During Medical Examination, the Doctor will examine the candidate & declares him fit for the job then only the employers provide the employment letter.

Step 8 : Final Selection :

After the candidate got an appointment letter the candidate will be in provisional period from 6 months to 1 year after that he will be a permanent employee.

Step 9 : Placement & Induction :

Placement → Placing the selected candidate in the job with other workers & induction means introducing new employee to other employees & also specifying the rules & regulations of the org.

Employee Selection Tools :

1. Background checks : Educational qualifications
2. Reference check :
3. Interviews : various types
4. Resume screening : whether required skills are met.
5. Assessment test : to know abilities
6. situational questions : scenario or situation handling

Training & Development:

Meaning & Def of Training :

Mean: Training is the act of increasing the knowledge & the skill of an employee for doing a particular job.

Def: According to Gary Dessler, Training refers to "The methods used to give new or present employees the skills they need to perform their job."

Methods of Training :

Part-B
CIA & sens

Training Methods (5 types)

On the job training

1. coaching
2. understudy
3. Position rotation
4. Job Instruction
5. Committee

Assignments

Off the job training

1. vestibule training
2. Role Playing
3. Lecture method
4. conference or Discussion
5. Programmed Instruction

Apprenticeship
Training

Internship
Training

Learner
Training

I) On the job Training :

1) coaching :

Under this method, the superior teaches the job, knowledge & skills to a subordinate. It is also called learning by doing.

2) Understudy :

Under this method, the superior gives training to the subordinate under his duty. The subordinate acts as the student to the superior. He is called successor to fill the vacancy caused by the promotion or retirement of the superior.

3) Position Rotation :

Under this method, one trainee is periodically rotated from one job to another job instead of staying on one particular job.

4) Job Instruction :

The trainer instructs the trainee ~~the~~ way he has to perform the job. Then he permits the trainee to perform the job. The trainer appraises the performance & provides feedback & corrects the trainee.

5) Committee Assignments :

Under this method, a group of trainees are given an actual organizational problem & asked to solve it jointly. It promotes team work.

Merits of On the job Training :

- > The workers learn the jobs in actual conditions. This motivates him to learn quickly.
- > It is less expensive & less time consuming.
- > The trainee is under close supervision of the supervisor.
- > Production won't suffer or delayed.

Demerits :

- > If the supervisor is unable to devote more time to subordinates, the work will be spoiled.
- > Expert guidance is possible only when the supervisor is himself an expert.

II) Off the Job Training :

Under off the job training, the trainee is separated from the job situation. His attention is focused upon learning the future job performance. He can focus fully on learning rather than spending time in performing it.

Methods :

i) Vestibule Training :

- > Under this method, the new workers are trained for specific jobs on special machines & equipments in a separate room located in the plant. An experienced workman is entrusted in the task of training.
- > This method is suitable when large no. of new recruits are to be trained simultaneously.

Merits :

- > It does not disrupt the regular work of the supervisors
- > Since the training is provided off the job, the trainer has no other work other than teaching.
- > The trainer is an experienced & specialized person.

Limitations :

- > It is an expensive affair.
- > The method is not suitable to train one or two employees.

ii) Role Playing :

Under this method candidates are asked to assume the role & play accordingly. For eg., he may be asked act like production manager, quality control manager, etc.

iii) Lecture Method :

It gives instructions to the trainee directly. The instructor prepares the material & give it to the grp of trainees in the form of speech. The important advantage of this method is cost & time involved are reduced.

iv) Conference or Discussion Method :

It involves the group of people to pose ideas, examine & share facts & data, test assumptions and draw the conclusions. Discussion involves two way communication & feedback is provided.

v) Programmed Instruction :

Under this method, the subject matter has to be learned is presented in a series of carefully planned sequential units. The trainee goes through the units by answering the questions or fill in the blanks.

III) Apprenticeship Training :

Under this method, the individual will be taught with the practical skills to the new employee.

IV) Internship Training :

Students get practical training while they study.

