

Analyzing Work and Designing Jobs

Job: The world development report 2013, defines jobs as labor activities that generate income, monetary or in kind, without violating fundamental rights and principles at work”

*Jobs can take the form of wage employment, self-employment, and farming.

*Jobs can be formal or informal.

*A Job is a bundle of related tasks.

*A synonym for job is work, work is understood as physical and mental activity that is carried out at a particular place and time, according to instructions, in return for money.

*As with work, job also carries monetary consideration and involves allied tasks for wages and salaries.

*Job or work has two perspectives—psychological perspective
sociological perspective

Psychological perspective: it looks at the individual behavior.

The psychological dimensions of work is concerned with discipline of organizational behavior specifically, managerial problems of learning, attitudes, perceptions, motivation and job satisfaction.

Sociological perspective: it is concerned with broader contextual and structural factors affecting people's experience of work.

The sociological perspective dimensions are such managerial issues as leadership, communication, power and politics etc.

JOB ANALYSIS: It is the process of collecting job related information. Such information helps in the preparation of job description and job specification.

Job analysis refers to collection of information about a job. It involves collection of information that should include knowledge, skill and ability(KSA) the incumbent(job holder) should possess to discharge a job effectively.

Types of Information to be Collected in Job Analysis

Work Activities

- Job-oriented activities (description of the work activities performed, expressed in "job" terms, usually indicating what is accomplished, such as galvanising, weaving, cleaning, and so on; sometimes such activity descriptions also indicate how, why and when a worker performs an activity; usually the activities are those involving active human participation, but in certain instances they may characterise machine or system functions).
- Work activities/processes.
- Procedures used.
- Activity records (such as films).
- Personal accountability/responsibility.

Worker-Oriented Activities

- Human behaviours performed in work (such as sensing, decision making, performing physical actions or communicating).
- Elemental motions (such as those used in time and motion studies).
- Personal job demands (human expenditures involved in work, such as energy expenditure).

Machines, Tools, Equipment, and Work Aids Used

- Computers (hardware and software).
- Safety equipment (goggles and gloves).
- Office tools (phone, fax, and books).

Job-Related Tangibles and Intangibles

- Materials processed.
- Products made.
- Knowledge dealt with or applied (such as law or chemistry).
- Services rendered (such as laundering or repairing).

Work Performance

- Work measurements (i.e., time taken).
- Work standards.
- Error analysis.
- Other aspects.

Job Context

- Physical working conditions
- Work schedule.
- Organised context.
- Social context.
- Incentives (financial and non-financial).

Personal Requirements

- Job-related knowledge and/or skills (such as education, training, or work experience required).
- Personal attributes (such as aptitudes, physical characteristics, personality, interests required).

JOB ANALYSIS RESULTS IN TWO SETS OF DATA:

- 1. JOB DESCRIPTION:** It indicates what all a job involves---tasks and responsibilities tagged on to a job, job title, duties, machines, tools and equipment, working conditions and hazards form part of job description.
- 2. JOB SPECIFICATION:** The capabilities that the job-holder should possess form part of job Specification. Education, experience, training, judgment, skills, communication skills etc. are the part of job specification.

There should be fit between job demands(job description) and abilities required to discharge the tasks(job specification).

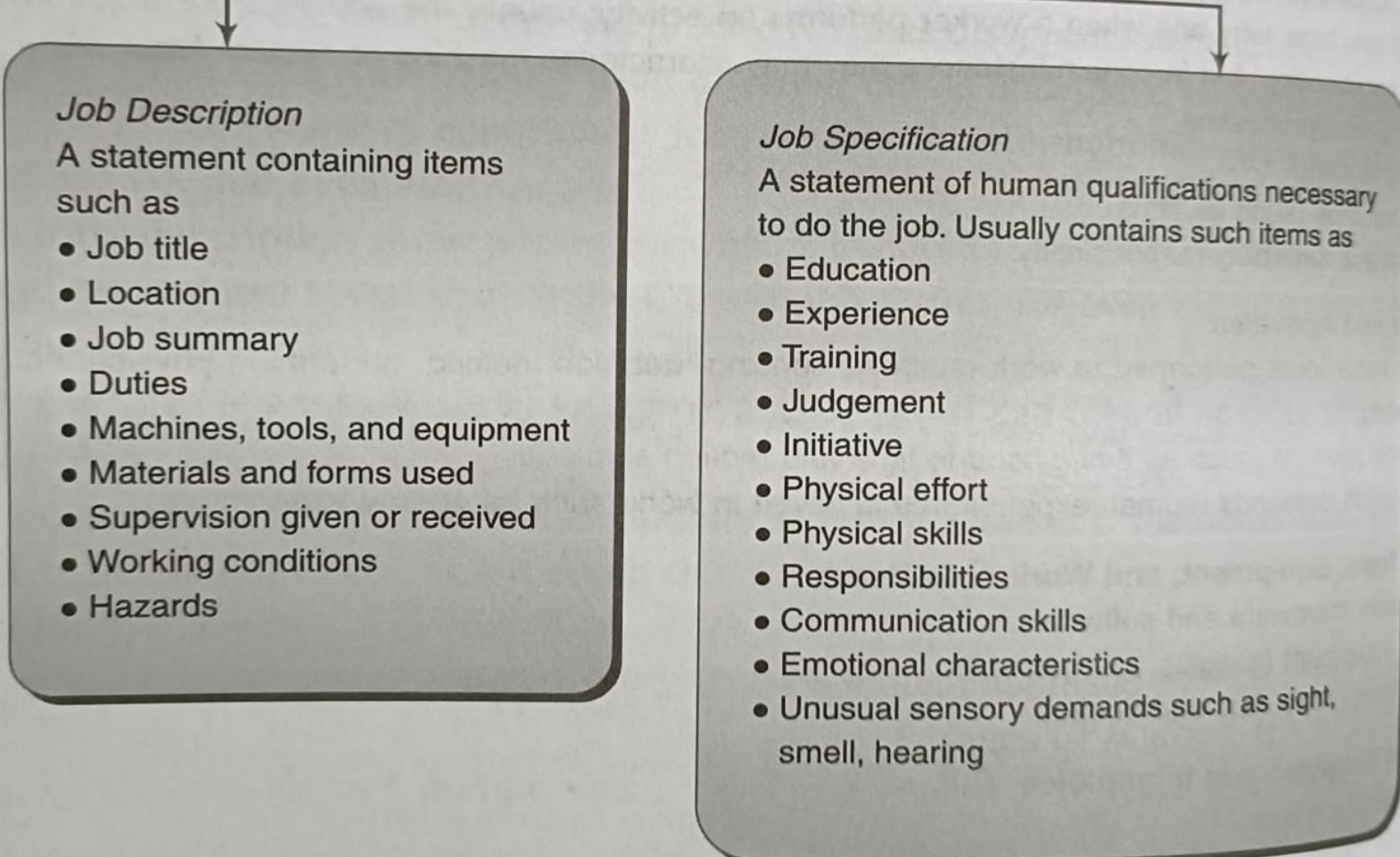
~~JOB DESCRIPTION=JOB SPECIFICATION==Job dissatisfaction==Low productivity,
Employee~~

~~absenteeism~~

~~Low turnover~~

Job Analysis

A Process of Obtaining all Pertinent Job Facts



5.1 Job Description and Job Specification

THE PROCESS OF JOB ANALYSIS:

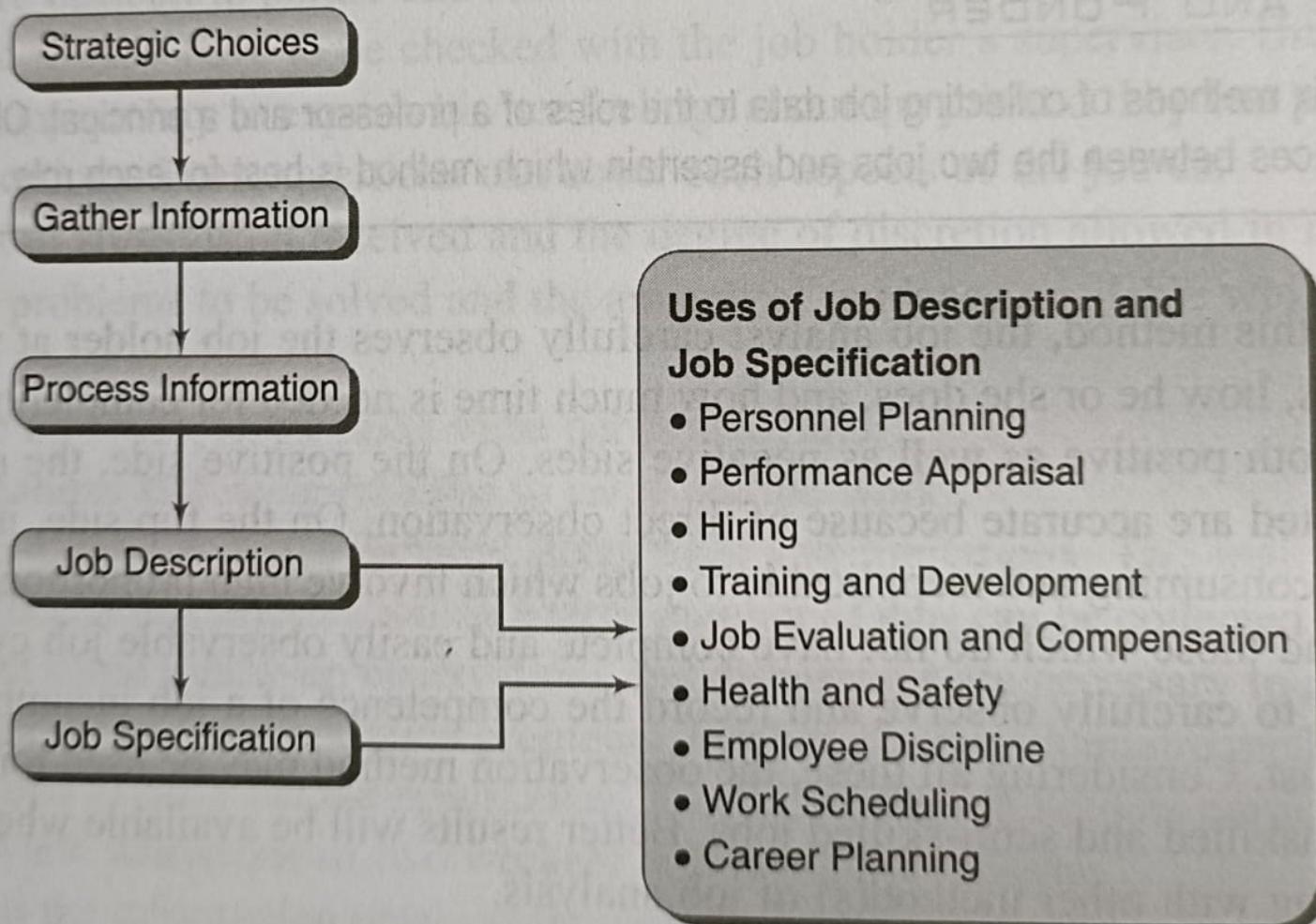


FIG. 5.2 *Process of Job Analysis*

METHODS OF COLLECTING JOB DATA:

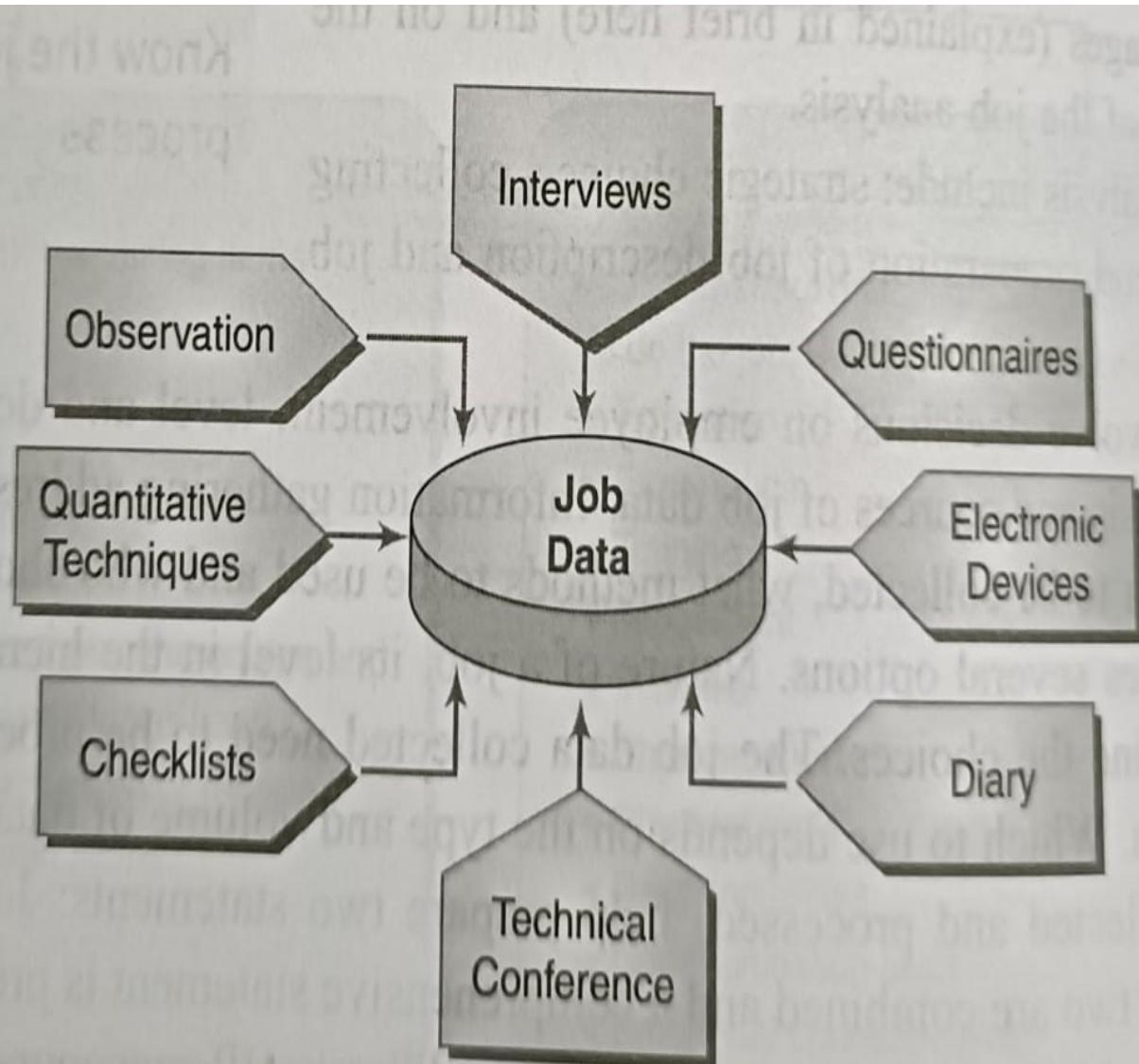


Fig. 5.3 Methods of Collecting Job Data

PURPOSES OF JOB ANALYSIS:

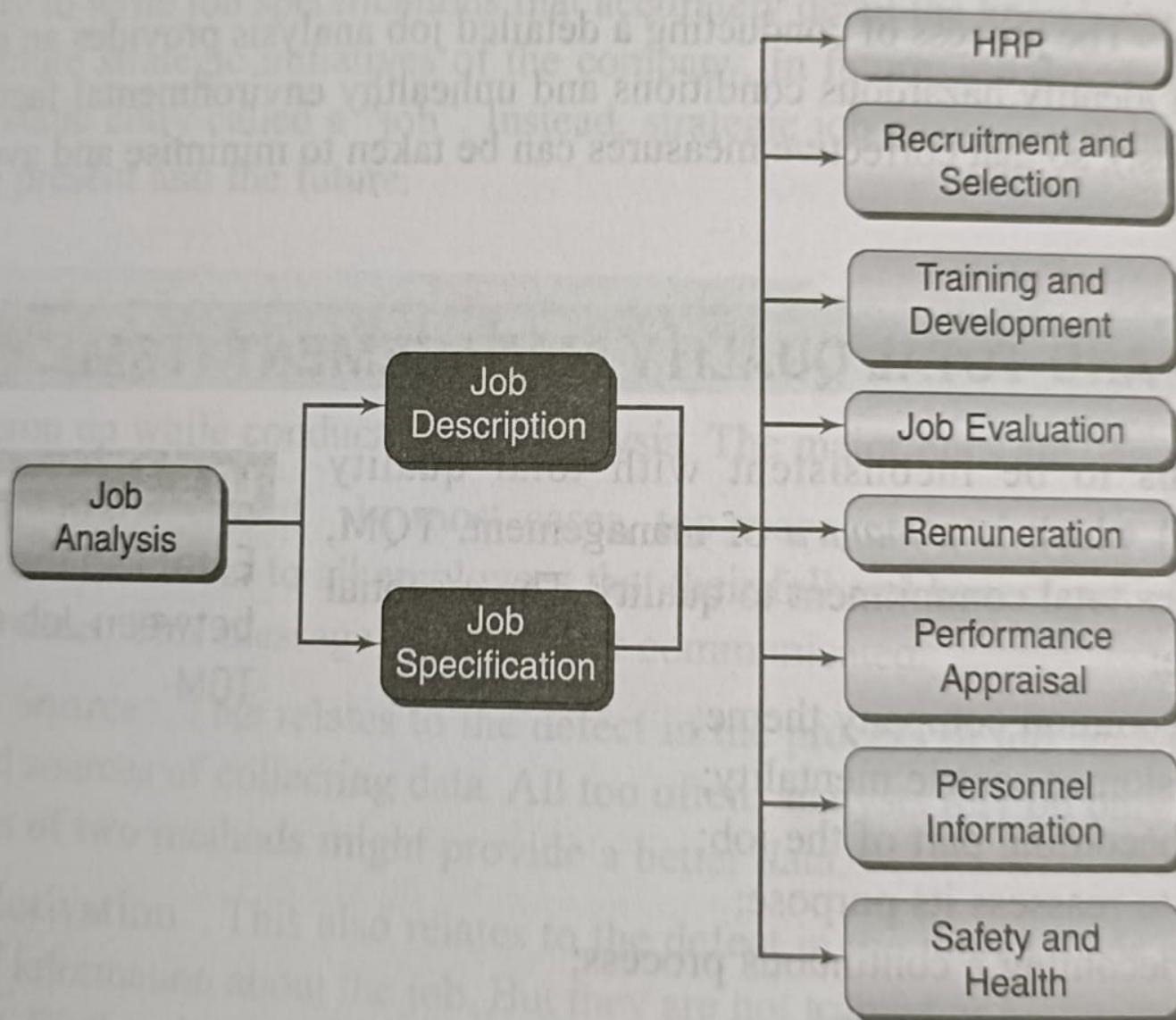


Fig. 5.4 *Uses of Job Analysis*

JOB DESIGN:

Job design involves conscious efforts to organize tasks, duties and responsibilities into a unit of work to achieve certain objectives.

Job design follows job analysis

Job design involves three steps:

The specification of individual tasks.

The specification of the methods of performing each task, and

The combination of tasks into specific jobs to be assigned to individuals.

Steps 1 & 3 determines the content of job, while step 2 indicates how the job shall be performed.

While designing a job, requirements of the organization and individual needs of the job holder must be considered. The key to successful job design lies in balancing the requirements of the organization and the job holder.

JOB CHARACTERISTICS MODEL: developed by Richard Hackman and G R Oldham
This model seeks to bring the job close to the job holder.

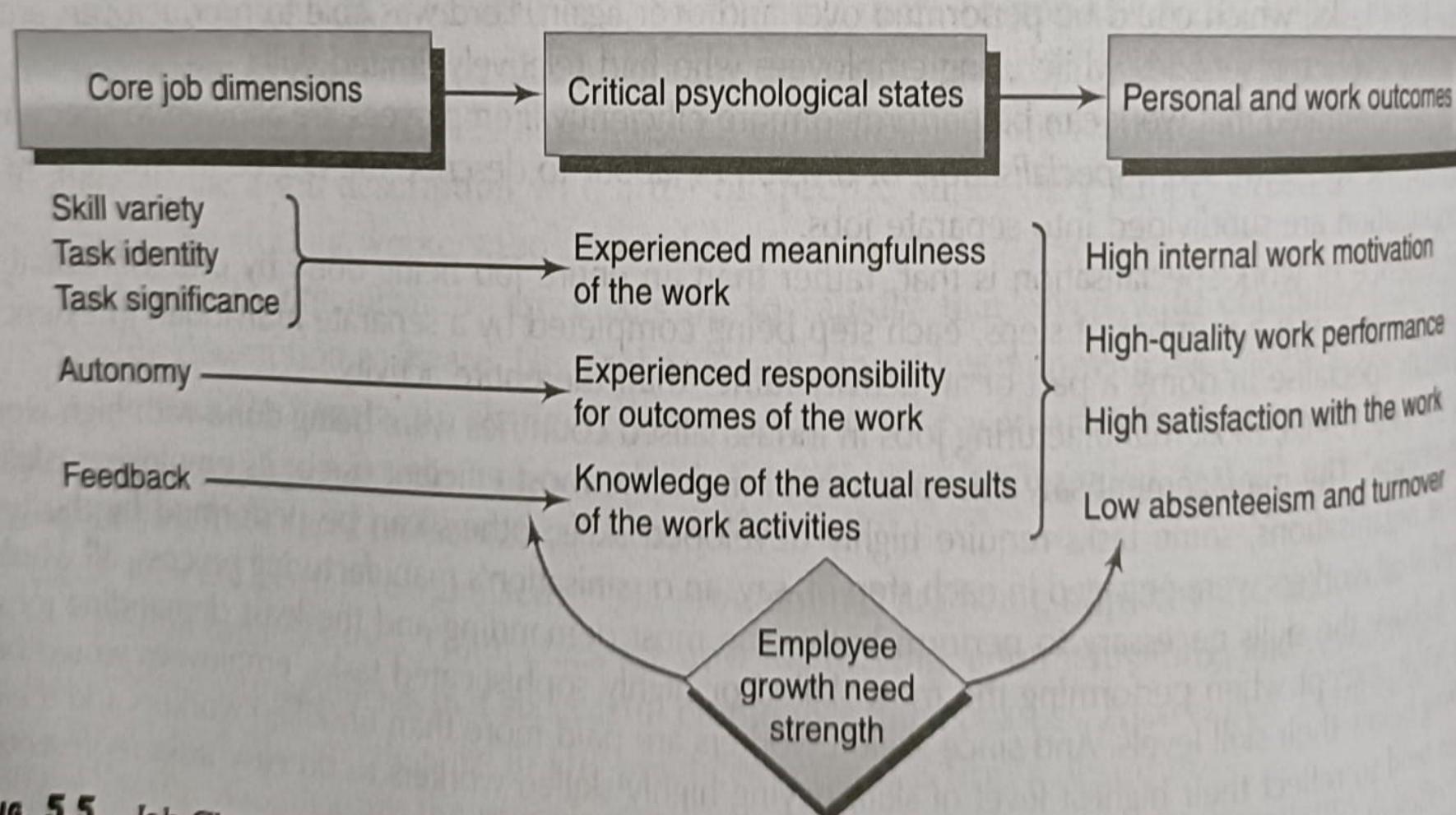


Fig. 5.5 Job Characteristics Model

Source: Debra L Nelson, et. al., *Organisational Behaviour*

FACTORS AFFECTING JOB DESIGN:

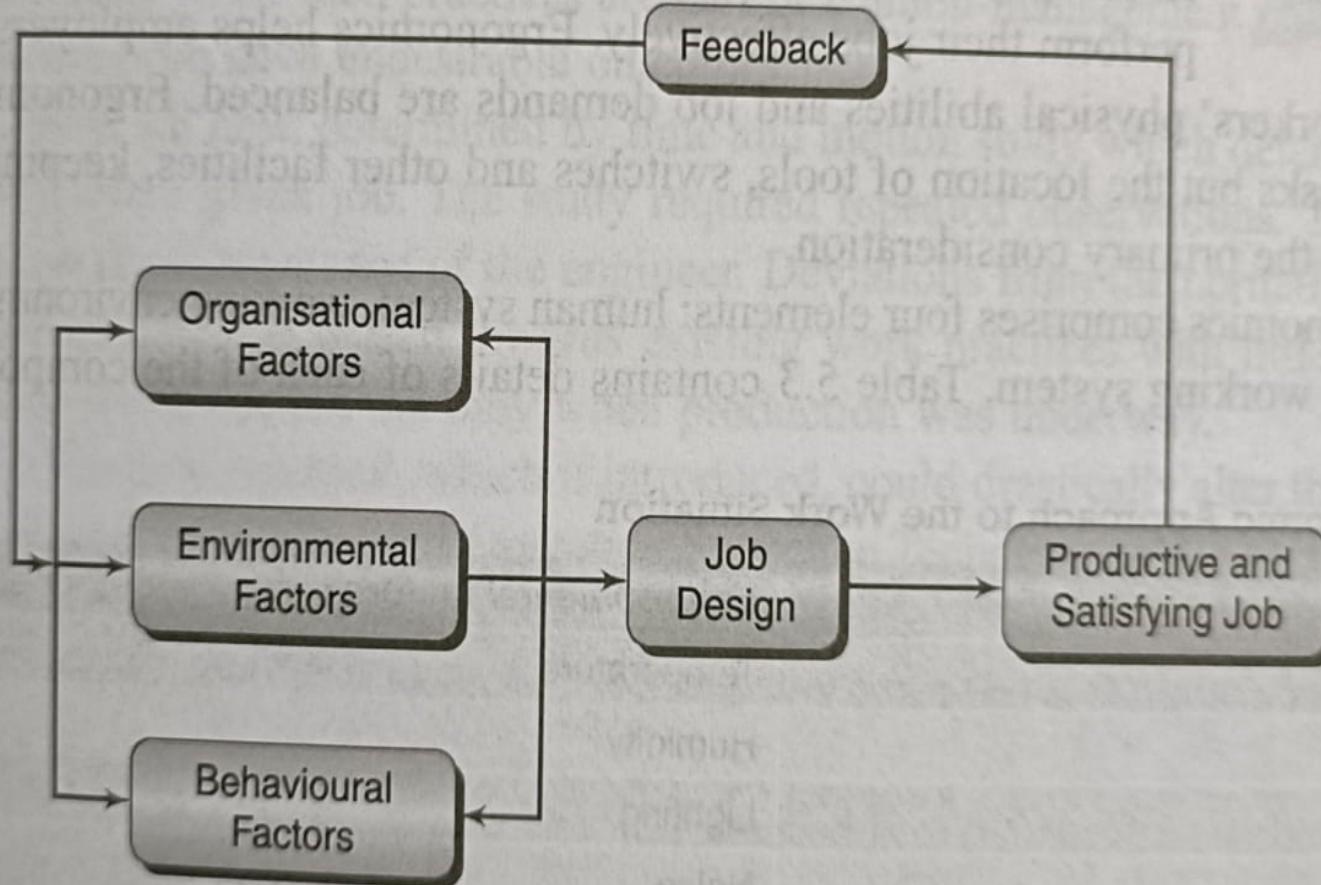


Fig. 5.6 Factors Affecting Job Design

Source: Adopted from *Human Resources and Personnel Management* by William B. Werther and Keith Davis, p. 147.

