

GE3754 – HUMAN RESOURCE MANAGEMENT

UNIT – I – INTRODUCTION TO HUMAN RESOURCE MANAGEMENT

PART – A

1. Define Human Resource Management.

Human Resource Management (HRM) is the strategic approach to managing an organization's workforce to achieve business objectives. It involves recruiting, training, developing, motivating, and retaining employees while ensuring legal compliance. HRM aligns human capital with organizational goals to drive productivity, innovation, and competitive advantage.

2. List two objectives of HRM.

- **Enhance organizational performance** by optimizing employee productivity and aligning talent with strategic goals.
 - **Foster employee development** through training, fair compensation, and creating a positive work environment to boost retention.
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3. Significance of human resources in organizations?

Human resources are vital for executing business strategies, driving innovation, and maintaining competitive advantage. They ensure operational efficiency, adapt to market changes, and shape organizational culture. Effective HR practices directly impact productivity, risk management (e.g., legal compliance), and long-term sustainability.

4. Two key roles of an HR manager.

- **Strategic advisor:** Integrates HR practices with business goals to support growth and adaptability.
 - **Employee advocate:** Ensures fair treatment, resolves conflicts, and promotes workplace well-being.
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5. Differentiate between HRM and Personnel Management.

Personnel Management	HRM
Focuses on administrative tasks (payroll, records).	Emphasizes strategic talent development.
Short-term, reactive approach to employee issues.	Long-term, proactive investment in human capital.
Treats employees as operational costs.	Views employees as valuable assets.

6. Two features of effective HR policies.

- **Clarity:** Policies must be unambiguous, legally compliant, and easy to understand.
- **Adaptability:** Flexible enough to evolve with organizational changes (e.g., remote work trends).

7. Explain "strategic HRM."

Strategic HRM integrates human resource planning with overall business strategy to enhance competitiveness. It involves forecasting talent needs, designing performance systems, and developing leadership pipelines. This approach shifts HR from routine tasks to driving innovation, culture, and sustainable growth.

8. Two external factors influencing HRM.

- **Legal regulations:** Labor laws (e.g., anti-discrimination, wages) dictate hiring, safety, and termination.
- **Economic shifts:** Recessions or booms impact budgets for recruitment, training, and benefits.

9. What is "HR audit"?

An HR audit evaluates policies, practices, and compliance with laws to identify gaps (e.g., in diversity or record-keeping). It assesses risks, ensures alignment with organizational goals, and recommends improvements for efficiency and legal adherence.

10. Two ethical considerations in HRM.

- **Fairness:** Ensuring unbiased recruitment, promotion, and compensation practices.
 - **Confidentiality:** Protecting employee data (e.g., health records) from misuse.
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11. Define "human capital."

Human capital refers to employees' collective skills, knowledge, experience, and creativity. It represents an organization's intangible asset that drives innovation, productivity, and value creation when effectively nurtured.

12. How does HRM support organizational goals?

HRM aligns workforce capabilities with business objectives through talent acquisition, performance management, and training. It fosters a motivated culture, ensures compliance, and adapts HR strategies to market dynamics, directly contributing to growth and competitiveness.

13. Two challenges faced by modern HR managers.

- **Technological disruption:** Adapting to AI-driven recruitment and remote work tools.
 - **Diversity management:** Creating inclusive cultures amid globalized workforces.
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14. Purpose of an HR policy manual?

An HR policy manual standardizes procedures, communicates expectations, and ensures legal compliance. It serves as a reference for employees and managers, reduces disputes, and maintains consistency in decision-making across the organization.

15. Explain "latent management" in one sentence.

Latent management involves proactively identifying and resolving hidden employee issues (e.g., low morale) before they impact productivity.

16. Two emerging trends in HRM.

- **Remote/hybrid work:** Adapting policies for flexible work arrangements.
- **Data-driven HR:** Using analytics for talent forecasting and performance insights.

17. Define "employee engagement."

Employee engagement measures employees' emotional commitment to their work and organization. It reflects their motivation, productivity, and willingness to contribute to company success.

18. How does globalization impact HRM?

Globalization demands culturally sensitive HR practices, diverse talent acquisition, and compliance with international labor laws. It requires adapting to cross-border teams, varied work norms, and global competition for skilled workers.

