

# HUMAN RESOURCE MANAGEMENT

Dr Vibhav Singh  
Session 1 & 2

# Course Outline

S.no.	Name of the Module	Tentative No. of sessions
1	Introduction to HRM	4
2	Human Resource System Design	5
3	Functional Areas of HRM	10
4	HR Planning	6
5	SHRM	4
6	HRM in Service Sector	10
7	Home Assignment	6



# PEPSICO

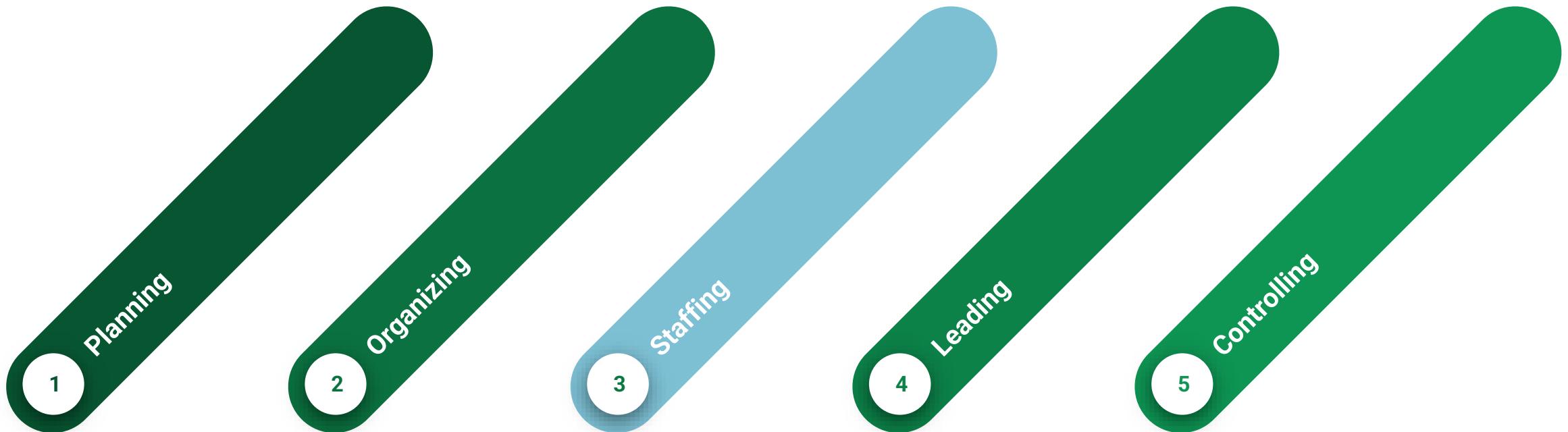


Hindustan Unilever Limited

**Organization** consist of people with formally assigned who work together to achieve organization goals

**Manager**, person responsible for accomplishing the organization's goals

# What M A N A G E R S ?



# What Managers do?

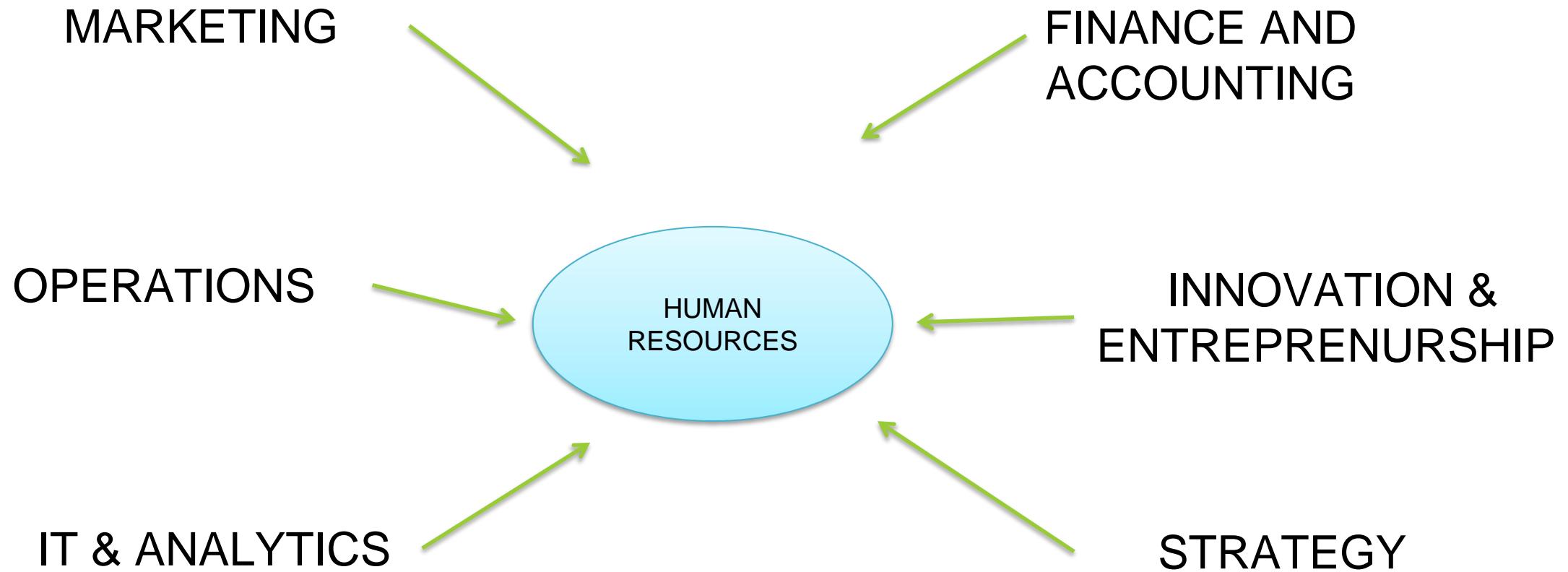
Planning: Establishing goals and standards, developing rules and procedures; developing plans and forecasting

Organizing: Giving each subordinate a specific tasks, establishing departments; delegating authority to subordinates; coordinating subordinates work

Staffing: Determining what type of people you should hire; training and developing employees, setting performance standards, evaluating performance, compensating employees

Leading: getting others to get job done; maintain morale and motivation

Controlling: Setting standards and checking how actual performance compares to standard



# What is Human Resource Management?

The process of **acquiring, training, appraising, and compensating** employees, and of attending to their **labor relations, health, safety, and fairness** concern.



# HR Philosophy

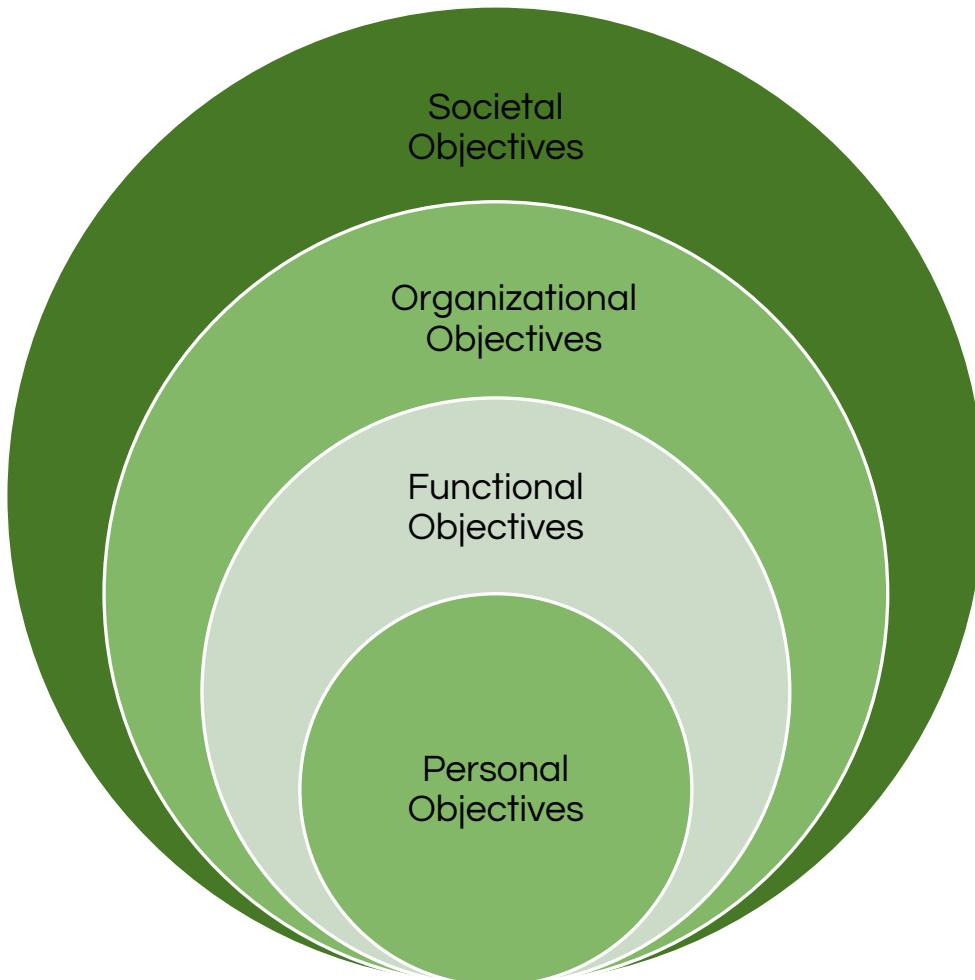
HR philosophy revolves around management's beliefs and assumption about people their nature, needs, values, and their approach to work. These beliefs and assumptions, then determine how people should be treated. There are three approaches for treating people: commodity approach, machine approach, and humanistic approach. In commodity approach, a person is treated like a commodity who can be bought or sold at a price as was the practice in old slavery system. In machine approach, a person is treated as a part of the machine that can be fitted like any other part. Both these approaches treat a person as physiological human being. In humanistic approach, a person is treated as human being having psychological.

# HR Philosophy

Therefore, HR philosophy should take into account all these endowments of human beings more specifically; HR philosophy should be based on the following beliefs: 1. Human beings are the most important assets in the organization. 2. Human beings can be developed to a great extent as they have creative energy which is utilized only partially. 3. Human beings feel committed to their work in the organization if they develop belongingness with it. 4. Human beings are likely to develop a feeling of belongingness if the organization takes care of them and their need satisfaction. 5. Human beings contribute to the maximum if they get an opportunity to discover their full potential and to use it. 6. It is the responsibility of the organization to create healthy and motivating work climate characterized by openness, enthusiasm, trust, mutually, and collaboration

NAME OF THE MODULES	HRM DEFINITION
Planning, Recruitment, & Selection	ACQURING
Performance Management System	APRAISING
Training & Development	TRAINING
Compensation & Benefits	COMPENSATING
Employee Exit & Retention	FAIRNESS & LABOR RELATIONS

# HRM FUNCTIONS AND OBJECTIVES



**SOCIETAL** : HRM seeks to ensure that the organization becomes social responsible

**ORGANIZATIONAL** : To assist organization in attaining its primary goals/objectives

**FUNCTIONAL** : To maintain contribution at level appropriate to the organization's need

**PERSONAL** : To assist employees in achieving their personal goals

# HRM FUNCTIONS AND OBJECTIVES

HRM Objectives	Supporting Functions
Societal Objectives	Legal compliance Benefits Union-Management relationship
Organizational Objectives	Human Resource Planning Employee Relations Training and Development Performance Appraisal Placement
Functional Objectives	Performance Appraisal Placement
Personal Objectives	Compensation Training and Development Performance Appraisal Placement



**is HR important  
?**

**NO manager wants to,**

- Hire wrong person for the job
- Experience high turnover
- People not performing
- Being taken court for wrong reasons

# After Flipkart fiasco, IIM-A plans new norms

*No solution has emerged in the Flipkart row so far, as both the institute and the company continue to stick to their demands.*

Ashish Chauhan | TNN | 28 May 2016, 8:38 AM IST



Home

## After Flipkart fiasco, L&T Infotech now withdraws offer letters to 1,500 students

BS Reporter | Mumbai May 30, 2016 01:26 PM IST





HR GONE WRONG.

MAHINDRA AND MAHINDRA – Firing IT employee by HR



## HR GONE RIGHT.

- NTPC was the ONLY PSU to feature amongst top 25 companies in the Aon Hewitt Best Employer study.
- Competitive selection process
- Attracting former employees to join back
- Intensive orientation program to groom MT & ET
- NTPC offers high quality welfare amenities like healthcare, residential township, and schools for children

# Group activity

Based on your personal experiences, list one-two examples reflecting how you used (or could have used) Human Resource Management Techniques at work/school/college/ day-to-day life

# Trends shaping HRM

## Technology

- Dramatically changed how human resource managers do their jobs. Employers can access candidates via Facebook's job board.

## Globalization

- Companies extending their sales, ownership, and/or manufacturing to new markets abroad.
- Dell assembles PCs in China. Free-trade areas—agreements that reduce tariffs and barriers among trading partners

## De-regularization

- In many countries, governments stripped away regulations
- Establishment of private banks post deregulation

# Trends shaping HRM

## High-Tech Jobs

- “***knowledge-intensive high-tech manufacturing*** in such industries as aerospace, computers, telecommunications, home electronics, pharmaceuticals, and medical instruments” is replacing factory jobs in steel, auto, rubber, and textiles.

## Services

- Manufacturers are enabling companies ***to produce more products with fewer employees***.
- So, in America and much of Europe, ***manufacturing jobs are down***, service jobs up, and the manufacturing jobs that remain are increasingly high-tech.

## Knowledge Work and Human Capital

- jobs require ***more education and more skills***

## Non-Traditional worker

Nontraditional workers are those who hold multiple jobs, or who are “***temporary” or “part-time workers***”  
Others serve as “***independent contractors***” on projects.

# Trends shaping HRM

## **Demographic and Workforce Trends, Generation Y and Retirees**

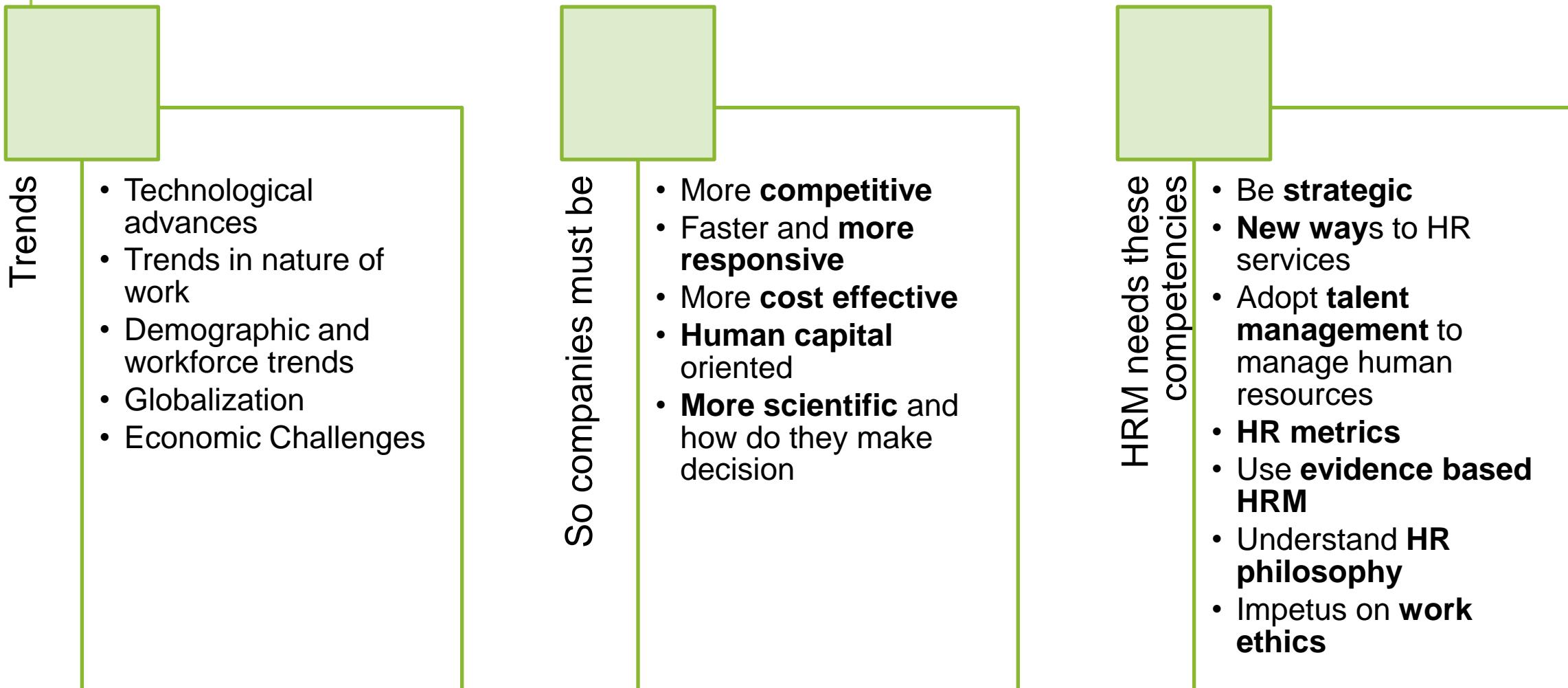
- The U.S. workforce is also becoming older and more multiethnic. The percentages of younger workers will fall.
- The problem is that there aren't enough younger workers to replace the projected number of baby boom-era older workers retiring.
- Generation Y is a double edged sword
- 

## **Workers from Abroad**

The H-1B visa program lets U.S. employers recruit skilled foreign professionals to work in the United States when they can't find qualified American workers

## **Economic Challenges and Trends**

# Trends shaping HRM





# Evolution of HRM

# Shift in HRM

## 1920's onwards

origins of the personnel function can be traced back ,

- ✓ To the **1920s with the concern for labour welfare** in factories
- ✓ The **Trade Union Act of 1926**- gave formal recognition to workers' unions.
- ✓ Royal Commission on Labour gave rise to the **appointment of labour officers** in **1932**
- ✓ **Factories Act of 1948** laid down the duties and qualifications of labour welfare officers

## 1960's onwards

1960s –

- ✓ the personnel function began to expand **beyond its welfare**.
- ✓ origins with the **three areas** - labour welfare, industrial relations and personnel administration

1970s-

- ✓ Thrust of the personnel function shifted towards the need for greater **organisational 'efficiency'** .

1980s-

- ✓ Personnel professionals began to talk about new concepts such as **HRM and HRD**

2000s

- ✓ **Strategic and change partner**

# The 'new' HR Manager

Focus more on strategy

Focus on improving performance

Measure HR performance and results

Evidence based HRM

Add 'Value'

Use new ways to provide HR services

Talent Management Approach

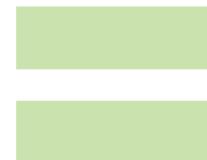
Manage Employee Engagement

Manage Ethics & understand their HR philosophy

# The 'new' HR Manager

## Focus more on Strategy

Assisting organization to address the 'bigger picture' issues



**Yahoo** CEO wanted to improve company's **innovation & Productivity**

- ✓ Eliminated Telecommuting
- ✓ Adopted new benefits (16 weeks paid maternity leave)

# Why are HR policies, procedures and practices important?

- ❖ They help **develop** your company **culture**.
- ❖ They help employees to understand **what is expected of them**.
- ❖ They reflect your business **standards**.
- ❖ They **provide guidance** and tools for managers to assist with the management of employees.
- ❖ They provide rules surrounding **fairness, consistency and clarity**.
- ❖ They ensure you're meeting your **legal obligations** in regards to employees.
- ❖ They help to **integrate new staff members** and bring them up to speed in the shortest amount of time.

# How Do You Effectively Communicate HR Policies and Procedures to Employees?

- *Make sure the written documentation or guidelines made by the organization are easily understood by all employees to avoid inconsistency and confusion.*
- *Ensures all managers and supervisors are well trained and able to provide training to new employees as well.*
- *Ensure all employees and employers are properly trained in appropriate and inappropriate workplace behavior and work culture norms.*
- *Periodically review the policies and guidelines to ensure they are appropriate and up to date.*

# Human Resource Management Policies

## Employment Policies:

Guideline of the recruitment and selection process of new employees, as well as their orientation.

## Employment Status And Records:

Provides access to individual employee accounts, personal files, background checks and performance reviews.

## Employee Benefits:

Written terms and conditions defining employee benefits such as paid leave, insurance, holiday and employee reimbursements.

# Human Resource Management Policies

## **Payroll:**

Policies related to employee salary and wage, deductions and advances.

## **Workplace Guidelines:**

Guidelines defining work arrangements like conveyance, flex time and use of company assets.

## **Employee Conduct:**

Defining appropriate workplace behaviors and norms, conduct of employees, preventive measures to check substance abuse, harassment and workplace violence.

## **E- Policies:**

These are guides informing employees on proper usage of the organizations information and fair use of the internet.

# Human Resource Manager's Competencies

**Strategic positioners**- helping to create the firm's strategy.

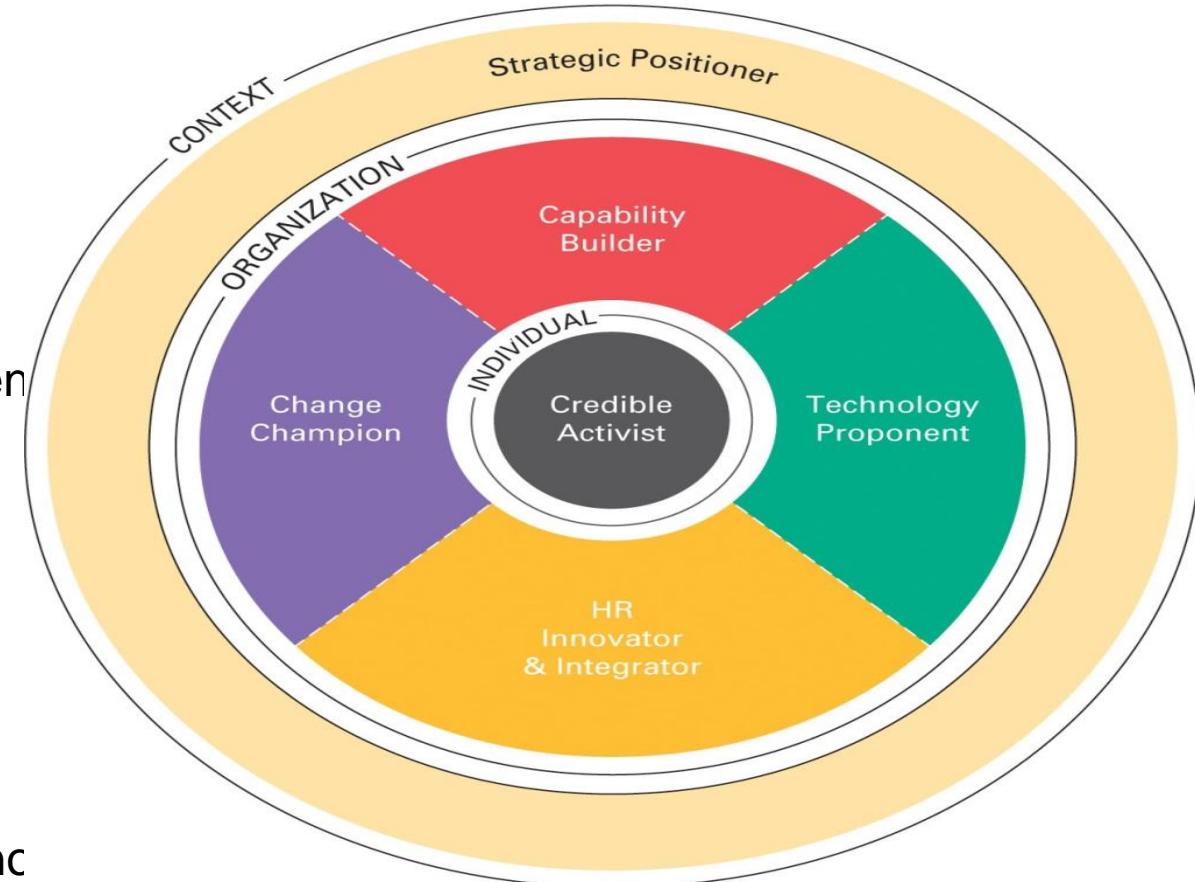
**Credible activists**- exhibiting the leadership and other competencies that make them "both credible and active.