TORS AFFECTING JOB DESIGN:

ORGANIZATIONAL FACTORS:

Characteristics of Task: job design requires the assembly of a number of tasks into a job or a group of jobs. The internal structure of each task consists of three elements: planning, executing, controlling.

Work flow: the flow of work in a firm is strongly influenced by the nature of the product or service.

Ergonomics: Ergonomics is concerned with designing and shaping jobs to fit the physical abilities and characteristics of individuals, so that they can perform their jobs effectively.

it includes four elements: Human system, working environment, man-man-machine interface and total working system.

Work practices: work practices are set ways of performing works. These methods sometimes may arise from tradition or the collective wishes of employees.

2. ENVIRONMENTAL FACTORS:

Employee abilities and availability
Social and cultural expectations

3. BEHAVIORAL FACTORS:

Feedback
Autonomy
Use of abilities
Variety

JOB DESIGN APPROACHES:

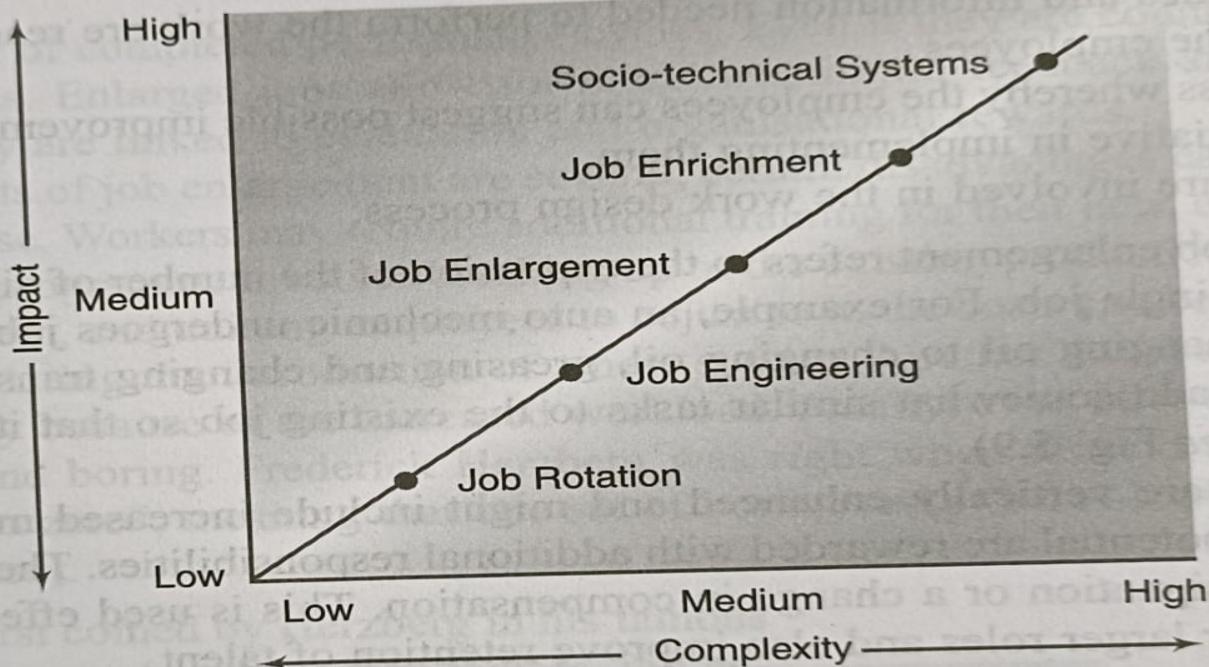


Fig. 5.7 Job Design Approaches

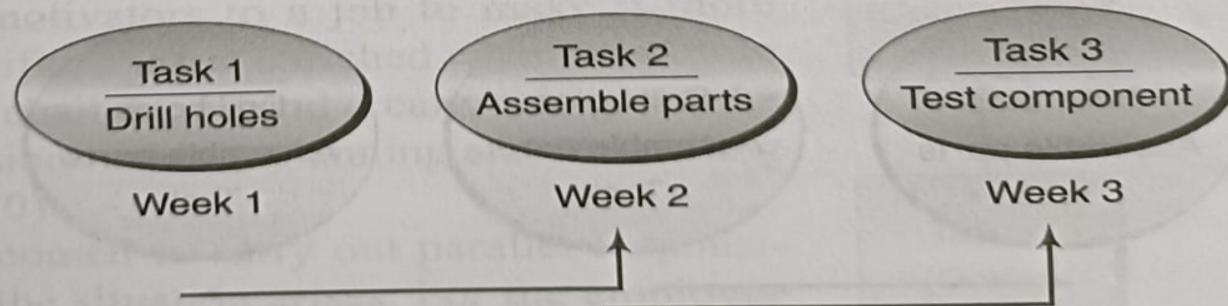


Fig. 5.8 An Example of Job Rotation

(Source: Based on *Human Resource Management* by John Bratton and Jeffrey Gold, p. 122)

JOB ROTATION: involves moving employees from job to job to add variety and reduce boredom.

JOB ENGINEERING: job engineering focuses on the tasks to be performed, methods to be used, workflows among employees, layout of the workplace, performance standards and interdependencies among people and machines.

JOB ENLARGEMENT: it refers to the expansion of the number of different tasks performed by an employee in a single job.(Horizontal expansion of number of tasks)

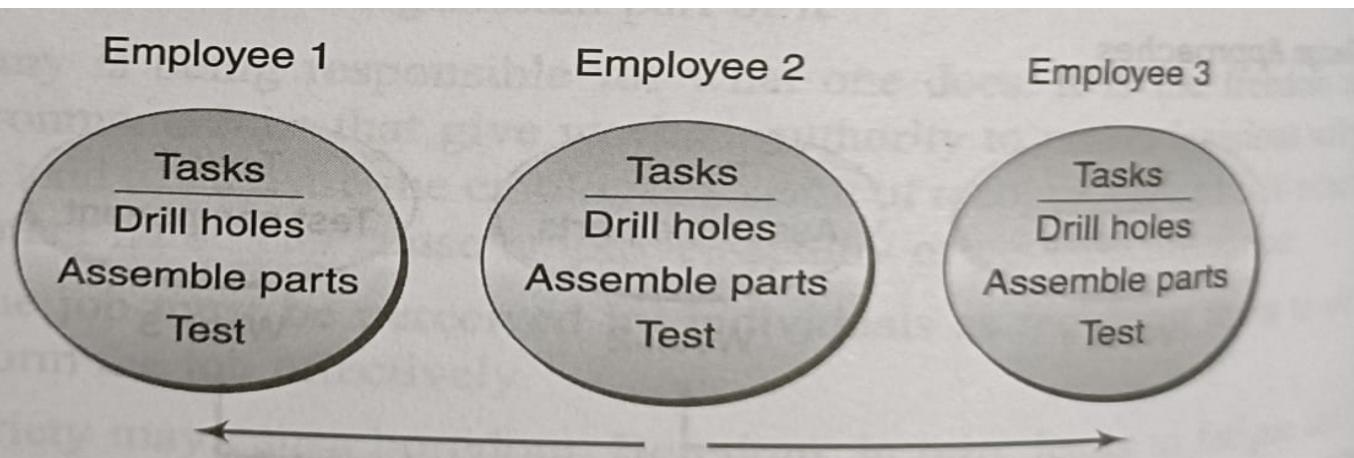


Fig. 5.9 An Example of Job Enlargement

(Source: Based on Human Resource Management by John Bratton and Jeffrey Gold, p. 123)

JOB ENRICHMENT: Involves adding more motivators to a job to make it more rewarding. Job becomes enriched when it gives job-holder more decision-making, planning and controlling powers.(Vertical expansion of number of tasks)

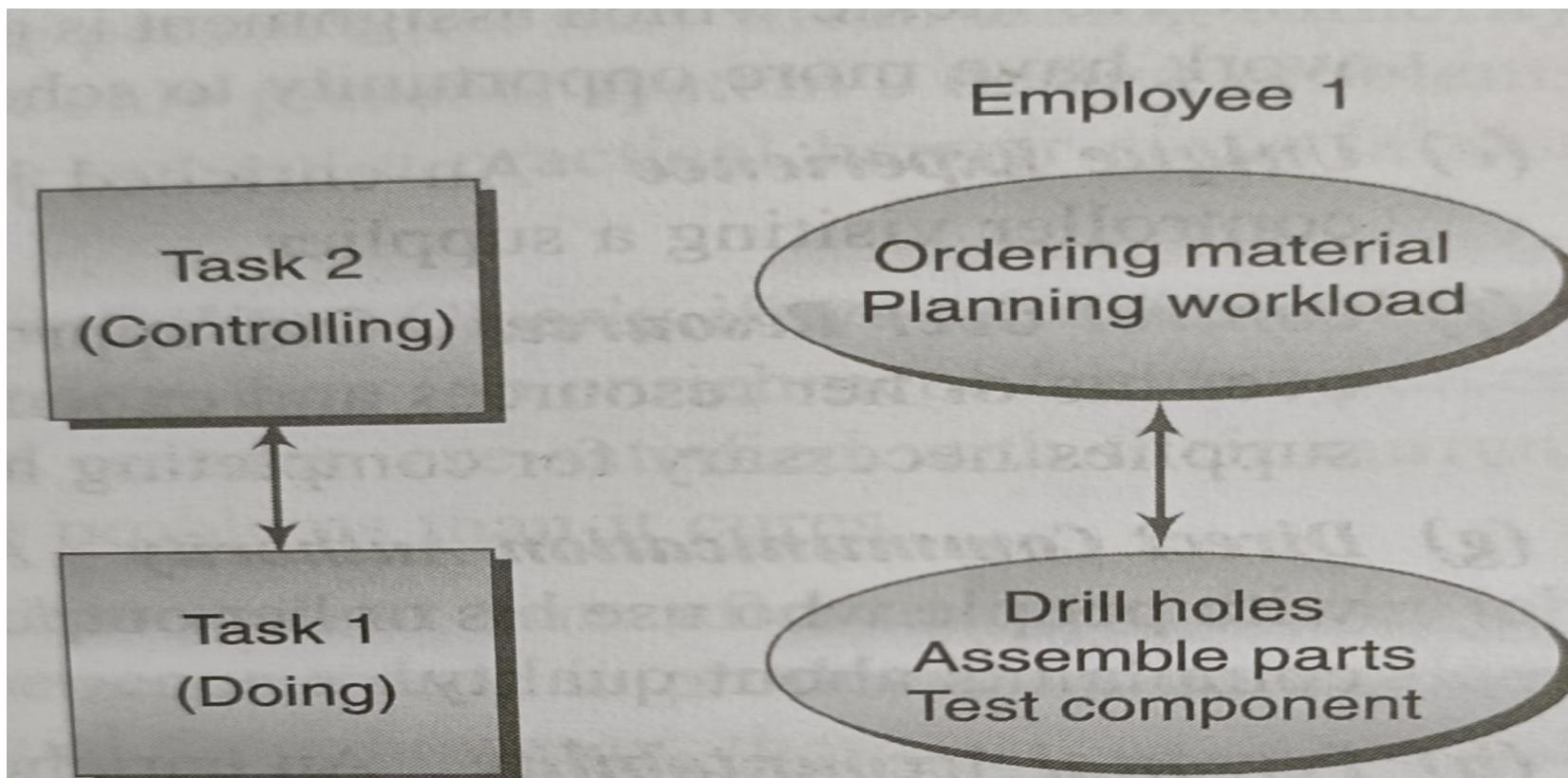


Fig. 5.10 An Example of Job Enrichment
(Source: Based on *Human Resource Management* by John Bratton and Jeffrey Gold, p. 123)

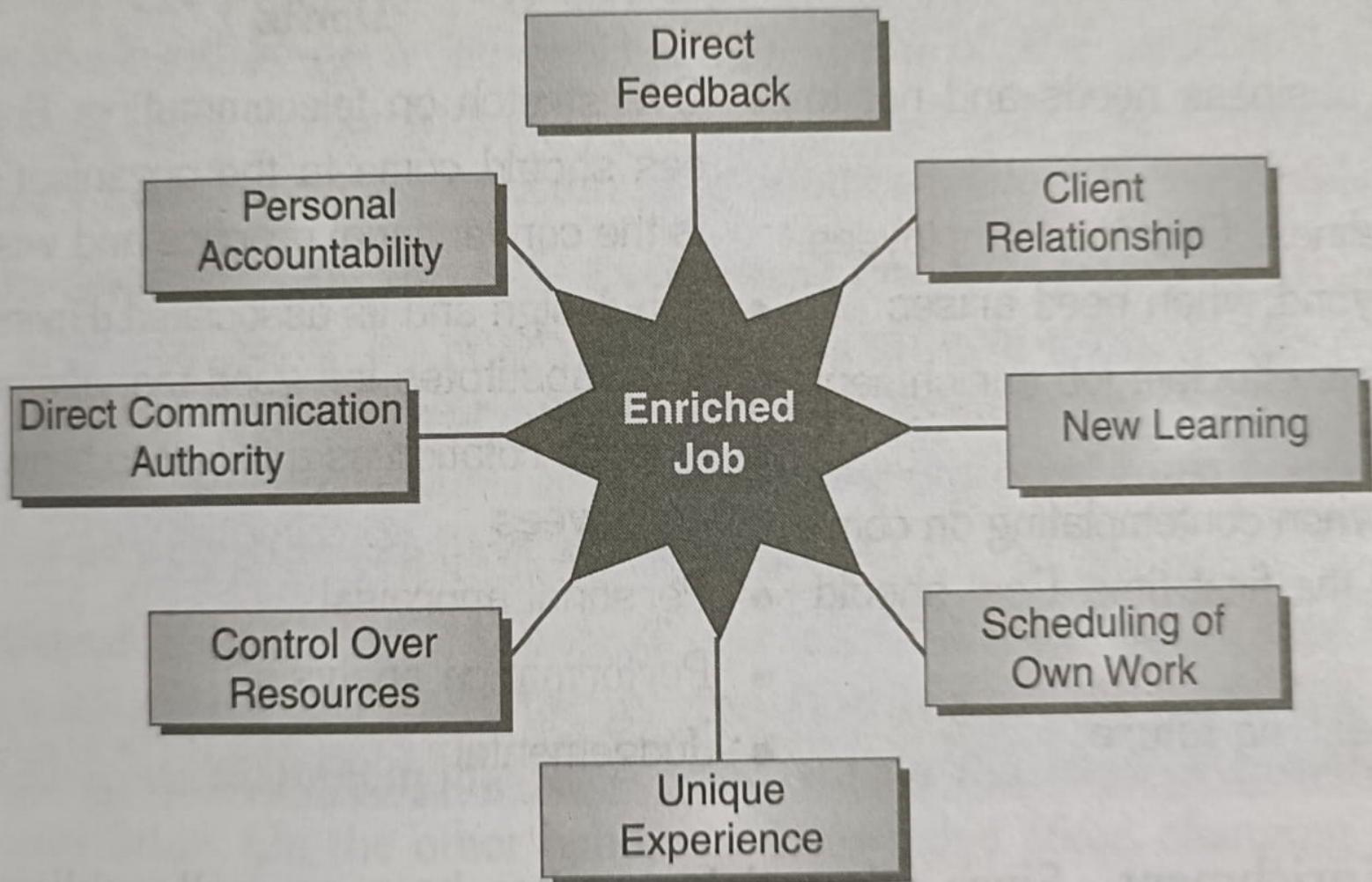


FIG. 5.11 Characteristics of an Enriched Job

SOCIO-TECHNICAL SYSTEMS: This approach focuses on organizations as being made up of people with various competencies (the social systems) who uses tools, machines and techniques(the technical systems) to create goods or services valued by customers and other stake holders.

ERGONOMICS: It is the another approach to job design but it is not shown in Fig 5.7. ergonomics focuses on minimizing the physical demands and risks of work. This approach helps ensure that job demands are consistent with people's physical capabilities to perform them with least risk.

MULTISKILLING: It is also not shown in figure 5.7, the workplace today is trending towards multiskilling. An employee with multiple skill-sets and those who have a range of skills or knowledge are highly paid and much in demand.

JOB EVALUATION: It is the process of analyzing and assessing the various jobs systematically to ascertain their relative worth in an organization. Jobs are evaluated On the basis of their content and are placed in the order of their importance. It should be noted that in a job evaluation program, the jobs are ranked and not the job holder. Job holders are rated through performance appraisal.

THANK YOU

EMPLOYEE TRAINING

EMPLOYEE TRAINING

► Opening Case Study: Training Expenditure: Cost or Investment?

KPMG---one of the major accounting firms-provides accounting, auditing and tax services. Majority of its employees are chartered accountants. The company has ambitious plans for expansion in view of globalisation. Majority of training investment of the company is on technical and procedural training for entry level accountants in the areas of accounting, finance, tax, auditing, project reports and report writing. However, KPMG has problems in attracting dynamic and energetic young graduates from the colleges and universities. This situation sometimes, discourages clients to continue with KPMG in case of existing clients and approaching KPMG in case of new clients.

HR manager, therefore suggested to provide training in interpersonal skills. But the line managers point out that the company has conducted training in client and customer relations just two years back. They added that there is no improvement in customer relations and the return on money spent on training can't be justified. The senior managers of the company feel that much investment in training is unnecessary as some of the trained employees join other organisations.

However, most of the managers feel that investment in training is essential, but the dilemma is that which part of the skill should receive more attention and investment. Interpersonal skills?

Questions:

- 1) Will training correct the problem of interpersonal skills?
- 2) Is training expenditure is cost or Investment?
- 3) Is KPMG provide the right knowledge and skill?

EMPLOYEE TRAINING:

► Introduction:

Definition- Training is the act of increasing the knowledge and skill of an employee for doing a particular job.

In other words, training improves, changes, moulds the employee's knowledge, skill, behaviour, aptitude and attitude towards the requirements of the job and organisation.

Thus, training bridges the differences between job requirements and employee's present specifications.



Difference between Training and Development:

<i>Area</i>	<i>Training</i>	<i>Development</i>
Content	Technical skills and knowledge	Managerial and behavioural skills and knowledge
Purpose	Specific job-related	Conceptual and general knowledge
Duration	Short-term	Long-term
For whom	Mostly technical and non-managerial Personnel	Mostly for managerial personnel

Table 9.1
Differences
between Training
and Development

IMPORTANCE OF TRAINING:

- ▶ Training is the most important technique of human resource development. No organisation can get a candidate who exactly matches with the job and organisational requirements. Hence, training is important to develop the employee and make him suitable to the job.

Training benefits to organisation:

- *Organisation gets more effective decision making and problem solving
- *Improves labour management relations
- *Aids in organisational development
- *Helps people identify with organisational goals
- *Improves job knowledge and skills at all levels of organisation

Training benefits to individual:

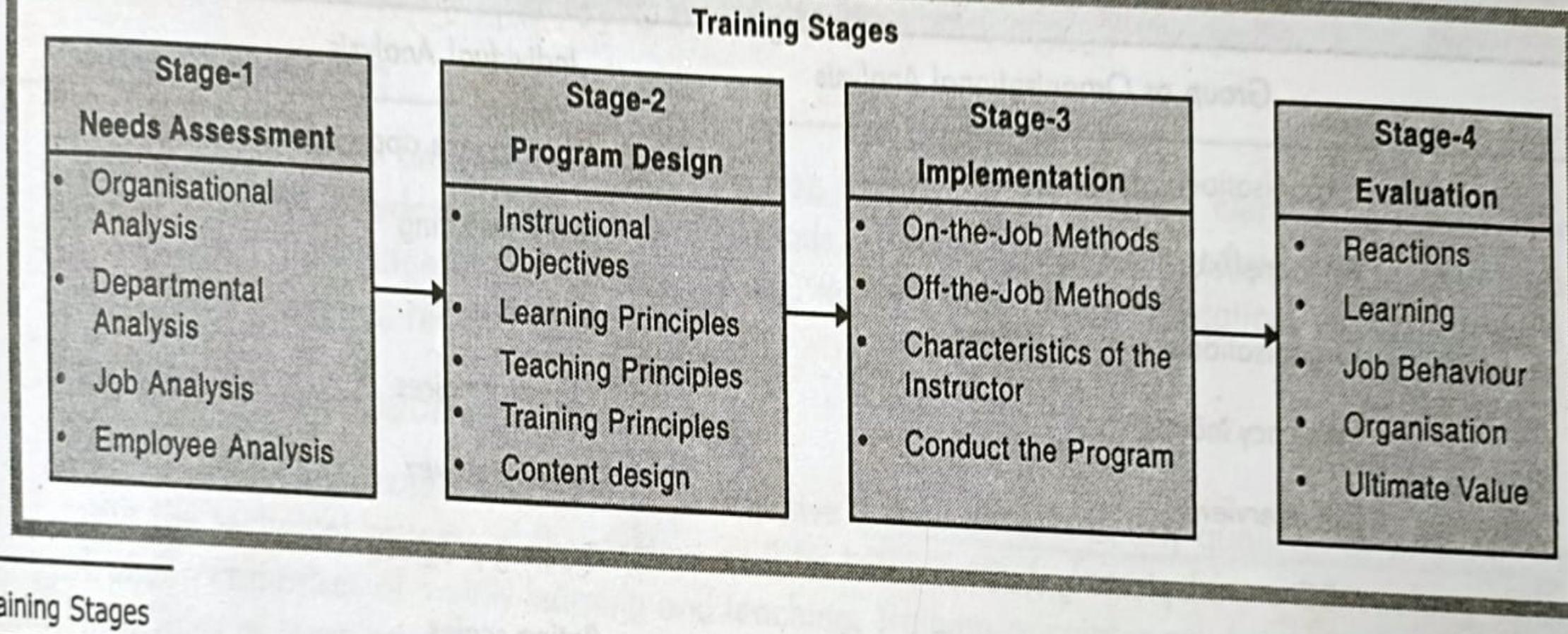
- ▶ Increases job satisfaction and recognition
- ▶ Provides information for improving leadership qualities, knowledge and communication skills
- ▶ Helps eliminate fear in attempting new tasks
- ▶ Aids in encouraging and achieving self development and self confidence
- ▶ Moves a person towards personal goals while improving interactive skills

Need for training:

- ▶ Specifically, the need for training arises due to the following reasons-
- 1. To match the employee specifications with the job requirements and organisational needs.
- 2. Organisational viability and transformation process
- 3. Technological advances
- 4. Organisational complexity
- 5. Changes in the job assignment etc.,



Stages in training:



Training Stages

Stages in training:

- ▶ *Stage 1—Assessment of training needs*
 - I. Organisational analysis
 - II. Departmental analysis
 - III. Job/role analysis
 - IV. Employee analysis

Exhibit 9.1
Methods Used in Training Needs Assessment

<i>Group or Organisational Analysis</i>	<i>Individual Analysis</i>
Organisational goals and objectives	Performance appraisal
Personnel/skills inventories	Work sampling
Organisational climate indices	Interviews
Efficiency indices	Questionnaires
Exit interviews	Attitude survey
MBO or work planning systems	Training progress
Quality circles	Rating scales
Customer survey/satisfaction data	Observation of behaviour
Consideration of current and projected changes	

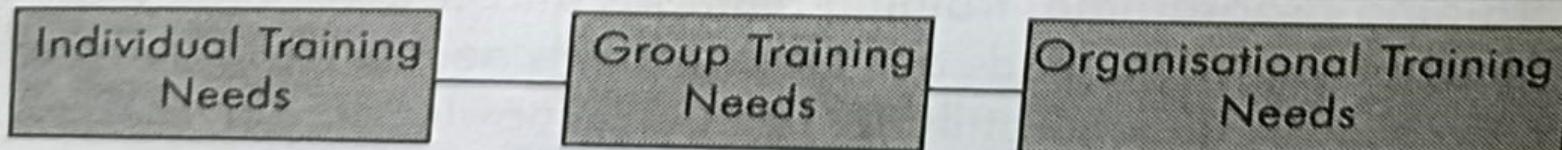


TABLE 8.3 Needs Assessment Techniques – Merits and Demerits

Technique	Advantages	Disadvantages
Observation	<ul style="list-style-type: none"> Generates data relevant to work environment Minimizes interruption of work 	<ul style="list-style-type: none"> Needs skilled observers Employees' behaviour may be affected by being observed
Questionnaires	<ul style="list-style-type: none"> Inexpensive Can collect data from a large number of persons Data easily summarized 	<ul style="list-style-type: none"> Requires Time Possible low return rates, inappropriate responses Lacks detail Only provides information directly related to questions asked
Interviews	<ul style="list-style-type: none"> Good at uncovering details of training needs, as well as causes of and solutions to problems Can explore unanticipated issues that come up Questions can be modified 	<ul style="list-style-type: none"> Time consuming Difficult to analyze Needs skilled interviewers Can be threatening to SMEs Difficult to schedule SMEs provide only information they think you want to hear
Focus Groups and Collaboration tools	<ul style="list-style-type: none"> Useful with complex or controversial issues that one person may be unable or unwilling to explore Questions can be modified to explore unanticipated issues 	<ul style="list-style-type: none"> Time consuming to organize Group members provide only information they think you want to hear
Documentation (technical manuals, records)	<ul style="list-style-type: none"> Good source of information on procedure Objective Good source of task information for new jobs and new jobs in the process of being created 	<ul style="list-style-type: none"> You may be unable to understand technical language Materials may be obsolete
Online Technology	<ul style="list-style-type: none"> Objective Minimizes interruption of work Requires limited human involvement 	<ul style="list-style-type: none"> May threaten employees Managers may use information to punish rather than trying Limited to interaction with customers via computer or phone
Historical Data reviews	<ul style="list-style-type: none"> Provides data related to performance and practices 	<ul style="list-style-type: none"> Available data may be inaccurate, incomplete or not fully represent performance

(Source: Raymond A Noe, *Employee Training and Development*, McGraw Hill, 2013, Pg 118)

Stage 2—Designing the training program

Design of the training program should focus on:

- (1) Instructional objectives
- (2) Learning and teaching principles
- (3) Principles of training & areas of training
- (4) Characteristics of the instructor
- (5) Content of the program

(1)Instructional Objectives:

Instructional objectives specify skills, knowledge, talents and competency to be acquired, attitudes, values and beliefs to be changed and behavior to be modified.