V) Learner Training :

Learners are the persons who are semi-skilled employees & those who don't have basic knowledge. They are trained in the operations or missions. After training they will be placed in the regular job.

Techniques of training :

1) Sensitivity Training :

- > The members are brought together in a free open environment where all the participants freely interact with each other.
- > A professional Behavioural scientist will observe & interact with the participants & know their ideas, beliefs & values.

2) Transactional Analysis (TA) :

- > 3 ego states - Parent, Adult & Child

The position collectively known as ego states. People with parent ego state may control & nurture. Adult ego state reflects rational & unemotional behaviour. Child ego represents emotions developed in response to childhood experience.

- > TA provides better understanding of how people relate one to another one so that they may

improve communication & human relations.

3) Simulation Exercise:

Under this technique, problem with alternatives will be given for discussion. Experienced trainers describe real world experience & help in developing the solns.

4) Job Rotation:

Rotating an employee through the series of jobs so that he can get knowledge about different jobs.

5) Internship:

Combination of classroom & onjob training.

Evaluating Training Effectiveness:

Kirkpatrick Evaluation model : (RCBR model)

(R) Reaction (level-1) : Relevance & usefulness

Questionnaire or survey:

- > course content relevant & easy
- > Takeaways
- > Strength & weakness of the program
- > Learner pace & style
- > how well the learner received the content

(L) Level-2) Learning:

- > Measuring how well learner learned the things.
- > Measuring the knowledge & skill gained by the learner by
 - > Test score during & after training
 - > Evaluation of learning projects
 - > Performance API

- > course completion & certification
- > supervisor's report & feedback
- >

(n) (Level-3) Behaviour :

It involves understanding how the training is impacted learner's performance & attitude at work.

- > informal feedback from peers
- > official job performance
- > customer surveys
- > on the job observation

(R) Level-4 Results : - Tangible results

The results of the training are

- > reduced cost
- > improved quality
- > increased productivity
- > increased sales
- > ~~Employee~~ ~~Retention~~

Management or Executive development :

Def : Acc to Koontz & O'Donnell, "Executive development concerns the means by which a person cultivates the skills whose application will improve the effectiveness & efficiency with which the anticipated results of a particular organizational segment can be improved!"

Various Management Development Program (MDP) methods : (for evaluation of programs)

1. Pre & Post Assessment :

Compare the participants knowledge & skills & attitude before & after the program.

2. Survey & Feedback Forms :

Collect participants feedback on the program content delivery & relevance.

3. 360° Feedback :

Feedback from participants, managers, peers to assess the behavioural changes.

4. Case study :

Analyze the real life situations/scenarios to assess participants application of learning.

5. Action learning Projects :

Evaluate participants ability to apply learning to solve organizational problems.

6. (Return on Investment) ROI Analysis :

Assess the financial impact of the program on the organization.

7. Kirkpatrick's Model :

RLBR model (R → Reaction L → Learning
B → Behaviour R → Results)

8. 1 to 1 Interview :

Conduct in-depth interviews with the participants in order to gather feedback.

9. Focus group :

Collect feedback through QD.

10. Longitudinal study :

Assess the program impact over the extended period.

~~Good~~
~~Year~~
~~of life~~

Career Planning :

Career → career can be advancement or stability in a profession over a period of time. Acc to Jeff Ray, "Career is the pattern of work related experience that impact the course of a person's life."

Career Planning : It is what initial stages of an individual. After completing your education when you plan to pursue for a career is called career planning.

Career planning involves following process / steps :

- i) career planning is a process, for identifying what you are good at.
- ii) knowing your skills & talents and translate into jobs.
- iii) Matching the skills to your existing jobs
- iv) Matching your career goals with the educational needs.
- v) Matching your career goals to your financial plans.