**Capability builders**- creating a meaningful work environment aligning strategy, culture, practices, and behavior

**Change Champions**- initiating and sustaining change.

**HR innovators and integrators**- developing talent, and optimizing human capital through workforce planning and analytics

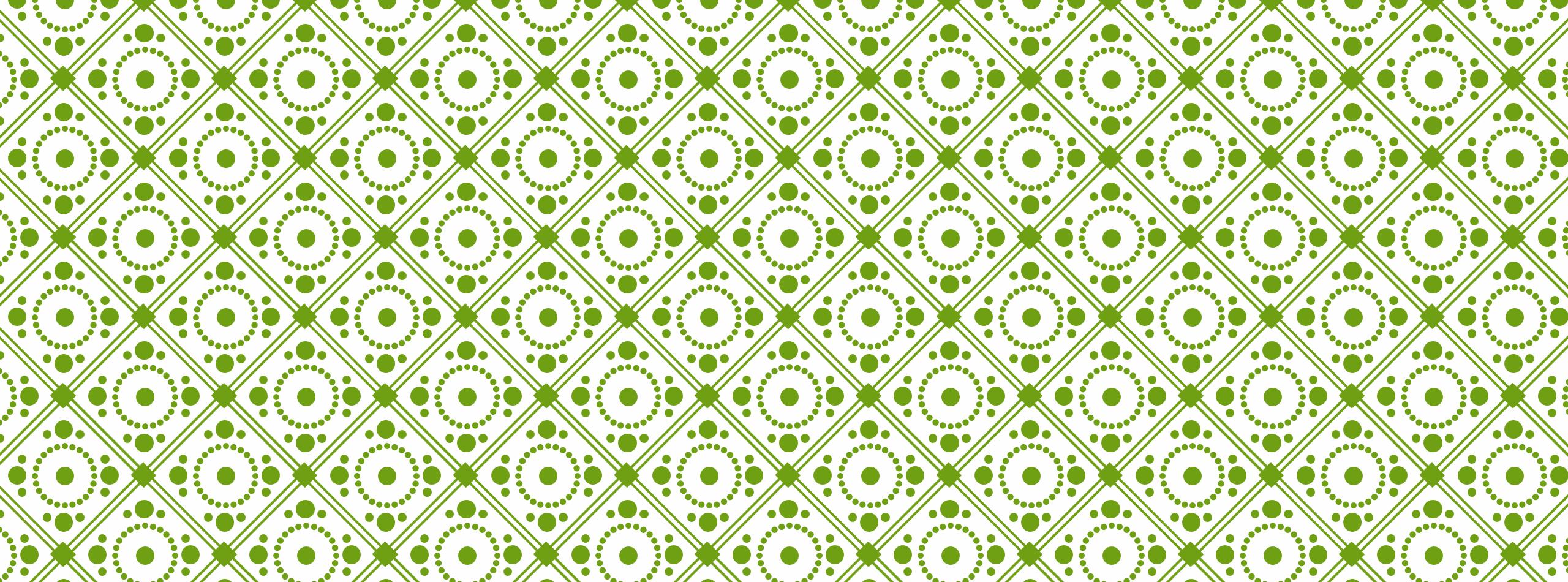
**Technology proponents**- connecting people through technnc



# HR Challenges

1. Improving Diversity, Equity And Inclusion (DEI)
2. Paving The Way For Remote Work
3. Improving Change Management
4. Building Critical Skills
5. Equipping Future Leaders
6. Finding Talent During A Shortage
7. Providing Great Employee Experiences
8. Identifying Skills Employees Will Need Going Forward
9. Revamping Training Practices
10. Fostering A Healthy Work Environment





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# HR Profession

Performance and reward	Work out how much to pay and reward employees
Employment law	Protect the rights of employees
Employee relations	Manage relationships and keep the peace
Recruitment and talent planning	Get the right people in the right jobs
Employee engagement	Make sure employees are happy and motivated
Learning and development	Help employees learn and develop
Organisation development	Make the organisation more effective
HR generalist	Do a mixture of all of the above!

# Top 5 skills of great HR professionals

Interested about how the business works as well as its products, services and customers

Curious

Gathering and analysing information to make the right decision

Decisive thinker

Ability to communicate and influence all kinds of different people

Skilled Influencer

Guided by a sense of moral fairness and willing to challenge unethical decisions

Ethical integrity

Ability to work through problems with patience and determination

Problem solver

# Organizing HR responsibilities/ HR Department

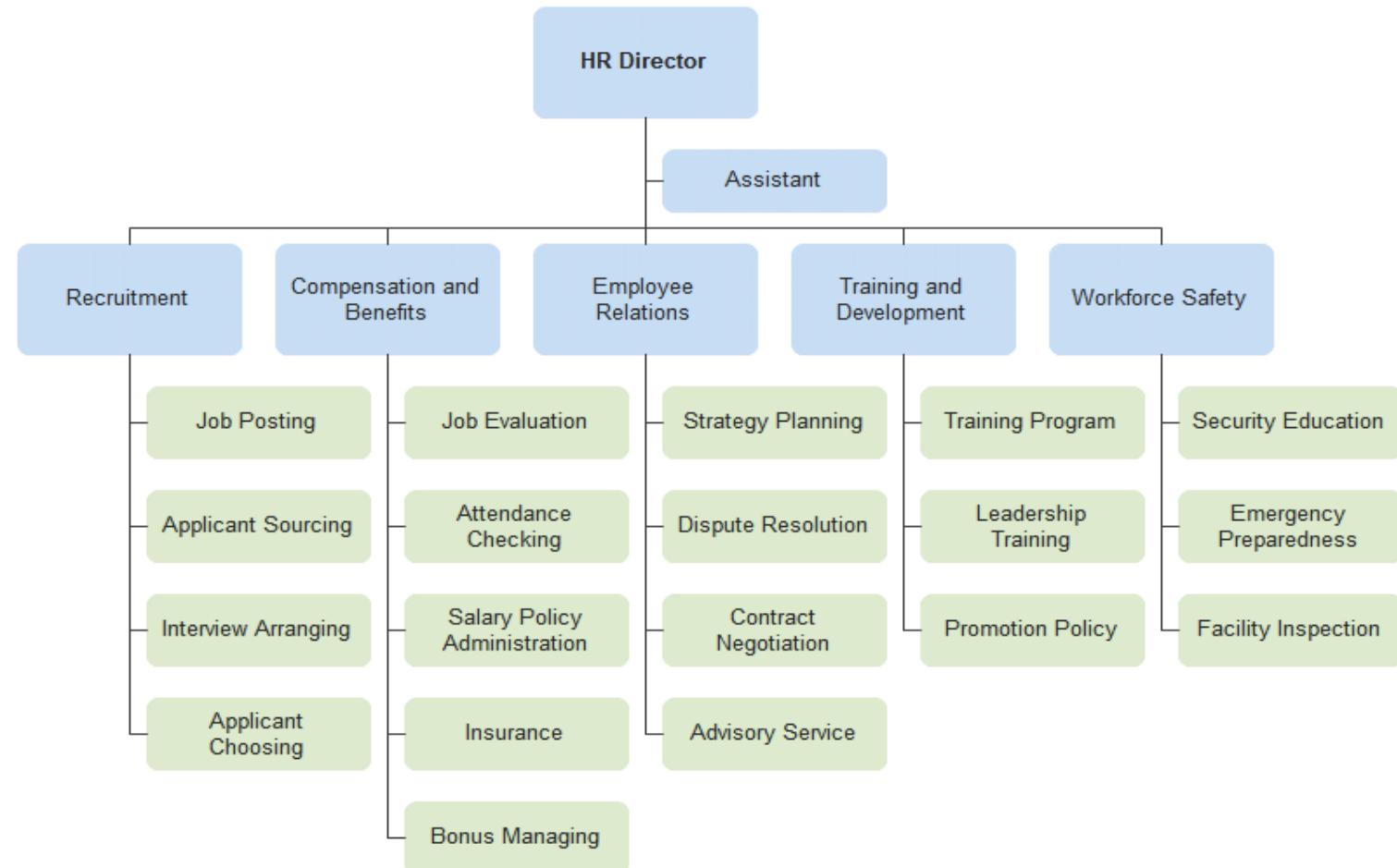
Size of HR reflects the company's size



**TATA**

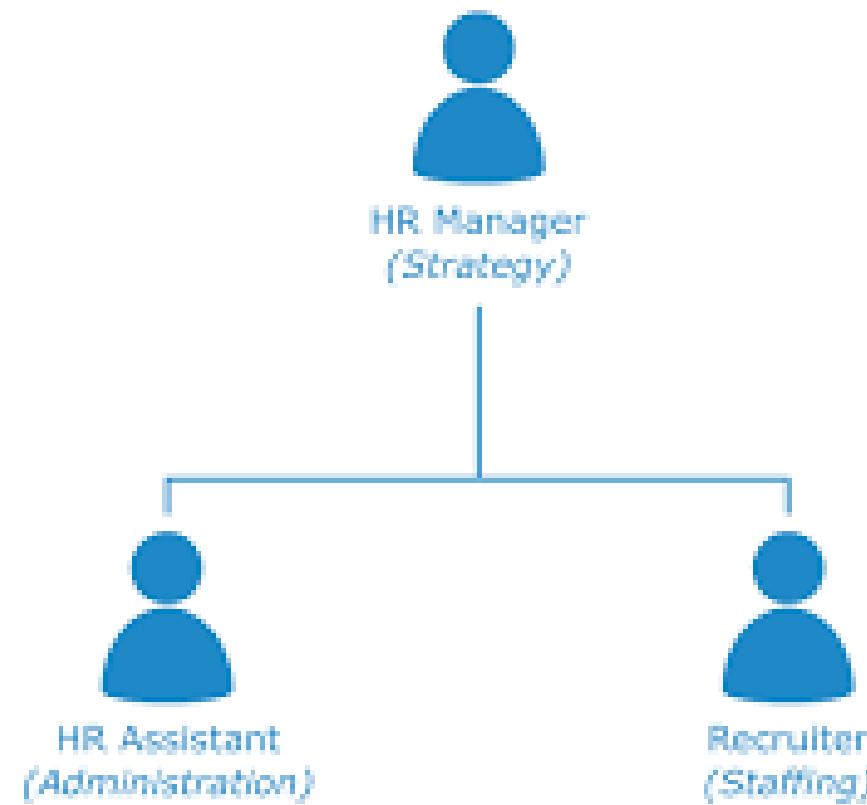


**Reliance**  
Industries Limited



# Organizing HR responsibilities

Size of HR reflects the company's size





## LINE MANAGERS AND STAFF MANAGERS

# Line authority and Staff authority

## Authority

The right to make decisions, direct others work and give order

**Line Authority** : authority exerted by HR manager by directing the activities of the people in his/her department and in service area

**Staff Authority** : gives manager the right to advise other managers and employees

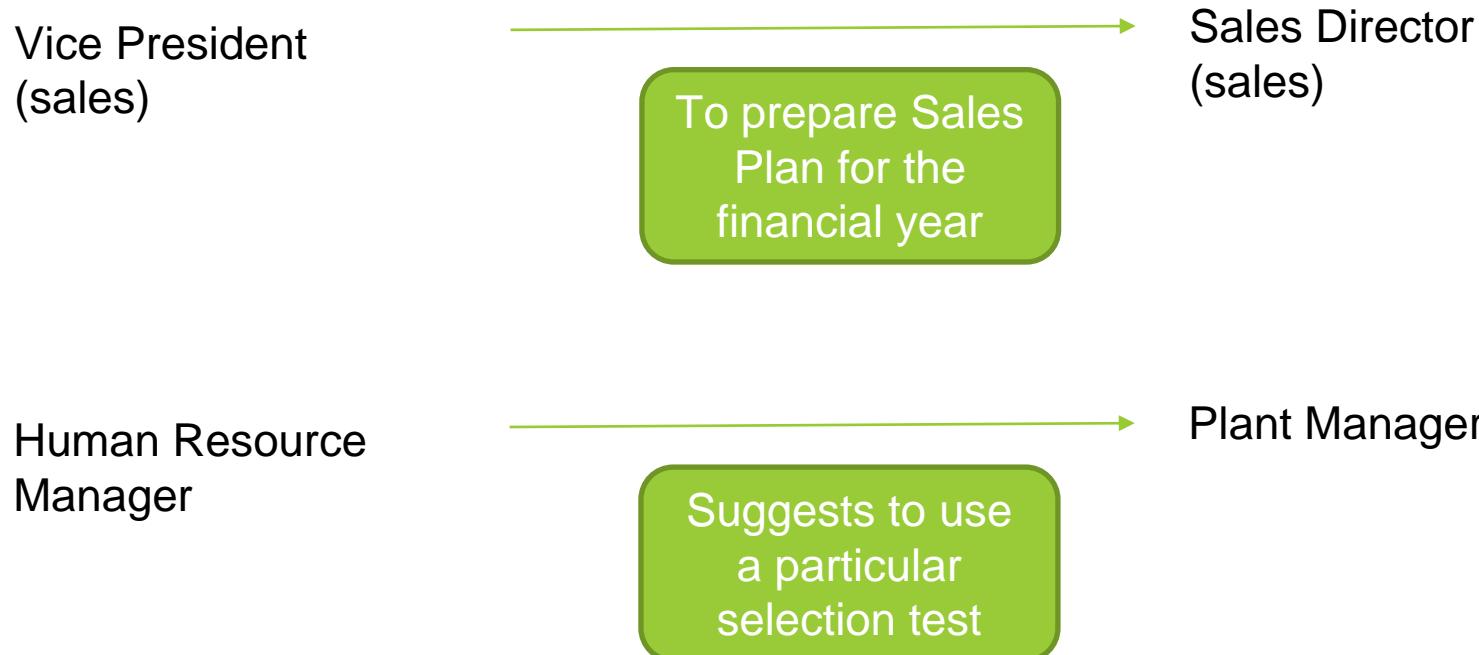
# LINE & STAFF MANAGER



Line managers have  
direct authority to issue  
orders

staff managers  
have the right to  
advise others in  
organization

# Line and staff manager



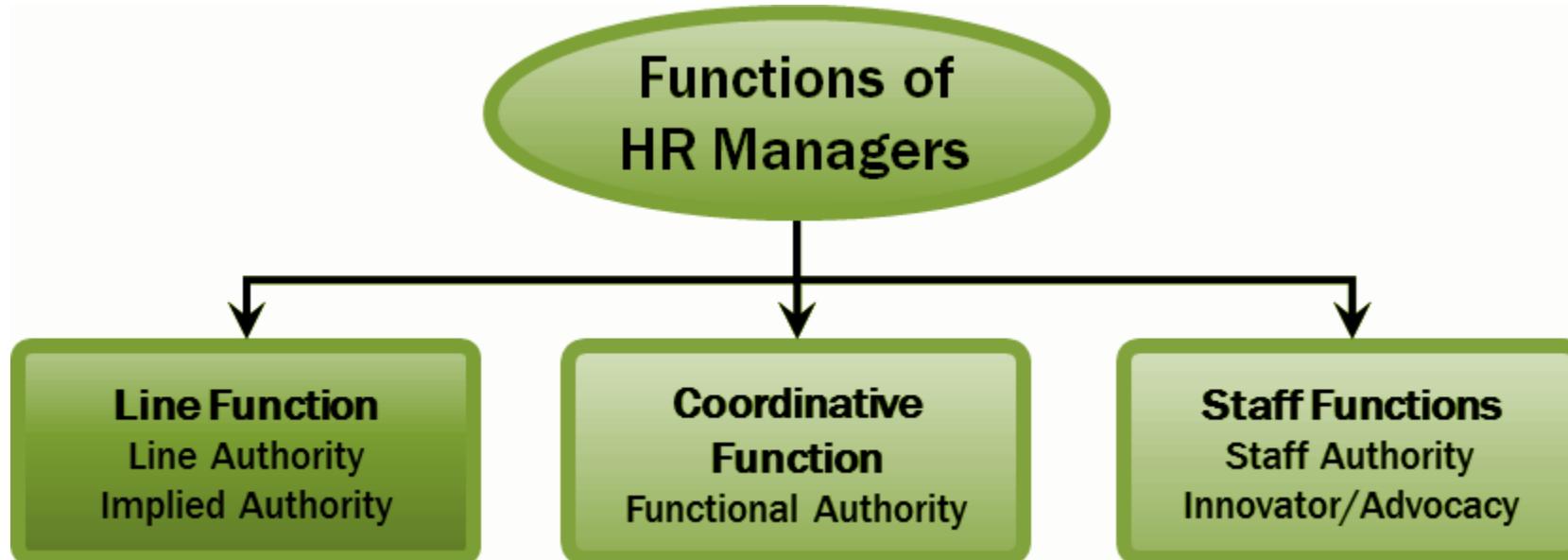
# HR Duties – Line Manager

- ✓ Job placement
- ✓ Orientation & Training
- ✓ Performance
- ✓ Cooperation
- ✓ Labor costs
- ✓ Development

## Sales Manager & HR Duties

- ✓ Needs to **recruit** right Area Sales Manager & Sales officers
- ✓ Need to **train and develop** the ASM to meet the sales Target
- ✓ Constant **monitoring** of target attainment through focus on improvement of job performance
- ✓ **Controlling** the labor cost

# Human Resource Manager Duties



# Human Resource Manager Duties

**A line function**: directs the **activities** of the people in his or her own department, and perhaps in related areas (like the plant cafeteria).

**A coordinative function**: coordinates personnel **activities** (or functional control). Ensures that line managers are implementing the firm's human resource policies and practices (for example, adhering to its sexual harassment policies).

**Staff (assist and advise) functions**: Assisting and advising line managers is the heart of the human resource manager's job. He or she **advises** the CEO on company's strategic options.

- (a) Innovator role
- (b) Employee advocacy
- (c) implied authority

# Reorganizing HRM function

Transactional HR teams provide specialized support in day-to-day HR activities.

Ex : Infosys internal BPO

Corporate HR teams - assist top management in top-level issues such as developing the personnel aspects of the company's long-term strategic plan

Embedded HR teams - HR generalists ("relationship managers" or "HR business partners") assigned to functional departments like sales and production

Centers of expertise - Specialized HR consulting firms within the company

# Questions

Anil is authorized to direct the work of subordinates and is responsible for accomplishing the organization's tasks. Anil is most likely a \_\_\_\_\_.

- A) training specialist
- B) staff manager
- C) line manager
- D) recruiter

# Questions

All of the following are ways in which an HR manager most likely assists and advises line managers EXCEPT \_\_\_\_\_.

- A) administering health and accident insurance programs
- B) representing employees' interests to upper management
- C) making strategic business planning decisions
- D) hiring, training, and evaluating employees

# HR Metrics & Benchmarking

Being able to *measure what you are doing is an integral part of the HR strategy process*

## Metrics for more profitable organization

- HR-to-Employee ration
- Cost-per-hire
- Annual overall Turnover Rate
- Time to fill vacant position

## Compensation Data

- Annual Salary increase
- Target bonus for executives
- Target bonus for non-executives

# HR Metrics & Benchmarking

## *Benchmarking and Need Analysis*

- ✓ How are we doing in relation to something
- ✓ SHRM's benchmarking service enables employers to compare their own HR metrics with those of others.

## *Strategy and Strategy-based Metrics*

HR metric may not reveal the extent to which your firm's HR practices are supporting its strategic goals

*For hotel: 100% employee testing, 80% guest return, % of incentive pay*

Data Mining- set of activities used to find new, hidden or unexpected patterns in data.

# HR Metrics & Benchmarking

HR Audits : An analysis by which company measures *where it stands* and *determines what it has to accomplish* to improve its HR function.

It helps to *identify and reveal strengths and weakness* in the HR system

HR audit is carried out generally once in a year

Areas included in audit are (to name a few):

- Roles and Headcount (includes JDs)
- Compliance with Legislations
- Recruitment and selection (tools)
- Compensation (Policies, incentives, survey procedures)

# High-Performance Work Systems

Are set of HRM policies and practices that together produce superior employee performance

High performing companies,  
• recruit more job candidates  
• use more selection tests  
• spend many more hours training employees

Sample HR Practices	Low performance Company	High-performance company
Number of qualified applicants per position (Recruiting)	8.24	36.55
Percentage hired based on a validated selection test	4.26	29.67
<i>Firms Performance</i> • Employee Turnover • Sales per employee	34.09 \$158.01	20.87 \$617,576

# HR Audit

*According to Eric G. Flamboltz, "Human Resource Audit is a systematic assessment of the strengths, limitations, and developmental needs of its existing human resources in the context of organisational performance."*

# Need for HR Audit

HR audit is performed to determine whether **HR objectives are aligned with organisational objectives** and **employees are committed** towards achieving the organisational goals and objectives.

HR audit is needed to determine whether **employees follow organisational standards, maintain discipline**, and work as per the organisation's policies.