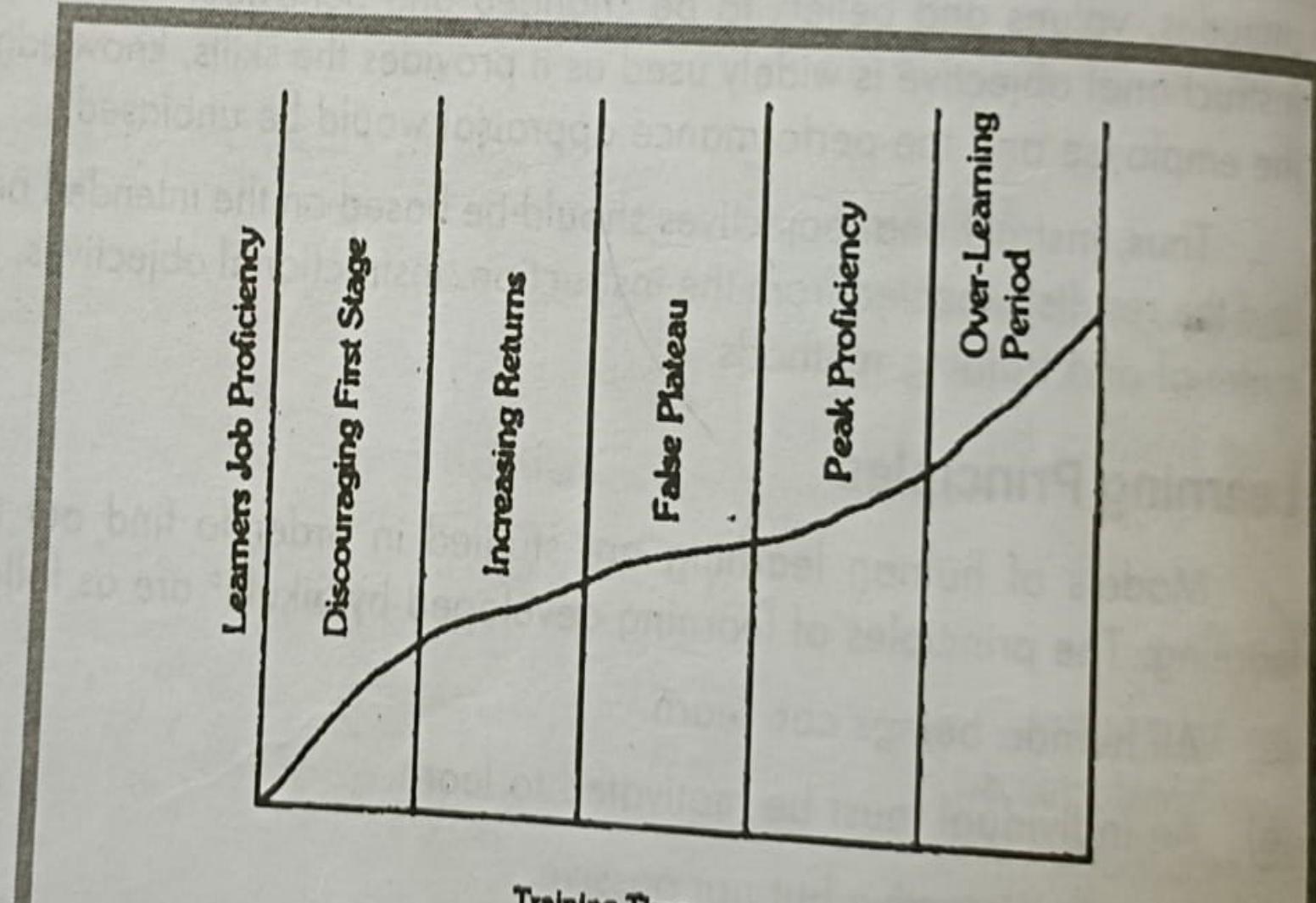
Performance centered instructional objective is widely used as it provides the skills, knowledge and behavior required to the employee and the performance appraisal would be unbiased.

Thus, instructional objectives should be based on the intended performance objectives/results.

(2) Learning principles:

- All human beings can learn
- An individual must be motivated to learn
- Learning is active but not passive
- Learners may acquire knowledge more rapidly with guidance. Feedback ensures improvement in speed and accuracy of learning
- Appropriate material should be provided
- Time must be provided to practice learning
- Learning methods should be varied. Variety of methods should be introduced to off-set fatigue and boredom.

Fig. 9.3 Learning Curve



Source: George Strauss and Leonard R. Sayles

Characteristics of Learning process:

- Learning is a continuous process
- People learn through their actual personal experience, simulated experience and from others experience.
- There is a need for repetition in teaching to improve skill and to learn perfectly.
- People learn step by step, from known to unknown and simple to complex as shown in fig

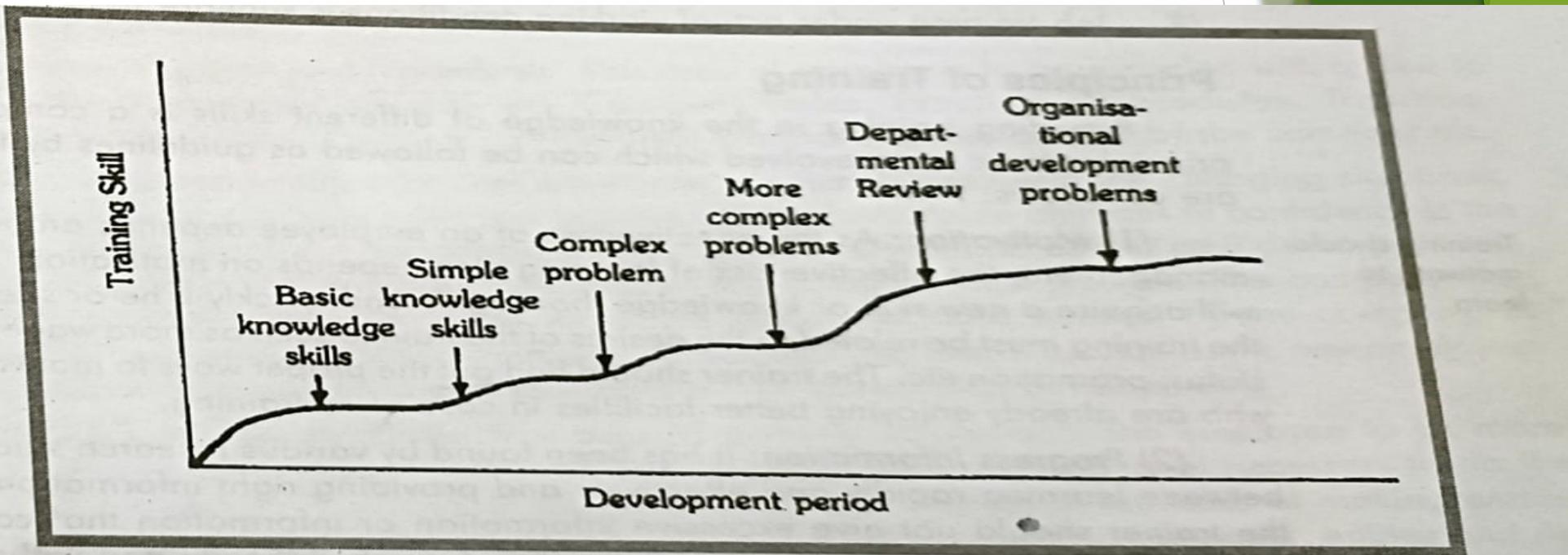


Fig. 9.4 Learning Stages:
Simple to Complex

Learning problems:

The instructor or trainer should have the knowledge of the possible learning problems. He should identify the problems of trainees and take steps to solve them. The possible learning problems are:

- Lack of knowledge, skill, interest and favorable attitude
- Knowledge and skill not being applied.
- Psychological problems like fear and shyness
- Inability to transfer of learning to operational situation
- Unwilling to change
- Inability to transfer of learning to operational situation
- Absence of self-motivation
- Negative attitude about involvement and participation.

Teaching Principles:

- The employee must be taught to practice only the Correct method of work
- Job analysis and motion study techniques should be used
- Job training under actual working conditions should be preferred to class room trainings
- Emphasis should be given more on accuracy than speed
- Teaching should be at different time intervals

(3) Principles of Training:

- Motivation
- Progress information
- Reinforcement
- Practice
- Full Vs Part
- Individual differences

► *Areas of training:*

Organisation provides training to their employees in the following areas:

1. Company policies and procedures
2. Job Specific skills
3. Human relations skills
4. Problem solving skills
5. Managerial and supervisory skills etc.,

(4) Characteristics of Instructors:

Implementation of the training program to a great extent depends on the characteristics of instructor. The following are the characteristics of instructors:

Adaptability, sincerity, sense of Humor, interest, clear instructions, individual assistance and Enthusiasm.

(5) Training content for different categories of employees:

Training methods and content may not be the same for different categories of employees. As such management has to train the employees of different categories in different areas and through different methods based on the job analysis.

Stage 3-- Implementation

Training methods

ON THE JOB METHODS

- Job Rotation
 - Coaching
 - Job Instruction methods

(OR)

 - Training through step by step
 - Committee Assignments
 - Internship Training

OFF THE JOB METHODS

- Role playing
 - Lecture methods
 - Conference(OR)Discussion
 - Vestibule Training
 - Programmed instruction
 - Audio visual methods

(OR)

 - Computer based training

(A) On the job training methods:

Under this methods, individual is placed on a regular job and taught the skills necessary to perform that job. On the job training has the advantage of giving first hand knowledge and experience under actual working conditions.

(1) *Job Rotation*: this type of training involves the movement of the trainee from one job to another. The trainee receives job knowledge and gains experience from his supervisor or trainer in each of the different job assignments. This method provides the opportunity to trainee to understand problems of employees on other jobs.

(2) *Coaching*: the trainee is placed under a particular supervisor who functions as a coach in training the individual. The supervisor provides feedback to the trainee on his performance and offers him some suggestions for improvement. Trainees share some of duties and responsibilities of the coach. A limitation of this method of training is that the trainee may not have the freedom or opportunity to express his own ideas.

(3) *Job instruction*: this method is also known as training through step by step. Under this method, trainer explains the trainee the way of doing the jobs, job knowledge and skills and allows him to do the job.

(4) *Committee assignments*: under this method, group of trainees are given and asked to solve an actual organizational problem. The trainees solve the problem jointly. It develops team work.

(6) *Apprenticeship Training*: However, some authors differentiated both internship and apprenticeship on the job training methods.

An internship is generally a shorter duration and may be paid or unpaid and are available in a wide range of fields, both professional and technical. Also, there is no guarantee of a full-time employment post completion of the internship.

An apprenticeship on the other hand is of longer duration (often over year) and are a paid position. It is generally available in more skill oriented and training oriented fields, with opportunities to convert it in a full-time job post completion of the apprenticeship period.

(7) *Orientation training*: Orientation is the process of introducing new employees to their responsibilities, co-workers and workplace. An effective orientation training helps people feel more comfortable within their new roles, teams and departments, while also making them aware of company expectations and policies.

(B) Off the job methods:

Under this method of training, trainee is separated from the job situation and his attention is focused upon

Learning the material related to his future job performance. There is an opportunity for freedom of expression for the trainees.

(1) Vestibule Training: in this method, actual work conditions are simulated in a classroom. Materials, files and equipment those are used in actual job performance are also used in training.

(2) Role plays: it is defined as a method of human interaction that involves realistic behavior in imaginary situations. This method of training involves action, doing and practice. The participants play the role of certain characters, such as the finance manager, HR manager, and Production manager etc..

(3) Lecture method: the lecture is a traditional and direct method of instruction. The instructor organizes the material and gives it to a group of trainees in the form of a talk.

(4) Conference or Discussion method: this method involves a group of people who pose ideas, examine and share facts, test assumptions, and draw conclusions. All of which contribute to the improvement of job performance.

(5) Programmed Instruction: in recent years, this method has become popular. The subject matter

(6) Audio-visual methods and E-Training:

The audio-visual methods such as videotapes, films, CDs and DVDs and slides are used. These can be used to provide a wide range of realistic examples of job conditions and situations in the condensed period of time.

(7) E-Learning:

The E-learning approach allows for accessing training material from personal computers, laptops and mobile devices on a wide variety of topics. Organizations usually purchase access to professional learning material on e-library and university databases for a price and provide access for employees as needed.

Training conduct

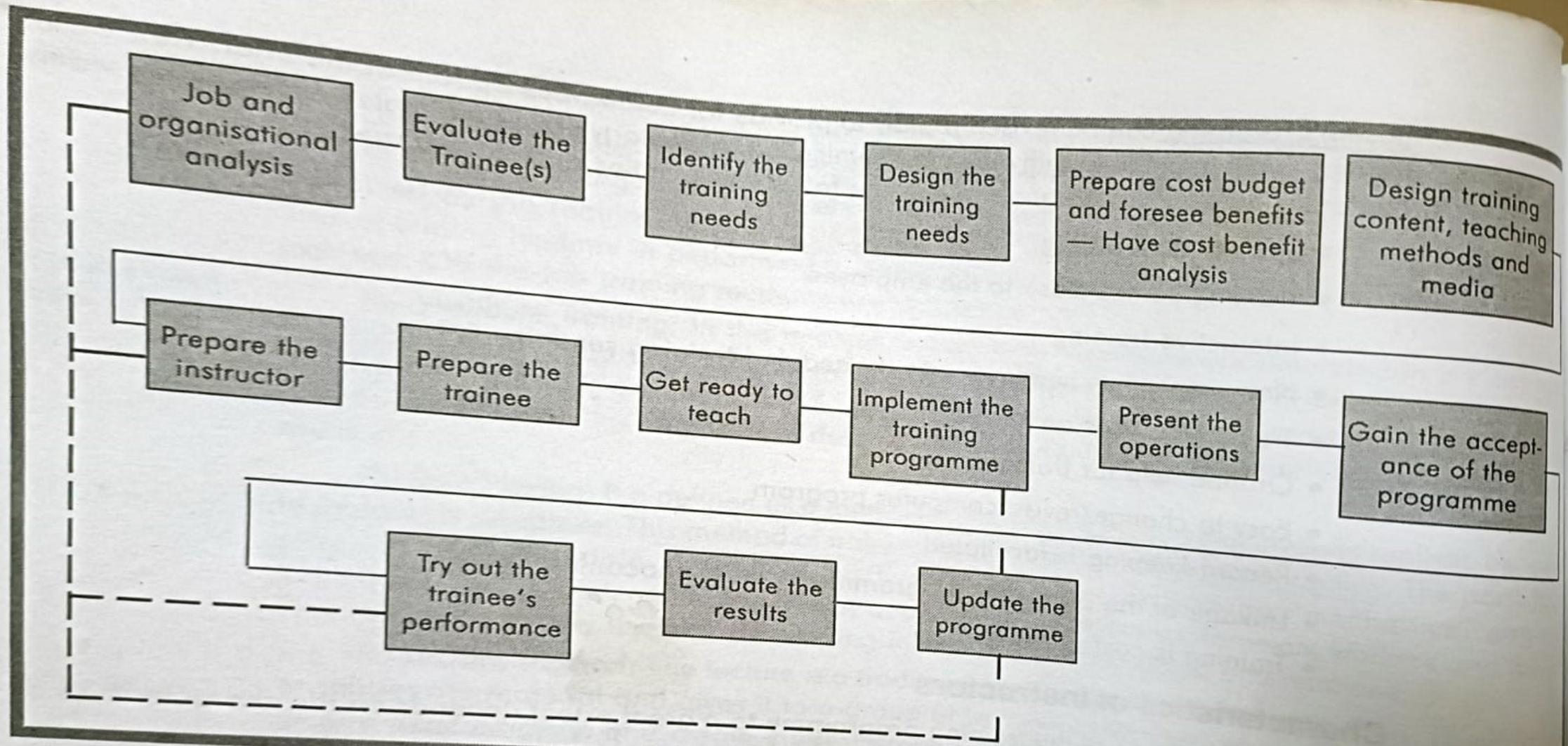


Fig. 9.6 Training Procedure

Stage 4—Evaluation of training program

- A. Trainee's Reactions
- B. Learning Behaviour
- C. Job Behaviour
- D. Organisational outcomes
- E. Ultimate value

Essential ingredients for a successful evaluation:

- General observations
- Human resource factors
- Performance tests
- Cost-value relationship
- Feedback

Other/Special aspects of training:

- ▶ 1. Orientation training
- ▶ 2. Basic skills training
- ▶ 3. Team training
- ▶ 4. Diversity training

Closing Case Study: Cost Benefit Analysis of Training programme

- ▶ The chief personnel manager, of **xyz Road Transport corporation** had problems in convincing top management on the desirability of a formal training programme for drivers. In case of breakdown of the bus on the road, the driver should not attempt to repair the bus. He should inform the depot manager of the nearest depot. The depot manager arranges the repairers immediately. It takes at least a full day to bring the bus to the normal condition even in case of minor repairs which can normally be done by a driver.
- ▶ The chief personnel manager has an idea that if the drivers are trained in minor repair activities many of the problems cited above could be avoided. But the top management has been arguing that drivers may ask for the wage increase by 50/- per month.

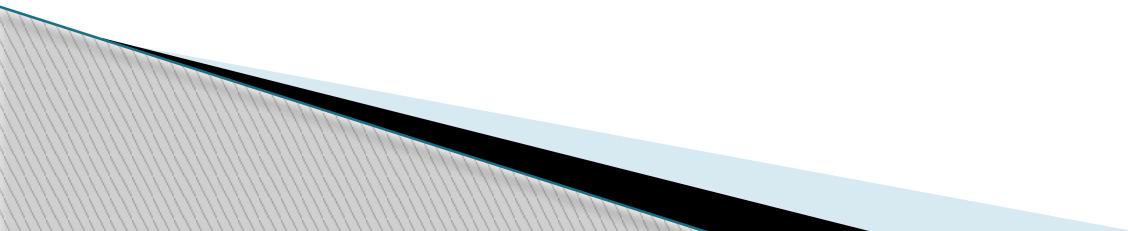
The chief HR manager supplied the following data to the top management to decide upon providing training to drivers:

- | | |
|--|--------------------------|
| 1. Average number of breakdowns per bus per month: | Major 0.35
Minor 3.50 |
| 2. Average number of days lost per bus per month: | Major 1.25
Minor 5.75 |
| 3. Average number of drivers per bus per month: | 2 |
| 4. Average cost of driver per month: | Rs. 1,150 |
| 5. Proposed wage increase per driver per month: | Rs. 50 |
| 6. Average cost of training per driver: | Rs. 100 |
| 7. Average service of each driver: | 25 Years |
| 8. Average net profit per bus per day | Rs. 200 |

Finally, top management has accepted to the chief HR manager to provide extra training to drivers. As the drivers salary increase would be 50/- per month only.

**Thank you
One & all**

ENVIRONMENTAL SCANNING



Opening Case

Mr. Raghunath an Indo-Malaysian established Sai Pharmacy Limited in Malaysia in 1991 to imports and sells medicines. He had strategic alliance with Stop-n-Shop the existing department store in various cities in Malaysia. The alliance includes the Stop-n-Shop provides space for Sai Pharmacy on rent and the latter should not sell the products that the former sells. The Stop-n-Shop was in red during 2005 and the Sai Pharmacy Limited acquired the merchandise of the Stop-n-Shop and changed the name of the company to SPL Limited and currently runs the businesses of Stop-n-Shop and Sai Pharmacy as two portfolios.

The company employs the human resources from Australia, New Zealand, India Philippines and Malaysia. Employees from Australia and New Zealand are at the strategic positions and are experts in retail business. Indians are mostly in second level of the organisational hierarchy and are experts in retail business, accounting, purchase and human resource management. Filipinos are mostly appointed as Pharmacists and are branch managers of various branches. The Malaysians are appointed also to work as Pharmacists and branch managers.

Highest level of salaries and benefits including car, luxury apartments, are provided to Australians and New Zealanders

followed by Indians. Salaries provided to Filipinos are very less compared to the first two categories. Three to four Filipino employees are placed in the same apartments and they are provided with pick-up and drop-off facility only. The company offered salaries and benefits based on hierarchy and national expatriate basis. But the employees from Malaysia particularly pharmacists, feel that they are discriminated and they are paid less even though they do the same job like pharmacists from Philippines.

Filipino employees have a strong feeling that they are also discriminated against Indian employees. In fact, they contribute the lions' share of the profits of the company as pharmacists and branch managers. Employees from other countries like India, New Zealand and Australia feel that salaries are not based on the nationality of the employee, but based on the job and the significance of the duties.

Mr. Raghunath strategically employed people from various countries based on the cost of employees and skills available from various countries. The skill and cost factors, though, contributed to the profits and growth of the company, the dissatisfaction among various ethnic groups of employees particularly Filipino and Malaysians has been mounting up.

autonomy and freedom, open communication and open-book management. He alone meets with the employees of different ethnic groups and listens to their problems by taking them to nearby island resorts for a day or two.

The CEO knows pretty well that the salary discrimination is essential to attract the qualified people for different jobs as well as keep the cost of staff as low as possible in view of competition and adaptation of low cost strategy.

Management of the company is very much concerned about collaborate the strategies of the company and

cultural variations, employee expectations, job levels and descriptions.

Questions

1. What is the misalignment among company strategies, HR strategies and cultural issues?
2. Can you identify any problem in sourcing the employees from different countries?
3. What would be the possible measures to solve the problem of the company.

INTRODUCTION:

Environment within which HR professionals need to function.

Environment may be understood as all those forces or factors which have their influence on the functioning of HR department.

The external forces (or) factors are - (STEP factors)

Social and cultural factors,
Technological factors
Economic factors
Political (or) Government factors

Internal factors are- Strategy, Task and Leadership, Trade unions, Management, Organizational culture.

Some of these are external to the firm and others are internal.

Analysis of the environment is useful for the HR manager and his team in order to become proactive and not remain reactive to the environment.

Today's business environment is characterized by change and intense competition. Proactive steps are vital for any organization if it were to survive in such an environment.