19. Two functions of HRM.

- **Recruitment:** Attracting and selecting talent to meet organizational needs.
 - **Training & development:** Enhancing employee skills for current and future roles.
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20. What is "workforce diversity"?

Workforce diversity involves employing individuals with varied backgrounds (e.g., ethnicity, gender, age). It fosters innovation, reflects customer demographics, and promotes inclusive decision-making.

PART – B

1. Explain the evolution of HRM from traditional personnel management to strategic HRM. Discuss how this shift impacts organizational effectiveness.

Traditional Personnel Management (Pre-1980s)

- **Administrative Focus:** Primarily handled transactional tasks like payroll processing, record-keeping, attendance tracking, and compliance with labor laws.
- **Reactive Approach:** Addressed employee grievances, union negotiations, and legal compliance only after issues arose.
- **Employee as Cost Center:** Viewed employees as replaceable resources, prioritizing cost reduction over development.
- **Example:** Factories in the 1970s where personnel departments managed timesheets and union contracts without input in business strategy.

Transition to Human Resource Management (1980s-1990s)

- **Shift to Proactive Practices:** Introduced training programs, performance reviews, and basic employee welfare initiatives.
- **Tactical Focus:** Aligned HR with short-term business needs (e.g., hiring for immediate vacancies).
- **Emergence of Employee Development:** Recognized skills enhancement as beneficial but lacked integration with long-term goals.
- **Example:** Introduction of annual appraisals and job-specific training in manufacturing firms.

Strategic HRM (2000s-Present)

- **Integration with Business Strategy:** HR directly contributes to organizational objectives (e.g., talent pipelines for expansion goals).
- **Proactive Talent Management:** Focuses on succession planning, leadership development, and employer branding.
- **Data-Driven Decisions:** Uses analytics for workforce planning, retention strategies, and ROI measurement.
- **Example:** Tech companies like Google linking HR initiatives (e.g., innovation labs) to product development cycles.

Impact on Organizational Effectiveness

- **Enhanced Agility:** Strategic workforce planning enables rapid adaptation to market changes (e.g., reskilling for digital transformation).
- **Competitive Advantage:** Talent-centric cultures attract top performers, driving innovation (e.g., Apple's design teams).
- **Cost Efficiency:** Predictive analytics reduces turnover costs; engagement programs boost productivity by 20-25%.
- **Risk Mitigation:** Proactive compliance frameworks prevent lawsuits, while ethical policies protect brand reputation.

2. *Design an HR policy framework for a startup addressing recruitment, performance appraisal, and employee welfare. Justify each component.*

Recruitment Policy

- **Component:** Skills-based hiring using structured interviews and project assessments.

- **Justification:** Ensures bias-free selection of candidates who fit agile workflows. Startups need adaptable talent to pivot quickly (e.g., scaling tech teams during product launches).

Performance Appraisal Policy

- **Component:** Quarterly OKR (Objectives and Key Results) reviews with peer feedback.
- **Justification:** Regular feedback aligns with rapid growth cycles. OKRs keep employees focused on critical milestones (e.g., achieving user acquisition targets).

Employee Welfare Policy

- **Component:** Flexible work hours, mental health stipends, and equity sharing.
- **Justification:** Prevents burnout in high-pressure environments. Equity sharing incentivizes long-term commitment, crucial for early-stage retention.

Policy Integration

- **Cross-Linkage:** Recruitment targets culture-fit candidates to support welfare initiatives; appraisals reward collaboration, reinforcing team cohesion.
- **Scalability:** Modular policies adapt from 10 to 200 employees (e.g., adding parental leave during growth phases).

3. *Compare the roles of HR managers in manufacturing vs. service industries. Highlight industry-specific challenges.*

Manufacturing Industry

- **Role Focus:**
 - **Workforce Safety:** Compliance with OSHA standards and machinery training.
 - **Labor Relations:** Union negotiations and dispute resolution.
 - **Skill Development:** Technical upskilling for automation (e.g., robotics maintenance).
- **Challenges:**
 - **High Turnover:** Repetitive tasks lead to 25-30% attrition; countered through job rotation.
 - **Regulatory Complexity:** Managing region-specific labor laws in global supply chains.