Career Planning has 3 main components :

- i) self exploration
- ii) Occupational Exploration
- iii) Education & career planning

i) Self Exploration :

- It is a process of examining your
 - > skills & values & experience & interest & education

ii) Occupational Exploration :

- Occupational Exploration includes activities such as
 - > conducting informal interviews
 - > attending career & job fairs
 - > researching occupation & job profile
 - > gathering labour market information

iii) Education & Career Planning :

- It consists of
 - > Decision-making > Goal setting
 - > Problem solving > Action planning

UNIT - 3

Performance Appraisal :

- > According to Edwin D Flippo "Performance Appraisal is defined as "A systematic periodic process, an impartial rating of an employee's excellence pertaining to his present job & his potentialities for a better job."
- > From the definition it is clear that performance appraisal is the evaluation of performance of an employee on particular jobs.

Objectives of Performance Appraisal :

- > To determine the professional qualification
- > To remove the misfits
- > To determine the qualification for the assignment of work
- > To select candidates for special training.
- & To assist in the development of employees
- > To find out the talents & weaknesses.

Methods of Performance Appraisal :

- 1) Rating scale
- 2) Employee comparison system
 - ↳ Rank order system
 - ↳ Paired comparison system
 - ↳ Forced Distribution system
- 3) Checklist Rating system
 - ↳ simple checklist system
 - ↳ weighted checklist system
 - ↳ forced checklist system
- 4) Critical Incident Method

1) Rating scale / system :

- > It is also known as chart system.
- > Under this system a straight line measuring 5 inches long is used for measuring each of the traits and at regular intervals short descriptions are written to signify different degrees of trait.
- > The descriptive may be excellent, good, average,

poor, very poor or in some cases numbers or grades like A, B, C, D, E are used.

The rater places the tick mark along the scale representing the degree of trait for the employee being rated.

Merits :

- The system is simple & easy to understand
- It is less costly when compared to other systems.

Demerits :

- The personal bias of the rater will be there in the rating process.

2) Employee comparison system :

Employee comparison system provides for the ranking of employees in comparison to each other.

i) Rank order Method :

- Under this method the rater simply ranks the employees and arranges them in the order of merit from best to poorest.
- Generally the rater considers the quality as a whole and compares one employee and that of another employee.

Merits :

- Oldest & cheapest method
- Simple & easy to understand

Demerits :

- Difficult to compare single man with entire mass, having different qualities
- The degree of difference b/w 2 employees are difficult to determine

- > the personal bias of the rater may affect the rating procedure.

ii) Paired Comparison Method :

Under this method each individual is compared with others only once at a time. For eg. X will be compared with Y, Y will be compared with Z, Z will be compared with X and so on.

$$\text{No. of pairs} = n(n-1)/2$$

$n \rightarrow$ no. of persons
to be rated

Merits :

- > the result of this system are very reliable when a single trait of an individual is to be rated.

Demerits :

- > the system is highly unsuitable when there are more no. of persons in a group.
- > the presence of rated bias affects the result under this system.

iii) Forced distribution system :

Under this method, workers doing the job are grouped into some specific groups such high, above average, average, low & poor.

Merits :

- > This method is suitable when there are more no. of persons.

Demerits :

The wide variation in rating results can't provide proper guidelines in recruitment.

3) Checklist Rating System :

It is a standard list of stmts about the traits of employees which can be checked for the evaluation to show whether the person satisfied in the trait contained in the stmt. This is of 3 kinds,

- i) simple
- ii) weighted
- iii) forced checklist methods

i) simple checklist method :

the rater checks the behaviour of the employee whether it is +ve or -ve. Employee's performance is rated on the no. of +ve checks.

The -ve checks are not considered in this method.

ii) weighted checklist method :

The checklist under this system contains large no. of descriptive stmts & scale value is assigned to each stmts.

The rater checks each stmt which describes the employees behaviour.

iii) Forced choice checklist system :

The experts select a no. of stmts or phrases has both favourable & unfavourable things abt an employee.

The stmt are printed in the form of four.

The grp of 4 phrases is called 'tetrad'. It maybe sometime favourable or unfavourable.

The rater should choose one which describes the particular employees performance.

Merits :

- > The system completely eliminates the bias of the rater in rating the employees.