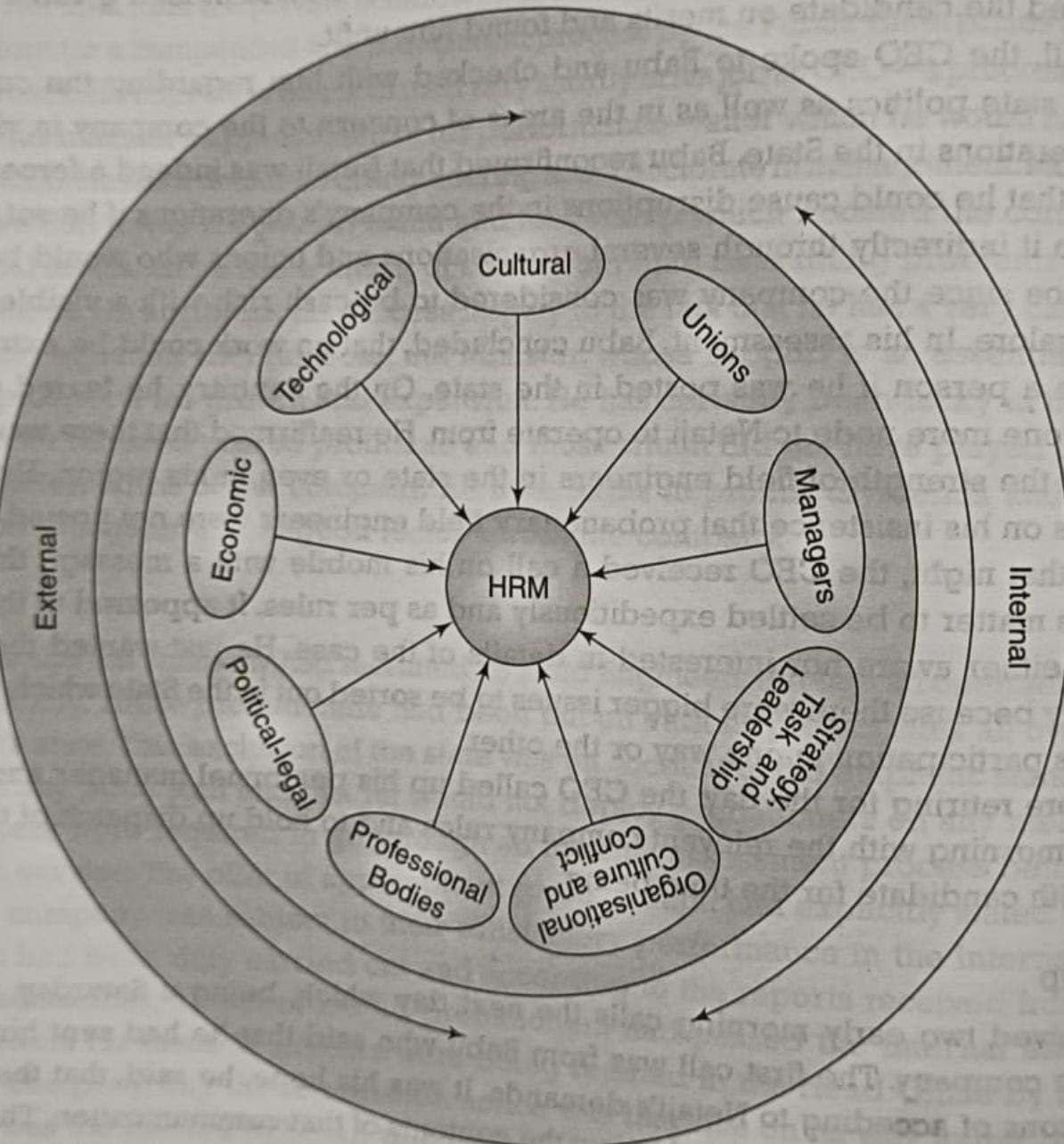


Fig. 2.1 HRM and its Environment

EXTERNAL FORCES:

Political-Legal:

Political environment (legal environment is implied) refers to the influence of system of government and judiciary obtaining in a country.

Broadly two forms of political environment exist across the globe---

Totalitarianism (Authoritarianism)

Democracy

Democracy—refers to a political arrangement in which the supreme power is vested in the citizens.

Democracy generally manifests in either of two forms—Pure democracy
Representative

democracy

In a democratic political setup, there are three institutions which together constitute the total political environment. They are (i) the legislature,

(ii) the executive and

(iii) the judiciary

The **legislature** also called Parliament at the central level and Assembly at the state level, is the law-making body.

The **executive**, popularly known as the government, is the law-implementing body. Government Initiatives—National Skill Development Corporation(NSDC)

Make in India

The **judiciary** has the role of a watchdog. The main function of judiciary is to ensure that both the legislature and the executive work within the confines of the constitution and in public interest.

The interface between political environment and labor takes place through an array of labor laws.

These labor laws relates to terms and conditions of employment, working conditions, payment of wages and industrial disputes etc.

Thus, there is the constitution which is the genesis of all acts—

- Art38(d)- guarantees equal pay for equal work both for men and women
- Art38(e)- stipulates the health and strength of workers, for both men and women
- Art42- provides for just and humane conditions of work, maternity leave for women etc.

Between democracy and Totalitarianism, it is the former which offers several advantages for business growth. Like democracy allows citizens to participate in decision making, right to information act, international trade agreements etc.

Economic Environment:

Economic environment refers to all those economic factors which have an influence on the HR function

Economic growth, industrial production, agriculture, population, national and per capita income, money and capital markets, suppliers, competitors, customers, productivity and industrial labor are the components of the economic environment.

Productivity: it is expressed as a ratio between inputs and outcomes, it reflects on the type of employees, success of an organization and the growth of a nation.

Committed and motivated employees contribute to higher productivity. Economic growth of a nation too depends on productivity.

Globalization: Our Indian economy is gradually getting integrated with the global economy.

Globalization has considerable influence on HR functions. Employee hiring, training, motivation, compensation and employee retaining are to be guided in global perspective.

Technological factors:

J. Galbraith defines technology as a systematic application of organized knowledge to practical tasks.

Technology enabled man to overcome distances, generate, preserve and distribute energy. Discover new materials to substitute existing ones, introduce machines to do the work for humans, substitute mental work with computers. Etc.,

The main use of technology in HRM is an organization's Human resource information system(HRIS).

HRIS is a computerized information package that provides management with increasing capacity to record, store, manipulate and communicate information widely, with access to many users.

Technology has also facilitated the relocation of work from the office to the home. Telecommuting programs offer attractive and significant benefits for both employees and employers.



Fig. 2.3 *HR Issues for Integrating New Technologies*

Source: Jeffrey A. Mello, *Strategic Human Resource Management*, p. 39)

Cultural factors:

Culture refers to the complex whole which includes knowledge, belief, art, morals, laws, customs and other capabilities and habits acquired by an individual as member of a society.

Different cultural background people works in the organizations.

Culture creates the type of people who become members of an organization.

The attitude of workers towards work Is the result of their cultural background In this respect Indians score over others.

Time dimension influences HRM, Time orientation refers to people's orientation—past,present,future.

Work ethics, achievement needs and effort-reward expectations, which are significant inputs determining individual behavior, are the results of culture.

HR practices like centralized Vs decentralized decision-making, flat or tall structures, reporting relationships, transparency in systems, communication channels, rewards and punishments and the like are impacted by cultures.

Professional Bodies:

National Institute of Personnel Management(NIPM)

National Human Resource Development Network (NHRD)

Society for Human Resource Management(SHRM)

NIPM Code of Ethics

Internal Forces:

Strategy: indicates the direction in which an organization moves

Task: it is a work that an employee is expected to do.

Leadership: A leader provides direction, encouragement and authority to evoke desired behaviors. The experienced and style of a leader will influence which HRM programs are communicated, implemented and effective.

Trade Unions: it is an association of workers formed to protect their own interests. All HR activities---recruitment,selection,training,compensation etc are carried out in consultation with union leaders. This is the case when the company is unionized.

Organization Culture and Conflict: organizational culture is the product of all the organization's futures—its people, its successes, and its failures. It is the responsibility of HR professionals to be sensitive to the culture of the organization.

EQUIFINALITY, means there are usually multiple paths to reach objectives. The key to success is picking the path that best fits the organization's

There is often conflict between organizational culture and employees Attitudes. Conflict arises because of the following differences:

Personal goals Vs organizational goals

Personal ethics Vs organizational ethics

Rights Vs duties

Leadership Vs followership etc.

Management:

Attitude of the management towards HR functions is a major internal factor.

What should be the status of HR function in the organization?

How empowered is the HR head?

How stringent Vs flexible are the HR policies?

Should the HR manager be treated on par with other functional heads?

Has the management realized the fact that people lend competitive advantage to the organizations?

All these impacts the recognition, status and decision making power of HR Professionals.

Strategy:

According to Glueck, strategy is a unified , comprehensive and integrated Plan designed to ensure that the basic objectives of the enterprise are achieved.

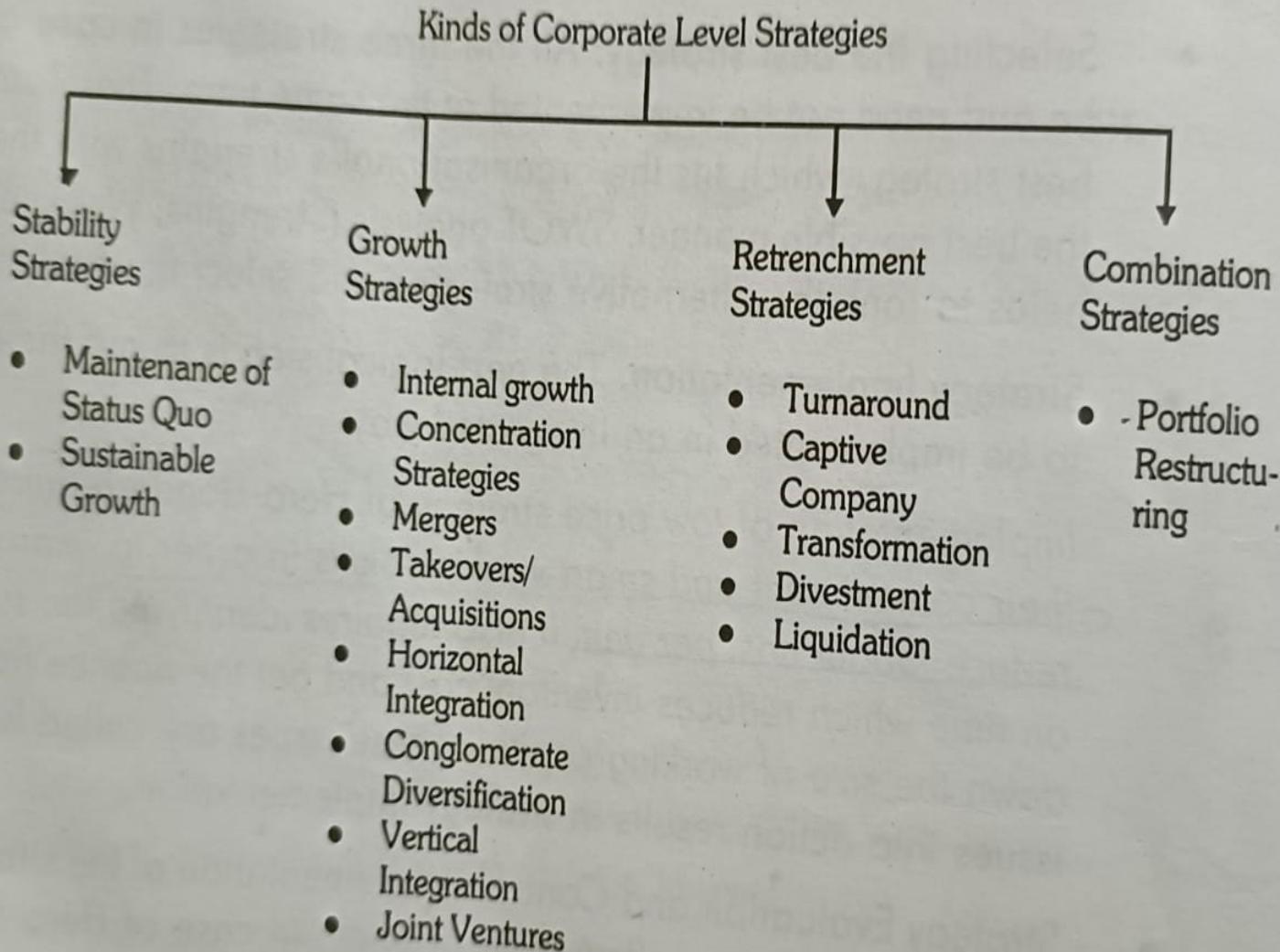
Henry Mintzberg views that strategy as, “a pattern in a stream of decisions or actions”. The pattern of decisions or actions is aimed at achieving the goals and objectives of the company.

Types of Strategies:

1. Corporate level strategies
2. Strategic business unit(SBU) level strategies
3. Functional level strategies

1. Corporate level strategies:

The strategic alternatives applicable to the entire company.



2. Strategic business unit (SBU) level strategies

Strategies are formulated for each sub-system consistent with corporate level Strategies.

Table 2.1 presents the summary of choices appropriate for each generic strategy

Table 2.1 Summary of Choices appropriate for each SBU Level (Generic) Strategy

	<i>Cost Leadership</i>	<i>Differentiation</i>	<i>Focus/Niche</i>
Product Differentiation	<ul style="list-style-type: none">• Low (principally by price)	<ul style="list-style-type: none">• High (principally by uniqueness)	<ul style="list-style-type: none">• Low to High (price or uniqueness)
Market Segmentation	<ul style="list-style-type: none">• Low (Mass market)	<ul style="list-style-type: none">• High (Many market segments)	<ul style="list-style-type: none">• Low (One or a few segments)
Distinctive Competency	<ul style="list-style-type: none">• Manufacturing and materials management	<ul style="list-style-type: none">• Research and development, sales and marketing	<ul style="list-style-type: none">• Any kind of distinctive competency

3. Functional level strategies:

Strategies at the departmental level or functional level are formulated Consistent with the SBU level strategy.

The important functional strategies include:

Production: flexible manufacturing, lean production, six sigma

Marketing: customer focus, customization, rationalize intermediaries

HRM: build skills, selection based on attitude and emotion, pay for performance, create self-managing teams etc.

Materials Management: Total quality management, rationalize suppliers etc.

R&D: New products, New processes.

Strategic Management:

John and Richard define strategic management as, “the set of decisions and subsequent actions used to formulate and implement strategies that will optimize the fit between the organization and its environment in an effort to achieve organizational objectives.”

The basic steps of the strategic management process include:

- Vision, mission and objectives of the company
- External environmental analysis
- Internal environmental analysis
- Revise organisational direction, if necessary
- Formulation of alternative strategies
- Selecting the best strategy
- Strategy implementation
- Strategic evaluation and control.

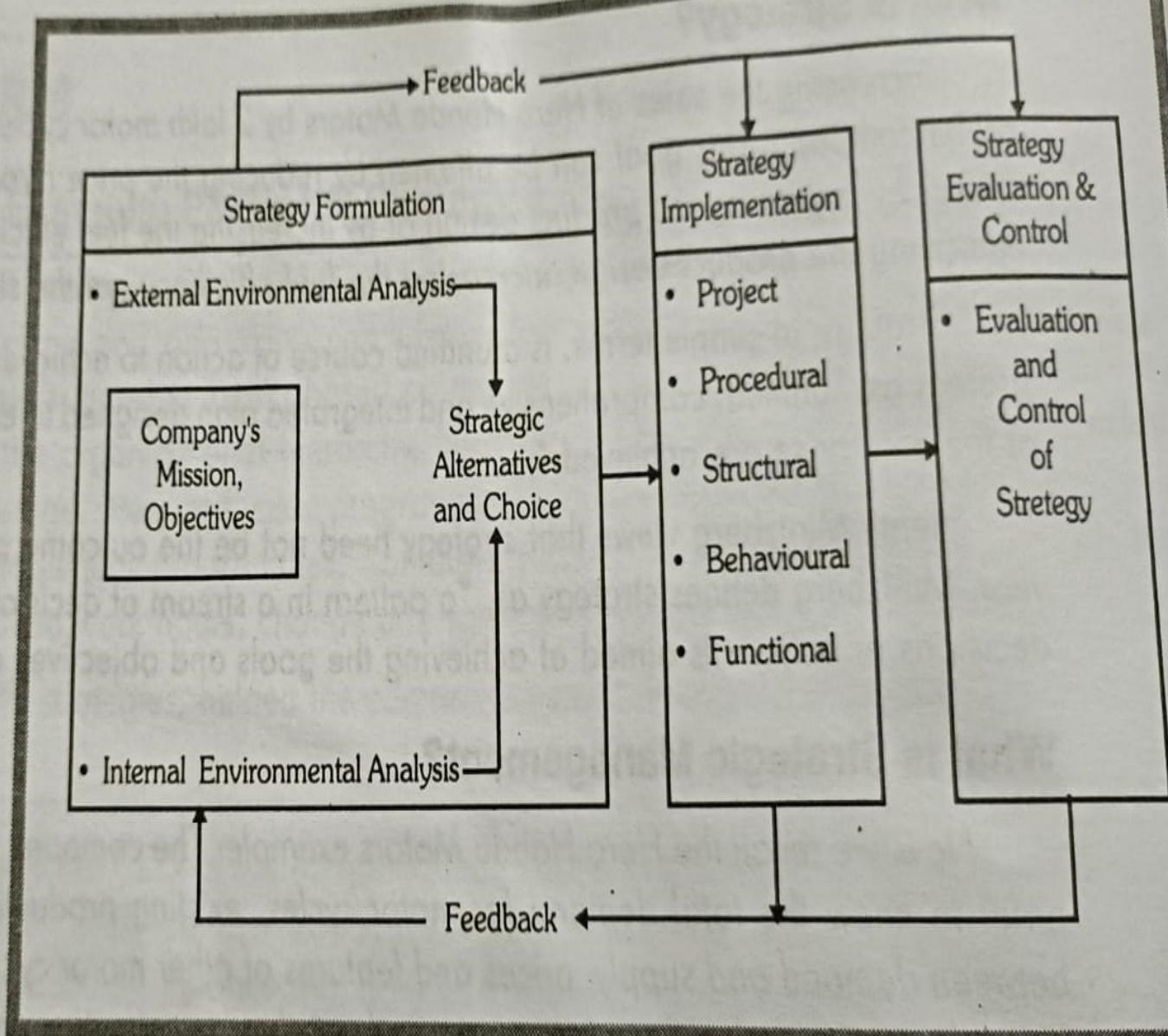


Fig. 2.2 Strategic Management Process

- (Source: P. Subba Rao, "Business Policy and Strategic Management", Himalaya Publishing House, Mumbai, 2007, p.20)

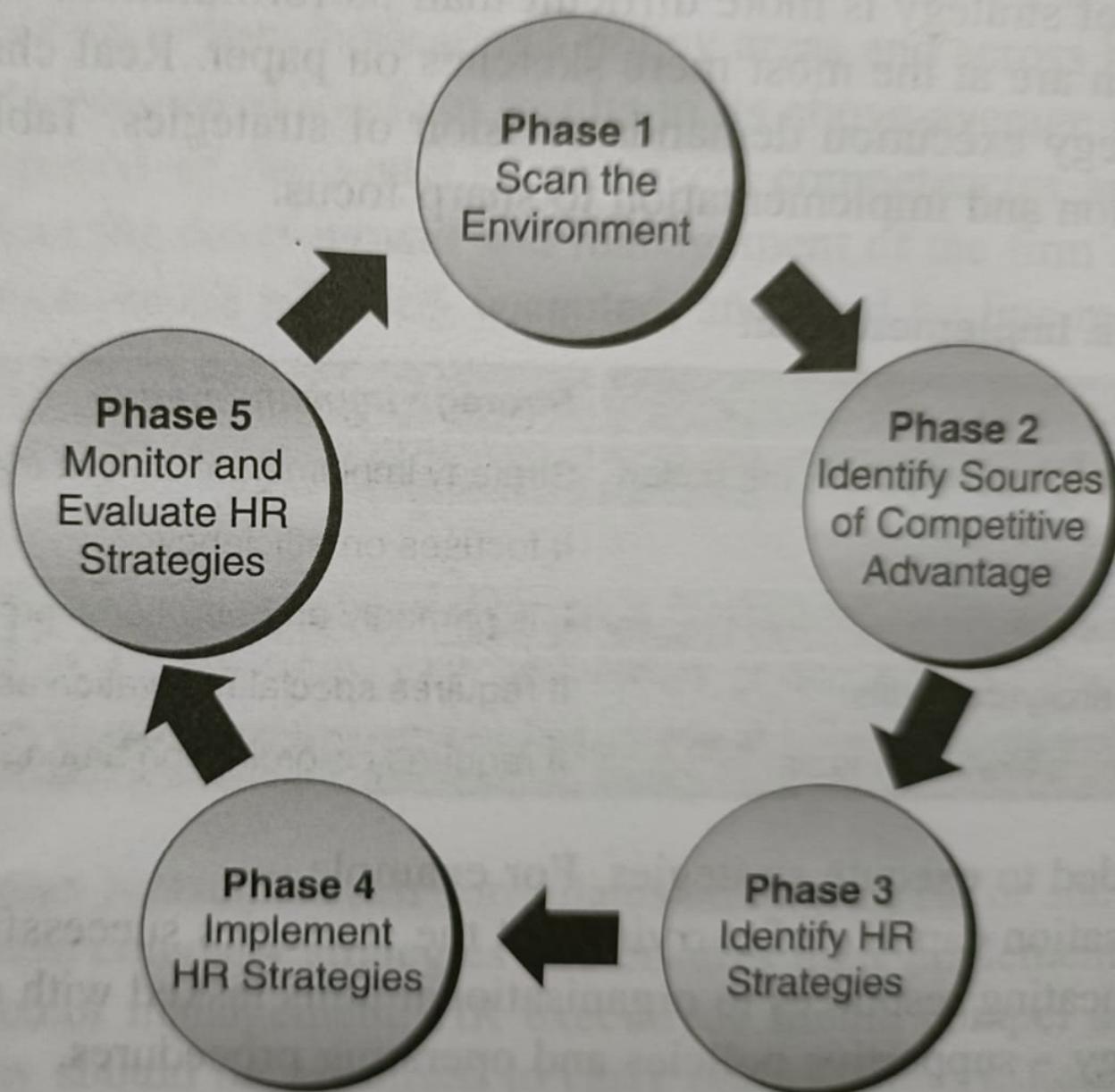


Fig. 3.1 Five Phases in SHRM Process

Strategic Human resource management(SHRM):

SHRM refers to the process of developing practices, programs and policies that help achieve organizational objectives.

What is essential is that, these programs, policies and practices need to be aligned with organizational strategies.

Four roles of HR executives are relevant in this context:

1. HR should define an organization's architecture.
2. HR needs to be accountable for conducting an organizational audit.
3. The role of HR as a strategic partner is to identify methods for renovating the parts of the organizational architecture.
4. HR must take stock of its own work and set clear priorities.

	<i>Traditional HRM</i>	<i>Strategic HRM</i>
Responsibility for HRM	Staff specialist	Line managers
Focus	Employee relations	Partnership with internal and external customers.
Role of HR	Transactional, change follower	Transformational, change leader and initiator
Initiatives	Slow, reactive, fragmented	Fast, proactive, integrated
Time horizon	Short term	Short, medium, long (as necessary)
Control	Bureaucratic-roles, policies procedures	Organic-flexible, whatever is necessary to succeed
Job design	Tight division of labour, independence, specialisation	Broad, flexible, cross-trained, teams
Key investments	Capital, products	People, knowledge
Accountability	Cost centre	Investment centre.

Fig. 3.2 Traditional HRM versus SHRM

Thank you

HUMAN RESOURCE DEVELOPMENT



Significance of Human Resource Development:

Introduction:

- The effective performance of an organization depends not just on the available resources, but its quality and competence as required by the organization from time to time.
- The difference between the two nations largely depends on the level of quality of human resources.
- Similarly, the difference in the level of performance of two organizations also depends on the utilization value of human resources.
- Moreover, the efficiency of production process and various areas of management depends to a greater extent on the level of human resource development.
- HRD assumes significance in view of the fast changing organizational environments.
- Organizations to be dynamic, growth-oriented and fast changing, should develop their human resources. It is needless to say that the organization possessing competent human resources grow faster and can be dynamic.
- Thus, the organization can develop, change, and excel, only if it possesses developed human resources. Thus, HRD plays a significant role in making the human resources vital, useful and

The concept of HRD:

- HRD is mainly concerned with developing the skills, knowledge and competencies of people and it is people-oriented concept.
- As it is a people-oriented concept, HRD can be applied both for the national level and organizational level.
- The concept of HRD was formally introduced by LEONARD NADLER, in 1969. he defined HRD as, “learning experiences which are organized for a specific time and designed to bring about the possibility of behavioral change.”
- Among the Indian authors, T.V.Rao worked extensively on HRD. He defines HRD in the organizational context as “a process by which the employees of an organization are helped in a continuous planned way to:
 - (i) Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles.
 - (ii) Develop their general capabilities as individuals and discover and exploit their own inner potentials for their own and/or organizational development process.
 - (iii) Develop an organizational culture in which superior-subordinate relationship, team work and collaboration among sub-units are strong and contribute to the professional well-being, motivation and pride of employees.

According to P.Subba Rao, HRD from the organizational point of view is a process in which the

Features of HRD:

- (1) HRD is a systematic and planned approach for the development of individuals in order to achieve organizational, group and individual goals
- (2) HRD is a continuous process for the development of technical, managerial, behavioral and conceptual skills and knowledge.
- (3) HRD is a multi-disciplinary. It draws inputs from Engineering, Technology, Psychology, Anthropology, Management, Medicine etc.,
- (4) HRD is essential not only for manufacturing and service industry but also for information technology industry.