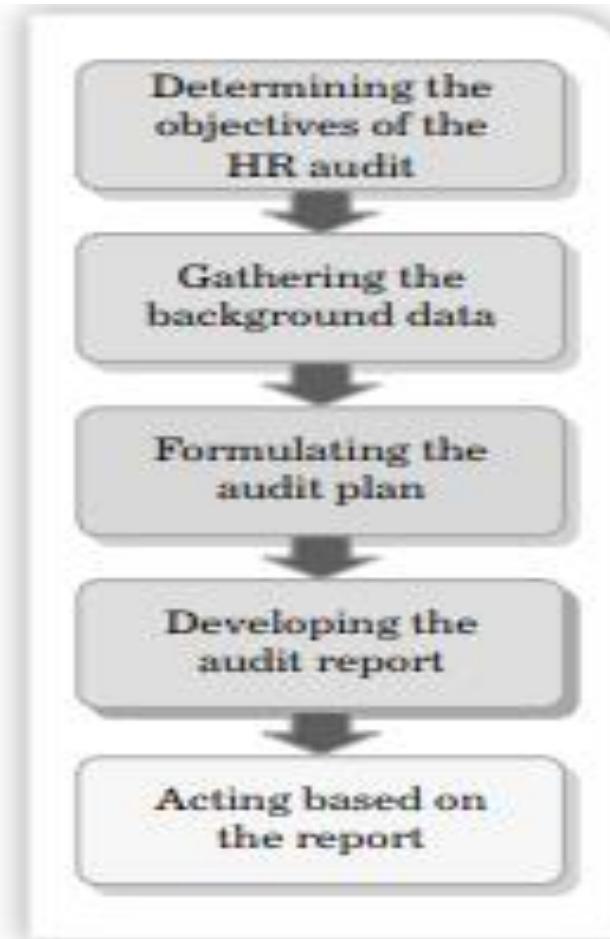
HR audit is needed to review the **effectiveness of various HR programs**, such as selection and recruitment, training and development, and performance appraisal, and improve them.

HR audit helps to determine whether the **HRM function is in compliance** with the national and state HR laws.

It focuses on **identifying gaps or drawbacks in the implementation** of policies, rules, regulations, and other practices of the HR department and recommending corrective measures.

HR audit aims to **check all possible documentation** with regards to performance appraisal reports, data related to the functions of the HR department, manager feedback reports on employees' performance, etc.

# HR Audit Process



# HR Audit Process

- 1. Determining the objectives of the HR audit:** In this step, the objectives of conducting HR audit are determined. These objectives can be to finding out whether HR objectives are aligned with organisational objectives; the HR practices of the organisation effective; and so on.
- 2. Gathering the background data:** In this step, the auditor collects data about an organisation's internal and external business environment.
- 3. Formulating an audit plan:** In this step, the auditor prepares a plan on how to start, where to start, what sources to be used, etc. In addition, this step involves deciding the overall budget of the HR audit process and the number of people required for conducting the audit.
- 4. Developing the audit report:** This report highlights the strengths of the existing HR system of the organisation and the areas that require improvements.
- 5. Acting based on the report:** Organisations take actions based on the recommendations given by the HR auditor. The actions can be redefining HR strategies, restructuring the HR department, changing HR policies, etc.

**ORGANIZATION NAME**  
**INTERNAL CONTROL QUESTIONNAIRE**

**PURPOSE:** Audits help determine the effectiveness of an HR department and/or HR systems.

They are a systematic, objective tool to assess regulatory or policy compliance in the workplace.

The following list of HR audit questions is not meant to be comprehensive to every organization, merely a representation of the types of questions that may be found in an HR audit.

<b>Department:</b>	<b>Auditable Function: Human Resources</b>		
<b>Discussed with:</b>	<b>Audit Checklist</b>		

<b>Question</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
<b>Management</b>				
1. Are HR goals in line with those of the organization?				
2. Are workweeks identified and defined?				
3. Are full-time and part-time hours defined?				
4. Are shifts defined?				
5. Is there open communication to and from the HR department?				
<b>Hiring</b>				
1. Do job descriptions exist?				
2. Are job descriptions up to date?				
3. Are 1-9 forms and acceptable documentation reviewed annually?				
Are job openings offered to current employees?				
4. Are applicant references checked?				
5. Are turnover rates monitored?				
6. Are selection processes used with reference to the Uniform Guidelines?				
7. Are all applicants required to fill out sign an application form?				

# Limitations of HR Audit

1. HR audit can lack uniformity as auditors tend to follow different auditing standards and guidelines. This is because there is no set standard or principles for HR audit.
2. Sometimes HR personnel fail to provide relevant information, which leads to inaccurate and ineffective audit process.
3. HR audit can turn to subjective in nature when there is a lack of statistical data.
4. HR auditors may lack the required skills and knowledge, which may lead to a failure of the audit process.
5. HR auditors sometimes fail to recognise valuable inputs from senior HR personnel which might be useful for the audit process.

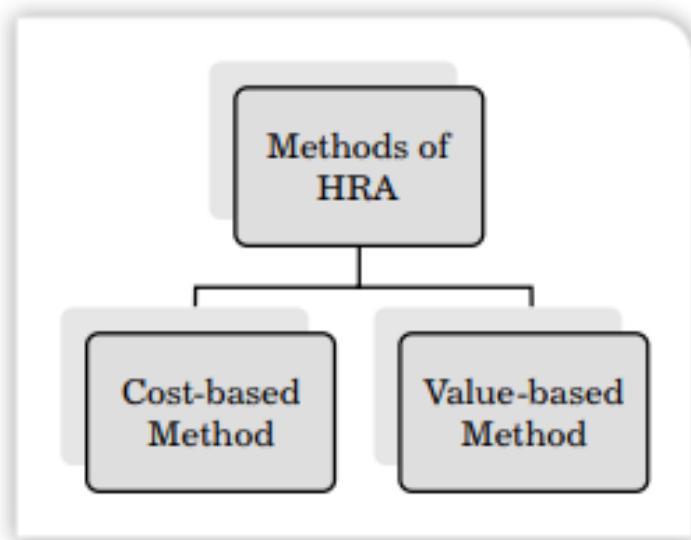
# HR Accounting

According to Eric Flamholtz, “Human resource accounting is the measurement of the cost and value of the people for the organisation.”

# Need for HR Accounting

1. HRA helps in **estimating the expenses on human resources**, listing the expenses correctly in the book of accounts, and reporting the record of expenses in financial statements.
2. HRA provides information about **cost and value of human resource to managers**. This helps them to take decisions regarding recruitment, selection, and training and development of human resource.
3. It provides **information for making decisions** related to the acquisition, allocation, and development of human resource to achieve cost-effectiveness.
4. It allows managers to **monitor the utilisation of** human resource.
5. It provides a **basis of human asset control**, that is, whether the asset is appreciated, depleted, or conserved.

# Methods of HR Accounting

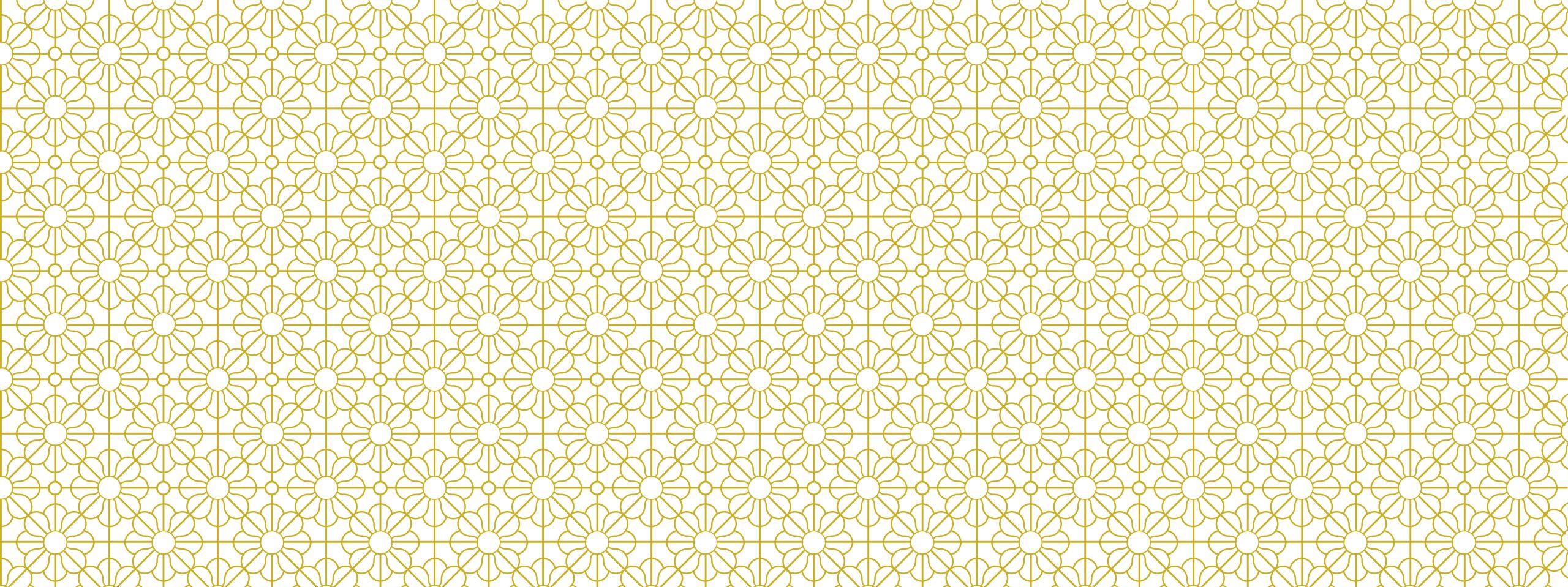


**Cost-based method:** This refers to the total cost incurred by an organisation on employees starting from their recruitment to separation from the organization

**Value-based method:** This method is used to determine the value of human resources and their contribution to the organisations' profits in monetary terms.

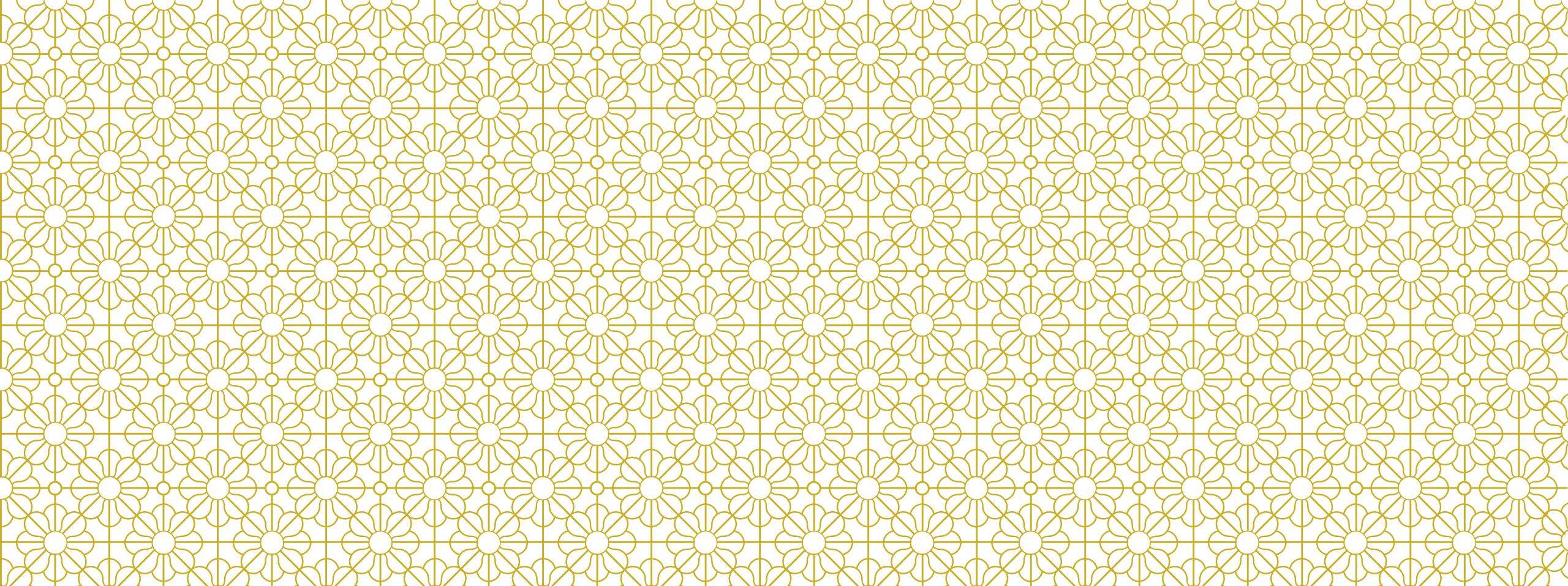
# Limitations of HR Accounting

HRA doesn't have any set accounting standards for measuring human resource value. Thus, organisations follow their own HRA standards to measure the values of human assets. This difference in approaches in organisations leads to non-comparison of values of human assets.



# FUNCTIONAL AREAS OF HUMAN RESOURCE MANAGEMENT

Dr Vibhav Singh



# FUNCTIONAL AREAS OF HUMAN RESOURCE MANAGEMENT

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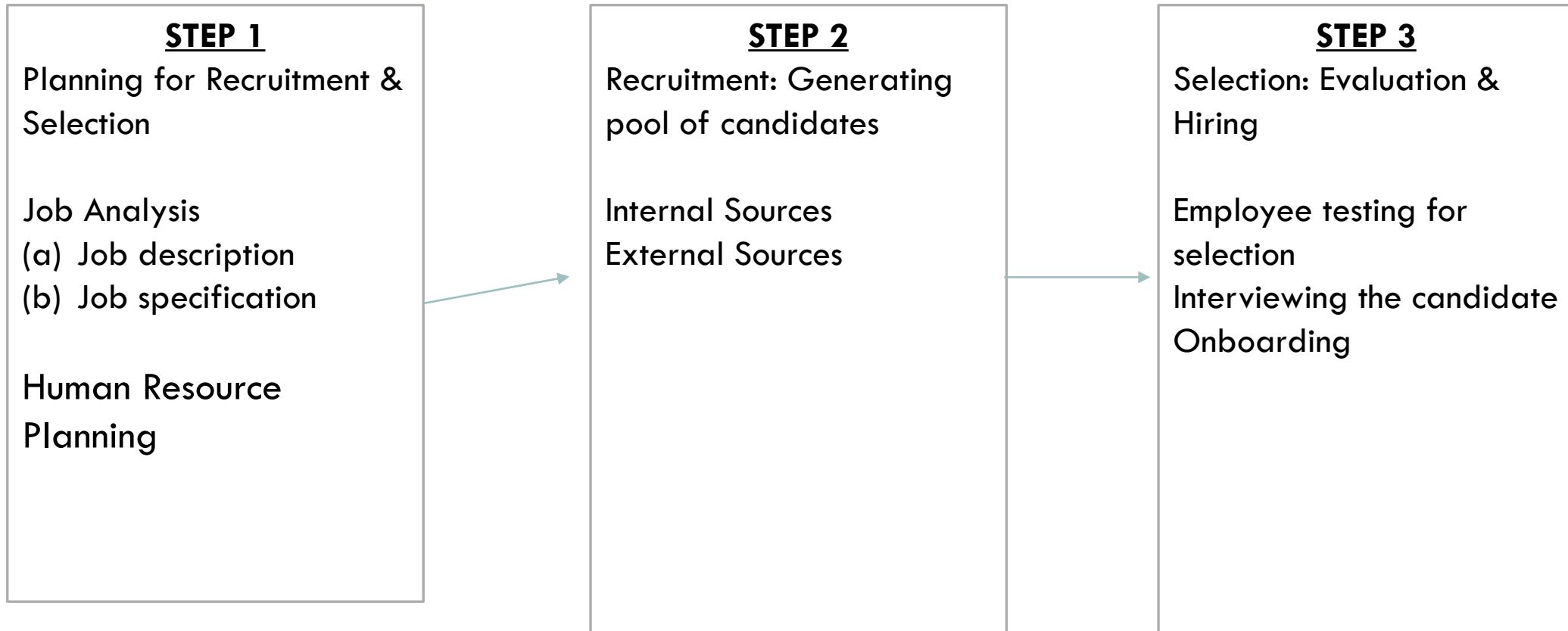
## RECRUITMENT AND STAFFING

# WORKFORCE/ HR PLANNING AND FORECASTING

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



# PLANNING, RECRUITMENT & SELECTION PROCESS



# INTERNAL SOURCE OF CANDIDATES

## Internal Recruiting is POPULAR

Essar has in-house initiative 'Next-moves'

### Advantages-

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

### Disadvantages-

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

### Internal recruiting resources

- Succession management
- Talent Inventory
- Employee development
- Internal Job Postings
- Rehiring

# OUTSIDE SOURCES OF CANDIDATES

## Recruiting via Internet & Social Media

- Most employers find that the **Internet is their best choice** for recruitment efforts.
- Application filled through company's website
- Virtual office tour
- Intelligent automated resume screening

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

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



Find your dream job

# OUTSIDE SOURCES OF CANDIDATES

## Advertising

- The Media – The best medium should be selected based on the positions for which you are recruiting.
- Times of India, EPW advertise
- Local newspaper good source for local blue collar help, clerical roles
- EA (Electronic Arts) includes information about internship program on backside of video game manual
- Constructing (Writing) the Ad – Many experienced advertisers use a four-point guide called **AIDA (attention, interest, desire, action)** to construct their ads.



# OUTSIDE SOURCES OF CANDIDATES

## Employment Agencies

Public Agencies-

- 1) In India, every state has a public, state run employment agency
- 2) At the national level, employment exchange run by DG of employment and training, GoI
- 3) Employment Exchange act (1959) government companies and eligible private firm need to notify vacancies to the exchange
- 4) employment exchange also provide helpline for job search

Mixed experience with employment exchange:

- 1) People who are not interested to work are also registered and sometimes get hired causing problem to employers
- 2) Employment exchange struggle to find suitable jobs & have lost credibility

# OUTSIDE SOURCES OF CANDIDATES

## Temporary worker & Alternate Staffing

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

## Offshoring/Outsourcing Jobs

Special Challenges- (a) cultural misunderstanding (b) Security and information privacy concern (c) Liability and legal system (d) bringing 'jobs back'

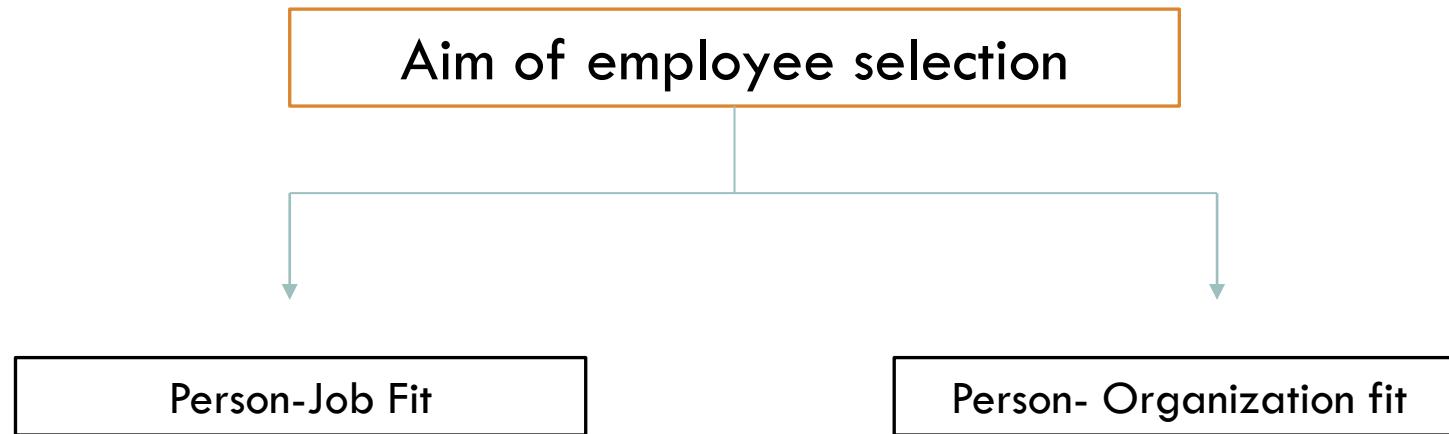
## Executive Recruiters

Executive recruiters, also called **headhunters**, are special employment agencies **retained by employers** to seek out **top-management talent** for their clients.

**Pros and Cons** – Recruiters can be **useful and save a manager's time**, but they may be more interested in **persuading managers to hire a candidate** than in finding one who will really do the job.