Demerits :

- > The method is quite expensive & time consuming.

4) Critical Incident Method :

- > Critical Incident Method means an incident which explains about the employee which results in success or failure of an employee on the part of his job.
- > Under this system the supervisor keep records of critical incidents & reaction of an employee towards the incidents.

Merits :

- > This system provides growth & development of supervisors & subordinates.

Demerits :

- > This method provide scope & development of supervisors rather than subordinates.

Performance Appraisal Process :

Establishing Performance standards



Communicating the standards



Measuring the actual performance



Comparing with standards



Providing feedbacks



Taking corrective actions

i) Establishing Performance standard :

- The 1st step in the process of performance appraisal is the setting of standards which will act as a base for comparing with actual performance.
- There are certain criteria which judge the performance of the employees as successful or unsuccessful depending upon their contribution to organizational goals.
- The standard shd have 3 important components.
 - It shd be clear
 - It shd be understandable
 - It shd be in measurable terms

ii) communicating the standards :

- It is the responsibility of the evaluator to communicate the stds to all the employees of the org.
- This will help to understand their roles & to know what is exactly expected out of them.
- The std shd be communicated to the appraiser or the evaluator, ^{if req} the std can be modified at this stage by getting feedback from the employees.

iii) measuring the actual performance:

- The actual performance of the employee is very difficult to assess or measure because it is the continuous process which involves monitoring performance throughout the year.
- A careful selection shd be made of appropriate techniques of measurement, taking care that personal bias does not affect the employees of the org.

iv) comparing with standards :

- > The actual performance should be compared with desired or std performance .
- > the comparison shows the deviation in the performance of the employees .
- > when actual performance is more than the desired performance it is a +ve deviation , when actual performance is less than the desired performance it is a -ve deviation . so proper steps to be taken for -ve deviation .

v) Providing feedback / Discussing results :

- > The result is communicated & discussed with the employees on one to one on time basis .
- > The focus of this discussion is on communication & listening .
- > The problems & solns are discussed & thereby reaching consensus .
- > Performance Appraisal feedback is helpful to correct the mistake done by the employees without demotivating the employees .

vi) Taking corrective action :

- > Actual will be compared with the std & finding the soln for the deviation or providing rectification to the deviation by discussing with the employees .

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Principles of WASA (Wage & Salary Administration)

1. There shd be a definite plan :

Wage And Salary Administration (WASA) :

Def : It refers to the establishment & implementation of sound policies & practices of employee compensation & regularly administering that is known as wasa.

> There will be difference in pay of jobs based on skill effort, mental & physical requirements.

2. WASA shd be in line with labour market :

> The wages & salary shd be fixed based on the labour market & competitors.

3. Careful diff b/w jobs & employees :

> A job carries certain wage rate & the person assigned to it are expected to achieve it. Sometimes the expectations may be high, so wage rate shd be fixed depending upon the ability & contribution of the employee.

4. Equal Pay for Equal work :

> If the jobs have equal difficulty requirements the pay shd be same regardless who fits them.

5. Equal Recognition :

> Depending upon the ability & contribution the wage incentive plan shd take a form.

6. Established Procedure for wage complaints :

> There shd be a Grievance Redressal cell that shd exist in an org to solve employees complaints.

7. Employee & Trade Unions :

> The trade union shd inform abt the wage rates, wage structure, etc.

8. The wage shd be reasonable :

> Acc to min wages Act, the wages shd be provided for reasonable std of living.

9. Wage Committees :

> If there is a revision of wages, a wage committee shd be formed however they shd be unbiased.

10. Stating in writing :

> the wage policy shd be stated in writing to ensure uniform & consistent application.

11. Wage & salary set against stds :

> wage & salary shd be checked against the std set in advance in the wage policy.

(~~Methods of WASA~~) (~~Methods of Wage Payments~~): (CDA - II) & Icm

Basically there are 2 methods of remuneration

i) Time rate system

ii) Piece rate system

i) Time Rate System:

- the wages are paid on the basis of time spent on the job irrespective of amount of work done.
- It is also known as Day wage system.