Scope of HRD:

- Human resource management deals with procurement, development, compensation, maintenance and utilization of human resources.
- HRD deals with development of human resources for efficient utilization of these resources in order to achieve the individual, group and organizational goals.
- Thus the scope of HRM is wider and HRD is part and parcel of HRM.
- In fact, HRD helps for the efficient management of human resources. The scope of HRD invades into all the functions of HRM. The scope of HRD includes:
 - Recruiting the employees within the dimensions and possibilities for developing human resources.
 - Selecting those employees having potentialities for development to meet the present and future organizational needs.
 - Analyzing, appraising and developing performance of employees with a view to develop them by identifying the gaps in skills and knowledge.
 - Train all the employees in acquiring new technical skills and knowledge.

Need for HRD:

All business and industrial organizations are dynamic. In fact, liberalization, privatization and globalization made the business firms further dynamic. The changes invariably demand for the development of human resources.

- (i) Changes in economic policies
- (ii) Changing job requirements
- (iii) Need for multi-skilled human resources
- (iv) Organizational viability and transformation process
- (v) Technological advances
- (vi) Organizational complexity
- (vii) Human relations

HRD objectives:

The objectives of HRD are:

- ❖ To prepare the employee to meet the present and changing future job requirements.
- ❖ To prevent employee obsolescence.
- ❖ To develop creative abilities and talents
- ❖ To prepare employees for high level jobs
- ❖ To impart new entrants with basic HRD skills and knowledge
- ❖ To develop the potentialities of people for the next level job.

Human resource development framework or HRD process:

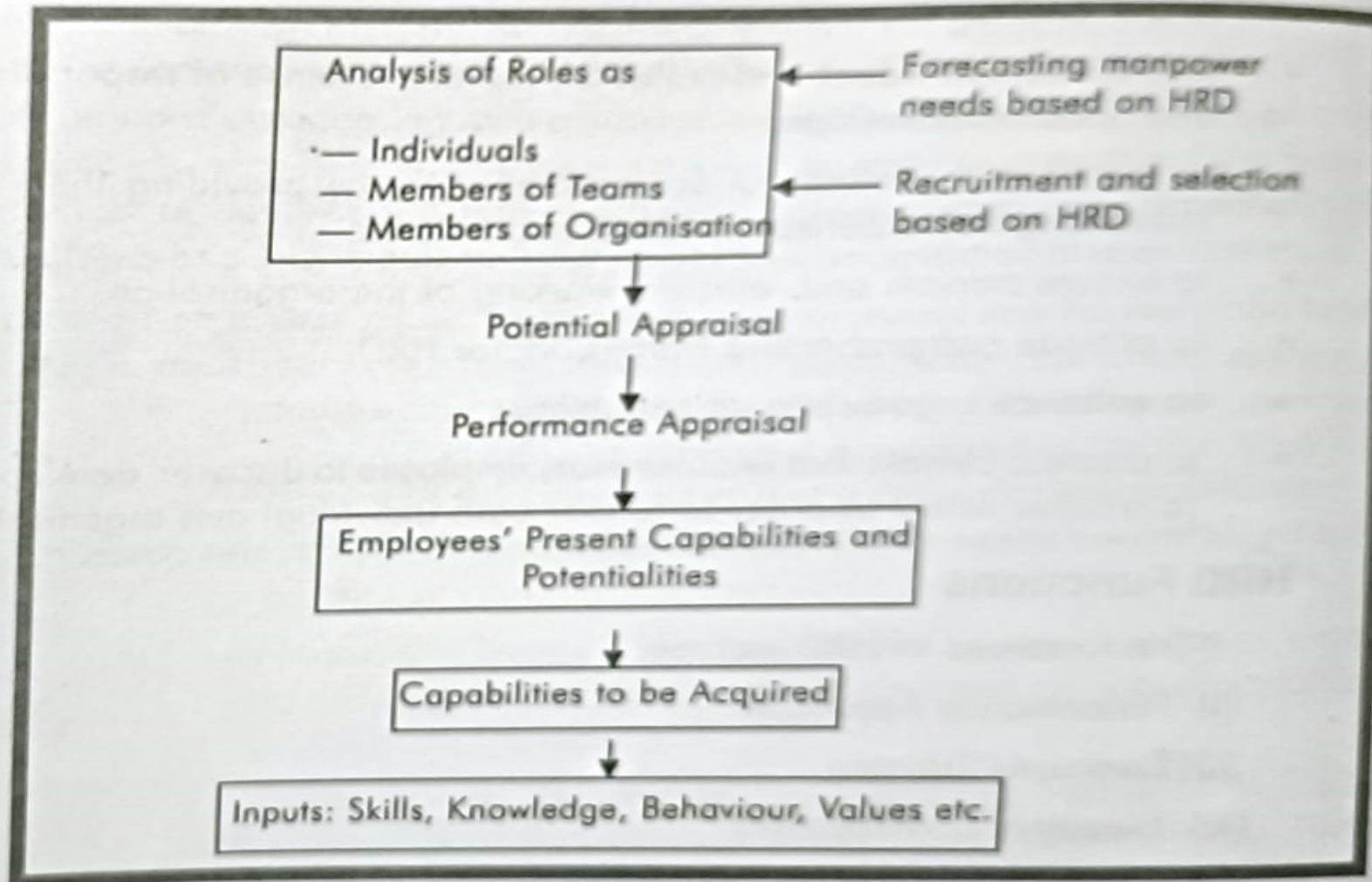


Fig. 7.1. Process of HRD:
Identification of Inputs

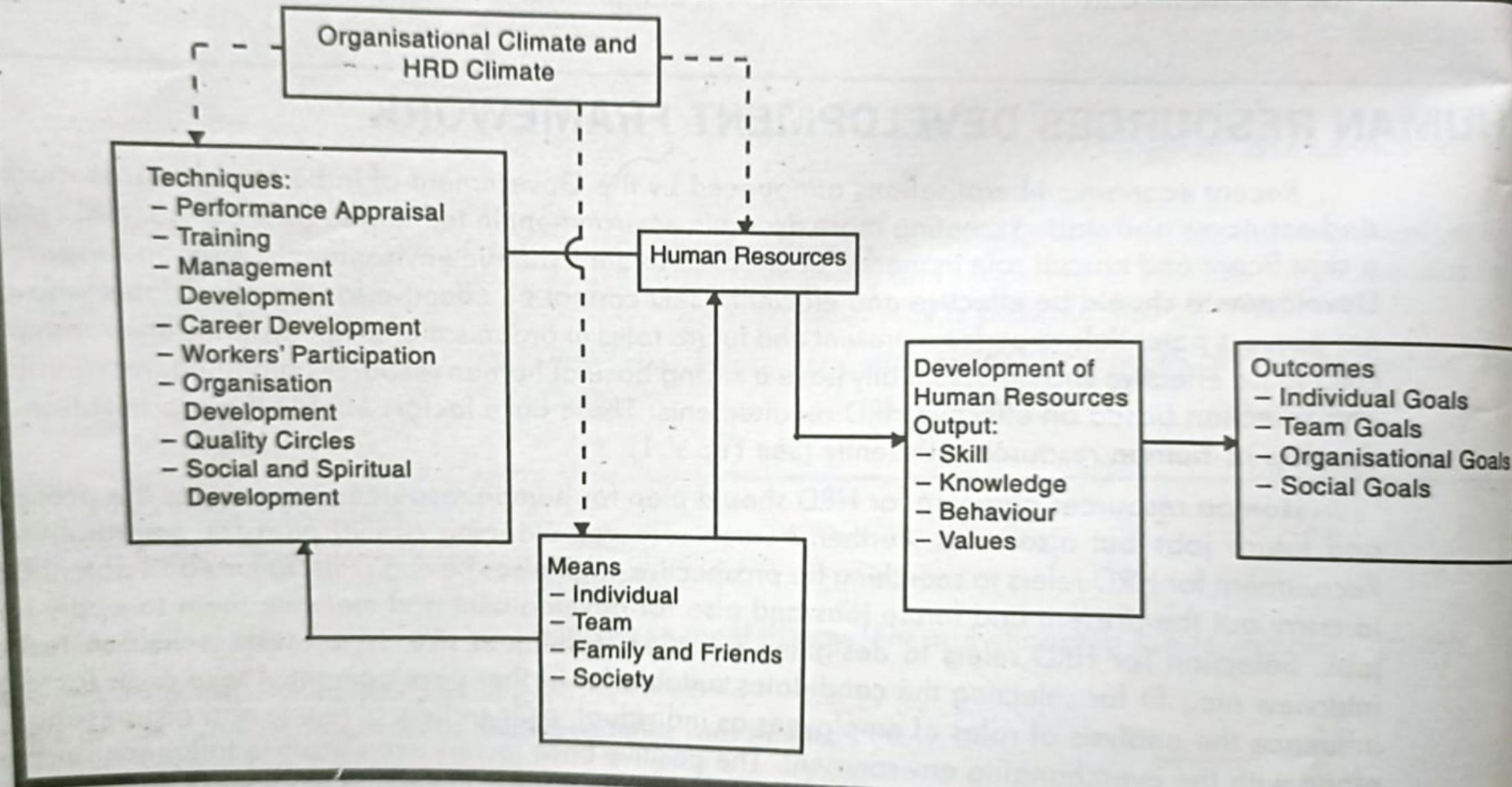


Fig. 7.2. Process of HRD:
Techniques and Output

The functions of HRD managers:

- (1) Role Analysis: the HRD manager should design the wider roles rather than mere jobs based on the organization's present and future needs.
- (2) Human resource planning: the HRD manager, based on the role analysis, should plan for the human resources which would meet not only future organizational requirements but also capable of being developed.
- (3) Recruitment: it is the process of searching for prospective employees and stimulating them to apply for jobs in an organization
- (4) Selection: it is the process of ascertaining the qualifications, experiences, skills, knowledge etc of an applicant with a view to appraising his/her suitability to a job.
- (5) Placement: it is the process of assigning the selected candidate with the most suitable job. It is matching of employee specifications with job requirements.
- (6) Induction and Orientation: these are the techniques by which a new employee is rehabilitated in the changed surroundings and introduced to the practices, policies, purposes and people etc., of the organization.
- (7) Performance appraisal: it is the systematic evaluation of individuals with respect to the

(8) Training: it is the systematic process by which employees learn skills, knowledge, abilities or attitudes to further organizational and personal goals.

(9) Management Development: it is the process of designing and conducting suitable executive development programs so as to develop managerial and human relations skill of employees.

(10) Career planning and development: it is the planning of one's career and implementation of career plans by means of education, training, job search and acquisition of work experiences.

Etc.,

ORIENTATION/INDUCTION

INTRODUCTION:

- ❖ Introducing the new employee to the job, job location, surroundings, organization, various employees etc is the final step of employment process.
- ❖ This process gains more significance as the rate of turnover is high among new employees compared to that among senior employees.
- ❖ This is mainly because of the problem of adjustment and adaptability to the new surroundings and environment.
- ❖ Further absence of information, lack of knowledge about the new environment, cultural gap, behavioral variations, different levels of technology, variations in the requirements of the job and the organization also disturb the new employee.
- ❖ Further induction is essential as the new comer may feel insecure, shy, nervous and disturbed. This situation leads to instability and turnover.
- ❖ Hence, induction plays pivotal role in acquainting the new employee to the new environment company rules and regulations.

Exhibit 6.5

A New Employee Orientation Schedule

New Employee	:	Mr. Niraj Mittal, M.B.A. (Human Resource Management), Bangalore University, 1999.
Job Title	:	Human Resource - Executive
Department	:	Human Resource Development
Reporting Date	:	1st June 1999. 8.00 AM Report to Ms. Roopa, HRD. Chief
8.00 AM to 9.00 AM	:	Ms. Roopa will: Distribute brochures describing the organisation's history, Products and Philosophy Review the organisation's overall structure, authority structure within the HRD department. Review HRM Policies and Practices.
9.30 to 10.30 AM	:	Mr. Rao will discuss company benefits, New employee is to fill out health, tax and other relevant forms.
10.30 to 11.30 AM	:	Tour to main building and auxiliary facilities with Ms. Roopa.
11.30 AM to 12.30 PM	:	Lunch with HR manager and with Ms. Roopa
12.30 PM to 3.00 PM	:	Mr. Swaraj will: <ul style="list-style-type: none">● Provide a detailed tour of the Production, Marketing Departments.● Detailed discussions with Chief Executive-HRM about daily job routine and department policies and rules. Explain job expectations. Introduce Mr. Niraj to his co-workers.
3.00 PM to 5.00 PM	:	New employee on his own to familiarise himself with his job.

Exhibit 8.2**Orientation Checklist**

Name of Employee

Starting Date

Department

HR Department**Prior to Orientation**

- Complete Form A and give or mail to new employee
- Complete Form B
- Attach Form B to Orientation
- Checklist-supervisor and give to the supervisor

Employee's First Day**Organisation and Personnel Policies and Procedures**

- History of XYZ Inc.
- Organisation Chart
- Service to Community—Purpose of the Company
- Employee Classifications

Insurance Benefits

- Group Health
- Disability
- Life
- Workmen's Compensation

Other Benefits

- Holidays
- Jury and Election Duty
- Vacation
- Death in the Family
- Health Services
- Professional Discounts
- Appointments

End of Orientation—First Day

- Make Appointment for Second Day
- Introduce Employee to Supervisor
- Job Posting
- Job Posting
- Bulletin Board—Location and Use
- Safety
- No Drinking
- Where to get Supplies
- Employee's Records-Updating

At the end of the employee's first two weeks, the supervisor will ask if the employee has any questions on the above items. After all questions have been satisfied, the supervisors will sign and date this form and return it to the HR Department.

Signature
Date

Name of Employee**Starting Date****Department Position****Supervisor****Employee's First Day**

- Introduction to Co-workers
- Tour of Department
- Tour of Company
- Location of Coat Closet
- Rest Room
- Telephone for Personal Use and Rules Concerning it

Working Hours

- Starting and Leaving
- Lunch
- Breaks
- Overtime
- Early Departures
- Time Clock

Pay Policy

- Pay Period
- Deposit System

Other Items

- Parking
- Dress

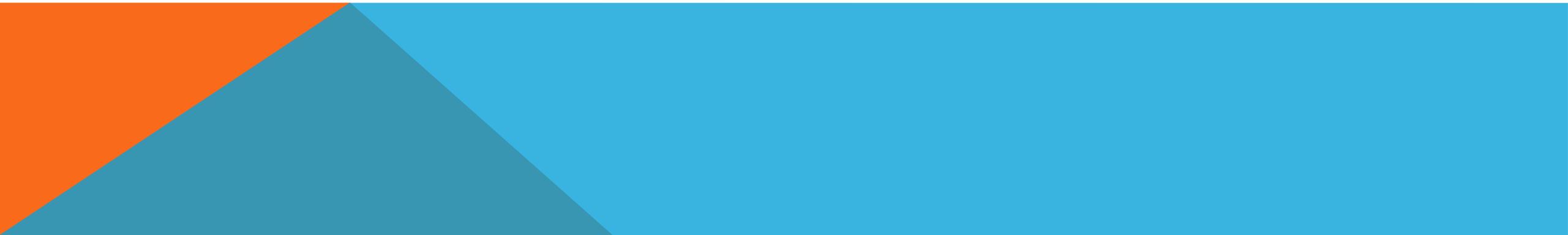
During Employee's First Two Weeks**Emergencies**

- Medical
- Power Failure
- Fire

Employee's Second Day

- Pension Retirement Plan
- Sick Leave
- Personal Leave
- Confidentiality
- Complaints and Concerns
- Termination
- Equal Employment Opportunity

Thank you



HUMAN RESOURCE PLANNING



Introduction:

HRP is the process of forecasting a firm's future demand for, and supply of, the right type of people in the right number.

It also involves forecasting the number of people to be phased out in future. It is Only after this that the HRM department can initiate the recruitment and Selection process. HRP is sub-system in the total organizational planning.

As an integrated part of strategic management, HRP is variously called strategic manpower planning or employment planning.

We may assume that HRP, employee planning and workforce planning convey Identical meanings. Organizations use these terms interchangeably.

Succession planning also called replacement planning, goes with HRP.



Evolving nature of HRP:

Traditional Scope of HRP

- Narrow, and reactive
- Done once in a year
- Administrative activity carried on in isolation
- Co-ordination with local newspapers, agencies and relationships
- Hire considering current skills and experience

Evolving Scope of HRP

- Broad and proactive
- Carried on quarterly basis
- Strategic activity integrated with business strategy
- Strategic alliances with recruiting firms, and targeted university, leveraging internet as a tool
- Hire focusing on assessment of individual potential

FIG 4.1 Evolving Role of HRP

IMPORTANCE OF HRP:

Organization's human resources are its source of competitive advantage.
The cost of human resources for an organization amounts to anywhere between 40%
To 70% of the overall cost of doing business.

1. Human resources needs taken care of
2. Part of Strategic planning
3. Creating highly talented personnel
4. International strategies
5. Foundation for personnel functions
6. Unite the perspectives of line and staff managers
7. Other benefits

Other Benefits

Following are other potential benefits of HRP: 1. Upper management has a better view of the HR dimensions of business decisions; 2. Personnel costs may be less because the management can anticipate imbalances before they become unmanageable and expensive; 3. More time is provided to locate talent; 4. Better opportunities exist to include women and minority groups in future growth plans; 5. Better planning of assignments to develop managers can be done; and 6. Major and successful demands on local labour markets can be made.

FACTORS AFFECTING HRP:

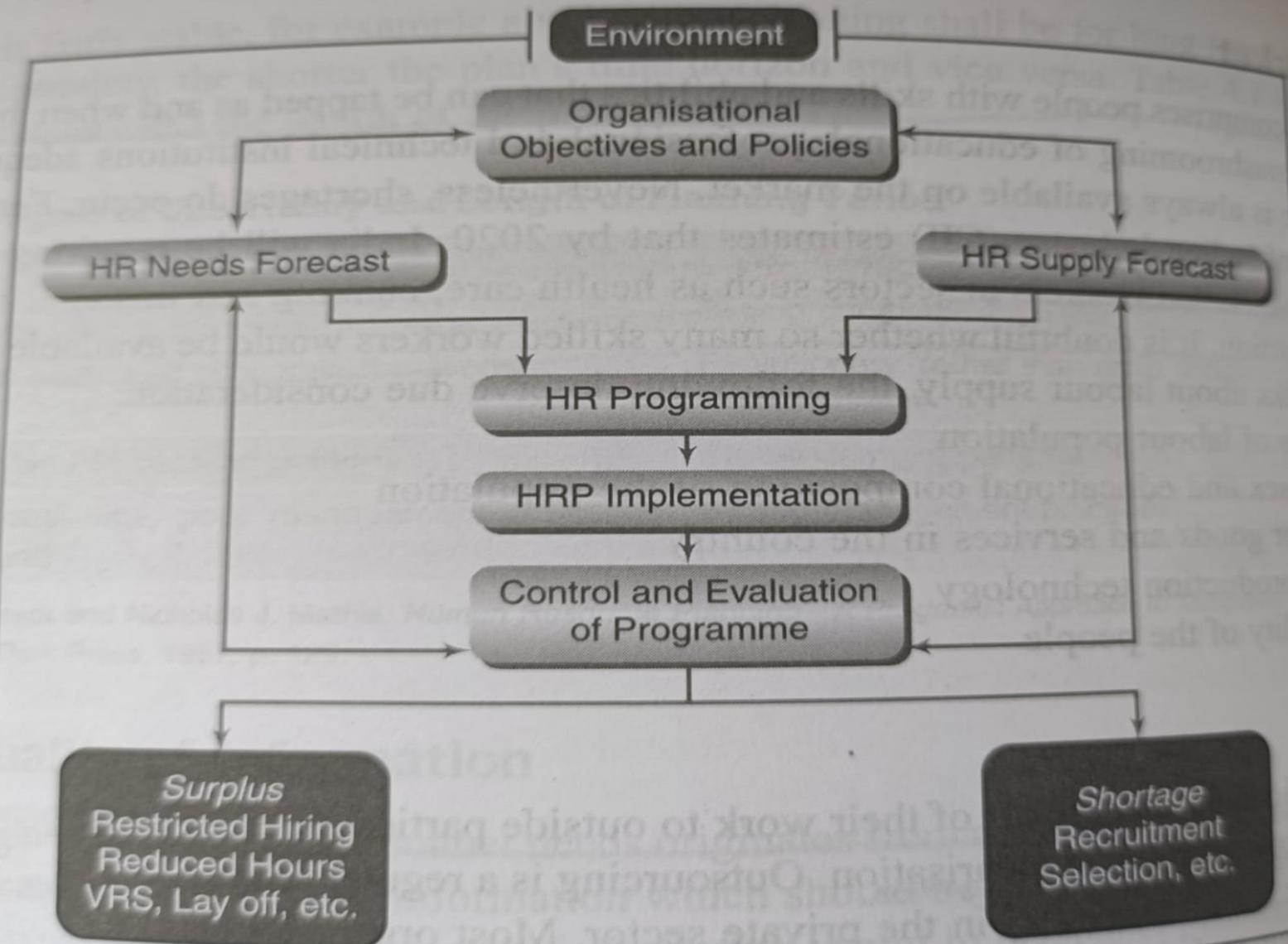


Fig. 4.2 Factors Affecting HRP

HRP PROCESS:

110

Human Resource Management



ORGANIZATIONAL OBJECTIVES & POLICIES:

HR plans need to be based on organizational objectives. In practice, this implies That the objectives of the HR plan must be derived from organizational objectives.

In developing these objectives, specific policies need to be formulated to address The following questions:

1. Are vacancies to be filled by promotions from within or hiring from outside?
2. How do the training and development objectives interface with the HRP objectives?
3. What union constraints are encountered in HRP and what policies are needed to handle these constraints?
4. How to enrich employee's job? Should the routine and boring jobs continue or be eliminated?
5. How to downsize the organisation to make it more competitive?
6. To what extent production and operations be automated and what can be done about those displaced?
7. How to ensure continuous availability of adaptive and flexible workforce?

HR DEMAND FORECAST:

This is a critical step in the HRP process.

Predicting the human resources demand is challenged by the inability to clearly predict the future business trends and innovations happening within the industry.

Effective demand forecasting is the process of estimating the future quantity and quality of people required, and the best way in which to meet this demand.

The basis of the forecast must be the annual budget and long-term corporate plan, translated into activity levels for each function and department.

Demand forecast must consider several factors-both external as well as internal.

Among the external factors are competition(foreign and domestic), economic climate, laws and regulatory bodies, changes in technology and social factors.

Internal factors include budget constraints, production levels, new products and services, organization structure and employee relations.

There are several good reasons to conduct demand forecasting: it can help

1. Quantify the jobs necessary for producing a given number of goods, or offering a given level of services.
2. Determine what staff-mix is desirable in the future
3. Assess appropriate staffing levels in different parts of the organization so as to avoid unnecessary costs
4. Prevent shortages of people where and when they are needed most. And
5. Monitor compliance with legal requirements with regard to reservation of jobs.



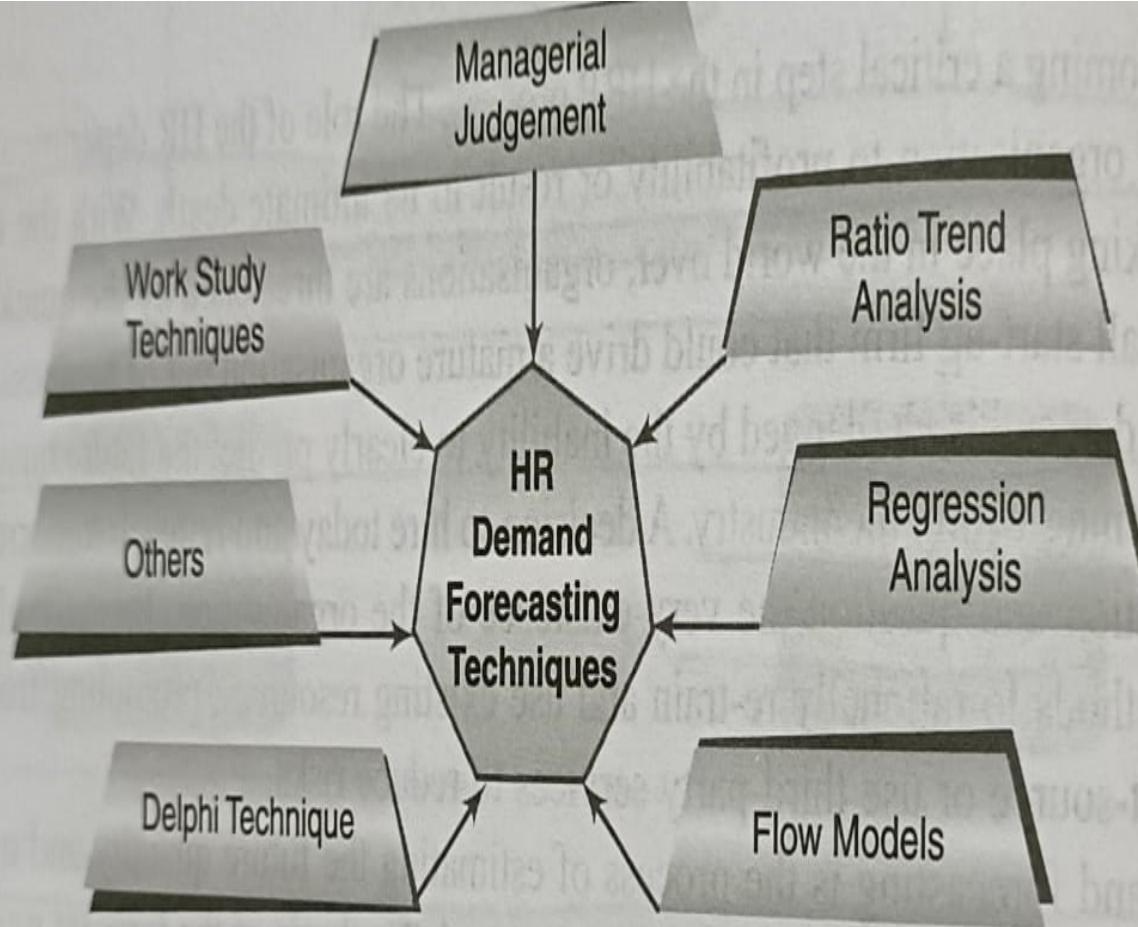


Fig. 4.5 Techniques of HR Demand Forecasting

Managerial Judgment:

This technique is very simple and is being empowered by the extensive use of HR Analytics to map the staffing trends over years and link them to business results and draw conclusions.