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

# WHY EMPLOYEE SELECTION IS IMPORTANT

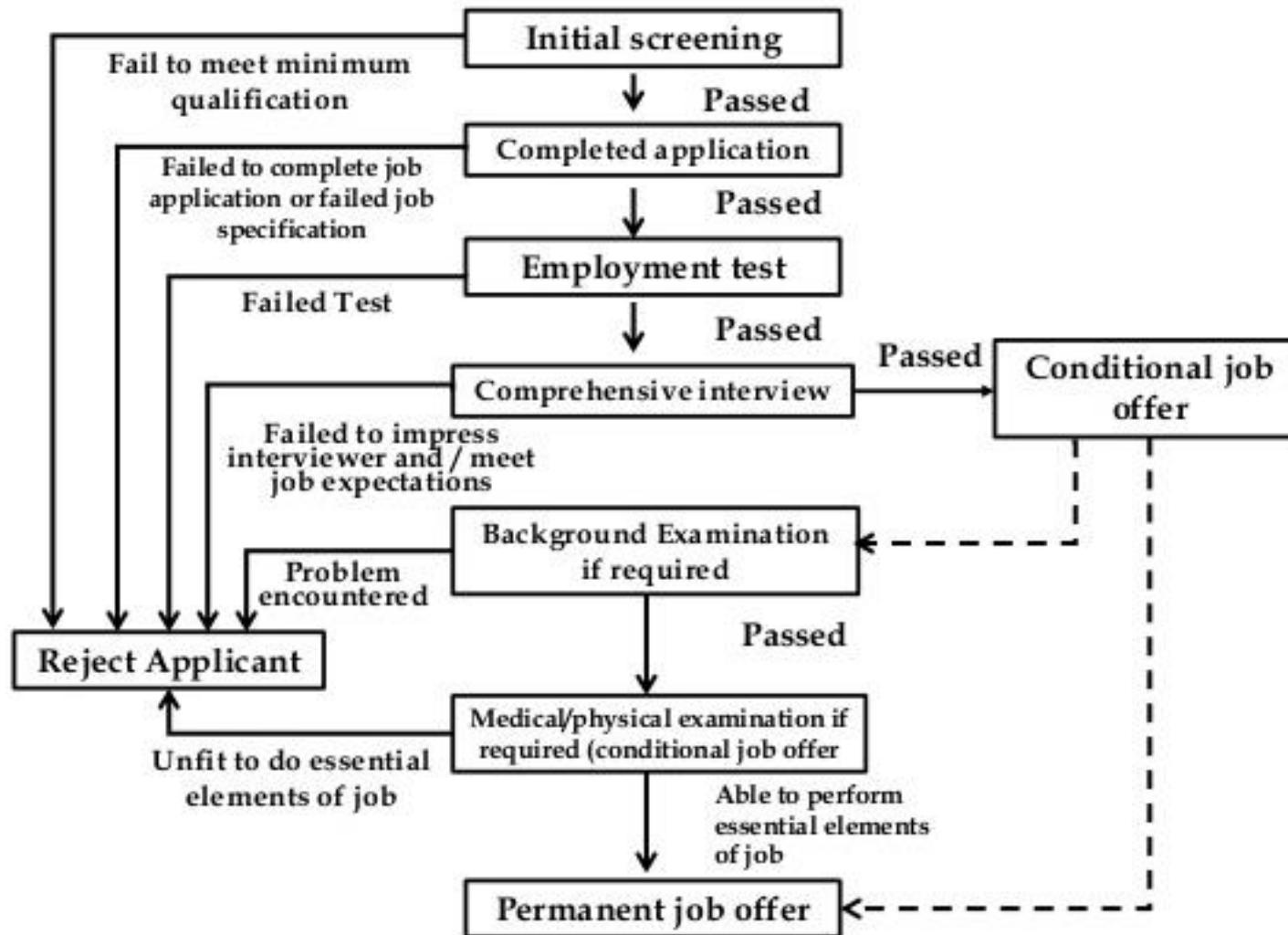


Matching the KSACs of the candidate with job requirements

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

Candidate may be right for job but not for organization

# SELECTION PROCESS



# SELECTION METHODS

INTERVIEW

PERSONALITY PROFILING

ONLINE SCREENING

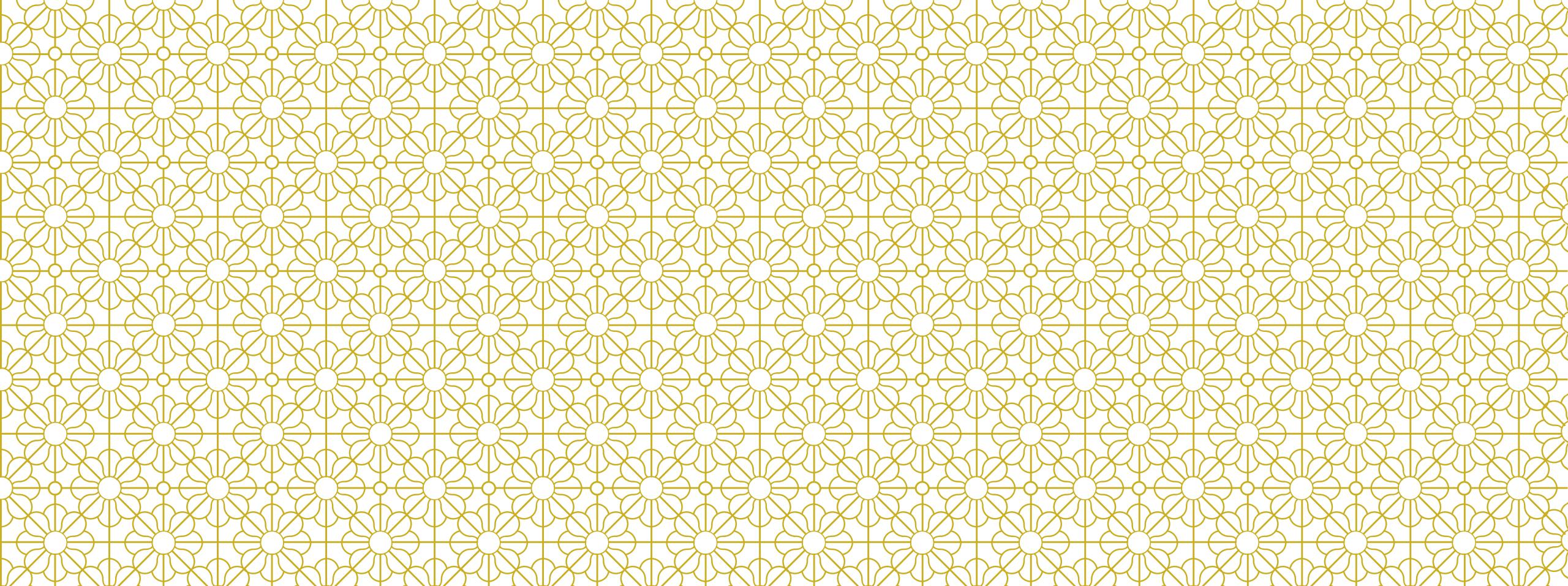
PSYCHOMETRIC TESTING

APTITUDE TEST

# SCREENING METHODS

## Screening Methods

- Resumes and cover letters
- weighted application blanks
- Biographical information
- Telephone screens



# FUNCTIONAL AREAS OF HUMAN RESOURCE MANAGEMENT

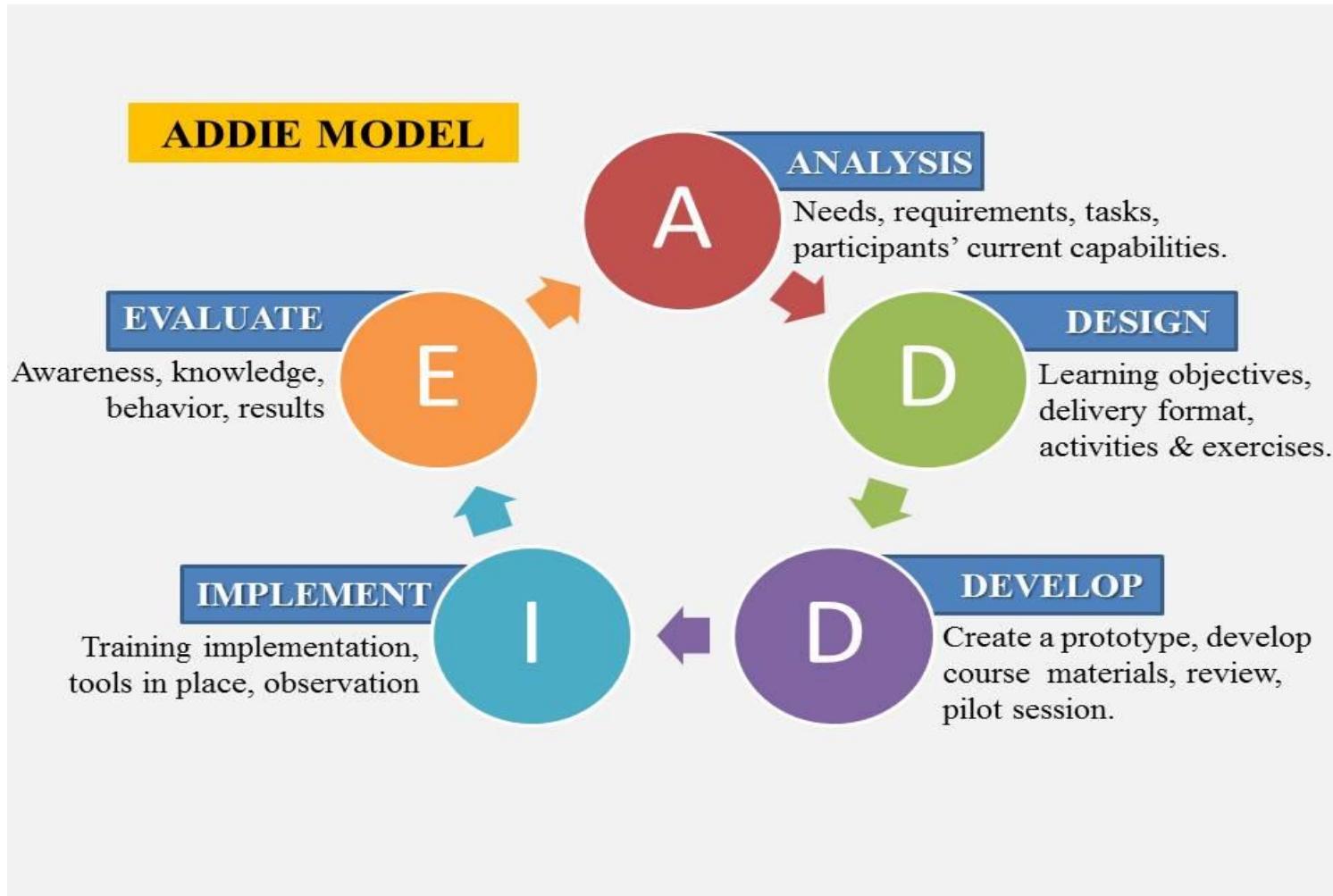
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## TRAINING AND DEVELOPMENT



# TRAINING AND DEVELOPMENT

# TRAINING PROCESS



# CONDUCTING THE TRAINING NEED ANALYSIS

## Current training need analysis

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

### ➤ New employees

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

### ➤ Current employees

Training needs are more complex – is training the real solution

# CONDUCTING THE TRAINING NEED ANALYSIS

## Task analysis: analyzing new employees' training needs

- At the lower level, you hire inexperienced and train them in comparison to higher level.
- Task analysis is a detailed study of job to determine what specific skills- Java (web developer).
- For task analysis, job description and job specification is required

# CONDUCTING THE TRAINING NEED ANALYSIS

## Performance analysis: analyzing current employees' training needs

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

## Can't do/ won't do

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

# DESIGNING TRAINING PROGRAM

## 1. Setting learning objectives

## 2. Creating a motivational learning environment

## 3. Make the Learning Meaningful

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

## 4. Making Skills Transfer Obvious and Easy

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

## 5. Reinforce The Learning

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

# DESIGNING TRAINING PROGRAM

## Ensure transfer of learning to the job

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

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

**After training** -**reinforce** what trainees learned

# IMPLEMENT TRAINING PROGRAM

## On-the-job training (OJT)

Having a person learn a job by actually doing it.

### Types of OJT

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

# IMPLEMENT TRAINING PROGRAM

## Apprenticeship Training

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

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

## Informal Learning

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

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

## Job Instruction Training

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

# IMPLEMENT TRAINING PROGRAM

## Lectures

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

## Programmed Learning

1. Systematic method for teaching job skills, involving presenting questions or facts
2. Allowing the person to responds
3. Giving the learner immediate feedback on the accuracy of his or her answers.

# IMPLEMENT TRAINING PROGRAM

## Behavior Modeling

### **Bobo doll (video)**

Behavior modeling involves

- (1) showing trainees the right (or “model”) way of doing something,
- (2) letting trainees practice that way, and then
- (3) giving feedback on the trainees’ performance.



Sales skills  
Interviewer  
skills

# IMPLEMENT TRAINING PROGRAM

## Audiovisual-based Training

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

## Vestibule Training

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

## Videoconferencing (Video)

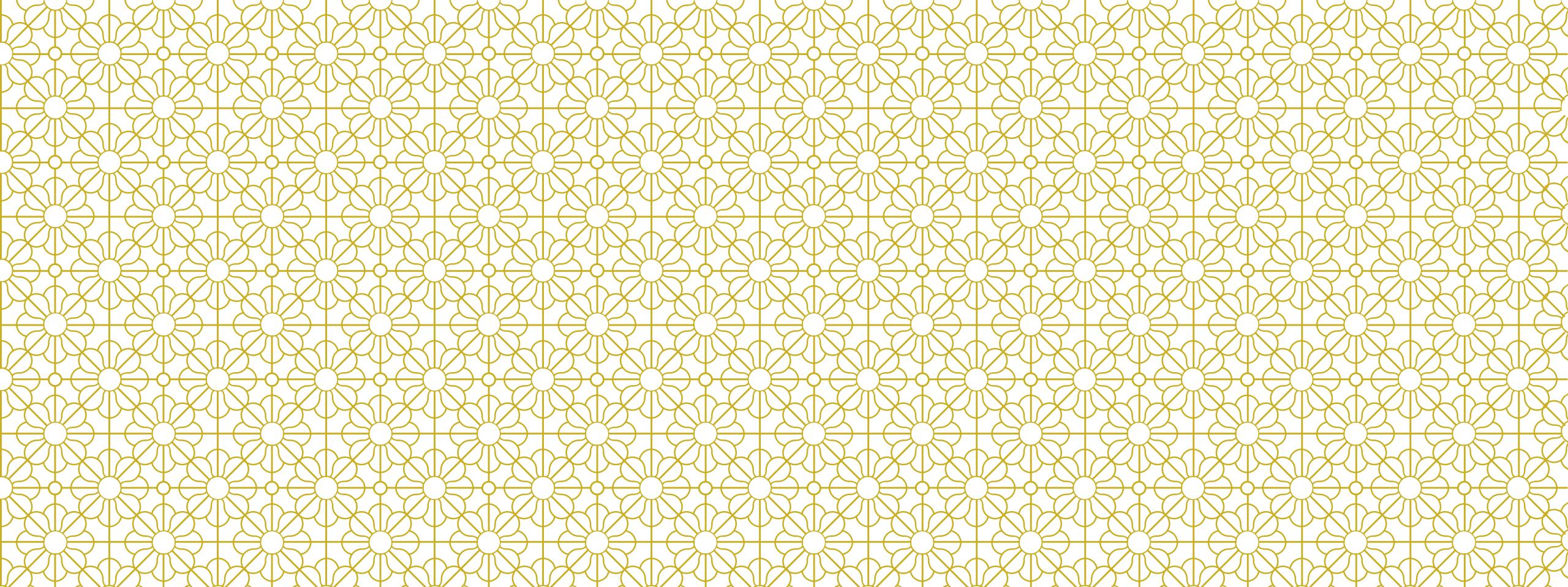
Videoconferencing is popular for training **geographically dispersed employees**. It involves delivering programs via compressed audio and video signals over cable broadband lines, the Internet, or satellite. **CISCO** offers training through videoconference on Webex, telepresence

## Simulated Learning (Video)

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

# THE KIRKPATRICK MODEL





## FUNCTIONAL AREAS OF HUMAN RESOURCE MANAGEMENT

COMPENSATION

# COMPENSATION

## **Direct Financial Payments**

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

## **Indirect Financial Payments**

Pay in the form of financial benefits such as insurance.



# BASIC FACTORS IN DETERMINING PAY RATES

## Aligning total rewards with strategy

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

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

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

## **Establishing Strategic Pay Plan-**

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

## **Pay for Performance-**

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

## **Benefits and Services-**

# ESTABLISHING PAY RATES

Employers use two basic approaches  
to setting pay rates



Market Based approaches  
Job evaluation methods

# THE BENEFITS PICTURE

Benefits are indirect financial and nonfinancial payments

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

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

## **Vacations and Holidays**

### **Sick Leave**

### **Cost-Reduction Tactics**

### **Leaves and the Family, and medical Leave Legislation**

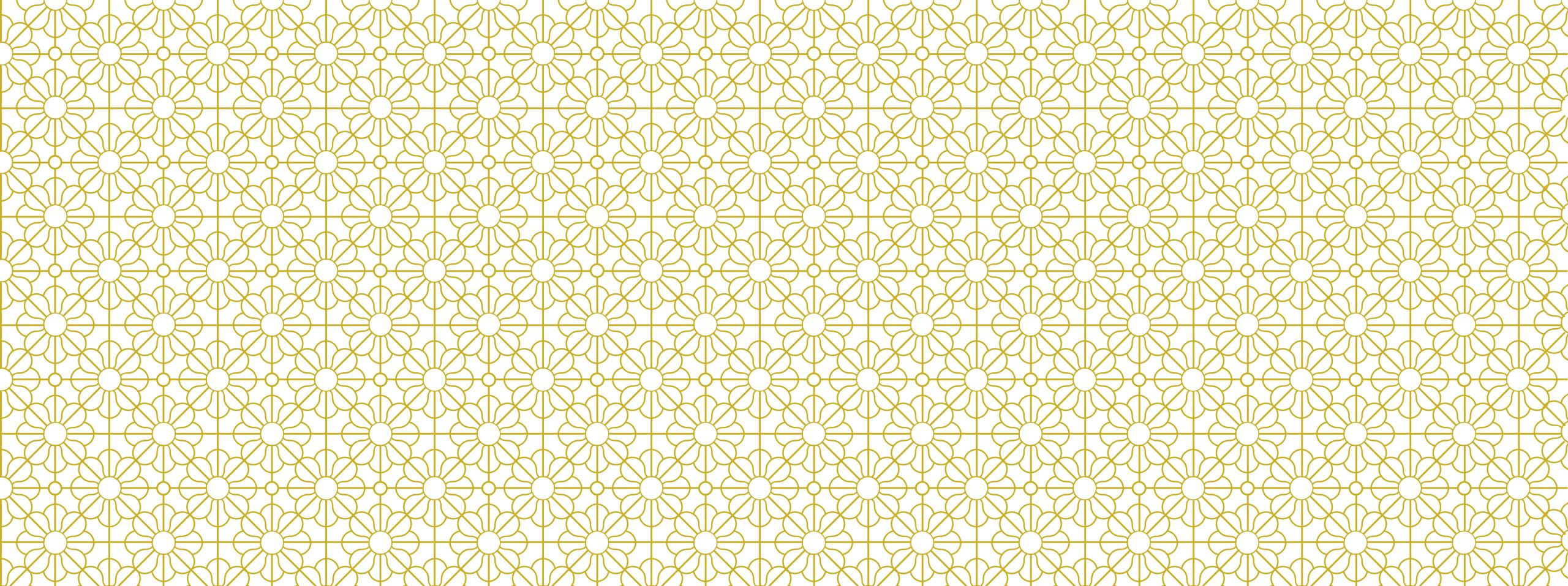
### **Severance Pay**

Hospitalization, health, and disability insurance benefits are aimed at

### **Pension Plans**

### **Family-friendly (work-life) benefits**

### **The cafeteria approach**



# FUNCTIONAL AREAS OF HUMAN RESOURCE MANAGEMENT

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## EMPLOYEE RELATIONS

# Managing Employee Relations

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

# **Managing Employee Relations**

- **Developing Employee Recognition/Relations Programs**
- **Creating Employee Involvement Strategies**
  - **Teams to gain employees' involvement**
  - **Employee suggestions**

# TRADE UNIONS

## Why do people unionize?

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

## Bottom Line

1. The urge to unionize due to the **belief** on the part of workers that it is only **through unity** that they can get their fair share of the pie.
2. It is sometimes the result of workers trying to **protect themselves from management's whims**.
3. Union workers tend to receive significantly more pay, holidays, sick leave, unpaid leave, insurance plan benefits, long-term disability benefits, and various other benefits than do nonunion workers.
4. Unions seem to have **reduced the impact of downsizings and wage cuts** in most industries, in part because union employees are not entirely "at will."

# INDIA'S UNION MOVEMENT

1. India's labour movement is more than 150 years old
2. It gained its momentum in 1918 when Madras labour union was formed with mill workers as members
3. The focus of the unions was to end exploitations of workers in factories
4. Trade unions participated in freedom struggle
5. Trade unions in India are often influenced by political parties and elected governments
6. Emergency in 1975 led to suspensions of Trade unions
7. At the first wave of partial economic liberalization 1984 led to change in orientation, linking productivity with agreements.

# INDIA'S UNION MOVEMENT

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

IT sector approach unionization.