Merits:

- It is simplest & oldest system/method.
- It is easy to understand & compute.
- Earnings of the worker are regular & fixed, this gives the sense of security & self confidence.
- The plan is economical as there is no detailed record of O/P is required.
- There is no pressure to speed up the production so the quality can be high.
- Unions prefer this system because there is no diff b/w efficient & inefficient workers.
- Learners can learn ^{the} best method of doing work.
- The employer can calculate the wage bill in advance.

Disadv:

- Guaranteed remuneration makes workers indifferent & lethargic.
- This method provides no incentive for better performance.
- In the absence of incentive labour productivity decreases.

ii) Piece rate system :

- > The remuneration is based on the O/P of the worker
one unit of O/P is considered as 1 piece & wages paid as per the piece.
- > Greater the no. of pieces produced higher is the remuneration .

Characteristics of Piece Rate system :

- i) The wage rate is based on the efficiency of the workers .
- ii) There is a direct relationship b/w O/P & labor cost.
- iii) The workers work with greater speed in order to receive more remuneration .

Merits :

- > Incentive for higher productivity
- > (The talented workers get more) Recognition of Merit
- > Avoidance of delays (perform effectively)
- > Lesser supervision
- > Strict control over labour cost
- & High employee morale (motivation \rightarrow morale)

Demerits :

- > Elaborate Record keeping
- & Oppose to Trade Union (conflict among employees)
- > Excessive Fatigue
- > Uncertain wage rates

> spillage of materials & tools (more usage)

Incentive Plans of Wage Payments :

Types of Incentive Plans :

i) Balance or Debt Method :

- > It is a combination of both Time & Piece rates
- > Under this system, the worker is guaranteed with minimum wage with an alternative piece rate.
- > If the piece rate exceeds the time rate, the workers earn the excess
- > If piece rate is lesser than the time rate, the worker gets time rate alone.

ii) Halsey Premium Plan :

- > It is a combination of time & piece rate system
- > Under this system, the worker is paid a guaranteed time rate plus a percentage of wages for the time saved.
- > Usually the worker is paid 30 to 50 % of the bonus of the time saved.

$$\text{Total Wage} = \text{Time taken} \times \text{hourly rate} + \frac{1}{2} \times \text{Time saved} \times \text{Rate}$$

| Workers | Time taken in hrs | Time saved | Hourly wages | Bonus | Total |
|---------|----------------------|------------|-----------------|-------|-------|
| A | 10 hrs | - | 10 | - | 10.00 |
| B | 9 | 1 hrs | 19 | 0.5 | 9.5 |
| C | 8 | 2 | 18 | 1.0 | 9.0 |
| D | 7 | 3 | 17 | 1.5 | 8.5 |
| E | 6 | 4 | 16 | 2.0 | 8.0 |

Merits :

- > Fixed time wage is assured
- > The system is very simple & easy
- > The system gives more emphasis on time saving

Demerits :

- > The determination of std time is difficult.
- > The worker do not get the whole benefit of time saved or part has to be shared with the employer

iii) Rowan Plan :

$$\text{Bonus} = \frac{\text{Rate per hr}}{\text{std time}} \left(\frac{\text{Time taken} \times \text{Time saved}}{\text{std time}} \right)$$

- > This plan is similar to Halsey plan but slight modification in the bonus.
- > The system has fixed time wage but efficient workers can get the bonus on the basis of time saved.

& ST initially increases then decreases.

Dif b/w Rowan & Halsey

The Rowan plan aims at scaling down the wages

which makes the bonus under Rowan plan to be lesser than that of Halsey plan.

For eg : When a person saves 1 hr he will get 0.5 in halsey plan while he get 0.90 in kowan plan

Merits :

> This plan is liberal at initial stage

Demerits :

> The system is not simple to calculate

iv) Taylor Differentiate Piece Rate System:

eg. If that worker completes the work within the std time he will get higher rate of wages along with the promotions.