Discussions on what kind of resource related decisions yield what kind of business benefits are supported by data from the HR analytics reports.

Managers of a particular division, a business unit or department sit together, discuss and arrive at a figure which would be the future demand for labor.

The technique may involve a “bottom-up” or “top-bottom” approach. Both approaches could yield positive results.



TABLE 4.3 Staff Forecast Form

Category of Staff		Year		
Staff Members and Movements		No. of Staff to be Provided	Remarks	
1.	Number of staff at 1.1 (excluding known resignations)	75	—	Age groups: Under 25 30 25–34 20 35–44 15 45 and over 10 (dates to be specified)
2.	(a) Expected retirements, transfers out and promotions during year	8		
	(b) Less expected transfers in, promotions and new appointments already made	3	5	
3.	(a) Number of staff required on 1 January, next year	80		Increase in number to be substantiated by O&M report
	(b) Less present staff	75	5	
4.	Expected staff losses due to normal wastage of existing staff	15	15	Estimated by age groups: Under 25 12 25–34 2 35–44 1 45 and over —
5.	Expected losses of staff to be recruited in the period	5	5	Short service staff turnover at 20% of 25 (events 2 + 3 + 4 above)
6.	Total staff to be provided during the period		30	5 to be recruited by 1 February, others to be programmed later

Ratio trend analysis: it involves studying past ratios and forecasting future Ratios making some allowances for changes in the organization or its methods.

The technique involves studying past ratios, say between the number of workers and sales in an organization and forecasting future ratios, making some allowance for changes in the organization or its methods.

TABLE 4.4 Demand Forecast—Inspectors

		No. of Employees		Ratio
		Production	Inspector	Inspector : Production
		Year		
Actual	-3	1500	150	1 : 10
	-2	1800	180	1 : 10
	Last year	2000	180	1 : 11
	Next year	2200*	200†	1 : 11
Forecast	+2	2500*	210†	1 : 12
	+3	2750	230†	1 : 12

*Calculated by reference to forecast activity levels.

†Calculated by applying forecast ratio to forecast activity levels.

Source: Tables 4.3 and 4.4 are based on *A Handbook of Personnel Management Practices* by Michael Armstrong, pp. 208–209.

REGRESSION ANALYSIS: this is similar to ratio-trend analysis in that forecast is based on the relationship between sales volume and employee size. However, Regression analysis is more sophisticated.

Regression line—a line that cuts right through the center of the points on the Diagram. By this line, one can find out number of employees required at each Volume of sales.

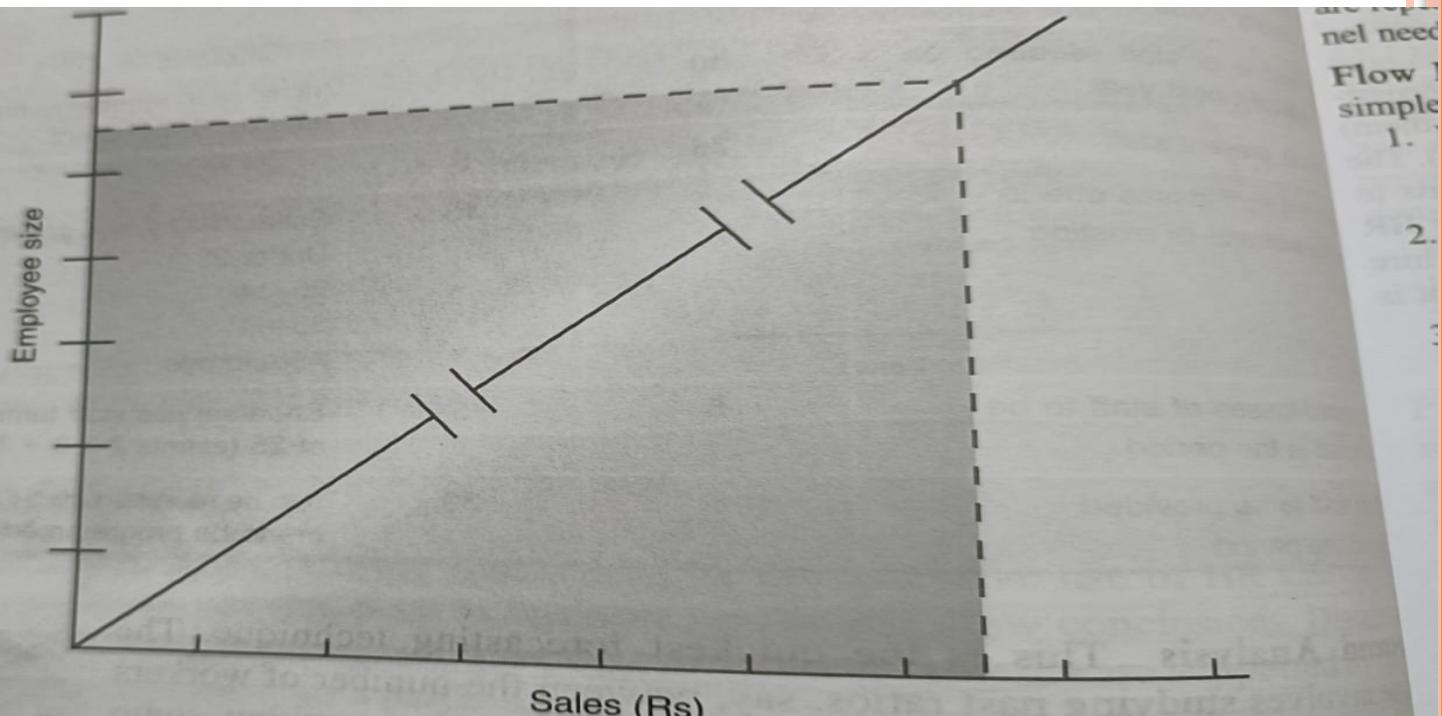


FIG. 4.6 Regression line Showing Relationship between Sales and Employee Size
Work-study Team

Work-study techniques:

Work-study techniques can be used when it is possible to apply work measurement to calculate the length of operations and the amount of labor required.

1. Planned output for next year	20,000 units
2. Standard hours per unit	5
3. Planned hours for the year	1,00,000
4. Productive hours per man/year (allowing normal overtime, absenteeism and idle time)	2,000
5. Number of direct workers required	50

Work-study techniques for direct workers can be combined with ratio-trend analysis to forecast for indirect workers, establishing the ratio between the Two categories.



Delphi Technique:

Named after the city of Delphi.

The Delphi technique is a method of forecasting personnel needs.

It solicits estimates of personnel needs from a group of experts, usually managers.

The HRP experts act as intermediaries, summarize the various responses and report the findings back to the experts.

The experts are surveyed again after they receive this feedback.

Summaries and surveys are repeated until the expert's opinions begin to agree.

The agreement reached is the forecast of the personnel needs.



Flow Models:

Flow models are very frequently associated with forecasting personnel needs.

1. Markov Model: in this technique, the forecasters will see:

- a. Determine the time that should be covered
- b. Establish categories(states), to which employees can be assigned, these categories must not overlap and must take into account every possible category to which an individual can be assigned.
- c. Count annual movements(also called flows) among states for several time periods.

These states are defined as absorbing(gains or losses to the company)
(or) non-absorbing(change in position levels or emp status)

losses includes death or disability, absences, resignations and retirements.

gains includes hiring, rehiring, transfer and movement by position level.

- d. Estimate the probability of transitions from one state to another based on past trends. Demand is a function of replacing those who make a transition.



2. Semi-Markov Model:

This model takes into account not just the category but also the tenure of individuals in each category.

After all, likelihood of movement increases with tenure.

3. Vacancy Model:

It predicts probabilities of movements and number of vacancies.

Markov analysis is advantageous because it makes sense to decision makers.



Other Forecasting Techniques:

New Venture Analysis:: it will be useful when new ventures contemplate employment planning.

This technique requires planners to estimate HR needs in line with companies that perform similar operations.

For example: petroleum company plans to open coal mines.

Mathematical formula:

$$E_n = \frac{(Lagg + G_n)^{1/x}}{y}$$

where, E_n is the estimated level of personnel demand in n planning periods (e.g. years).

$$E_n = \frac{(Lagg + G_n)^{1/x}}{y}$$

where, E_n is the estimated level of personnel demand in n planning periods (e.g. years).

Lagg is the overall or aggregate level of current business activity in rupees

Gn is the total growth in business activity anticipated through period n in today's rupees.

x is the average productivity improvement anticipated from today through planning period n

(e.g. if $x=1.08$, it means an average productivity improvement for 8 percent.

y is a conversion figure relating today's overall activity to personnel required (total level of today's business activity divided by the current number of personnel). It reflects the level of business activity per person.

HR supply forecast:

It determines whether the HR department will be able to procure the required number of personnel. Specifically, supply forecast measures the number of people likely to be available from within and outside an organization.

This information is provided by supply forecasting, also called bench forecasting.

Reasons for Supply forecast:

1. Helps quantify number of people and positions expected to be available in future to help the organization realize its plans and meets its objectives.
2. Assess existing staffing levels in different parts of the organization.

The supply analysis covers:

3. Existing (or) present employees
4. Internal sources of supply
5. External sources of supply



1. Present employees:

Analysis of present employees is greatly facilitated by HR audits. HR audits summarize each employee's skills and abilities.

The audits of non-managers are called **skill inventories** and those of the management(managers) are called **management inventories**.

Skill inventories: Skill inventories consolidate information about non-managers in the organization.(all information consolidates in HRIS)

Because the information from skills inventories is used as input for transfer and promotion decisions, they should contain information about each employee's current job.

are included in each skills inventory. They are:

1. Personal data—age, sex, marital status.
2. Skills—education, job experience, training.
3. Special qualifications—membership in professional bodies, special achievements.
4. Salary and job history—present and past salary, dates of pay raises, various jobs held.
5. Company data—benefit plan data, retirement information, seniority.
6. Capacity of individual—scores on psychological and other tests, health information.
7. Special preference of individual—geographic location, type of job.

Management Inventories:

Management Inventories These include such data as:

- Work history
- Strengths
- Weaknesses—identification of specific training programmes needed to remove the weaknesses
- Promotion potential
- Career goals
- Personal data
- Number and types of employees supervised
- Total budget managed
- Previous management duties
- Educational background
- Current job performance
- Field of specialisation
- Job preferences
- Geographic preferences
- Anticipated retirement date
- Personal history including psychological assessments.

2. Internal Supply:

- a. Inflows and outflows
- b. Turnover rate
- c. Conditions of work and absenteeism
- d. Productivity level
- e. Movement among jobs.



a. Inflows and outflows:

TABLE 4.6 Estimation of Internal Supply for a Word Processing Job

Sources of Inflows	No. of People		Current Personnel Level		Sources of Outflows	No. of People
		→	250 Operators	→	Resignations	13
Transfers in	12	→		→	Discharges	2
Promotions in	10	→		→	Demotions	4
				→	Retirements	10
				→	Promotions	13
Total inflows (Gains)	22			→	Total Outflows (Losses)	42

Current personnel level – outflows + inflows = internal supply of word processors

$$250 - 42 + 22 = 230 \text{ processors}$$

Source: Leap and Crino, *Personnel/Human Resource Management*, p. 172.

b. Turnover Rate:

Turnover rate is the traditional and simple methods of forecasting internal Supply.

Mathematical formula for turnover rate is:

$$\frac{\text{Number of separations during one year}}{\text{Average number of employees during the year}} * 100$$

For example: if in a year, 30 out of an average force of 150 skilled fitters of a company left.

Ans: 20% turnover



Conditions of work and absenteeism:

Changes in conditions of works such as normal weekly working hours, overtime policies, the length and timing of holidays, retirement policy, the policy for employing part-timers and shift systems need to be assessed.

Absenteeism: it is understood as unauthorized absence from work.

I.e., it amounts to absenteeism when an employee is scheduled to work but fails to report for duty.

Mathematically,

$$\frac{\text{Number of persons--days lost}}{\text{Avg no. of persons} * \text{no. of working days}} * 100$$

If the absenteeism rate is four percent, only 96 out of 100 people are available for the work.

Hence the effect of absenteeism rate should be analyzed to forecast future supply of labor needed for organization.

Productivity level:

Any change in productivity would affect the number of persons required per unit of output.

Increase in productivity will reduce the requirement, and decrease in it would have the opposite effect.

Example of sales person

Movement among jobs:

Some jobs are sources of personnel for other jobs. For example, secretaries may be obtained by the promotion of word processors, and branch managers are obtained from a pool of section managers.



External Supply:

In addition to internal supply, the organization needs to look out for prospective employees from external sources.

External sources are important for specific reasons:

1. New blood and new experience will be available.
2. Organizations needs to replenish lost personnel and
3. Organizational growth and diversification create the needs to use external sources to obtain additional number and type of employees.



HR PROGRAMMING:

Hire	Train	Re-train/ Re-skill	Retrench	No Action	Succession
Hire resource to meet the needs of the organisation's business plan	Train the existing resources or obtain trained resources to meet the business needs	Identify areas of surplus resources or redundant resources to re-skill them with new skills that are required to meet the business needs	Letting go of resources in accordance with organisational norms and industry standards	No action to be taken by HR team to either hire or retrench in a structured manner. Adhoc staffing needs that arise from time to time might prevail	This activity might take place independent or as part of the HRP process. Key positions and successors are identified and groomed to take on these responsibilities

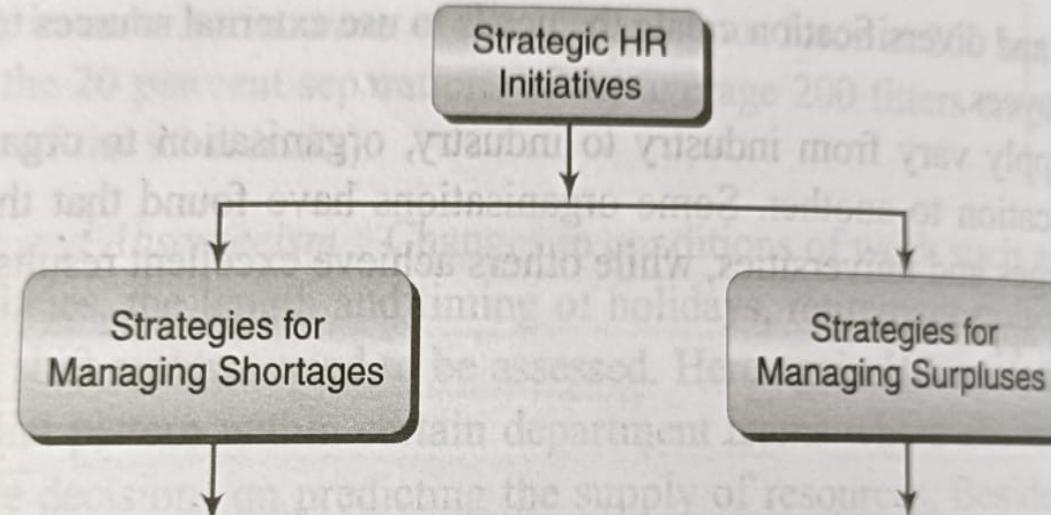
Fig. 4.7 Six HR Programmes

HR PLAN IMPLEMENTATION

Implementation requires converting an HR plan into action.

A series of action programs are initiated as a part of HR plan implementation, such programs are Recruitment; selection and placement; training and development; retraining and redeployment; the retention plan and redundancy plan etc.





- Recruit new permanent employees
 - Offer incentives to postpone retirement
 - Rehire retirees part-time
 - Attempt to reduce turnover
 - Work current staff overtime
 - Subcontract work to another company
 - Hire temporary employees
 - Redesign job process so that fewer employees are needed.
- Hiring freeze
 - Do not replace those who leave
 - Offer VR schemes
 - Reduce work hours
 - Leave of absence
 - Across the board paycuts
 - Layoffs
 - Reduce outsourced work
 - Employee training
 - Switch to variable pay plan
 - Expand operations

Fig. 4.8 Strategic HR Initiatives

CONTROL AND EVALUATION:

HRP needs to be reviewed according to the achievement of the business plans.



Requisites for successful HRP:

1. HRP must be recognized as an integral part of corporate planning.
2. Backing of top management for HRP
3. HRP responsibilities should be centralized.
4. Personnel records must be complete, up to date and readily available
5. Time horizon of HRP plan must be long



BARRIERS TO HRP:

1. HR practitioners are perceived as experts in handling personnel matters, but are not experts in managing business.
2. Conflicts may exist between short term and long-term HR needs
3. Conflict between quantitative and qualitative approaches to HRP.
4. Noninvolvement of operating managers renders HRP ineffective.
5. Organizations need to evolve policies regarding access to HRIS data.



Managerial Succession Planning:

Most of the managers are planning for managerial succession and development because they found that it takes years of systematic grooming to produce effective managers.

It includes training programs and series of job assignments leading to top positions.

Replacement Policy:

CEO replacement can become successful if done according to a plan. Such plan consists of four phases.

- (1) Prepare for transition
- (2) Choose a successor
- (3) Coach the successor
- (4) Pass the baton(hand over a particular duty or responsibility)



Thank you



**RECRUITME
NT**

Introduction:

- HRP helps determine the number of type of people a firm needs. Job analysis and job design specify the tasks and duties of jobs and the qualifications expected from prospective job holders.
- The next logical step is to hire the right number of people of the right type to fill the jobs
- Hiring involves two broad groups of activities (i) Recruitment and, (ii) Selection
- In reality, the recruitment term is used to describe the entire process of

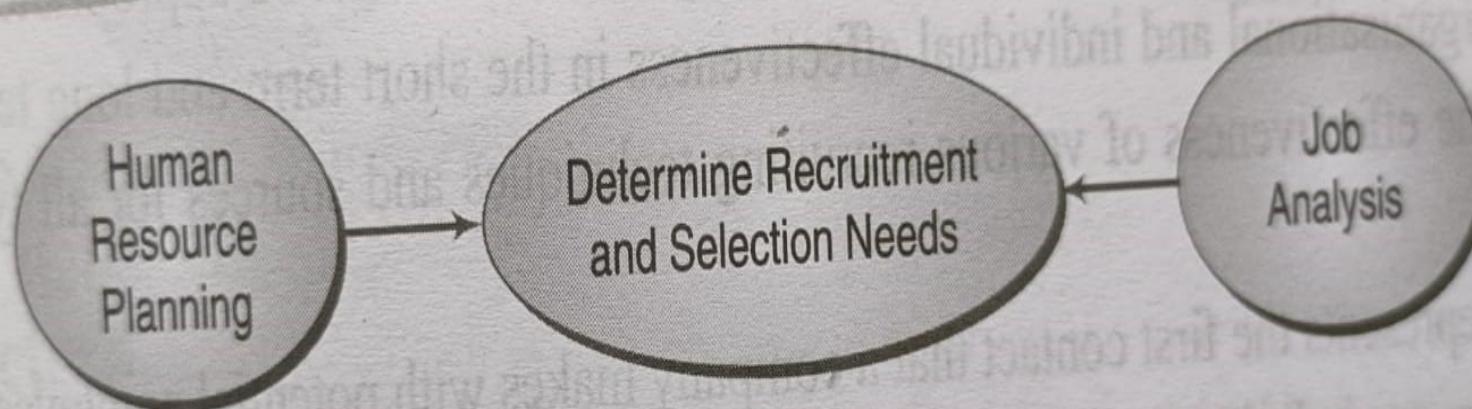


Fig. 6.1 Recruitment and Selection Needs

Definition of Recruitment:

Recruitment involves attracting and obtaining as many applications as possible from eligible Job seekers.

In simple terms, recruitment is understood as the process of searching for and obtaining applicants for jobs, from among whom the right people can be selected.

Examples: recruitment boards for railways, banks and other organizations
campus recruitments in colleges

Purpose and Importance of Recruitment:

The **general purpose** of recruitment is to provide a pool of potentially qualified job candidates.

The specific purposes are:

- ✓ To determine the present and future requirements of the firm in conjunction with its personnel planning and job-analysis activities.
- ✓ Begin identifying and preparing potential job applicants who will be appropriate candidates.
- ✓ The recruitment process should inform qualified individuals about employment opportunities,
- ✓ Create a positive image for the company, provide enough information about the jobs so that
- ✓ Applicants can make comparisons with their qualifications and interests, and generate enthusiasm among the best candidates so that they will apply for the vacant positions.

A recruiting program helps the firm in at least four ways:

- Attract highly qualified and competent people.
- Ensure that the selected candidates stay longer with the company.
- Make sure that there is match between cost and benefit.
- Help the firm create more culturally diverse workforce.

Poor Recruitment Consequences on HR activities:

Recruitment failure==Lowers selection standards==Extra cost on training and supervision (or) increase in entry-level pay scales==Disturbs traditional wage and salary relationships==Losses in company

Factors Governing Recruitment:

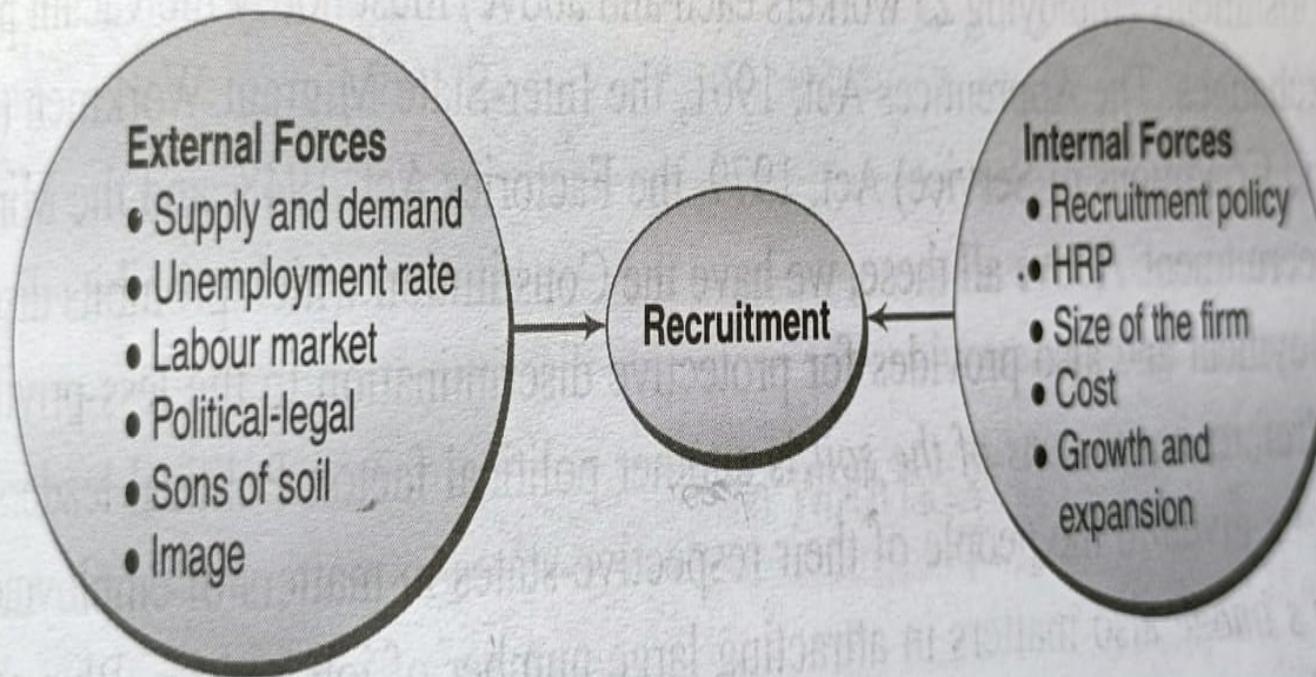


Fig. 6.2 Factors Influencing Recruitment

recruitment process:

process comprises five interrelated stages :

planning,
strategy development
searching
screening and
evaluation and control

A ideal recruitment program is the one that attracts a relatively larger number of qualified applicants who will survive the screening process and accept positions with the organization, when offered.