Service Industry

- **Role Focus:**
 - **Customer-Centric Talent:** Hiring for soft skills (e.g., empathy in healthcare).
 - **Employee Engagement:** Reducing burnout in high-stress roles (e.g., call centers).
 - **Flexible Staffing:** Managing gig workers for demand fluctuations (e.g., retail peak seasons).
- **Challenges:**
 - **Service Consistency:** Ensuring uniform customer experience across locations.
 - **Skill Gaps:** Training staff on evolving digital tools (e.g., banking apps).

Comparison Insights

- **Manufacturing HR:** Reactive to operational disruptions; prioritizes efficiency.
- **Service HR:** Proactive in employee experience; directly impacts customer satisfaction metrics.

4. Describe the objectives of HRM with examples. How do these align with broader business goals?

Core Objectives with Examples

1. **Talent Acquisition:** Hiring data scientists to drive AI projects.
Business Alignment: Enables entry into new markets (e.g., fintech).
2. **Performance Management:** Implementing sales incentive programs.
Business Alignment: Directly boosts revenue targets by 15-20%.
3. **Employee Development:** Leadership pipelines for succession.
Business Alignment: Ensures continuity in strategic roles (e.g., CEO transitions).
4. **Compliance:** Adhering to GDPR in recruitment.
Business Alignment: Avoids fines of up to 4% of global revenue.

Strategic Synchronization

- HR objectives mirror business KPIs:
 - *Example 1:* Reducing time-to-hire by 30% supports rapid market expansion.
 - *Example 2:* Wellness programs cut absenteeism, raising productivity for output goals.

5. A company faces high employee turnover. Propose an HR strategy using motivational theories and retention tools.

Diagnostic Analysis

- **Root Causes:** Exit interviews reveal low compensation, poor work-life balance, and limited growth paths.

Motivational Theory Application

- **Maslow's Hierarchy:** Address safety needs (competitive wages) and self-actualization (career paths).
- **Herzberg's Two-Factor Theory:** Eliminate hygiene issues (toxic culture) and boost motivators (recognition).

Retention Tools

- **Financial Incentives:** Benchmark salaries to 75th percentile; add profit-sharing.
- **Career Architecture:** Dual-ladder progression (managerial/technical paths).
- **Flexibility:** Hybrid work models and unlimited PTO.
- **Recognition:** Spot bonuses and peer-nominated awards.

Implementation Roadmap

- **Short-Term (0-6 months):** Salary corrections and manager training.
 - **Mid-Term (6-12 months):** Launch mentorship programs.
 - **Long-Term (1+ years):** Develop internal mobility portals.
 - **Metrics:** Target 20% turnover reduction in Year 1.
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6. Critically evaluate how technological advancements (e.g., AI in recruitment) reshape the HR manager's role.

Positive Transformations

- **AI in Recruitment:** Chatbots screen resumes; predictive analytics identify high-potential candidates.
 - *Efficiency:* Reduces hiring time by 50%.
- **HR Analytics:** Turnover prediction models preempt attrition.
 - *Strategic Value:* Shifts HR from admin to data advisor.

Critical Challenges

- **Bias Amplification:** AI inherits historical prejudices (e.g., gender bias in promotions).
- **Skill Obsolescence:** 40% of HR roles now require data literacy; laggards become redundant.
- **Depersonalization:** Over-reliance on tech erodes employee trust.

Role Evolution

- **New Competencies:**
 - Data interpretation (e.g., engagement dashboard analysis).
 - Tech ethics governance (auditing algorithms).
- **Strategic Partnerships:** Collaborating with IT on HRIS customization.

7. Explain the importance of HR policies with examples. How do they ensure legal compliance and ethical practices?

Operational Significance

- **Clarity:** Anti-harassment policies define reporting protocols, reducing ambiguity.
- **Consistency:** Standardized promotion criteria prevent favoritism.
- **Efficiency:** Automated leave policies cut approval time by 70%.

Legal Compliance Mechanisms

- **Preventive Frameworks:**
 - *Example 1:* Equal pay policies align with EPA laws, avoiding lawsuits.
 - *Example 2:* I-9 verification checklists prevent immigration fines.
- **Documentation:** Audit trails for disciplinary actions shield against wrongful termination claims.