> If he fails to complete the job within the specified time, he will get lower rate of payment.

Merits :

> Encourage superior workers by paying more

Demerits :

> Does not guarantee minimum wage.

> There is a discrimination b/w the workers

V) Merrick's Multiple Piece Rate system:

Under this system, the std op is established & rate per piece are fixed. There are 3 categories of rates

a) Lower Rate for substandard workers upto 83% of efficiency

b) Avg Rate for Avg workers i.e 83% - 100% efficiency

c) Higher rate for efficient workers i.e.) > 100%

VI) Gantt Task Bonus Plan :

- > Henry L. Gantt & F. W. Taylor developed this system.
- > Under this system, A std time is fixed & workers are guaranteed with minimum time wage.
- > A worker who completes the job within std time shall get a bonus b/w 20 - 50%.
- > No bonus is payable to workers if they are unable to complete the task within the std time.

Benefits :

- > The system guarantees minimum rate
- & the system is very simple & does not involve mathematical calculations.

Demerits :

- > The success of the system depends upon the desire of the workers to earn more.

VII) Bedaux Point Premium Plan :

- > Under this system, A std task is established in terms of points. A point denoted as 'B' can be defined as the work which a man ^{can} complete within 1 minute.
- > The std time is fixed for all work after careful time & motion study.
- > Normally the workers share 75% of the time saved & 25% is paid to the workman.

$$\text{eg: } 480 + 480 \times 0.5$$

Broadbanding :

It is a compensation approach consolidating a range of similar job classification into a single pay band.

Objectives of broadbanding :

- i) Encourage employees to acquire new skills to move within the pay range.
- ii) Reducing the need for payband reclassification
- iii) Offering flexibility in employee compensation

Adv of Broadbanding :

- > Internal mobility : It encourages lateral moves within the org
- & Learning & development : Focusing on competency & skills rather than Job titles. It helps to promote continuous learning & development.
- & Horizontal Career Growth : Broadband Reduces no. of levels & creates space for lateral moves & horizontal career growth.
- & Increases Employee satisfaction : It increases employee satisfaction as employees are specialists.
- > Flexible : It is easier to administer so it is flexible & gives manager a greater ability to reward the employees with continuous need to promote them.

Disadv:

- > It does not consider external salaries benchmark.
- > It creates inequity pay among employees.

Employee Empowerment :

Employee Empowerment is a systematic process of giving certain degree of freedom or autonomy for taking certain decisions regarding specific urgent service delivery situation.

Executive compensation : (Ec)

It is a combination of financial & non-financial compensation received by an executive from the firm for the service of the org. It is a combination of salary, bonuses, stock options which takes into consideration of all the aspects & reward for the performance. 3 benefits of Ec :

- > Motivate
- > Retain
- > Attract

Types of EC :

- 1) Short-term Pay : It is all about the base pay, short term bonuses which are provided for the immediate performance of the employee.
 - > The short term pay is usually cash based executive compensation.

- 2) Long term Pay : ESOP (Employee stock option plan)

- > It is all about stock option, shares based on the performance. The long term compensation is usually non cash based component.

I) Short Term EC

i) cash compensation :

A sum of std cash salary that an org provides to the executive is called cash compensation.

ii) Deferred compensation :

This type of compensation will be paid at a future date for tax purpose. eg of futurecompensation, gratuity, Retirement Plans, etc.

II) Long Term EC :

a) **ESOP** : a v. of stocks is given to an executive at a discounted price in order to make him the share holder of the company & this is called Employee Stock Option Plan (ESOP).

b) **Retirement Packages** : Other name is Golden Parachutes.

> Executive Perks : It include private Jet, Travel Reembassment, etc ..

> Employee Benefits :

- Insurance
- Pension or Retirement Benefits
- Golden Handcuff → It's a form of employee benefit in which the bonus is built into an executive contract subject to continuous employment for a certain no. of years

- Golden Handshake → form of EC where the large payment made by the company to senior executive when he retires from his employment before the Period

• Golden Hello → form of EC where more bonus is given to the executive to induce him to leave the previous employment & take up the new employment by paying large sum of money such a welcome agreement is called Golden Hello.