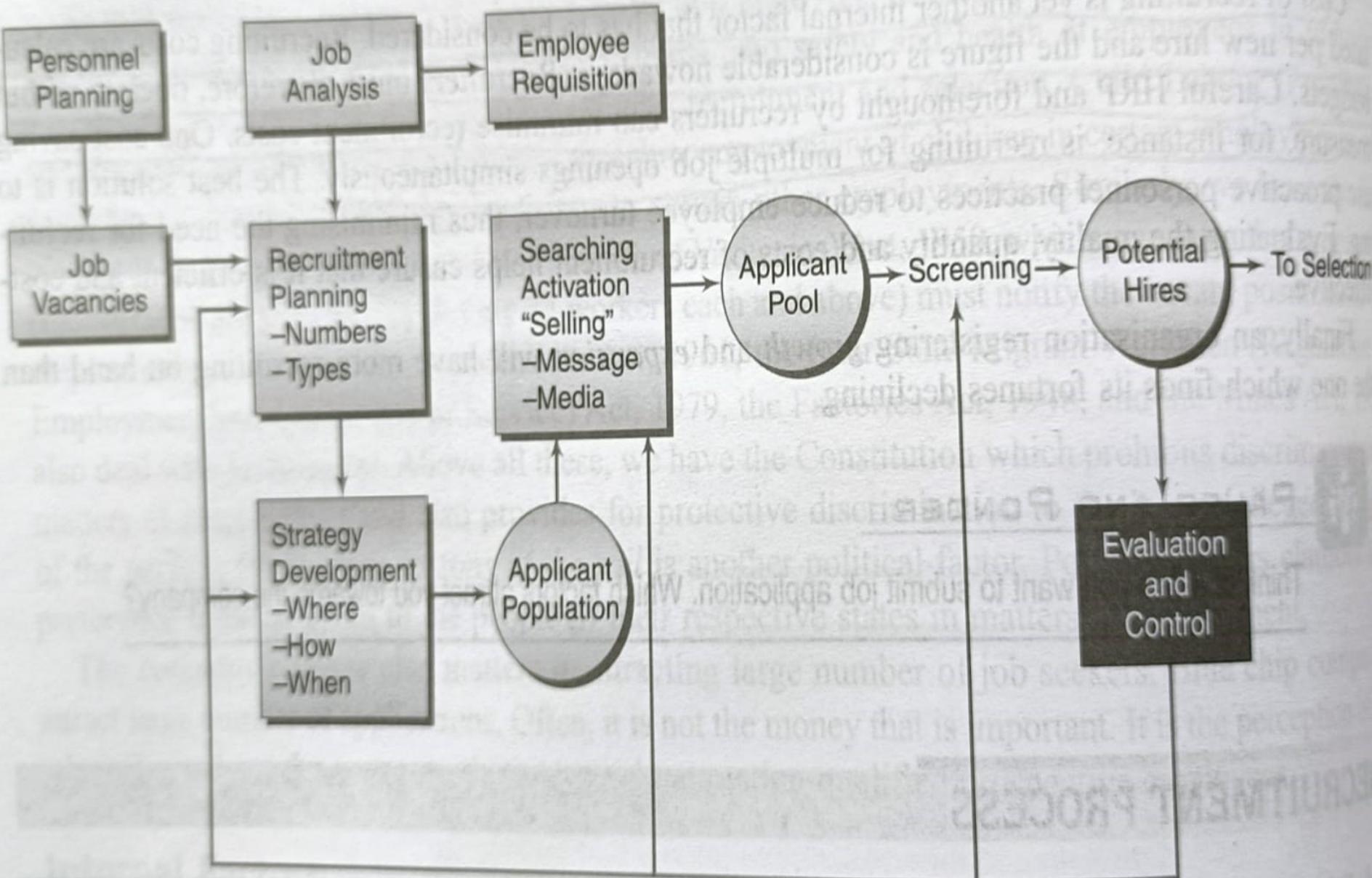


FIG. 6.3 Recruitment Process

Recruitment planning:

Planning involves (i) number and
(ii) type of applicants to be contacted

(I) Number of contacts: organizations, nearly always, plan to attract more applicants than they will hire.

Some of those contacted will be uninterested, unqualified, or both.

Yield Ratios: express the relationship of applicant inputs to outputs at various decision points

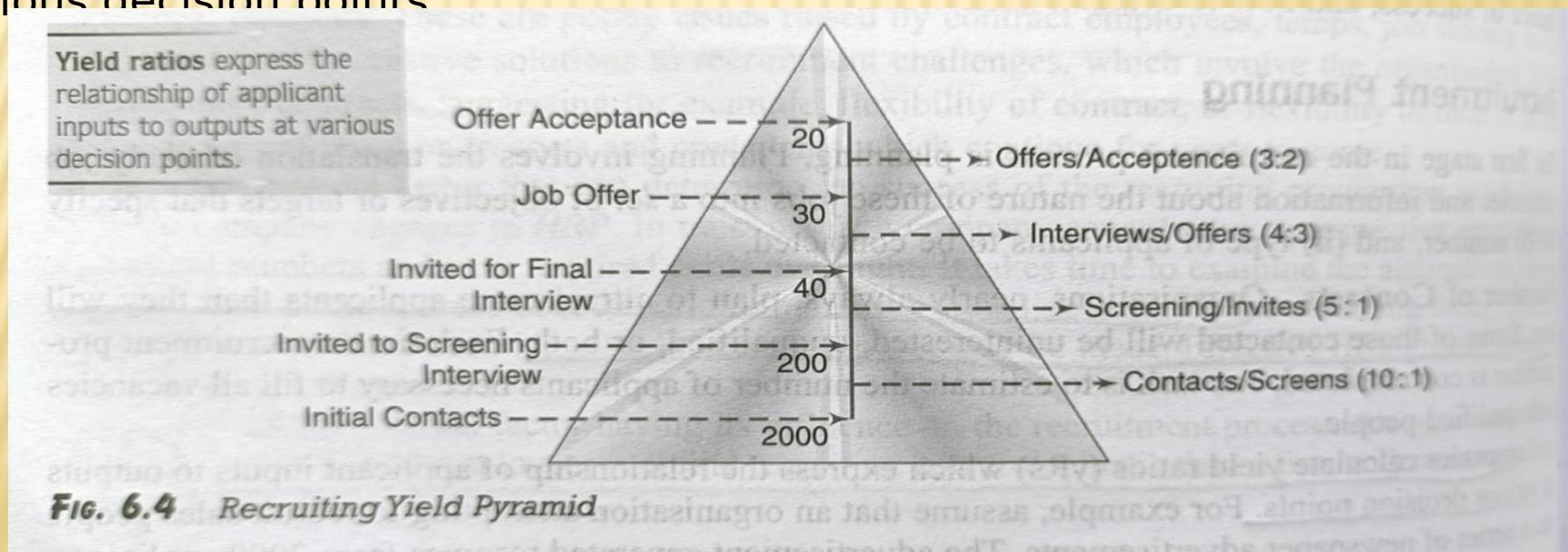


FIG. 6.4 Recruiting Yield Pyramid

Type of contacts:

This refers to the type of people to be informed about job openings.

The type of people depends on the tasks and responsibilities involved and the qualifications and experience expected.

These details are available through job description and job specification.

Strategy development:

(i) **'Make or Buy'**: firms must decide whether to hire less skilled employees and invest on training and education programs, or they can hire skilled labor and professionals

essentially, this is the 'make' (hire less skilled workers) or 'buy' (hire skilled workers and professionals) decision.

(ii) **Technological sophistication**: this relates to the methods used in recruitment and selection.

this decision is mainly influenced by the available technology.

(iii) **Where to Look**: in order to reduce costs, firms look into labor markets most likely to offer the

required job seekers. Generally, companies look into the national market for managerial and professional employees, regional or local markets for technical employees, and local markets for clerical and blue collar employees.

(iv) **How to Look**: how to look refers to the methods or sources of recruitment. They are broadly divided into two categories: **INTERNAL**

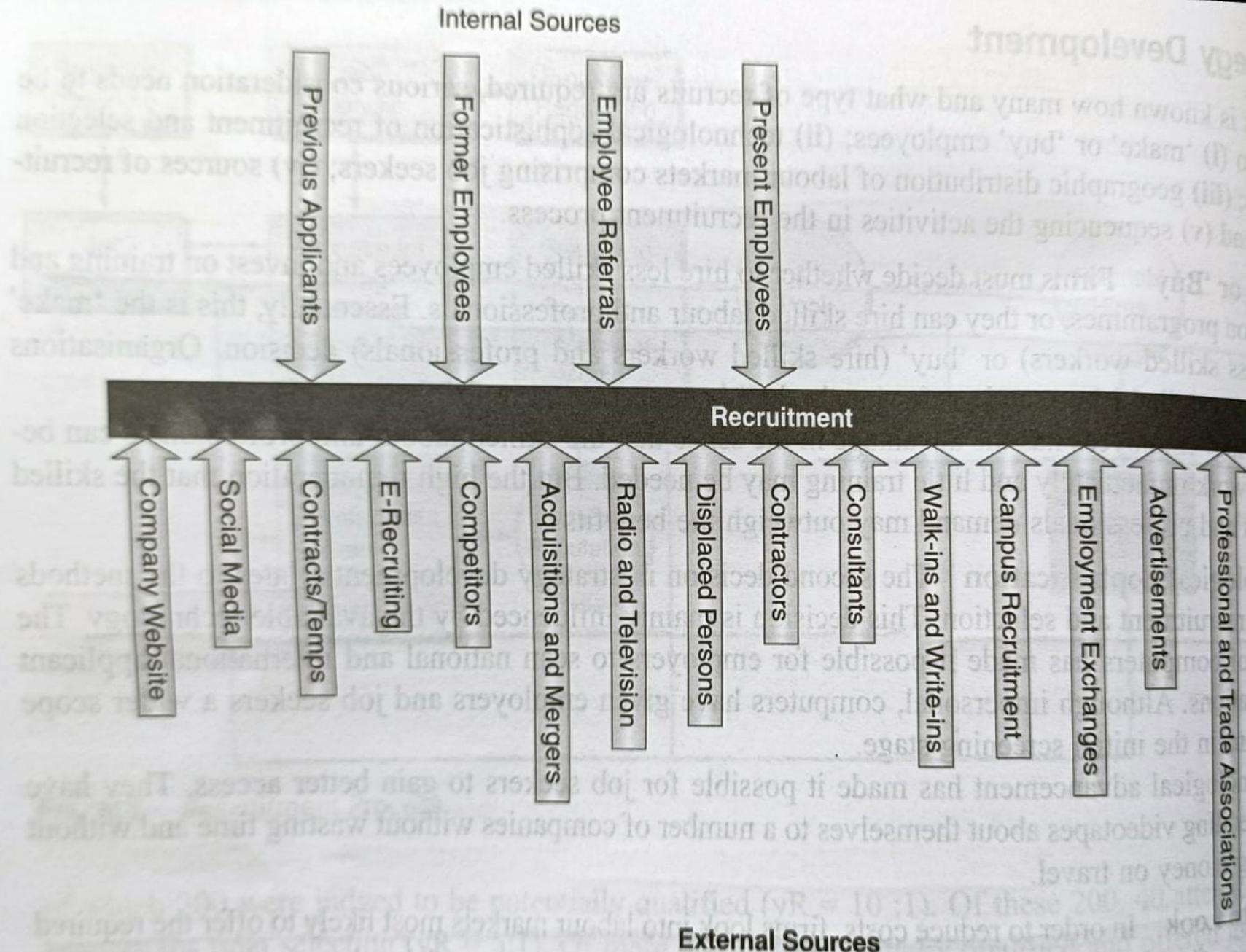


Fig. 6.5 Sources of Recruitment

INTERNAL RECRUITMENT:

Internal recruitment sees applicants for positions from those who are currently employed.

Internal sources include:

1. Present employees
2. Employee referrals
3. Former employees
4. Former applicants

1. Present employees:

Promotions and transfers from among the present employees can be a good source of recruitment.

Promotions has several advantages: they are—

- It is good public relations in company
- It builds morale
- It encourages competent individuals who are ambitious
- It is cheaper than going outside to recruit etc.

Promotion can be effective using **job posting, personnel records and skill banks.**

Job posting means notifying vacant positions by posting notices, circulating publications or announcing at staff meetings and inviting employees to apply.

Personnel records examines in discovering employees who are doing their jobs below their educational qualifications or skill levels, who have potential for further training or who have right background for the vacant positions.

Skill banks: some companies lists current employees who have specific skills.

2. Employee Referrals:

- This can be a good source of internal recruitment.
- Employees can develop good prospects for their families and friends by acquainting them with the advantages of a job with the company, furnishing cards of introduction, and even encouraging them to apply.
- When employees recommend successful referrals, they (the former) are paid monetary incentives which are called “**finders fees**”.
- Example: Microsoft, Infosys, Wipro and other firms.

3. Former Employees:

Former employees are also an internal source of applicants

Increasingly, more and more employers are reaching out to ex-employees with proven good performance records.

HR team connects with them to ascertain interest to return and work for the company.

Sometimes, people who left the organization or some retired employees may be willing to come back to work on a part time basis, or may recommend someone who would be interested in working for the company.

Example: MNCs like IBM and Microsoft are active in re-hiring.

4. Previous Applicants:

Although not truly an internal source

Previous applicants are those who have previously applied for jobs can be

Evaluation of Internal Recruitment:

Advantages:

1. It is less costly than external recruiting.
2. Firms typically have a better knowledge of the internal candidates skills and abilities than the ones acquired through external recruiting.
3. An organizational policy of promoting from within can enhance employees morale, organizational commitment and job satisfaction.

Disadvantages:

4. Lack of new talents
5. Competition between people
6. Politics probably has a greater impact on internal recruiting.

External Recruitment:

External sources are:

- 1. Temporaries and Contract workers
- 2. E-Recruiting
- 3. Professional and trade associations
- 4. Advertisements
- 5. Employment exchanges
- 6. Campus recruitment
- 7. Walk-ins, write-ins and talk-ins
- 8. Consultants
- 9. Contractors
- 10. Displaced persons
- 11. Radio and television
- 12. Acquisitions and mergers
- 13. Competitors'
- 14. Social media
- 15. Company website

1.Temporary and Contract Workers:

- Contract workers and temporary workers can be seen in any organizations.
- Example: Maruti company has 40 percent workers on contract basis and Rico company has 1275 regular and 1675 contract workers.
- For Employer, contract workers are less expensive (wages paid to these employees constitute only half of what are paid to regulars), minimum demands for better wages and benefits, no need to implement mandatory welfare measurements, and freedom to hire and fire.
- During times of sudden rise in demand, organizations rely on temps(temporary workers) instead of hiring regulars. And managers can keep watching temps to identify potential candidates who can be absorbed on regular basis in course of time.
- The growth of temping industry has a positive side, it offers jobs to workers, who would otherwise be unemployed.
- Negative side is that, temporary workers are paid less, denied welfare benefits and are always under the cloud of uncertain jobs.

2. E-Recruiting: Electronic, also called online recruiting

- Job portals like Naukri, Monster and Shine enable recruiters to reach out to a larger audience.
- E-Recruiting involves screening candidates electronically, directing potential hires to a special website for online skill assessment, conducting background checks over the internet, interviewing candidates via videoconferencing, and managing the entire process with web-based software.
- Companies benefit immensely through wide reach, cost savings and speed enhancement.
- Employees too are benefited in the sense that they can access over a broader array of company postings than was possible earlier.
- Negatives of online recruiting: more unqualified applicants apply for the jobs, more resumes need to be reviewed and more e-mails needs special tracing software to handle large number of applications
- Another problem is that the recruiters are likely to miss out competent applicants who lack access to internet.

3. Professional and Trade Associations:

- Many associations provide placement services for their members.
- These services may consist of compiling job seekers lists and providing access to members during regional and national conventions.
- Further, many associations publish or sponsor trade journals or magazines for their members.
- These publications often carry classified advertisements from employers interested in recruiting their members.
- Professional or trade associations are particularly useful for attracting highly educated, experienced, or skilled personnel.

4. Advertisements:

- These constitute a popular method of seeing recruits as many recruiters prefer advertisements because of their wide reach.
- A number of factors influence the response rate to advertisement. There are three important variables ---identification of the company, labor market conditions and the degree to which specific requirements are included in the advertisement.
- Many organizations place what is referred to as “**Blind Ad**” , one in which there is no identification of the firm. Respondents are asked to reply to a post box number or to a consulting firm that is retained by the organization.
- Advertisements must be effectively drafted before publishing/releasing them. An ineffective advertisement will meet the fate aptly described in the following:

“is your advertising getting results”?

“it sure is! Last week we advertised for a night watchman and the next night we were robbed”.

- Experienced advertisers use a four point guide called **AIDA** to construct their advertisements.
- First, attract **attention**, next develop **interest** in the job, next create **desire** and then instigate **action** on the part of an onlooker.

Advertisements must contain following information:

1. Job content
2. Working conditions
3. Location of the job
4. Compensation including fringe benefits
5. Job specifications
6. Growth prospects etc.,

5. Employment exchanges:

- Employment exchanges have been set up all over the country in deference to the provisions of the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- The act requires all the industrial establishments to notify the vacancies before they are filled.
- The major functions of the exchanges are to increase the pool of possible applicants and to do preliminary screening. Thus, employment exchanges act as a link between the employers and prospective employees.
- As on today, there are 965 exchanges across India, with 46 million people registered seeking jobs. Till now, all these exchanges have found jobs for only 2,60,000, a success rate of 0.56%
- Over the years, they have lost relevance as several states have set up their own recruitment boards to fill local posts and in 1996 Supreme Court allowed the private sector to hire employees from outside Employment Exchanges was a further blow to these exchanges.

6. Campus Recruitment:

- Colleges, universities, research laboratories and institutes are fertile ground for recruiters.
- Campus recruitments are going global with companies like HUL, Citibank, Google, Facebook, Motorola and Reliance looking for recruits in global markets.
- The campus recruitment is so much sought after by the recruiters that each college, university or institute will have a placement officer to handle recruitment functions.
- Campus recruitment is often an expensive process, even if the recruiting process eventually produces job offers and acceptances.
- Apart from the problems, campus recruitment is the major source of recruitment for prestigious and blue-chip companies.

7. Walk-ins, Write-ins and Talk-ins:

- The most common and least expensive approach for candidates is direct applications, in which job seekers submit application letters or resumes
- Direct applications can also provide a pool of potential employees to meet future needs.
- While direct applications are particularly effective in filling entry-level and unskilled vacancies.
- **Write-ins:** are those who send written enquiries. These job seekers are asked to complete application forms for further processing.
- **Talk-ins:** are becoming popular nowadays. Job aspirants are required to meet the recruiter (on an appropriate date) for detailed talks. No application is submitted to the recruiter.

8. Consultants:

- ABC Consultants, Ferguson Associates, Human resource consultants, Head Hunters, Analytic consultancy Bureau, Aims Management Consultants and the Search House are some among the numerous recruiting agencies.
- These and other agencies in the profession are retained by organizations for recruiting and selecting managerial and executive personnel.
- Consultants are useful inasmuch as they have nation-wide contacts and lend professionalism to the hiring process.
- But the cost can be a deterrent factor, most consultants charge fees ranging from 20 to 50 percent of the first year salaries of the individuals placed.

9. Contractors:

- Contractors are used to recruit casual workers. The names of the workers are not entered in the company records and, to this extent, difficulties experienced in maintaining permanent workers are avoided.
- Organizations should keep some guidelines while using casual workers or contractors.

10. Displaced Persons:

- A displaced person is someone who has been forced to leave the place where they live.
- Rehabilitating the displaced people is a social responsibility of business/company.
- Such people are a source of recruitment.
- But the track record of companies in this respect is disappointing.

11. Radio and Television:

- Radio and television are used but sparingly, and that too, by government departments only.
- Companies in the private sector are hesitant to use the media because of high costs.
- Radio and television can be used to reach certain types of job applicants such as skilled workers.

12. Acquisitions and Mergers:

- ✓ Another method of staffing firms is a result of the acquisition or merger process.
- ✓ When organizations combine into one, they have to handle a large pool of employees, some of whom may no longer be necessary in the new organization, however, new jobs may be created as well.
- ✓ Both new and old jobs may be readily staffed by drawing the best-qualified applicants from this employee pool.
- ✓ *Advantage:* this one can facilitate the immediate implementation of an organization's strategic plan, with the readily available pool of employees.
- ✓ *Disadvantage:* Personnel planning and selection process become more critical than ever.

13. Competitors:

- ✓ Rival firms can be a source of recruitment. Popularly called '**poaching or raiding**', this method involves identifying the right people in rival companies, offering them better terms and luring them away.
- ✓ For instance, several executives of HMT left to join Titan Watch Company and three deputy managing directors of SBI resigned to join private companies.
- ✓ There are legal and ethical issues involved in raiding rival firms for potential candidates.
- ✓ From the legal point of view, an employee is expected to join a new firm only after obtaining a "*no objection certificate*" from his/her present employer. Violating this requirement shall bind the employee to pay a *few months' salary* to his/her present employer as a punishment.
- ✓ The ethical issue is more significant than the legal one. Unfortunately, today's young managers are known for rootlessness and job hopping(frequently changing jobs). Loyalty to the organization is a thing of the past.

14. Social Media:

- A new and rapidly emerging source of recruitment is the extensive use of social media.
- Social interaction applications like LinkedIn and Facebook have been in use to network virtually.
- This and more such apps(Eg: Indeed app, Naukri Recruiter app etc.) have quickly blossomed into an ideal space to look for talent, to post job openings and advertise career opportunities both at an individual level and by recruiters.
- One of the key advantages of this source of recruitment is that it is a highly referenced platform.
- Employees who refer jobs within their circle of friends and acquaintances will spread to other circles and so on.
- With a technology savvy millennial (Gen Y& Gen Z), entering the workplace in large numbers, there will be increase in shift to using social media as a key source for recruiting.

15. Company Website:

- Organizations also use the company's website extensively to advertise the job openings.
- This method involves directly soliciting interested employees to apply for jobs in the organization.
- Organizations can also benefit by avoiding the middlemen and related costs.

Evaluation of External Recruitment:

External sources of recruitment have both merits and demerits.

On the *plus side*, the following may be cited:

- I. The firm will have the benefit of new skills, new talents and new experiences, if people are hired from external sources.
- II. The management will be able to fulfill reservation requirements in favor of the disadvantaged sections of the society.
- III. Scope for resentment, heartburn and jealousy can be avoided by recruiting from outside.

The *demerits* are:

- IV. Better motivation and increased morale associated with promoting own employees are lost to the company.
- V. External recruitment is costly
- VI. If recruitment and selection processes are not properly carried out, chances of right candidates being rejected(false positive error) and wrong applicants being selected (false negative error) occur

Exhibit 6.5

Internal and External Recruitments: Advantages and Disadvantages

Internal Recruitment

Advantages

1. It is less costly.
2. Candidates are already oriented towards company.
3. Organisations have better knowledge about the internal candidates.
4. Enhancement of employee morale and motivation
5. Good performance is rewarded.

Disadvantages

1. It perpetuates the old concept of doing things.
2. It abets raiding.
3. Candidates' current work may be affected.
4. Politics play greater role.
5. Morale problem for those not promoted.

External Recruitment

Advantages

1. Benefits of new skills, new talents and new experiences to organisations.
2. Compliance with reservation policy becomes easy.
3. Scope for resentment, jealousies and heart-burn are avoided.

Disadvantages

1. Better morale and motivation associated with internal recruiting is denied to the company.
2. It is costly.
3. Chances of creeping in false positive and false negative errors.
4. Adjustment of new employees to the organisation takes time.

When to look:

- An effective recruiting strategy must determine when to look- decide on the timings of events----besides knowing where and how to look for job applicants.
- **Time lapsed data(TLD)** will be highly useful in determining the timings. TLD show the average time that elapses between major decision points in the recruitment process.
- In previous example: the firm has a task of recruiting 30 salespersons in a given period. Yield ratio analysis showed that 3000 potential applicants would have to be contacted. But when should these contacts occur?
- TLD analysis:
 - 10 days for advertisements to produce resumes
 - 4 days for invitations for interviews to be issued
 - 7 days for arranging interviews
 - 4 days for the company to make up its mind
 - 10 days for the offering jobs
 - 21 days for accepting offers to report for work
- This suggests that vacancies must be advertised two months before they are expected to occur.

3.Sourcing:

Once a recruiting plan and strategy are worked out, the sourcing process can begin.

Sourcing involves two steps- **(i) source activation, and (ii) selling**

(i) Source Activation:

- Typically, sources and search methods are activated by the issuance of an employee requisition(job requisition)
- This means that no actual recruiting takes place until line managers have verified that a vacancy does exist or will exist.
- If the firm has planned well and done a good job of developing its sources and search methods, activation soon results in a flood of applications/resumes.
- The applications received must be screened. Those who pass have to be contacted and invited for interview. Unsuccessful applicants must be sent letters of regret.

Selling:

ing of vacant positions to a top candidates in the company.

s selling is to be addressed in the sourcing process concerns about communicati

n the message and media deserve attention.

message refers to the employment advertisement.

n regard to media, the effectiveness of any recruiting message depends on the m

dia are several—some have low credibility(Ex: Employment exchanges)

---some have high credibility(Ex: advertisements in business m

ection of medium or media needs to be done with lot of care.

4.Screening:

- Screening of applications can be regarded as an integral part of the recruiting process.
- The selection process will begin after the applications have been scrutinized and shortlisted.
- Applications received in response to advertisements are screened and only eligible applicants are called for an interview.
- Here, the recruitment process extends up to screening the applications. The selection process commences only later.
- Effective screening can save a great deal of time and money. And care must be exercised, to assure that potential good employees are not lost.