# THE COLLECTIVE BARGAINING PROCESS

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

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

# DEALING WITH DISPUTES AND GRIEVANCES

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

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

# SAFETY AND THE MANAGER

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

## **Occupational Health and Safety in India**

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

# OCCUPATIONAL SAFETY LAW - INDIA

- **The Contract Labour (Regulation and Abolition) Act, 1970**
- **The Workmen's Compensation Act, 1923**
- **Employees State Insurance Act (ESI Act) 1948**
- **Firm level Safety Management: Safety Officers and Committees**

# WHAT CAUSES ACCIDENTS?

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

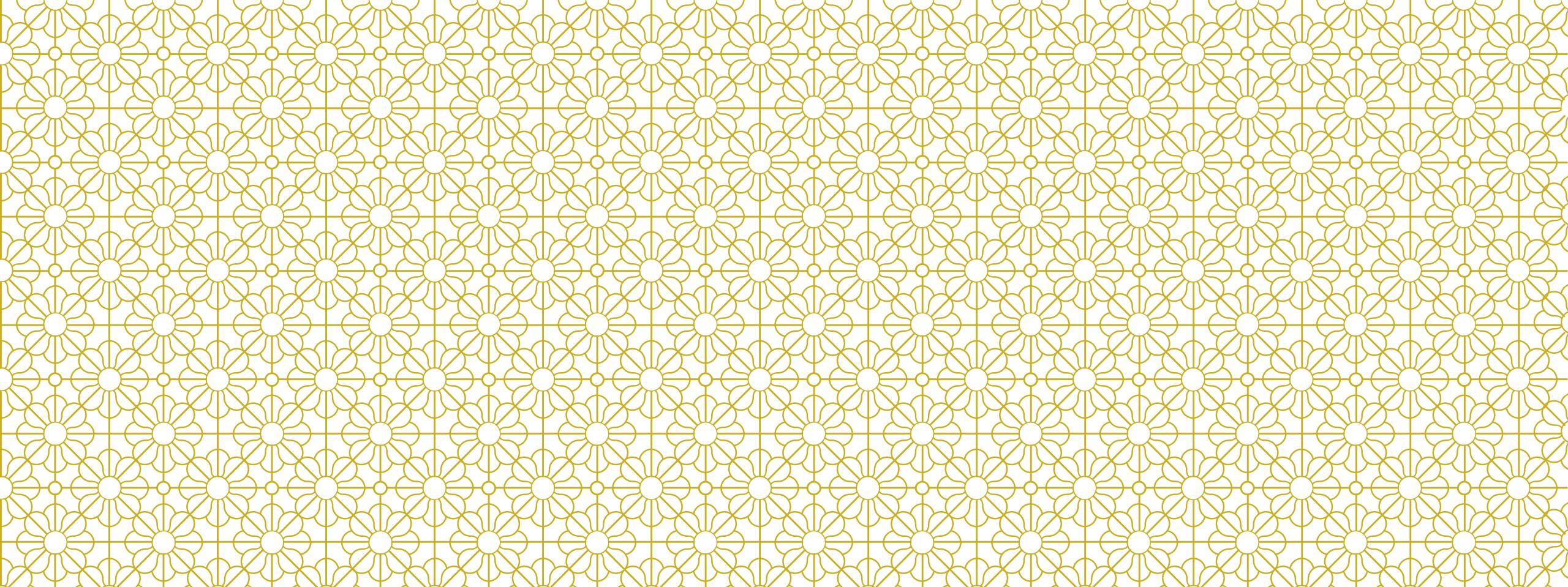
- Improperly guarded or defective equipment
- Hazardous procedures
- Unsafe storage
- Improper illumination or ventilation

# **Occupational Security and Safety**

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

# **Occupational Security and Safety**

- **Setting Up a Basic Security Program**
  - **Analyze current level of risk**
  - **Installing mechanical**
  - **Natural and**
  - **Organizational security systems**



## FUNCTIONAL AREAS OF HUMAN RESOURCE MANAGEMENT

**HRIS**

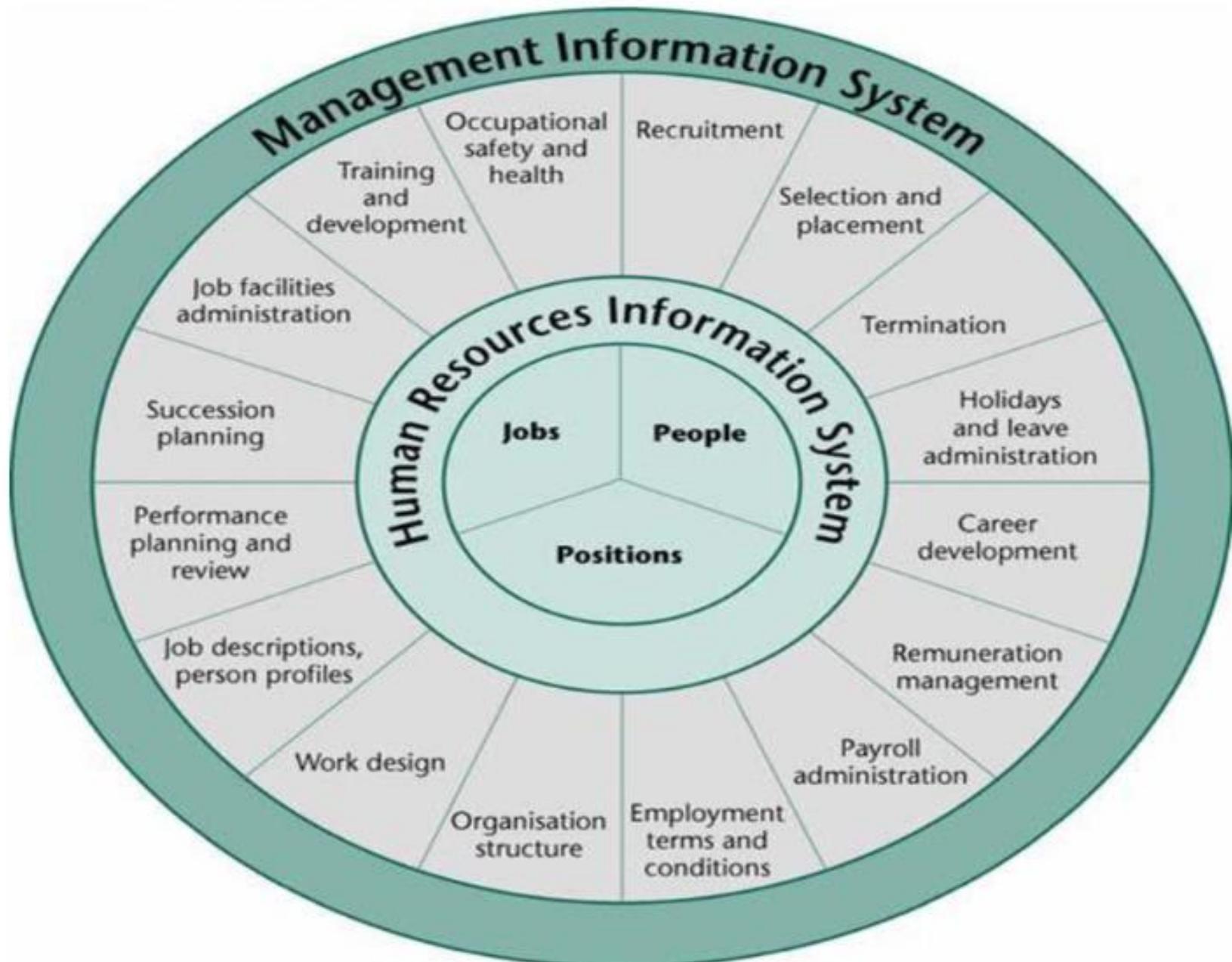
# HRIS

## What is HRIS

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

## Objectives of HRIS

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

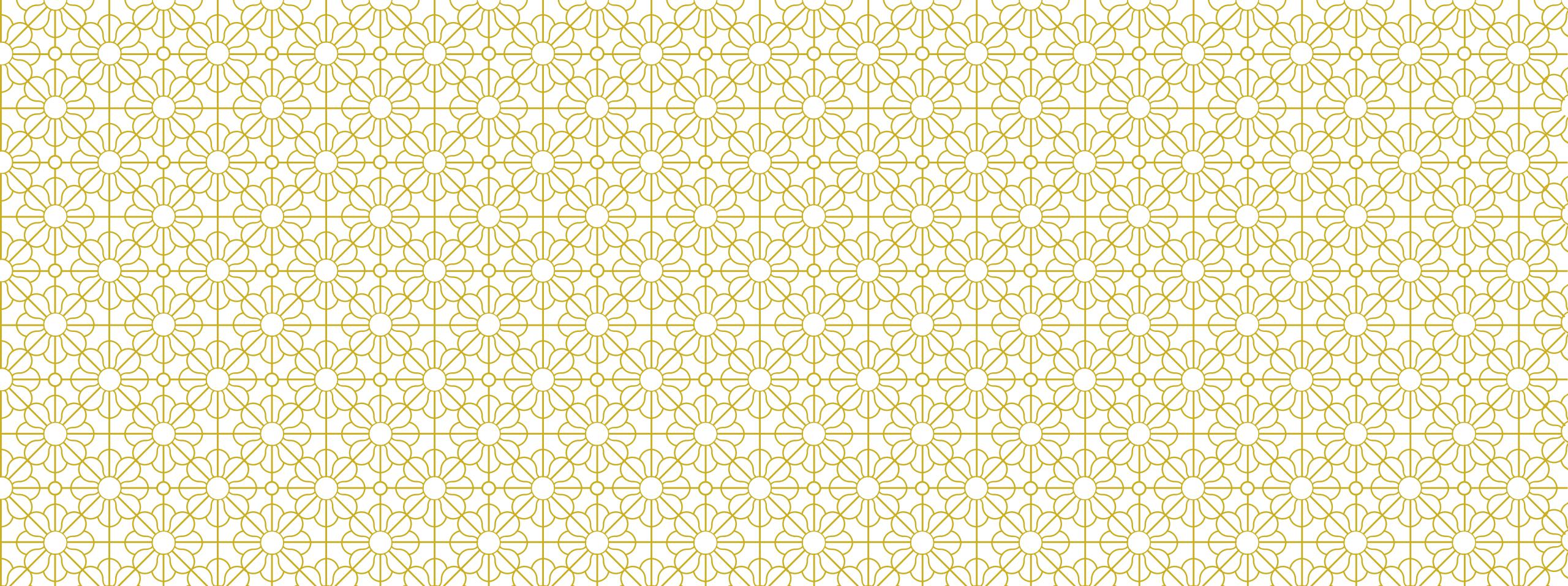


# HUMAN RESOURCES INFORMATION SYSTEM

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

# SUBSYSTEMS OF HRIS





# FUNCTIONAL AREAS OF HUMAN RESOURCE MANAGEMENT

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## ORGANIZATION DESIGN

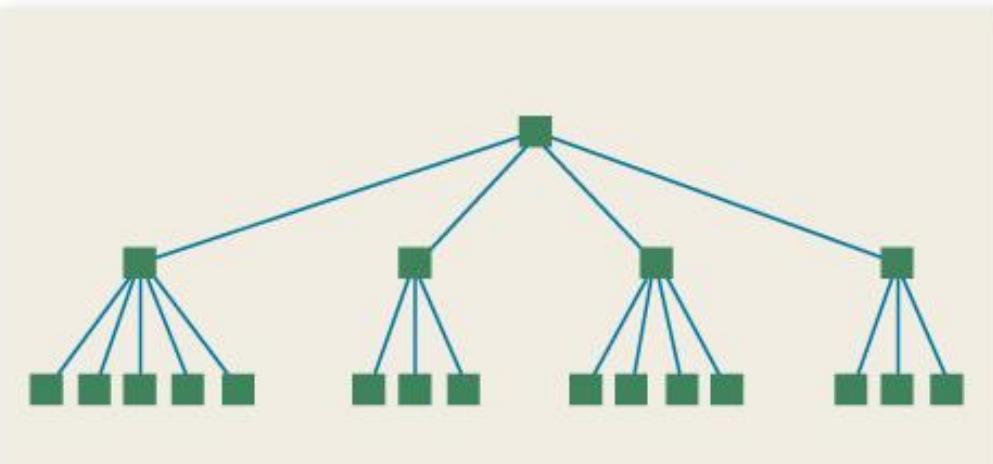
# SEVEN ELEMENTS OF AN ORGANIZATION'S STRUCTURE

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

# MECHANISTIC VS. ORGANIC STRUCTURAL MODELS

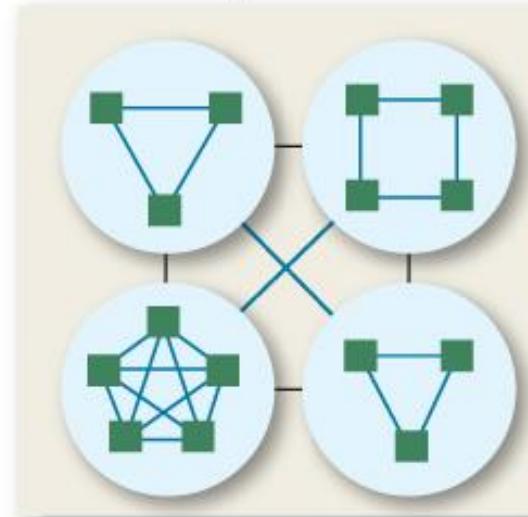
## Exhibit 15-7 Mechanistic versus Organic Models

**The Mechanistic Model**



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

**The Organic Model**



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

# NEW DESIGN- TEAM STRUCTURE

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

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

# COMMON ORGANIZATIONAL FRAMEWORKS AND STRUCTURES

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

- The strength of functional is putting specialists together.
- Product departmentalization facilitates coordination.
- It provides clear responsibility for all activities related to a product, but with duplication of activities and costs.

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

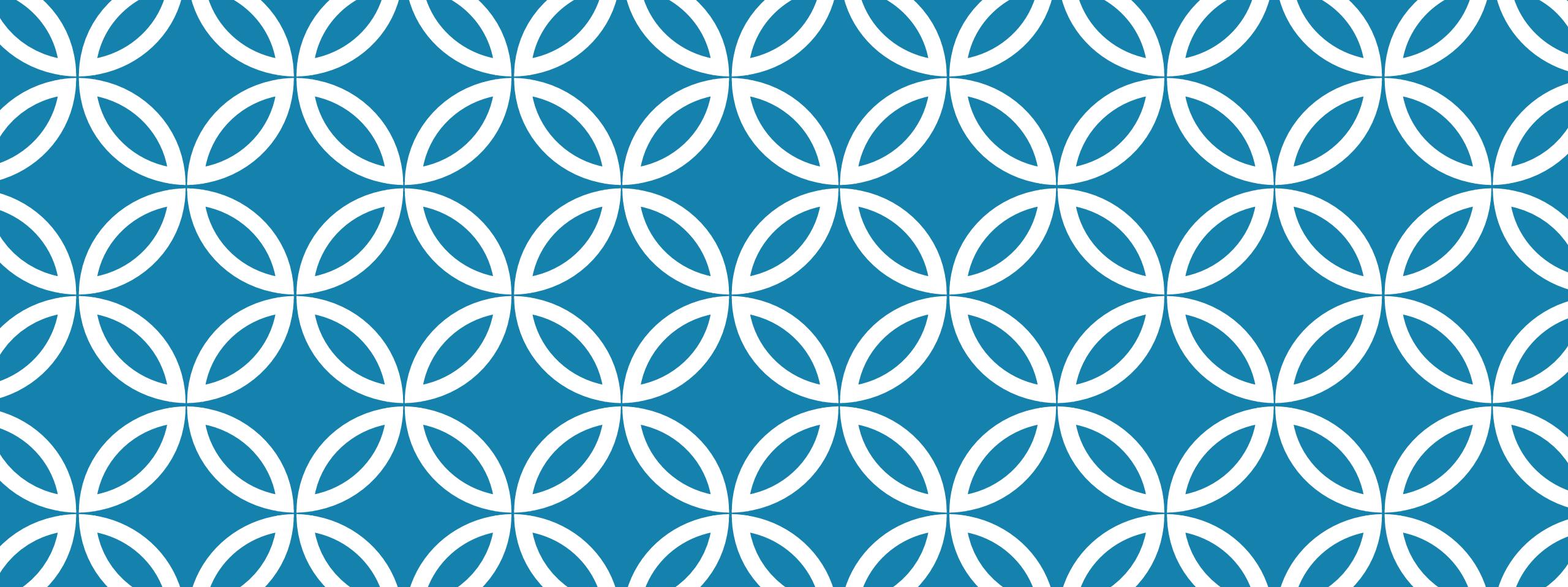
# ALTERNATE DESIGN OPTIONS

## The Virtual Organization

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







# INDIVIDUAL DIFFERENCES

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School of Business Management

# INDIVIDUAL DIFFERENCES

Individual differences have a direct effect on behavior

- People who perceive things differently behave differently
- People with different attitudes respond differently to directives
- People with different personalities interact differently with bosses, coworkers, subordinates, and customers

# INDIVIDUAL DIFFERENCES

Individual differences help explain: explain:

- Why some people embrace change and others are fearful of it and others are fearful of it
- Why some employees will be productive only if they are closely supervised, while others will be supervised, while others will be productive if they are not productive if they are not
- Why some workers learn new tasks more effectively than others more effectively than other

## DESCRIBE PERSONALITY, THE WAY IT IS MEASURED, AND THE FACTORS THAT SHAPE IT (1 OF 4)

### Defining Personality

- **Personality** is a dynamic concept describing the growth and development of a person's whole psychological system.
- The sum of ways in which an individual reacts to and interacts with others.

## DESCRIBE PERSONALITY, THE WAY IT IS MEASURED, AND THE FACTORS THAT SHAPE IT (2 OF 4)

### Measuring Personality

- Managers need to know how to measure personality.
  - Personality tests are useful in hiring decisions and help managers forecast who is best for a job.
- The most common means of measuring personality is through self-report surveys.

## DESCRIBE PERSONALITY, THE WAY IT IS MEASURED, AND THE FACTORS THAT SHAPE IT (3 OF 4)

### Personality Determinants

- Is personality the result of heredity or environment?
- **Heredity** refers to those factors that were determined at conception.
  - The heredity approach argues that the ultimate explanation of an individual's personality is the molecular structure of the genes, located in the chromosomes.

## DESCRIBE PERSONALITY, THE WAY IT IS MEASURED, AND THE FACTORS THAT SHAPE IT (4 OF 4)

Early research tried to identify and label enduring personality characteristics.

- Shy, aggressive, submissive, lazy, ambitious, loyal, and timid.
- These are **personality traits**.

# STRENGTHS AND WEAKNESS OF THE MBTI AND BIG FIVE MODEL (1 OF 7)

The most widely used personality framework is the **Myers-Briggs Type Indicator (MBTI)**.

Individuals are classified as:

- **Extroverted or Introverted (E or I)**
- **Sensing or Intuitive (S or N)**
- **Thinking or Feeling (T or F)**
- **Perceiving or Judging (P or J)**
  - INTJs are visionaries.
  - ESTJs are organizers.
  - ENTPs are conceptualizers.

# STRENGTHS AND WEAKNESS OF THE MBTI AND BIG FIVE MODEL (2 OF 7)

## The Big Five Model

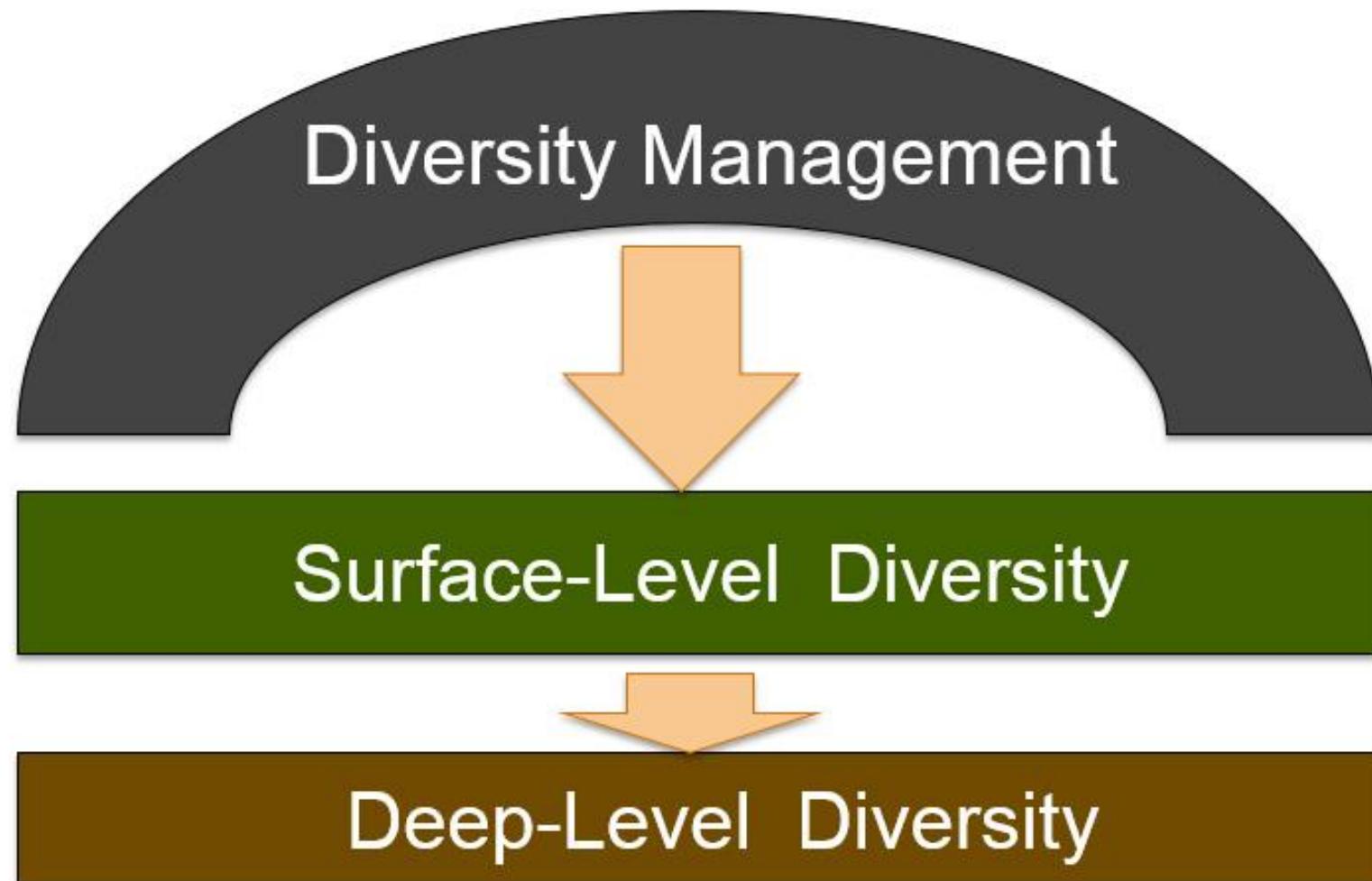
- Extraversion
- Agreeableness
- Conscientiousness
- Emotional stability
- Openness to experience

# STRENGTHS AND WEAKNESS OF THE MBTI AND BIG FIVE MODEL (4 OF 7)

Exhibit 5-2 Model of How Big Five Traits Influence OB Criteria

BIG FIVE TRAITS	WHY IS IT RELEVANT?	WHAT DOES IT AFFECT?
Emotional stability	<ul style="list-style-type: none"><li>• Less negative thinking and fewer negative emotions</li><li>• Less hypervigilant</li></ul>	<ul style="list-style-type: none"><li>• Higher job and life satisfaction</li><li>• Lower stress levels</li><li>• More adaptable to change</li></ul>
Extraversion	<ul style="list-style-type: none"><li>• Better interpersonal skills</li><li>• Greater social dominance</li><li>• More emotionally expressive</li></ul>	<ul style="list-style-type: none"><li>• Higher performance</li><li>• Enhanced leadership</li><li>• Higher job and life satisfaction</li></ul>
Openness	<ul style="list-style-type: none"><li>• Increased learning</li><li>• More creative</li><li>• More flexible and autonomous</li></ul>	<ul style="list-style-type: none"><li>• Enhanced Training Performance</li><li>• Enhanced leadership</li></ul>
Agreeableness	<ul style="list-style-type: none"><li>• Better liked</li><li>• More compliant and conforming</li></ul>	<ul style="list-style-type: none"><li>• Higher performance</li><li>• Lower levels of deviant behavior</li></ul>
Conscientiousness	<ul style="list-style-type: none"><li>• Greater effort and persistence</li><li>• More drive and discipline</li><li>• Better organized and planning</li></ul>	<ul style="list-style-type: none"><li>• Higher performance</li><li>• Enhanced leadership</li><li>• Greater longevity</li></ul>

# WORKPLACE DIVERSITY



# WORKPLACE DISCRIMINATION AND ORGANIZATIONAL EFFECTIVENESS (1 OF 3)

**Discrimination** is to note a difference between things.

Unfair discrimination assumes stereotypes about groups.

- Refusal to recognize individual differences is harmful to organizations and employees.

**Stereotype threat** describes the degree to which we agree internally with the generally negative stereotyped perceptions of our groups.

- Can be combatted by treating employees as individuals and not highlighting group differences.

# BIOGRAPHICAL CHARACTERISTICS AND ORGANIZATIONAL BEHAVIOR (1 OF 6)

**Biological characteristics** are personal characteristics that are objective and easily obtained from personnel records.