• Golden Parachutes → type of employee benefit where the executive is provided with the attractive package in case of takeover by an acquiring company.
➤ It may include bonus, shares or any other benefits.

Employee Empowerment & Motivation of service workers

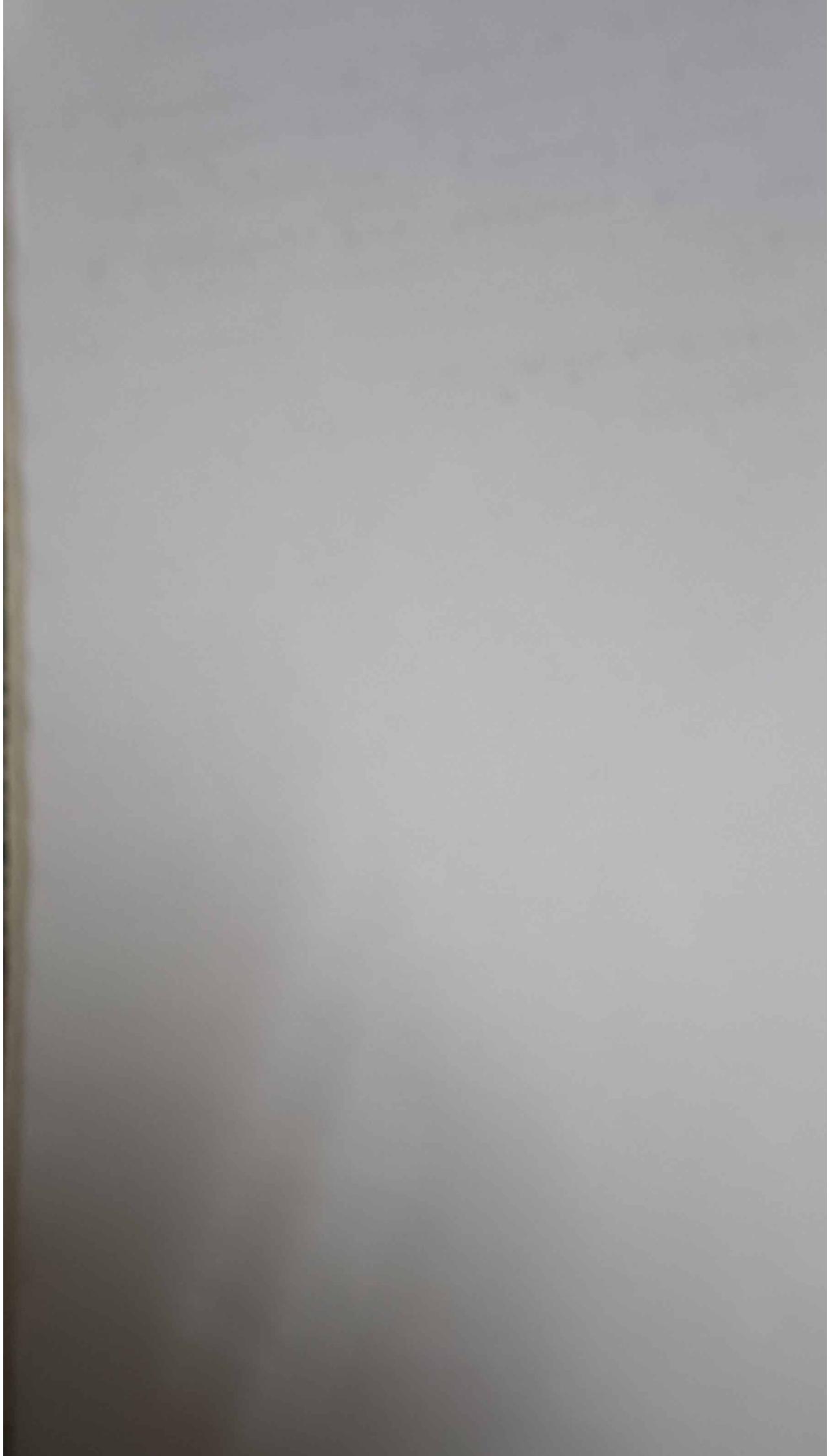
Employee empowerment can lead to increased motivation & engagement for service workers which may benefit the business as well as the employee with the following,