Evaluation and Control:

uation and control is necessary as considerable costs are incurred in the recruitment process. The costs generally incurred are:

salaries of recruiters

cost of advertisements or other recruitment methods, that is, agency fees

cost of producing supporting literature.

cost of recruiting suitable candidates for the selection process. Etc.

Evaluation of Recruitment Process:

The recruitment process has the objective of searching for and obtaining applications from job-seekers in sufficient numbers and quality.

Keeping this objective in mind, the evaluation might include:

1. Return rate of applications sent out
2. Number of suitable candidates for selection
3. Retention and performance of the candidates selected
4. cost of the recruitment process
5. Time lapsed data etc.,

Evaluation of Recruitment Methods:

The evaluation of Recruitment methods might include:

- Number of initial enquires received which resulted in completed application forms
- Number of candidates recruited
- Number of candidates shortlisted
- Number of candidates retained in the organization after six months.

Thank you

SELECTION



Introduction:

- The ability for organizations to identify the right talent continues to be elusive.
- Spotting best fit talent is a skill.
- Identifying the right selection tools that are effectively designed to clearly isolate suitable candidates for a job is a challenge.
- Hiring the wrong talent can lead to multiple costs and often difficult to get rid of easily.
- Therefore, it is natural for organizations to spend a lot of time and effort on this important activity which ensures competitive advantage and guarantees sustainable development.



Definition of Selection:

Selection is the process of picking individuals (out of pool of job applicants) with requisite qualifications and competence to fill jobs in the organization.

Selection is the process of differentiating between applicants in order to identify and hire those with a greater likelihood of success in a job.

Although, some selection methods can be used within an organization for promotion or transfer, this chapter focuses on selecting applicants from outside the organization.

Recruitment is said to be positive in its approach as it seeks to attract as many candidates as possible.

Selection, on the other hand, is negative in its application inasmuch as it seeks to eliminate as many unqualified applicants as possible in order to identify the right candidates.



Selection as a source of competitive advantage:

- The role of selection in an organizations effectiveness is crucial for at least four reasons:
- **First**, work performance depends on individuals. The best way to improve performance is to hire people who have the competence and the willingness to work.
- **Second**, not only does selection process lend competitive advantage to the organization. Skilled employees ensure that such an advantage stays longer for the firm. Thus, selection process contributes to sustainable development to the company.
- **Third**, cost incurred in recruiting and hiring personnel speaks volumes about the role of selection.
- **Fourth**, costs of wrong selection are much greater. Figure shows four possible outcomes of a selection decision.
- Two of these—'true positive(high hit) and true negative(low hit)' are right selection decisions.
- The other two outcomes represent selection errors.

True positive results when a candidate is hired expecting success and success results.

True negative, failure is predicted and it happens.

False negative error means rejection of an applicant who would have succeeded.

False positive error means applicant is selected expecting success, but failure occurs.

	Success	False Negative Error	True Positive ('High Hit')
	Failure	True Negative ('Low Hit')	False Positive Error
Failure Predicted		Success Predicted	

FIG. 7.1 Outcomes of the Selection Decision

Careful selection will help a firm avoid costs associated with both false positive error as well as false negative error.

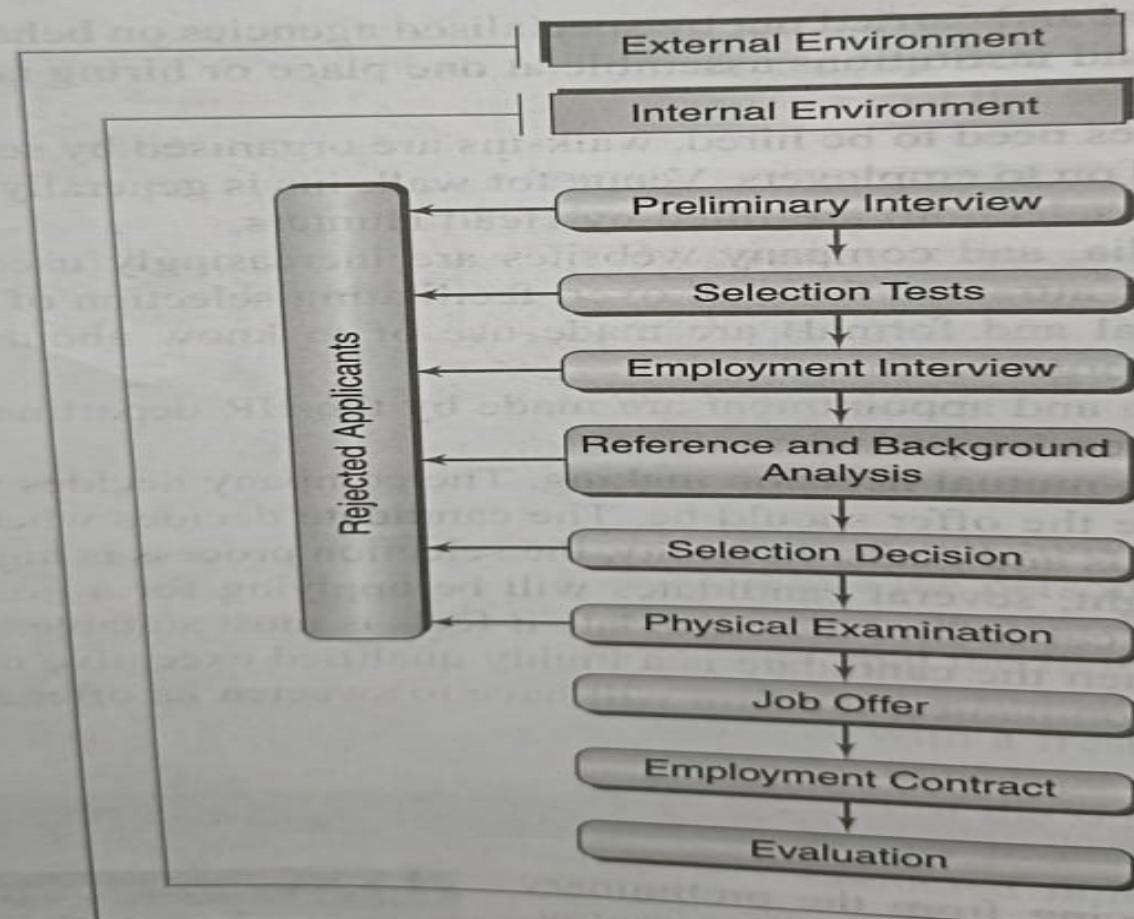


FIG. 7.2 Selection Process

1.Environmental factors affecting selection:

- **Internal environmental factors:** company's policy, HRP, and cost of hiring.
- **External environmental factors:** supply and demand of specific skills in the labor market,
unemployment rate, labor-market conditions,
legal and political considerations, company's image.



2. Preliminary interview:

- The purpose of preliminary interview is more or less the same as scrutiny of applications, that is, elimination of unqualified applications.
- Scrutiny enables the HR specialists to eliminate unqualified job seekers based on the information supplied in their application forms.
- This is also called as Courtesy interview.



3. Selection tests:

Job seekers who pass the screening and the preliminary interview are called for tests. Different types of tests may be administered, depending on the job and the company. Generally tests are used to determine the applicants ability, aptitude and personality.

1. Ability tests: (achievement tests): these tests assist in determining how well an individual can perform tasks related to the job.

2. Aptitude test: helps determine a persons potential to learn in a given area.

3. Personality tests: are given to measure a prospective employees motivation to function in a particular working environment. There are various tests designed to assess a candidate's personality. For example- the thematic apperception test(TAT) assesses an individuals achievement and motivational levels.

4. Interest tests: are used to measure an individuals activity preferences.

5. Graphology test is designed to analyze the handwriting of an individual.

6. Polygraph tests(polygraph is a lie detector): are designed to ensure accuracy of the information given in the applications.

7. Medical tests: reveal physical fitness of a candidate.

Choosing tests:

tests must be chosen based on the criteria of

- I. Reliability,
- II. Validity,
- III. Objectivity and
- IV. Standardization



4. Employment Interview:

Interview is a formal, in-depth conversation conducted to evaluate the applicants' acceptability.

It is considered to be an excellent selection device.

Interview can be adapted to unskilled, skilled, managerial and professional employees.

It allows two way exchange of information

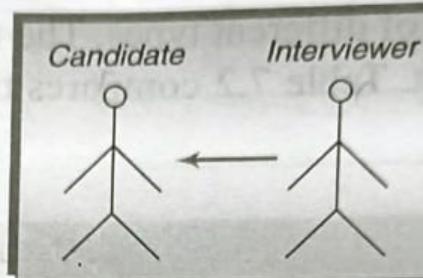
Objectives of Interviews:

- (i) Helps obtain additional information from the applicant
- (ii) Facilitates giving general information to the applicant such as company policies, job ,products manufactured etc.,
- (iii) Helps build the company's image among the applicants

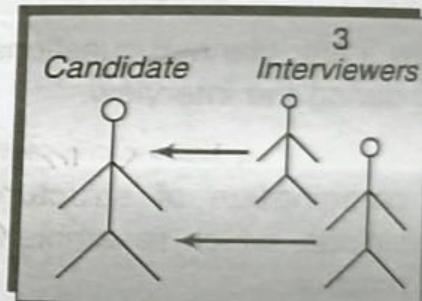
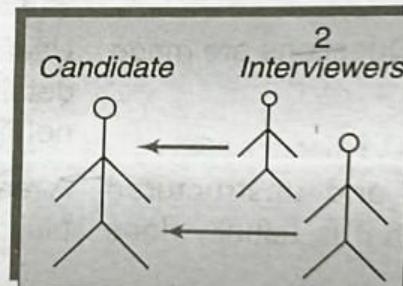
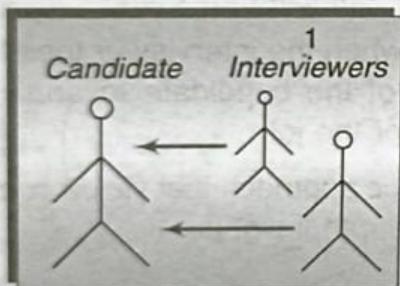


TABLE 7.2 Types of Interview

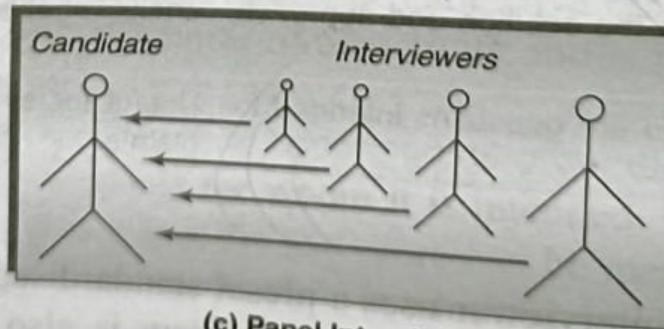
Type	Type of Questions	Usual Applications
Structured	A predetermined checklist of questions, usually asked of all applicants.	Useful for valid results, especially when dealing with large number of applicants.
Unstructured	Few, if any, planned questions. Questions are made up during the interview.	Useful when the interviewer tries to probe personal details of the candidate to analyse why they are not fit for the job.
Mixed	A combination of structured and unstructured questions, which resembles what is usually done in practice.	A realistic approach that yields comparable answers plus indepth insights.
Behavioural	Questions limited to hypothetical situations. Evaluation is based on the solution and approach of the applicant.	Useful to understand applicant's reasoning and analytical abilities under modest stress.
Stressful	A series of harsh, rapid fire questions intended to upset the applicant.	Useful for stressful jobs, such as handling complaints.



(a) One-to-One Interview



(b) Sequential Interview



(c) Panel Interview

Common interview challenges:

Regardless of the type, several problems are inherent in interviews. Selection specialists must be aware of these problems and need to be trained to overcome them.

1. Interviewers do not see applicants information dimensions needed for successful job performance. In addition, the interviewer often does not know the conditions under which the job is performed.
2. Interviewers may make snap judgments early in the interview. Consequently, they block out further potentially useful information.
3. Interviewers permit one trait or job related attribute to influence their evaluation of the remaining qualities of an applicant. This process is called “**Halo effect**”, occurs when an interviewer judges an applicants entire potential for job performance on the basis of a single characteristic, such as how well the applicant dresses or talks.
4. Interviewers judgments are often affected by the pressure to favor a candidate or fill the position, hence they lower the standards.
5. Gender, race and attitudes similar to those of the interviewer may lead to favorable evaluations.

TABLE 7.3 Guidelines to Interviewers

Do's	Don'ts
● Plan the interview	● Start the interview unprepared
● Establish an easy and informal relationship	● Plunge too quickly into demanding questions
● Encourage the candidate to talk	● Ask leading questions
● Cover the ground as planned	● Jump to conclusions on inadequate evidences
● Probe where necessary	● Pay too much attention to isolated strengths or weaknesses
● Analyse career and interests to reveal strengths, weaknesses, patterns of behaviour	● Allow the candidate to gloss over important facts
● Maintain control over the direction and time taken for the interview	● Talk too much

TABLE 7.5 Mistakes Made by a CEO Aspirant

- Not focused and unclear. Lot of ambiguity
- Inflating one's role in resolving a crisis
- Not being serious
- Verbal diarrhea – volunteering executive information and talking much
- Poor listening skills
- Excessive name dropping
- Bad mouthing
- Visible anxiety
- Posturing
- Excessive focus on compensation

5. Reference and Background checks:

- Many employers request names, addresses, and telephone numbers or references for the purpose of verifying information and, perhaps, gaining additional background information on an applicant.
- When the labor market is very tight, firms sometimes hire applicants before checking references.
- Companies normally see letters of reference or telephone references. The latter is advantageous because of its accuracy and low cost.

Reference checks cover the following:

- Criminal record checks
- Previous employment checks
- Educational record checks
- Credit record checks
- Civil record checks
- Union affiliation checks
- Character reference checks
- Neighborhood reference checks



Reference checks serve two important purposes:

1. One purpose is to gain insight about the potential employee from the people who have had previous experience with him or her.

This is a good practice considering the fact that between 20 to 25% of job applicants there is at least one fraudster.

Within India, job-related frauds have been rising from year to years especially in IT & BFSI(Banking, financial services and insurance) sectors.

2. The second purpose for reference checks is to assess the potential success of a prospect.



6. Selection Decision:

- The most critical step of all the steps
- The other stages in the selection process have been used to narrow the number of candidates.
- The final decision has to be made from the pool of individuals who pass the tests, interviews and reference checks.
- The views of line manager will be generally considered in the final selection because it is he/she who is responsible for the performance of the new employee.
- The HR manager play a crucial role in the final decision.



7. Physical Examination:

After the selection decision and before the job offer is made, the candidate is required to undergo a physical fitness test.

The results of the medical fitness test are recorded in a statement and are preserved in the personnel records.

Objectives of physical tests:

1. Physical test is to detect if the individual carries any infectious diseases.
2. The test assists in determining whether an applicant is physically fit to perform the work.
3. The physical examination may be used to determine if there are certain physical capabilities which differentiate successful and less successful employees.
4. Medical check-up protects applicants with health defects from undertaking work that could be detrimental to themselves or might otherwise endanger the employers' property.
5. Finally such an examination will protect the employer from workers

8. Job Offer:

Job offer is made through a letter of appointment.

Such a letter generally contains a date by which the appointee must report on duty.

The appointee must be given reasonable time for reporting. So that, appointee can obtain a relieving certificate from the previous employer and again a new job may require movement to another city.

Decency demands that the rejected applicants be informed about their non-selection. Their applications may be preserved for future use, if any.



9. Contract of Employment:

- After the job offers have been made and the candidates accept the offers, certain documents need to be executed by the employers and the candidates.
- One such document is the attestation form. This form contains certain vital details about the candidate which are authenticated and attested by him/her. Attestation form will be a valid record for future reference.
- There is also a need for preparing a contract of employment. The basic information that should be included in a written contract of employment will vary according to the level of the job.
- The following are the checklist included in any employment contract– job title, duties, rate of pay, holidays, sickness, union membership etc.
- These employee contracts are also called as employment agreements or simply bonds.
- Purpose of contracts: to restrain job hoppers, to prevent competitors from poaching highly valued employees.
- Example- Wipro

Concluding the selection process:

- The selection process will not end with executing the employment contract. There is another step i.e. reassuring those candidates who have not been selected.
- Such candidates must be told that they were not selected, not because of any serious deficiencies in their personalities, but because their profiles did not match the requirements of the company.
- Another serious concern for the HR managers is the issue relates to 'No shows' by the selected candidates.
- No shows costs money and time to the companies.



Assessment Centers Method:

- An assessment center is not a physical location but an approach to selecting managers based on measuring and evaluating their competencies and cognitive abilities.
- Assessment center method is employed to fill managerial positions from within or to hire fresh graduates.
- An assessment center may last two to five days, during which time a group of candidates (usually 6 to 12) takes a series of work sample tests and other selection techniques such as various types of interviews, tests, management games, case analysis and exercises including feedback sessions.
- A panel of line managers drawn from different departments specifically trained as evaluators are allowed to access and share feedback to aid the selection decision.



Barriers to effective selection:

1. **Biased perception:** managers are often unconsciously influenced by demographic factors like gender, caste, and place of origin.

Blind hiring: it is a process used to block out a job candidate's personal information that could influence or bias a hiring decision.

2. **Fairness:** fairness in selection requires that no individual should be discriminated against on the basis of religion, region, race or gender.
3. **Validity:** a valid test helps to predict the job performance of an incumbent. A test that has been validated can differentiate between the employees who can perform well and those who will not.
4. **Reliability:** a reliable test will produce consistent results when repeated in similar situations. Like a validated test, a reliable test may fail to predict job performance accurately.
5. **Pressure:** pressure is brought on the selectors by politicians, bureaucrats, relatives, friends and peers to select particular candidates.

Evaluation of Selection Process:

Any wrong committed at the recruitment stage can be rectified at selection phase, but wrong selection is extremely difficult to set right.

Selection is said to be right when right people are hired for right jobs and at right time.

Four criteria have been used by organizations to ensure that selection meets the three “R”(Right candidate, Right job and, Right time): Cost to hire, time to hire, audit and quality of hire.

1. Cost Per Hire (CPH): in CPH, costs incurred for hiring purpose are included.

CPH is obtained by dividing the total cost by the number of hires.

Organizations closely watch the CPH to monitor the effectiveness of hiring function.

Efforts are always made to keep CHP within acceptable limits.

2. Time to Hire(TTH): it refers to assess the effectiveness of employee selection. TTH refers to the lapsed time between notification of vacant position and the new hire join the organization.

3. Quality of Hire: Hiring is said to be qualitative when the three “R” are

TABLE 7.6 Audit of the Selection Programme

- I. Analysis of the programme
 1. Is the selection programme consistent with the HRM theory and practice?
 2. Have well-defined selection policies and procedures been developed?
 3. Are the employment policies consistent with the public policy?
 4. Do the wage levels, fringe benefits, and level of employee satisfaction within the organisation have a beneficial effect upon the ability to attract and retain good employees?
- II. How adequately is the programme and its procedures communicated to all those involved in and affected by it?
- III. How well is the programme implemented?
 1. Have those, entrusted with carrying out the employment programme, been adequately trained?
 2. Does the performance of the programme match the stated goals?
 3. Are policy and procedure manuals developed and utilised?
- IV. Feedback
 1. What image has been created in the minds of university and institute placement officers, and public and private employment agencies by the approach adopted by the company in conducting its hiring programme?
 2. Have recently hired employees and rejected applicants been surveyed to gauge the type of treatment they have received in the selection process?
 3. How many persons have rejected the company as a poor place to work because of low wages, a poor reputation and so on?
- V. Analysis of results
 1. How well do those hired perform on the job?
 2. What percentage of those who apply are hired?
 3. Of those hired, what percentage are discharged during the probationary period? What percentage resigned before cause the job and employment conditions were misrepresented to them?
 4. What portion of employee turnover can be attributed to faulty selection?
 5. What contribution does each of the selection tools (i.e. tests, interviews, medical examinations, etc.) make to the programme? How well do the predictions from each of the selection tools correlate with job success? Have these selection devices been properly validated?

Making Selection Effective:

- .. Competency based hiring techniques
- 2. Training interviewers
- 3. Assessing culture fitment
- .. Selection team



PLACEMENT



PLACEMENT:

- After an employee has been hired and oriented, he or she must be placed in his/her right job.
- Placement is understood as the allocation of people to jobs.
- It is the assignment or re-assignment of an employee to a new or different job.
- Placement includes initial assignment of new employees in the organization.

Some factors are causing organizations and individuals to examine the placement process more closely---

- (a) Increased government pressure to hire and promote women and the disadvantaged sections
- (b) Heightened awareness of the fact that firms have many jobs but each individual has only one career.



Placement Problems:

- The difficulty with placement is that we tend to look at the individual but not at the job.
- Whether the employee works independent of others or is dependent depends on the type of jobs.
- Jobs in this context are classified into three categories—(I)independent, (II)sequential,(III) pooled
- In order to match individuals with jobs, firms use the assessment-classification model.
- In this model, details about the employees sills, interests, past performance and biographical details are collected. The individual is then placed in a specific subgroup.(sub group profile)
- Just as individuals are placed in subgroups, jobs are also categorized into subgroups, each subgroup having identical characteristics.
- The next step is to match subgroup profiles with job-family profiles to determine the likelihood of success and satisfaction in a particular job family.
- Once assignment to a job family is made, individuals can be placed in specific jobs

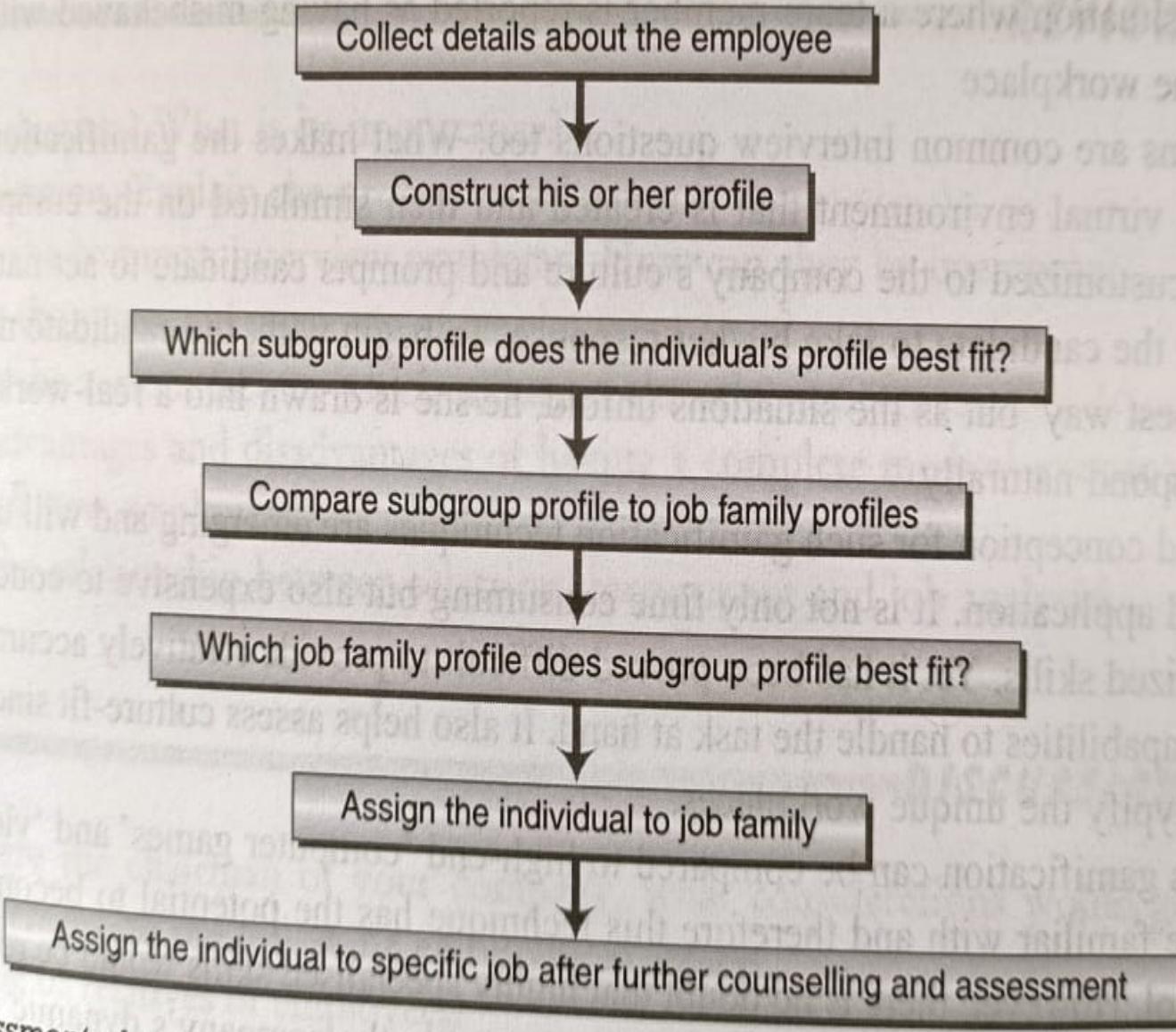


FIG. 7.6

Assessment-classification Model and Employee Placement

THANK YOU