- Variations in these can be the basis for discrimination

# BIOGRAPHICAL CHARACTERISTICS AND ORGANIZATIONAL BEHAVIOR (2 OF 6)

## Age

- The U.S. workforce is aging.
- Does job performance decline with increasing age?
- Studies show that turnover and absenteeism rates are lower among older workers, and age is not associated with lower productivity.

# BIOGRAPHICAL CHARACTERISTICS AND ORGANIZATIONAL BEHAVIOR (3 OF 6)

## Gender

- There are no consistent male-female differences in problem-solving ability, analytical skills, competitive drive, motivation, sociability, or learning drive.
- But women earn less than men for the same positions and have fewer professional opportunities.

# BIOGRAPHICAL CHARACTERISTICS AND ORGANIZATIONAL BEHAVIOR (4 OF 6)

## Race and Ethnicity

- Laws against race and ethnic discrimination are in effect in many countries.
- But:
  - Employees tend to favor colleagues of their own race in performance evaluations, promotion decisions, and pay raises.
  - African Americans generally fare worse than Whites in employment decisions.

# BIOGRAPHICAL CHARACTERISTICS AND ORGANIZATIONAL BEHAVIOR (5 OF 6)

## Disabilities

- The U.S. Equal Employment Opportunity Commission classifies a person as disabled who has any physical or mental impairment that substantially limits one or more major life activities.
- Workers with disabilities receive higher performance evaluations, but may have lower performance expectations.

# BIOGRAPHICAL CHARACTERISTICS AND ORGANIZATIONAL BEHAVIOR (6 OF 6)

## Hidden Disabilities

- Sensory disabilities, chronic illness or pain, cognitive or learning impairments, sleep disorders, and psychological challenges.
- U.S. organizations must accommodate employees with a very broad range of impairments.

# OTHER CHARACTERISTICS AND ORGANIZATIONAL BEHAVIOR (1 OF 2)

- **Tenure**
  - Tenure is a good predictor of employee productivity.
  - Tenure and job performance are positively related.
- **Religion**
  - U.S. law prohibits discrimination based on religion, but it is still an issue, especially for Muslims.

## OTHER CHARACTERISTICS AND ORGANIZATIONAL BEHAVIOR (2 OF 2)

- **Sexual Orientation and Gender Identity**
  - Federal law does not protect employees against discrimination based on sexual orientation, though many states and municipalities do.
  - Many Fortune 500 companies have policies covering sexual orientation and about half now have policies on gender identity.
- **Cultural Identity**
  - Need to accommodate and respect individual cultural identities.

# INTELLECTUAL AND PHYSICAL ABILITIES AND OB (1 OF 5)

**Ability** is an individual's current capacity to perform various tasks in a job.

Two types

- Intellectual abilities
- Physical abilities

## INTELLECTUAL AND PHYSICAL ABILITIES AND OB (2 OF 5)

**Intellectual abilities** are abilities needed to perform mental activities – thinking, reasoning, and problem solving.

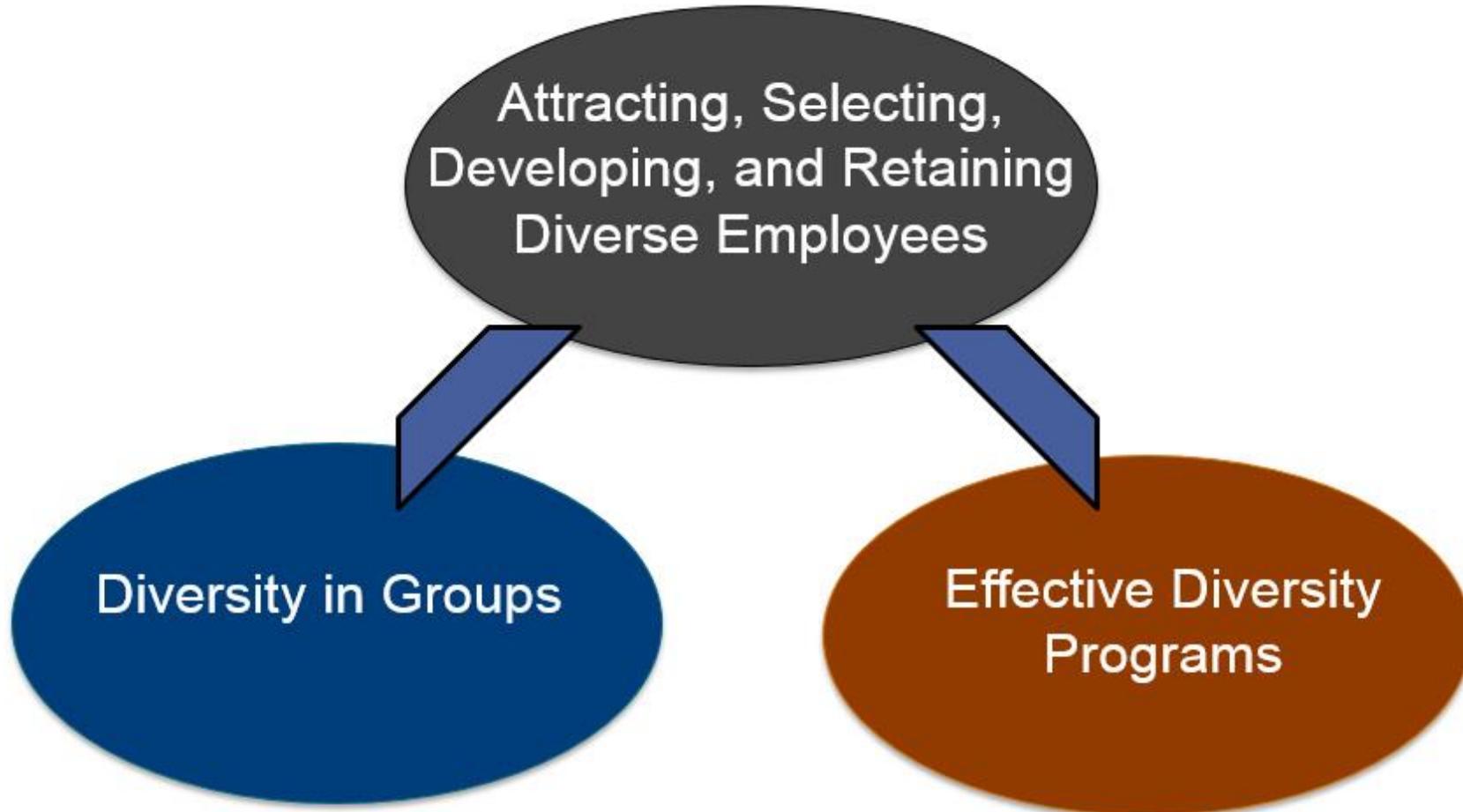
- Most societies place a high value on intelligence.
- **General mental ability** is an overall factor of intelligence as suggested by the positive correlations among specific intellectual ability dimensions.

## DESCRIBE HOW ORGANIZATIONS MANAGE DIVERSITY EFFECTIVELY (1 OF 6)

**Diversity management** is the process and programs by which managers make everyone more aware of and sensitive to the needs and differences of others.

- Diversity is more successful when it is everyone's business, not just for certain groups of employees.

## DESCRIBE HOW ORGANIZATIONS MANAGE DIVERSITY EFFECTIVELY (2 OF 6)



## DESCRIBE HOW ORGANIZATIONS MANAGE DIVERSITY EFFECTIVELY (3 OF 6)

Attracting, selecting, developing, and retaining diverse employees

- Target recruiting messages to specific demographic groups.
- Some companies have been actively working toward recruiting less-hired groups.

# DESCRIBE HOW ORGANIZATIONS MANAGE DIVERSITY EFFECTIVELY (4 OF 6)

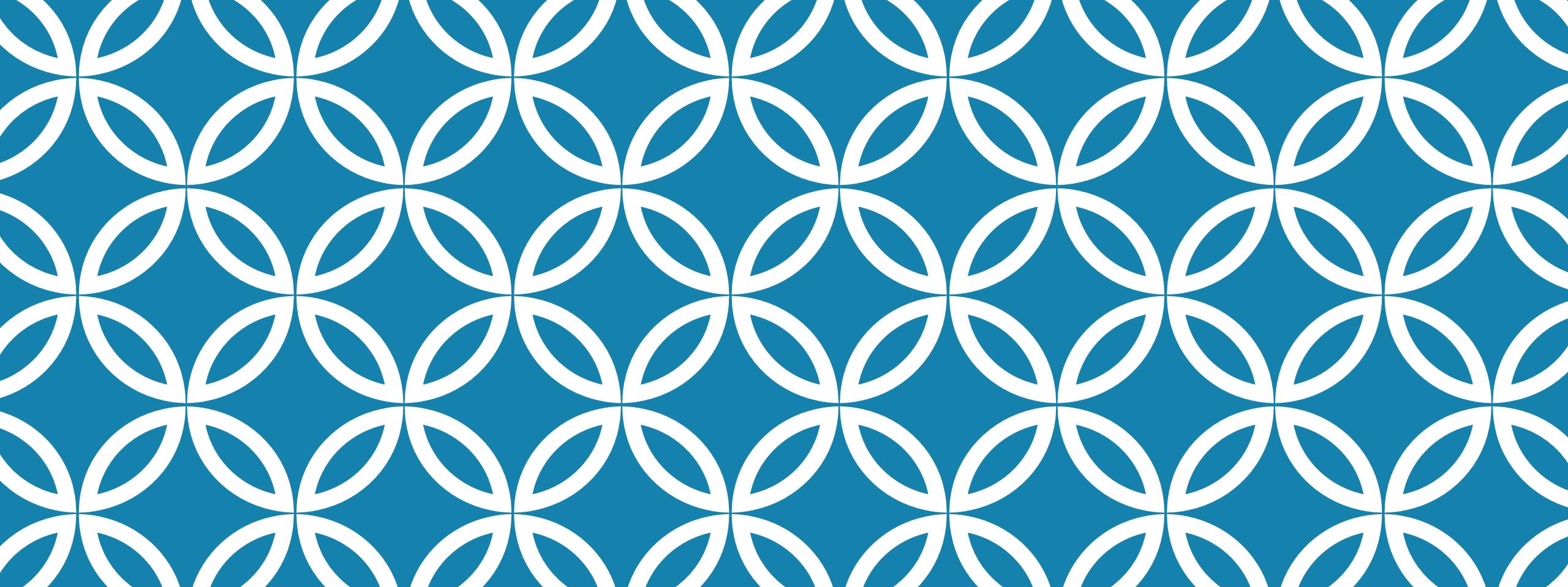
## **Diversity in Groups**

- Most people in groups need a common way of looking at and accomplishing major tasks, and they need to communicate well with each other.
- Emphasize higher-level similarities among people.

# DESCRIBE HOW ORGANIZATIONS MANAGE DIVERSITY EFFECTIVELY (5 OF 6)

## **Expatriate Adjustment**

- Organizations should select employees for international assignments who are capable of adjusting quickly and ensure they have the support they need for their assignment.



# LEADING AND MANAGING TEAMS

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# LEADERSHIP

**Leadership** is the ability to influence a group toward the achievement of a vision or set of goals.

- Not all managers are leaders.

Non-sanctioned leadership is often as important or more important than formal influence.

# LEADERS AND MANAGERS

Process	Management	Leadership
Vision	<ul style="list-style-type: none"><li>Plans and budgets</li><li>Develop processes and set timelines</li></ul>	<ul style="list-style-type: none"><li>Establish the strategic direction and refines the vision</li></ul>
Human Development	<ul style="list-style-type: none"><li>Delegate responsibility</li><li>Implement the vision</li><li>Display low emotion</li><li>Limit employee choices</li></ul>	<ul style="list-style-type: none"><li>Align the organization to vision</li><li>Communicate the vision, mission, and strategic direction</li><li>Display driven, high emotion</li><li>Increase choices</li></ul>
Execution	<ul style="list-style-type: none"><li>Control processes</li><li>Identify problems, and solutions</li><li>Monitor results</li><li>Take a low-risk approach to problem-solving</li></ul>	<ul style="list-style-type: none"><li>Motivate and inspire</li><li>Aim to satisfy basic human needs</li><li>Take high-risk approach to problem-solving</li></ul>
Outcome	<ul style="list-style-type: none"><li>Provide expected results to leadership and other stakeholders.</li></ul>	<ul style="list-style-type: none"><li>Promote useful and drastic changes</li></ul>

# TRAIT THEORIES OF LEADERSHIP

## A. Strong Leaders

1. **Trait theories of leadership** focus on personal qualities and characteristics.
2. Comprehensive reviews of the leadership literature organized around the Big Five framework has found **extraversion to be the most important trait of effective leaders**, but it is more related to the way leaders emerge than to their effectiveness.
3. Leaders who like being around people and can assert themselves (extraverted) as well as are disciplined and **able to keep commitments they make (conscientious)**, have an apparent advantage when it comes to leadership, suggesting good leaders do have key traits in common.
4. Another trait that may indicate effective leadership is **emotional intelligence (EI)**

# TRAIT THEORIES OF LEADERSHIP

## A. Strong Leaders

6. However, research has demonstrated that people high in EI are more likely to emerge as leaders, even after taking cognitive ability and personality into account

7. Based on the latest findings, we offer two conclusions.

a. First, we can say that **traits can predict leadership**.

b. Second, **traits do a better job predicting the emergence of leaders** than they do at distinguishing between effective and ineffective leaders.

# BEHAVIORAL THEORIES OF LEADERSHIP

**Behavioral theories of leadership** implied we could train people to be leaders

Ohio State Studies

1. The most comprehensive theories resulted from the Ohio State Studies, which sought to identify independent dimensions of leader behavior.
2. Beginning with more than a thousand dimensions, the studies narrowed the list to two that substantially accounted for most of the leadership behavior described by employees: *initiating structure* and *consideration*
3. **Initiating structure** is the extent to which a leader defines and structures his or her role and those of the subordinates to facilitate goal attainment.
4. **Consideration** is the extent to which a leader has job relationships that are characterized by mutual trust, respect for employees' ideas, and regard for their feelings.
  - a. A leader high in consideration helps employees with personal problems, is friendly and approachable, treats all employees as equals, and expresses appreciation and support.

Consideration	Low	High
High	<p><b>Low structure, high consideration</b></p> <p>Less emphasis is placed on structuring employee tasks while the leader concentrates on satisfying employee needs and wants.</p>	<p><b>High structure, high consideration</b></p> <p>The leader provides a lot of guidance about how tasks can be completed while being highly considerate of employee needs and wants.</p>
Low	<p><b>Low structure, low consideration</b></p> <p>The leader fails to provide necessary structure and demonstrates little consideration for employee needs and wants.</p>	<p><b>High structure, low consideration</b></p> <p>Primary emphasis is placed on structuring employee tasks while the leader demonstrates little consideration for employee needs and wants.</p>
	Low	High
	Initiating Structure	

# BEHAVIORAL THEORIES OF LEADERSHIP

## GLOBE Study

1. Some research from the **GLOBE study** suggests there are **international differences** in preference for **initiating structure and consideration**.
  - a. Based on the values of Brazilian employees, a **U.S. manager** leading a team in Brazil would need to be **team-oriented, participative, and humane**.
  - b. Leaders **high in consideration** would succeed best in **this culture**.
  - c. A leader high in initiating structure (relatively task-oriented) will do best and can make decisions in a relatively autocratic manner

# SUMMARY OF TRAIT AND BEHAVIOUR THEORIES

## **Summary of Trait Theories and Behavioral Theories**

- Leaders who have certain traits and who display culturally appropriate consideration and structuring behaviors do appear to be more effective.
- Traits and behaviors do not guarantee success.

- Autocratic (Authoritarian)
- Bureaucratic
- Democratic
- Coercive
- Transactional
- Transformational
- Laissez-Faire

# GROUP DYNAMICS

A **group** is defined as two or more individuals, interacting and interdependent, who have come together to achieve particular objectives.

Groups can be either formal or informal.

- **Formal groups:** those defined by the organization's structure.
- **Informal groups:** alliances that are neither formally structured nor organizationally determined.

# Five stage model of group formation

## Stage I Forming

Members get to know each other & set ground rules



## Stage II Storming

Members come to Resist Control by group Leaders & Show hostility



## Stage III Norming

Members Work Together developing Close Relationships & feelings of Cohesiveness



## Stage IV Performing

Group members work towards Getting their jobs done



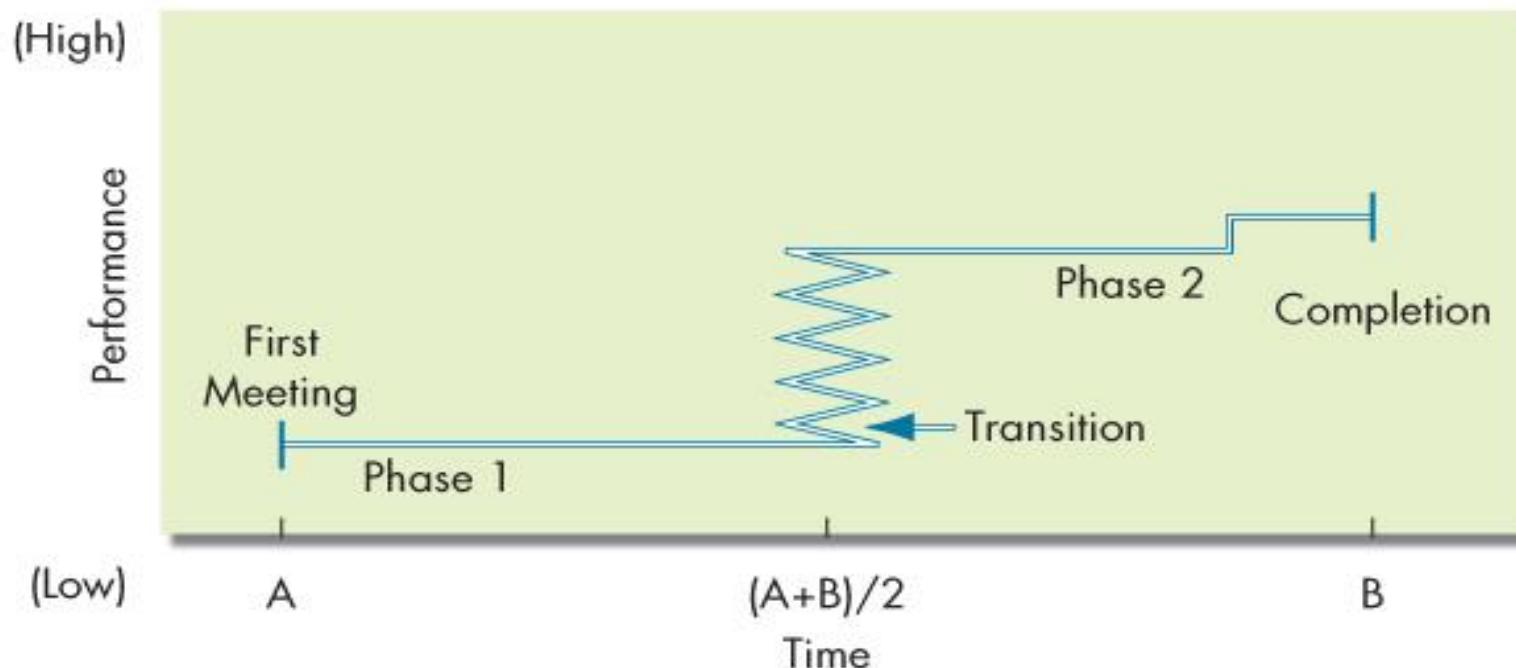
## Stage V Adjourning

Group may disband either after meeting their goals or because members Leave



# ALTERNATE MODEL FOR TEMPORARY GROUPS

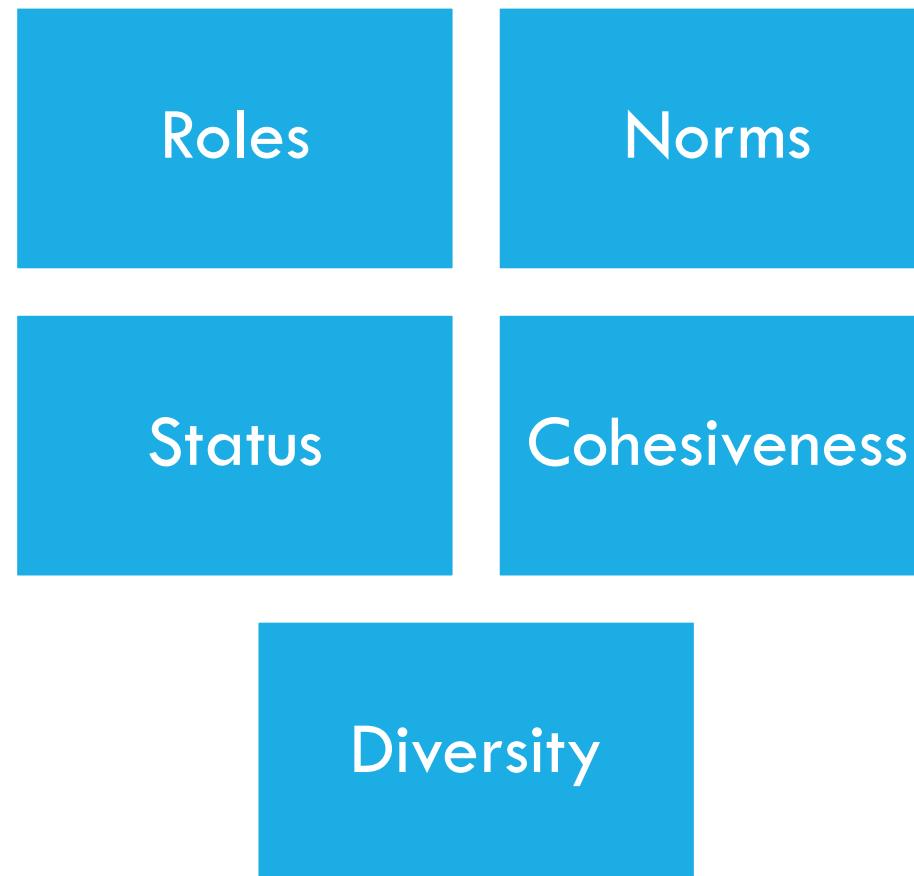
**Exhibit 9-1** The Punctuated-Equilibrium Model



**Sequence of actions:**

1. Setting group direction
2. First phase of inertia
3. Half-way point transition
4. Major changes
5. Second phase of inertia
6. Accelerated activity

# GROUP PROPERTIES



# ROLE

**Role:** a set of expected behavior patterns attributed to someone occupying a given position in a social unit.

- **Role perception:** one's perception of how to act in a given situation.
- **Role expectations:** how others believe one should act in a given situation.
- **Psychological contract**

**Role conflict:** situation in which an individual faces divergent role expectations.

- We can experience **inter-role conflict** when the expectations of our different, separate groups are in opposition.