- i) Sense of ownership - employee feel more responsible, the power to take decision & action.
- ii) Increased Engagement - work more
- iii) Improved creativity -
- iv) Increased Productivity - dedicated, engaged
- v) Greater trust in leadership -
- vi) Job satisfaction - important factors of employee empowerment
- vii) High Performance Work System (HPWS)
- viii) Leadership development -

Service Employee shall ascertain each customer's specific service requirement and designs a distinctive service product , by taking into consideration the resources and competency of service org .

Role of service Employee :

Product Designer :-



key issues & challenges of HR in Service sector:

i) Talent Acquisition & Retention:

> High Turnover rates prevailing in the service sector leading to challenges in Recruiting & Retaining Talent.

> Attracting skilled workers in the competitive job environment is increasingly difficult.

ii) Employee Training & Development:

> Continuous Training is necessary for maintaining service quality & enhancing employee skills,

> Balancing training & demand poses a challenge.

iii) Employee Engagement & satisfaction:

> Engaging employees in their roles is challenging in service jobs i.e) continuously Repetitive.

> Creating a safe workplace is essential to maintain the motivation & morale.

iv) Workforce Diversity:

- > Managing a diverse workforce lead to challenges in communication & integration.

v) Performance Management:

- > Setting the stds itself difficult in service roles where service quality is subjective.
- > So regular feedback need to be updated.

vi) Compliance & Regulations:

- > Labor laws, Health & Safety Regulations need to be updated regularly to ensure with the legal compliance.

vii) Customer Interaction Training:

- > Employee often require specific training in customer service skills.

viii) Technology Integration:

- > Adapting new technologies in HR eg: HRIS which can be met with resistance from employees.
- > Training the staff to effectively use the technology requires investment & time.

ix) Worklife Balance:

- > For service job it requires irregular hours which impact employees worklife balance.
- > HR must find flexible things for service quality

x) Measuring Employee Productivity:

- > Quantifying the productivity in service sector is subjective making it hard to assess employee performance accurately.

Service culture in the Org :

- > A service culture is a company culture that prioritize customer service & puts the customer needs 1st.
- > It is also known as customer service culture.
- > In a service culture employees are trained to go above & beyond to ensure customers are satisfied.
- > A service culture can help a company
 - To stand out from the competitors
 - To increase Productivity
 - To improve client Retention
 - And to create a positive client environment
- > Some ways to build a service culture includes
 - Training Employees on what a service culture & why it is important
 - Coaching Agents to improve their performance
 - Hiring agents with customer centric Attitude
 - Create a healthy competition b/w customer service Agents.

Afftrition : (loss of employees from the company)

It can be of 2 ,

- i) voluntary Attrition - when an employee choose to leave the company for professional & personal reasons then it is called voluntary Attrition.

ii) Involuntary Attrition - When the company forces the employee to leave for performance issue or down sizing.

Types of Attrition:

i) Voluntary ii) Involuntary

iii) Internal Attrition - an employee moves from one dept or division to other within the company is called Internal attrition.

iv) Demographic Attrition - Employee losses from specific demographic gaps such as men, women, Age gaps etc ..

v) Retirement Attrition - A natural form of voluntary attrition that does not have impact on org.

Flexible Working Practices:

> Flexible working practices are arrangements that allow employees to adjust their working hrs, location or pattern for balancing work & life.

Some of the exs of FWPR are

> Remote working > Parttime work

> Flexible works , etc

(Unit 2) Succession Planning : It is a strategic process that involves identifying & developing potential leaders to fill the key roles in an org when they become vacant.