# NORMS

## **Norms:**

- Acceptable standards of behavior within a group that are shared by the group's members.

## **Norms and Emotions**

- Norms dictated the experience of emotions for the individuals and for the groups – in other words, people grew to interpret their shared emotions in the same way.

## **Positive Norms and Group Outcomes**

- If employees aligned their thinking with positive norms, these norms would become stronger and the probability of positive impact would grow exponentially.
- Positive group norms may well beget positive outcomes, but only if other factors are present.

## **Norms and Culture**

- Do people in collectivist cultures have different norms than people in individualist cultures? Of course they do.
- But did you know that our orientation may be changed, even after years of living in one society.

# STATUS AND SIZE

**Status:** a socially defined position or rank given to groups or group members by others.

- **Status characteristics theory:** status is derived from one of three sources:
  - The power a person wields over others.
  - A person's ability to contribute to a group's goals.
  - An individual's personal characteristics.

**Status and Norms:** high status individuals often have more freedom to deviate from norms.

**Status and Group Interaction:** high status people are often more assertive.

**Status Inequity:** perceived inequity creates disequilibrium and can lead to resentment and corrective behavior.

**Status and Stigmatization:** stigma by association.

**Group Status:** “us and them” mentality and ensuing polarization.

# STATUS AND SIZE

Group size affects the group's overall behavior.

- Large groups are good for gaining diverse input.
- Smaller groups are better doing something with input.

**Social loafing:** the tendency for individuals to expend less effort when working collectively than alone.

# COHESIVENESS AND DIVERSITY

Degree to which group members are attracted to each other and are motivated to stay in group.

## **Increasing group cohesiveness:**

1. Make the group smaller.
2. Encourage agreement with group goals.
3. Increase time members spend together.
4. Increase group status and admission difficultly.
5. Stimulate competition with other groups.
6. Give rewards to the group, not individuals.
7. Physically isolate the group.

# COHESIVENESS AND DIVERSITY

**Diversity:** degree to which members of the group are similar to, or different from, one another.

- Increases group conflict, especially in the short term.

Culturally and demographically diverse groups may perform better over time.

- May help them be more open-minded and creative.

# GROUP DECISION MAKING

## Strengths of group decision making:

- More **complete information** and knowledge
- Increased **diversity** of views
- Increased **acceptance** of solutions

## Weaknesses of group decision making:

- **Time** consuming
- **Conformity** pressures
- **Dominance** of a few members
- Ambiguous responsibility

## Effectiveness and efficiency of group decisions:

- Accuracy
- Speed
- Creativity
- Acceptance

# EXPLAIN HOW ORGANIZATIONS CAN CREATE TEAM PLAYERS

## **Creating Team Players**

- **Selecting:** hire team players
- **Training:** create team players
- **Rewarding:** incentives to be a good team player

## **When not to use teams...**

Ask:

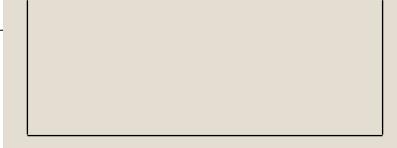
- Can the work be done better by one person?
- Does the work create a common goal or purpose?
- Are the members of the group interdependent?



# **Sub- Human Resource Management**

## **Class – B.Tech**

## **Sem – VII**



**By-**

**Prof. Priti Yamdagni**

## Human Resource Planning

The biggest challenge is the numbers. The numbers are just so large. But the issue is no different than the one (founder) Sam Walton faced. We have to focus on one associate at a time.

HRP is a process by which an organisation ensures that it has the right number & kind of people at the right place and at the right time, capable of effectively and efficiently completing those tasks that help the organisation achieve its overall objectives.

### What is HRP?

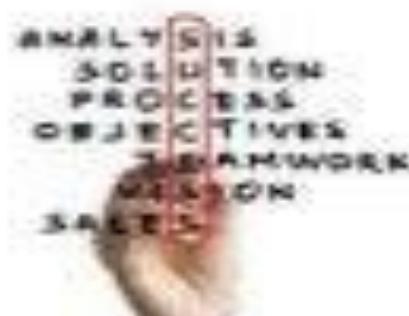
- The process of Deciding what positions the firm will and how to fill them.
- The process of forecasting the supply and demand for human resources within an organisation and developing action plans for aligning the two.

E.W Vetter viewed human resources planning as —a process by which an organization should move from its current manpower position to its desired manpower position. Through planning management strives to have the right number and right kind of people at the right places at the right time, doing things which result in both the organization and the individual receiving maximum long-run benefit.

According to Leon C Megginson human resources planning is an integrated approach to performing the planning aspects of the personnel function in order to have a sufficient supply of adequately developed and motivated people to perform the duties and tasks required to meet organizational objectives and satisfy the individual needs and goals of organizational members.

## **Objectives of Human resource planning**

- 1) Forecast personnel requirement
- 2) To ensure optimum utilization of resource
- 3) Use of existing manpower productively
- 4) Cope with changes (training about technological changes)
- 5) To provide control measures (ensure resource availability when required)
- 6) Promote employees in systematic manner (promotions, pay scale)
- 7) To provide a basis for Management Development Programmes.
- 8) To assist productivity bargaining (good deal)
- 9) To assess the cost of man power



HR departments are responsible for the following tasks:

- Recruitment, Selection
- Evaluating, creating and administering compensation and benefits programs
- Training and professional development
- Employee manuals
- Time and attendance etc.

Planning:

- Business should always have a strategic plan.
- SP- identifies the company goals and objectives and communicates these goals.
- Develops a sense of ownership of the plan.
- Build consensus about where an organization is going

## Importance of HRP

- Planning is important for HRM.
- Each Organization needs personnel with necessary qualifications, skills, knowledge, experience & aptitude.
- Need for Replacement of Personnel - Replacing old, retired or disabled personnel.
- Meet manpower shortages due to labour turnover - Indian Airlines, Gas Authority of India headless for 10 months.
- Meet needs of expansion / downsizing programmes - As a result of expansion of IT companies the demand for IT professionals are increasing. PSU's offering VRS to employees to retrench staff and labour costs. DOT.COMs firing staff.
- Cater to Future Personnel Needs - Avoid surplus or deficiency of labour. [OverstaffedRedeployment].
- Nature of present workforce in relation with Changing Environment - helps to cope with changes in competitive forces, markets, technology, products and government regulations.

## HRP comprises A Four Steps Process

1. The first step is to develop a strategy planning which matches with the Organisations Vision, Mission and values.
2.  Increase the profit
3.  Satisfy the partners
4.  Finding new customers
5.  Developing quality products and tools
6.  Eliminate the non-profitable measures.
7. For example-The 2016's mission is You Must Be A STAR
8. S - Speed
9. T - Team
10. A - Approach
11. R - Results

The vision: Build, create the environment& culture that attracts, retains, and breeds the present and future leaders, expertise &innovators

### The Core values

Reward  Resourcing  Development  Employee relations Priorities:  Improve Customer Experience  Grow Revenue.  Improve Profitability & cash flow.  Create a great employee experience  Live our Values.

## 2. The second step is predicting Demand for HR

- Decrease costs
- Vacant jobs
- Train on new equipment. MRCET MBA

## 3. The third step is Determining HR Supply available

- DAP development action plan
- Improve the skills of employees
- Link with employees needs
- Analyze and choose the common needs
- Appraisal at the end of the year in developing the employees skills
- Replacement charts.

## 4 .The last steps is Formulating the Plans for Action:

Decisions with a shortage of employees: Selection, overtime, recruitment

1. Organizational Objectives & Policies:
2.  Downsizing / Expansion
3.  Acquisition / Merger / Sell-out  Technology up gradation / Automation
4.  New Markets & New Products
5.  External Vs Internal hiring
6.  Training & Re-training
7.  Union Constraints

## Case Study

### How FCO Meet Business Needs through Workforce Planning

The staffing needs of an organization change constantly. Without proper planning, an organization may suffer from skills shortages. It may be unable to provide a good service because it does not have sufficient staff with the right experience.

Workforce planning involves estimating the present and future staffing

requirements of the organization. It needs to take into account that:

existing employees may retire, resign or get promoted

new technology may change working methods and require different skill sets

More staff (or staff with different skills) may be needed to fulfill new business or operational requirements.

The process helps the FCO to identify what skills it needs to deliver its strategic objectives. It helps it assess the skills available within the existing workforce and see where there might be gaps in the future. Workforce planning involves thinking ahead to fit individuals with the right skills into different parts of the organization.

The FCO has to undertake this planning in the context of the current political and economic environment. Workforce planning can be a challenge. As an organization with operations in countries across the world, the FCO has to ensure balanced workloads for employees both within the UK and overseas. It faces the challenge of rotating staff between different overseas postings.

## What is HR Demand Forecasting?

HR Demand forecasting 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, organisational structure, and employee separations. Demand forecasting is common among organisations, though they may not do personnel-supply forecasting.

## Reasons to Conduct Demand Forecasting

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

- (i) quantify the jobs necessary for producing a given number of goods, or offering a given amount of services
- (ii) determine what staff-mix is desirable in the future
- (iii) assess appropriate staffing levels in different parts of the organization so as to avoid unnecessary costs
- (iv) prevent shortages of people where and when they are needed most; and
- (v) monitor compliance with legal requirements with regard to reservation of jobs.

## HR Forecasting Techniques

HR Forecasting techniques vary from simple to sophisticated ones. Before describing each technique, it may be stated that organizations generally follow more than one technique. The techniques are:

1. Ratio-trend analysis
2. Regression analysis
3. Work-study techniques
4. Delphi technique
5. Flow models
6. Other forecasting techniques

### 1. Ratio-trend Analysis

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

## 2. Regression Analysis

This is similar to the ratio-trend analysis in that forecast is based on the relationship between sales volume and employee size. However, regression analysis is more statistically sophisticated. A firm first draws a diagram depicting the relationship between sales and workforce size.

It then calculates a regression line – a line that cuts right through the center of the points on the diagram. By observing the regression line, one can find out the number of employees required at each volume of sales.

## 3. 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.

The starting point in a manufacturing company is the production budget, prepared in terms of volumes of saleable products for the company as a whole, or volumes of output for individual departments.

The budgets of productive hours are then compiled using standard hours for direct labor. The standard hours per unit of output are then multiplied by the planned volume of units to be produced to give the total number of planned hours for the period. This is then divided by the number of actual working hours for an individual operator to show the number of operators required.

#### 4. Delphi Techniques

Delphi Technique Named after the ancient Greek Oracle at 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 human resource planning (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 experts' opinions begin to agree. The agreement reached is the forecast of the personnel needs. The distinguishing feature of the Delphi technique is the absence of interaction among experts.

## 5. Flow Models

Flow models are very frequently associated with forecasting personnel needs. The simplest one is called the Markov model. In this technique, the forecasters will:

1. Determine the time that should be covered. Shorter lengths of time are generally more accurate than longer ones. However, the time horizon depends on the length of the HR plan which, in turn, is determined by the strategic plan of the organization.
2. Establish categories, also called 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. The number of states can neither be too large nor too small.
3. 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 employment status). Losses include death or disability, absences, resignations, and retirements. Gains include hiring, rehiring, transfer, and movement by position level.

4. 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.

There are alternatives to the simple Markov model. One, called the semi-Markov, takes into account not just the category but also the tenure of individuals in each category. After all, the likelihood of movement increases with tenure.

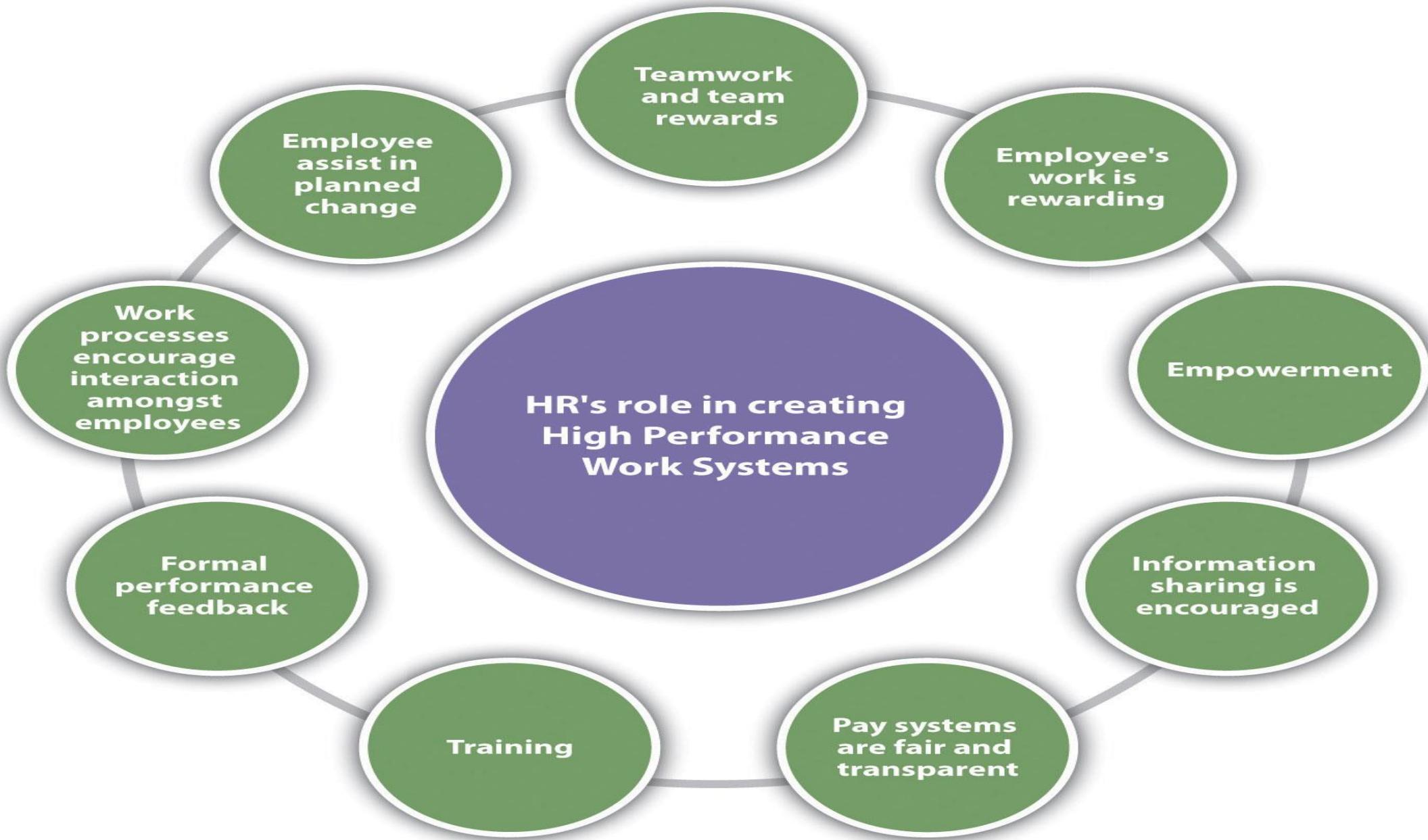
Another method is called the vacancy model, which predicts probabilities of movement and the number of vacancies. While the semi-Markov model helps estimate movement among those whose situations and tenure are similar, the vacancy model produces the best results for an organization.

Markov analysis is advantageous because it makes sense to decision-makers. They can easily understand its underlying assumptions.

They are, therefore, likely to accept results. The disadvantages include: (i) heavy reliance on past-oriented data, which may not be accurate in periods of turbulent change, and (ii) accuracy in forecasts about individuals is sacrificed to achieve accuracy across groups.

## 6 Other Forecasting Techniques

New venture analysis 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, a petroleum company that plans to open a coal mine can estimate its future employment needs by determining the employment levels of other coal mines.



**The HR plan contains the following activities:**

- (i) Recruitment,**
- (ii) Training and Re-training,**
- (iii) Productivity,**
- (iv) Redeployment, and**
- (v) Retention.**

Redeployment takes the form of transfers. In case of estimation of surplus and not deficit for the entire organisation, then trade unions have to be consulted before going for retrenchment and redundancy. Redundancy plan includes provision for compensation, help in getting new jobs, and priority in filling future vacancies for retrenched employees.

### **Measures for Redeployment, Redundancy / Retrenchment:**

#### **(1) Outplacement:**

Under this measure career guidance and retraining is provided to the prospective displaced employees so that they can be redeployed elsewhere in the organisation.

## **(2) Lay Offs:**

Layoffs are because of recession in business, power failure, major breakdown etc. of temporary nature. Employees are called back when normal position is restored. Permanent layoff is because of liquidation of the company. The employees can be-absorbed elsewhere in the enterprise where vacancies exist as a result of retirement or death.

## **(3) leave of Absence without pay:**

This is the method employed by the company to reduce the cost of labour and enable employee to pursue his self interest. It also helps the company to eliminate unnecessary jobs. This method helps employees to be aware of future changes.

#### **(4) Work Sharing:**

Under this method employees are given the opportunity to share jobs i.e. two employees working half time each. This is a temporary way to solve retrenchment problem.

#### **(5) Reduced work Hours:**

Under this method each employee work for less hours, receives less pay.

#### **(6) Voluntary Retirement:**

To get rid of overstaffing problems, the government of India has introduced a novel scheme known as Voluntary Retirement Scheme under the caption ‘Golden Handshake’ for its employees.

## **(7) Attrition:**

Under this method the employees who are leaving the jobs at their own create vacancies. The vacancies are not filled, rather freeze and a ban on employment is imposed.

## **Retention Plan:**

When organisations faced the shortage of some categories of employees they adhere to retention of the existing employees.

## **Retention plan covers the following:**

(1)Bringing the salary to the same level as exist in comparable enterprises preventing the employees to quit the organisation for better prospect in other organisations.

(2) Opportunities for career development is provided to the employees through training and development, by giving challenging assignment etc.

- (3) More fringe benefits are offered.
- (4) Better working conditions are provided.
- (5) Extensive participation of employees in decision making is encouraged.
- (6) Higher level jobs are offered to the existing employees deserving qualifications, skills and potentialities.
- (7) Effective method for grievance redressal and conflict resolution is adopted.
- (8) Better facilities for interpersonal relations are created.

# **Strategic human resource management (SHRM)**

**is the process involved in aligning human capital with the long-term goals of an organization.**

**Its main aim is to improve the performance of an organization.**

**SHRM is involved in processes that are future-oriented in the development and implementation of human resource programs involved in solving problems in business.**

**SHRM is founded on three major pillars, which include:**

**Human Capital - SHRM recognizes that human capital is not just a resource but an organization's assets that provide a competitive edge.**

**Planning - With proper planning, changes are achievable so long as they align with the needs and objectives of the organization**

**Business competition - The main aim of SHRM is to focus on ways that a firm can take an edge over its business competitors.**

SHRM involves organizational goals in alignment with the available human capital. Fostering innovation, improving overall performance, and improving human fulfillment are the main goals of SHRM.

Purposeful hiring and effective communication are examples of SHRM. They both steer the organization towards its long-term goal. Effective communication fosters transparency and creates an open forum discussion where various concerns are addressed.

SHRM is used to create a framework that links the management of people and the development of practices that align with the long-term goals.

SHRM differs from HRM in the sense that it is involved in framing human resource strategies so that they direct the efforts of the employees to align with the organizational goal. SHRM is practiced by HR departments when they work with other departments within an organization to help understand the goals of each department and develop strategies that align with the organizational goals. It takes each department to work together to reach the goals of an organization. In this sense, SHRM is a partner in organizational success.

## What is workforce diversity?

Before you can start managing diversity in the workplace, you have to know what it is. And the definition may surprise you.

Diversity is anything that makes people different from one another. I'm sure you know you shouldn't discriminate based on race, gender, national origin or disability. But there's more.

Religion, age, sexual orientation, citizenship, political affiliation or opinions, military service, mental and physical conditions, personality, education, favorite sports team – all of these fall under the umbrella of diversity, which, if not managed correctly, can open the door to charges of discrimination or employee relations matters.

What are the benefits of diversity in the workplace for employees?

- Conflict reduction

Within a diverse workplace, employees can better understand each other's differences.

This will often help to reduce conflicts between even the most different team members; and will often unite people with a common purpose rather than divide them.

- Increased confidence

When employees' recognise that differences are embraced and celebrated in an organisation, they are likely to also be more confident in their own unique qualities.

**Encouraging diversity can help to boost confidence and performance from individual team members, who may be more easily able to express their ideas, become closer to their colleagues and enjoy and take pride in their work.**

- **Boosting employee engagement**  
Employees are far more likely to perform well in an environment where diversity and inclusion are top priority.

## What are the benefits of diversity in the workplace for employers?

- Increased range of ideas.

One of the key benefits of diversity in society is the vast range of ideas that can be explored.

Diversity in the workplace will often result in a much broader spectrum of creativity, from people with different backgrounds, skills and experiences.

A wider range of different perspectives will be highly beneficial across all teams; from marketing to finance.

- **Increased employee engagement**

Generally speaking, employees who feel included and wanted will be more engaged and motivated to do well. In turn, a more engaged team will often yield better team performance; making it a win-win for employers.

- **Boosts company reputation & simplifies recruitment processes**

Diversity in the workplace will help to build a great reputation for the company; especially important when you are looking to hire and retain talent.

Especially in terms of graduate recruitment, D&I can play a huge role in attracting candidates to your business; if done well, it can also help you stand out from the bigger firms.

- **Wider talent pool to choose from**

Companies that only hire men, for example, are limiting themselves to the skills of half the population, this is just one of the many benefits of gender diversity in the workplace.

- **Helps you to understand your customers better**

Having a more diverse team will help your company gain a broader understanding of your customers, what they want and what they look for.

Who knows? Your company could be missing out on a huge group of potential customers that could be explored by hiring more diversely.

- Reduce employee turnover

Companies with a diverse workforce will tend to retain employees for longer, because ultimately employees who feel accepted and valued will be much less likely to leave.

Likewise, companies who clearly value career development, and really care about their employees, will tend to have a much higher retention rate than those who don't.

- Marriott International  
Industry: Hospitality

In a close second place on DiversityInc's Top 50 Companies, Marriott recently launched their Serve 360 plan, whereby they invested \$5m in order for women, people with disabilities, veterans, refugees and more to learn hospitality skills.

Not every company will be able to afford \$5m; but it does point to the value of investing in professional development.

- Accenture PLC

Industry: Professional Services

Accenture is often ranked within the top companies for diversity

**(Thompson Reuters' 2018 Diversity and Inclusion Index** ranked Accenture as it's no.1 most diverse company), and though this is largely due to gender representation within their workforce, they have also been applauded for encouraging the inclusion of many different groups.

**Diversity training within the company is broken into three different categories**; 1) Diversity Awareness, to help people understand the benefits of working with a diverse organisation,

2) Diversity Management, to help team leaders to successfully manage diverse teams and

3) Professional Development, to enable minority groups to develop valuable new skills.

## Challenges of diversity in the workplace

### Communication barriers

Hiring employees from a range of cultures and backgrounds has fantastic benefits for businesses; but can occasionally result in communication or language barriers within a team.

This can sometimes lead to frustration amongst employees and productivity loss. [Embracing Business Diversity: Is Technology the Answer?](#)

## Employee requirements

Whether it's a VISA or specific cultural requirements, hiring employees from different countries can be tricky; especially if you are a relatively young company.

As well as posing a logistical challenge, it's important to remember that these accommodations can also sometimes be an added business cost to factor into your hiring plans.

## Gender equality issues

Salary inequality between men and women has been a huge topic of discussion in recent years. Individuals that are treated unequally can become demotivated and often choose to leave, causing increases in staff turnover.

## Generational differences

In teams where there is a wide age range, especially if the company is recruiting graduates, there may be some generational differences or generation gaps.

This could potentially hinder discussions on certain subjects; millennials account for the majority of UK workers, which is evolving today's corporate culture.

## Conflicting beliefs

Conflicts can arise in the workplace due to differences in religious, political or cultural beliefs, and unfortunately discrimination and prejudice still occurs in some corporate environments.

## Disability discrimination

The workplace can be tough for employees with a physical or mental disability.

In a recent [study on disability and employment](#) 12% of employers are concerned that disabled employees will take more time off work and 19% believe that it is expensive to hire individuals with a disability due to costs involved in adapting the workplace.

## Isolated individuals

Sometimes employees can feel left out or isolated when groups of other individuals with similar backgrounds and characteristics, form 'cliques' or social circles.

## Competitive Advantage In Human Resource



A traditional source of competitive advantage has been eroded. Now it is believed that productivity is through people.

The human factor is the only organizational resource that can develop a competitive advantage.

Porter argues that people are becoming a significant differentiating factor.

Managers should select those people who are more intelligent, better trained, more motivated, and more committed.

Successful companies in the USA, for their sustained advantage, tend to rely not on technology, patents, or strategic position, but on the way they manage their workforce.

- Employment Security
- Selective Recruiting
- High and Lucrative Wages
- Incentive Pay
- Employee Ownership
- Employee Empowerment and Participation
- Information Sharing
- Training and Development of Skills
- Treat People with Respect and Dignity
- Wage Compression
- Promotion from Within

## **Employment Security**

Employment security is a critical element of a high-performance work arrangement. The security of employment signals a longstanding commitment to its workforce.

Feeling of stable employment may generate loyalty, commitment, or willingness to expend extra efforts for the organization's benefits.

The security of employment contributes to training as both employer and employee have more significant incentives to invest in training because there is some assurance that the employment relationship will be of sufficient duration to earn a return on the time and resources expended in skill development.

## Selective Recruiting

Organizations serious about making a profit through people will expend the efforts needed to recruit the right people in the first place.

Japanese companies have a reputation for their extensive screening of employees. Organizations need to have a large applicant pool to select the right person.

Firms serious about selection put applicants through several rounds of interviews and a rigorous selection procedure.

Screening is done carefully to find people who could work better in the new work environment, learn and develop quickly, and need less supervision.

# High and Lucrative Wages

An organization can attract and retain qualified candidates if it pays a high and lucrative pay package.

Higher wages tend to attract more outstanding applicants, permitting the organization to be more selective in finding people who will be committed to the organization. Higher wages send a message that the organization values its people.

Low labor costs cannot ensure competitive success for a long time.

## Incentive Pay

The pay system should be based on the performance or productivity of employees.

Employees will contribute more if they earn more. The contingent incentive can take many forms, such as profit sharing, profit sharing, stock ownership, pay for skills, or various forms of individual or team incentives.

Microsoft, for example, encourages sharing ownership. When employees are owners, they act and think like owners.

## Employee Ownership

Organizations should make an employee a mini-employer. A stock ownership plan can do this. This may increase their sense of ownership.

Employee ownership reduces conflict between labor and capital.

Employee ownership puts stock in the hands of people.

These employees are more inclined to take a long term view of the organization, its investment policies and strategies, and less likely to support hostile takeovers and acquisitions.

It has a positive effect on the firm's performance if managed properly.

The stock ownership plan makes the employee a mini-employer. This may increase their sense of belongingness and ownership.

## **Employee Empowerment and Participation**

Empowerment indicates many things to many experts. It refers to mutual influence, creative power distribution, and shared responsibility.

It is a democratic and long-lasting process.

The basic change involves moving from a system of hierarchical control and coordination of activity to one in which lower-level employees are permitted to do things to increase performance.

In Germany, for example, employee empowerment in the board of directors occurs through the system of co-determination. It is also known as industrial democracy.

# Information Sharing

Information sharing is an essential element of high-performance work systems.

The sharing of information on issues like budget, strategy, and financial performance conveys the people of an organization that they are trusted.

Use it to teach people how to work together to achieve common goals and thereby gain control over their lives. Provide people with information that allows them to make the right decisions”.

## Training and Development of Skills

All of this requires a skilled and motivated workforce that has the knowledge and capability to perform the requisite tasks.

As time goes on, employee skills may become obsolete. They need to be retrained to upgrade and acquire new skills.

Training also changes and modifies employee attitudes and behaviors. Trained people must be placed in jobs where they can apply their acquired skills.

## Treat People with Respect and Dignity

Dignity is a term used in moral, ethical, legal, and political discussions to signify that human being has an innate right to be valued and receive ethical treatment.

At the heart of human rights is the belief that everybody should be treated equally and with dignity – no matter their circumstances. This means that nobody should be tortured or treated as an inhuman or degrading way. It also means that nobody has the right to ‘own’ another person or to force them to work under threat of punishment.

For example, if you are arrested and charged, you should not be treated unfairly, and your trial should be fair. The dignity of labor indicates that all types of jobs are respected equally, and no occupation is considered superior.

Every work has some dignity attached to it. It is improper for anybody to think that a certain kind of work is undignified or below the status. No work is meant high or low.

## **Wage Compression**

Pay differential among the levels of management should be lower. Wage compression between senior managers and employees will reduce status differences and develop a sense of common fate.

A huge pay gap may damage the cooperative spirit between managers and workers. The high pay gap causes employees to feel less valued. The pay gap is the lowest in Japan and the highest in the USA.

Pay inequities exist in all public and private sector organizations and may be caused by overtime, talent acquisition, reorganizations, demotions, reassessments & transfers, demand for technical expertise, and seniority.

## Promotion from Within

This practice may boost employee morale.

It encourages training and skill development because of the availability of promotion opportunities within the firm bind workers to employers and vice versa.

Promotion is a reward that is status-based. It provides a sense of fairness and justice in the workplace.

It facilitates decentralization, participation, and delegation because it helps promote trust across hierarchical levels.

# **Managing the Customer – Employee Interaction**

## **Examples of Customer Interactions**

### **Customer Interactions in Marketing**

- A customer sees an advertisement for your brand on social media and comments on it.**
- A customer sees store signage that details features of a specific product or service.**
- A customer signs up for your email newsletter to receive weekly updates and promotions.**
- A customer goes to one of your company events.**

## **Customer Interactions in Sales**

- A customer calls your support line and asks to speak with a sales representative.**
- A customer is surfing your website and decides to open a live chat conversation with a sales representative.**
- A customer receives an email from your sales team and schedules a meeting.**
- A sales representative calls a customer to see how they are liking their new product or service.**
- A sales representative emails a customer to follow up on a conversation that had earlier.**

## Customer Interactions in Customer Service

- A customer calls a support line to get help with a product or service.
- A customer has a question about a product, service, or marketing promotion, and reaches out to your brand on social media.
- A customer who's upset with their customer experience writes a negative review of your brand.

Customers interact with your business in many different ways.

- Email
- Phone
- Live Chat
- Social Media
- Webpage
- Live Video
- In-Person
- Snail Mail

Customer interactions give businesses the data needed to improve customer satisfaction.

# Customer Interaction Management

1. Show empathy and gratitude.
2. Be conscientious.
3. Be transparent and communicative.
4. Ask for and act on customer feedback.
5. Surprise and delight your customers.
6. Go where your customers are.
7. Talk like a human.
8. Give a gift that gains their loyalty.

## 1. Show empathy and gratitude.

Are you familiar with the golden rule? "Treat others as you want to be treated."

•**Thank your customers — for everything.** Thank them for their patience if your company experiences an outage or disruption in service. Thank them for understanding if you or your company makes an error. Thank them for their loyalty when they renew or buy again. Thank them for taking the time to share their feedback, whether it's good or bad.

•**Be empathic in your responses to customer complaints and issues.** Say "I'm sorry" for whatever the issue is impacting in their day-to-day. The issue could be losing them, time or money, or just causing a tremendous headache. You don't always know what's going on in your customers' daily lives, so err on the side of apologetic if they come to you with an issue — great or small.

## 2. Be conscientious.

It's of utmost importance to be conscientious and to responsibly follow-up to every customer communication you engage in with a solution, a forum for feedback, or helpful educational resources they can benefit from.

- If you can't solve a customer's problem with them in the first interaction, provide them with an exact and reasonable timeframe within which they can expect a resolution. Set a clear time and date, and put the responsibility on your plate to follow up.
- If your customer runs into an issue that you resolve, follow up with them a week or two later to make sure they aren't still running into the same issue.

Better yet, do research to investigate when your customers typically encounter issues with your product, and reach out proactively with educational communications to try to prevent that friction in the first place.

### 3. Be transparent and communicative.

Particularly if your product or service concerns customers' personal data or information, or if your product serves as a system of record for a customer's own business, you need to take your responsibility to your customers seriously.

In today's era of data breaches and credit card hacking, customers want to understand what you're doing to fix problems and prevent them from happening again.

Make sure you're prepared with transparent [customer communications](#) during times like these — and if you're not, ask your team manager or director for better guidance.

#### 4. Ask for and act on customer feedback.

Regularly asking customers for feedback via surveys is an effective way to identify potential problems before they cause your customers to churn.

Surveys also provide customers with an avenue to voice their thoughts on your product or your customer service in a way that makes them truly feel valued, and their specific feedback on 1:1 interactions with employees allows you to better hone your processes — or to shout out employees going above and beyond.

## 5. Delight your customers whenever you can.

You don't necessarily need to surprise them with a gift or a discount (although those can be nice).

Sometimes, something as simple as a thank you letter, company swag, or a shoutout on social media can go a long way towards building goodwill and an emotional connection with your customers.

And an emotional connection can sometimes be a bigger predictor of loyalty than responses to customer satisfaction surveys.

## 6. Go where your customers are.

As a customer, nothing annoys me more than when I send a Twitter DM to a company to complain about something, and they reply with a number I can call to voice my concerns.

I'm already experiencing friction dealing with an issue with the product — I shouldn't have to wait on hold to hear from a customer support rep, too.

There are always exceptions to this — sometimes, you just have to talk out an issue or hop on a video call — but you should make every effort to keep communications on the same platform where your customer originally asked you for help.

This helps you engage with customers faster to get them the answer they need.

## 7. Talk like a human.

If you're in the middle of solving a customer issue, feel free to keep language professional.

But once you've solved a customer's problem, or if a customer is reaching out to share positive feedback, feel free to be less scripted, and more yourself.

For example, if customers are reaching out to you on Twitter, don't be shy about responding back to them with a GIF or a hashtag.

If you're leaving them a comment on Instagram, try to work in an emoji.

Little personal touches can endear you to your customers and make them more excited to connect with you.

Give a gift that gains their loyalty.

Thank you cards are great, but customers admire it when brands go the extra mile by sending them nice little gifts.

Not only do gifts instill memories in customers, but they also add a special layer of happiness.

So the next time you want to thank your customers, [consider emailing them a gift card](#), grocery coupon, or a discount on your service/products.

We are living in a world that's highly competitive, and the way you deal with a customer leaves a big impact on your brand name.

That's why customer interaction must be done with extra care, as it serves as an incredible opportunity to grow your business.

The journey from customer interaction to customer loyalty isn't overnight, but it isn't complicated either.

All it takes is the right loyalty rewards to appreciate them. Happy customers = Loyal customers! Let's not forget that.

# Employee Empowerment



When someone is empowered, they have the ability to accomplish something — and they know it, giving them the confidence needed to succeed.

Employee empowerment refers to the manner in which companies provide their employees with anything and everything they need to succeed.

Companies that are interested in empowering employees should act on the following:

Give [employees a voice](#) by regularly soliciting and acting on their feedback.

Provide opportunities for employees to grow through more autonomy, additional responsibilities, or even an entirely new role.

- Recognize employees frequently to increase their engagement and confidence in their own abilities.
- And, of course, provide employees with the tools, training, and authority they need to excel.

Empowerment is defined as “*the giving or delegation of power or authority; authorization; the giving of an ability; enablement or permission.*”

## Service Failures:

Failures in customer service are inevitable.

Whether you're just starting out as a business or a well-oiled machine, you're bound to slip up and disappoint a customer at some point; your reservations desk forgets to accommodate a special request, your airline has to cancel a flight to a popular holiday destination, or a waiter in your restaurant is having a bad day and is impatient with an elderly couple.

The key lies in mastering service recovery. With the right skills, and a little training, companies can not only recover from their service failures and win back customers - but learn from their mistakes and come out stronger on the other end.

## 5 Basic Steps To Customer Service Recovery

### **Offer a sincere apology**

Customers want to be heard, respected and understood. Make sure that you stay calm, listen, show empathy and are respectful towards their feelings and frustrations.

Don't offer them a scripted apology or try to sweep the mistake under the rug.

Simply acknowledging their frustration and apologizing will already go a long way in diffusing the situation, so that you can work together to settle on an acceptable solution.

## Analyze the situation

Ask the customer to describe the problem in detail and take time to review and analyze how the issue came about.

Keep a detailed log of the complaint, including the time, date and nature of the problem, and whether it's a standalone or recurring issue.

And make sure to record the customer's contact details, so that you can follow-up with them after-the-fact.

## **Offer a solution**

For example, if your customer had a bad experience in one of your restaurants, offer them a discount on their meal, or a voucher for free drinks for their next visit.

Or if a customer's requests for a specific room were not accommodated, see if you can still find a way to cater to their wishes, and if not, offer them a bottle of wine or a box of chocolates as an apologetic gesture.

## **Follow-up**

Every complaint, big or small, calls for a follow-up to check if the customer's issue was resolved and if they're happy with how it was handled.

Give them a call, or send a card or email to let them know you're still concerned about their satisfaction.

## Document

Carefully document every complaint - including the dates, causes, the concerned staff members or departments and when and how it was resolved.

This will help you keep track of your progress and help you determine if there are any recurring themes or underlying causes that need to be addressed.

# What Is a Frontline Worker?

Frontline workers are employees in an organization that provide some essential service to the general public.

Not all essential workers are considered frontline workers.

The distinction is based on how much interaction they have with people, and whether they're customers or recipients of the service provided.

For example, frontline workers have a higher rate of face-to-face interactions than essential workers, who aren't necessarily required to work in public-facing roles.

However, it's crucial to identify all types of frontline jobs, so people know who makes up most of the country's workforce. Here is a list of some common occupations where frontline workers work:

**Health care:** Nurses, doctors, and other medical professionals that see patients and provide treatment services

**Education and child care:** Teachers, special education professionals, and day care specialists

**Local and national government:** Politicians, elected officials, and federal government workers

**Food and goods:** Food supply chain workers, those in food sales and distribution

**Public safety:** Law enforcement, armed forces, firefighters, and other security workers

**Transport:** Public transportation workers in air, rail, road, and water

- **Utilities, communications, and financial services:** Oil, gas, and electrical industries, as well as postal service workers and waste disposal employees

Frontline employees can work in various environments, ranging from grocery stores to out and about in local neighborhoods.

## Where Frontline Employees Work

Stores

Restaurants

Beauty salons

Driving trucks

Hospitals

Construction sites

Factories

Educational institutions

Pharmacies

Warehouse

Here are some of those facts that can help people understand how crucial they are to a functioning society. In addition, it's the responsibility of industry leaders to be aware of these facts to improve their frontline workforce:

- Members of the health care industry represent 20% of all frontline workers in the United States.
- Frontline workers tend to receive lower-than-average wages compared to the overall group of essential workers.
- 42% of all workers are frontline workers.
- Frontline workers are typically less educated, with a higher share of high school dropouts.
- Frontline workers tend to make more through unemployment benefits than working their actual job, meaning wages are generally too low for these workers.
- Frontline workers sometimes lack insurance benefits and paid sick leave.

### Human Resource Practices



- Safe & Happy Workplace Management
- Open Book Management Style
- Performance Enticed Bonuses
- Transparent & Fair Evaluation System
- 360-Degree Feedback
- Top Performers Highlight

## **HR Best Practice #1: Safe and happy workplace management**

COVID-19 is highlighting the need to keep employees healthy and take care of their well-being.

Therefore, **HR should develop and maintain standards that ensure a safe workplace where hires love to be and can perform well.**

## **HR Best Practice #2: Open book management style**

Just like everyone else, employees hate uncertainties and doubts, which is why you should have an **open-management and a lead transparent business.**

Keep your employees updated and in the loop with the company's on-going as that will increase their loyalty and productivity.

## **HR Best Practice #3: Performance enticed bonuses**

One of the best ways to ensure a company will reach the desired levels of profitability while also keeping **employees efficient** is to create **bonuses according to the teams and individual performance and success**.

## **HR Best Practice #4: Transparent and fair evaluation system**

A company should ensure that their evaluation system is tailored to its corporate goals and that all performance reports are transparent and available to employees.

It's recommendable to track their work throughout the year and base evaluation on achievements.

## **HR Best Practice #5: 360-Degree feedback**

All organization's personnel should receive genuine insights into their performance and what they can do better. **A system that allows all-encompassing feedback from all team members, including seniors.**

Ensure that everyone receives constructive criticism and advice.

## **HR Best Practice #6: Top performers highlight**

If you want to motivate your staff and reward them for their accomplishments.

**Ensure recognition of the best performers and make them visible across all departments.**

## What Is Workplace Flexibility?

The easiest way to define workplace flexibility is to think of it as an agreement between employer and employee. The agreement usually consists of three components. Employees can:

1. Choose where they work from
2. Create a work schedule that works best for them
3. Schedule their work day however they want

As an employer, you may think that this sounds like a freelancer schedule. And, freelancing is, indeed, one category of flexible work. However, flexible work can also include:

- Part-time work
- Fully remote teams
- Work-from-anywhere arrangements
- Compressed work weeks (working 40 hours over four days instead of five)

## What Are the Benefits of Flexible Work for Companies?

To be clear, the above components of workplace flexibility aren't as straightforward as they might seem. The reality is that even in the most flexible workplace, employers may still have to impose some restrictions on flexible work.

For example, while flexible workers may be able to work whatever hours suit their work style and let them get their work done, you may require that employees work certain “core hours” that overlap with other team members to ensure everyone can make the weekly team meeting or be available for clients in a certain time zone.

## 1. Improves Retention

Allowing your existing employees to work flexible schedules can help you retain valuable staff. Without a doubt, flexible schedules are one of the most important perks employees want from their employers.

[A 2018 survey](#) found that 80% of workers would choose a job that offers a flexible schedule over those that did not. In fact, 30% said that they value flexible work over additional vacation time. And 35% said flexible work is so important to them that they prioritize that over having a more prestigious title or position.

Even more telling, 80% of respondents said they'd be more loyal to their employer if they offered flexible work, and 52% said they'd already tried to negotiate flexible work arrangements with their current employer.

## 2. Attracts Top Talent

Given that many job seekers are more interested in a flexible schedule than other perks, and that flexible work benefits companies as much as it does employees, it stands to reason that offering flexible schedules can help you recruit more top tier talent.

If none of the above convinces you that offering flexible schedules to staff will benefit your company, consider that over the last 10 years, 83% of businesses have already or are planning to offer flexible schedules to their employees.

### 3. Improves Diversity

If you're limiting your candidate pool to a single location (or even a few locations), you'll have a narrower group of candidates. And if you're in a homogenous locale, your workforce is likely to become less diverse.

Even if you pay for relocation, you're asking candidates to be part of a less diverse community, which could be a turn off and cause you to miss out.

A [2019 study](#) found that companies with diverse employees have better performing teams than less diverse organizations. By casting a wide and diverse net, you're likely to end up with the best candidates possible.

Not only will [remote work help your company's diversity](#), but it will help your bottom line.

## 4. Increases Productivity

One of the reasons employers often won't allow staff to work flexibly is that they think if they can't keep a watchful eye on their employees, they won't work. However, working flexibly can actually increase employee productivity.

[A 2019 survey](#) of remote workers found that, on average, they work 1.4 more days per month than in-office employees. That translates into 16.8 more work days every year. In addition, in-office workers deal with workplace distractions an average of 37 minutes per day, versus the 27 daily minutes a remote employee experiences.

Furthermore, when you're in a flexible environment, it forces managers and leadership to [evaluate their employees on what actually matters](#) versus their presence in a physical location.

This facilitates a results-oriented culture that emphasizes strong impact and thus, helps the business thrive.

## 5. Improves Employee Engagement

Engaged employees are those who understand what their role is and how what they do contributes to the company's success. One of the ways companies create a culture of engagement is by creating a workplace that empowers and respects employees.

When you let people work flexibly, you say that you trust them to get their work done no matter how, when, or where that happens.

## 6. Provides a Cost-Efficient and Eco-Friendly Choice

Flexible schedules not only save both employee and employer money, they have a positive impact on the environment, too, and help support the UN's sustainable development goals.

Employees with flexible schedules may not have to commute to the office every day. This saves them money on commuting expenses, work clothing, and eating lunch out every day. Employers save money on their overhead costs. They can rent a smaller office and use less electricity and water.

These changes also result in a lower carbon footprint for both staff and employer. Because staff aren't commuting as often (if at all), no matter how they get to the office, they aren't releasing as many harmful emissions into the atmosphere.

And, when employers rent a smaller office and use less water and electricity, they also help reduce their negative impact on the environment.

Talk to a flexible work expert today  
and discover a better way to recruit  
remote talent!