Ethical Enforcement

- **Whistleblower Protection:** Anonymous hotlines encourage reporting without retaliation.
 - **Bias Mitigation:** Blind recruitment in tech firms increases diversity by 30%.
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8. Build an onboarding plan for remote employees, integrating socialization and policy orientation.

Phase 1: Pre-Boarding (Week 1)

- **Digital Kits:** Ship laptops, access badges, and swag.
- **E-Learning:** Compliance training via LMS (e.g., cybersecurity policies).

Phase 2: Social Integration (Weeks 2-3)

- **Virtual Buddies:** Assign peer mentors for daily check-ins.
- **Interactive Sessions:**
 - Live AMAs with leadership.
 - Team-building games (e.g., virtual escape rooms).

Phase 3: Role Immersion (Weeks 4-6)

- **Project-Based Learning:** Cross-functional tasks (e.g., marketing-tech collab).
- **Policy Reinforcement:** Microlearning quizzes on remote work guidelines.

Success Metrics:

- 30-day engagement surveys.
- Time-to-productivity benchmarks.

9. Assess the impact of globalization on HRM practices in multinational corporations.

Operational Shifts

- **Talent Sourcing:** Remote hiring across time zones expands candidate pools but complicates payroll (e.g., currency variations).
- **Cultural Integration:** Localization of policies (e.g., extended leave in Scandinavia vs. minimal in the US).

Compliance Challenges

- **Regulatory Fragmentation:** GDPR (EU) vs. PIPL (China) data laws require localized HRIS configurations.
- **Labor Standards:** Varying minimum wages (e.g., \$15/hr in Australia vs. \$2/hr in Vietnam).

Strategic Responses

- **Glocalization:** Core values (integrity) applied globally; benefits tailored locally (e.g., meal allowances in India).
- **Technology:** Cloud-based platforms (e.g., Workday) centralize data with regional compliance modules.

Case Example: Unilever’s “Future of Work” program standardizes DEI goals while allowing flexible holidays for regional festivals.

10. Discuss emerging HRM trends (e.g., gig economy, DEI). How can organizations adapt their HR policies?

Key Trends

- **Gig Economy:** 35% of the workforce freelances; demands portable benefits policies.
- **DEI:** Beyond quotas—neurodiversity hiring (e.g., Microsoft’s autism program).
- **Hybrid Work:** 74% of firms adopt permanent remote options.

Policy Innovations

- **Gig Engagement:**
 - Freelancer equity options (e.g., Uber’s driver stock plans).
 - On-demand upskilling portals.
- **DEI Integration:**
 - Mandatory inclusive leadership training.
 - Pay transparency reports.
- **Hybrid Work:**
 - “Digital Commute” policies (e.g., paid time for logging off).
 - Cybersecurity protocols for home networks.

Adaptation Framework

- **Risk Assessment:** Audit biases in AI tools.
- **Stakeholder Involvement:** Employee co-creation councils for policy design.
- **Agility:** Review policies quarterly using engagement data.

1. Define Human Resource Planning.

Human Resource Planning (HRP) is the systematic process of forecasting an organization's future talent needs and ensuring the right people are available at the right time. It involves analyzing current workforce capabilities, predicting demand (e.g., growth-driven hiring), and addressing supply gaps through recruitment or development. HRP aligns human capital with business objectives to support growth and adaptability.

2. List two internal sources of recruitment.

- **Promotions:** Elevating existing employees to higher roles (e.g., assistant manager to manager).
 - **Job Postings:** Internal announcements for open positions, allowing current staff to apply.
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3. Purpose of manpower gap analysis?

Manpower gap analysis identifies disparities between current workforce capabilities and future needs. It quantifies shortages (e.g., lacking AI specialists) or surpluses (redundant roles), enabling targeted hiring, reskilling, or restructuring to align talent with strategic goals.

4. Differentiate between recruitment and selection.

Recruitment	Selection
Attracts candidates via job ads, referrals, or agencies.	Evaluates candidates through interviews, tests, and background checks.
Focuses on generating a large applicant pool.	Involves choosing the best-fit hire from the pool.

5. Two advantages of external recruitment.

- **Fresh Perspectives:** Brings innovative ideas and diverse industry experience.
 - **Specialized Skills:** Accesses talent with niche expertise not available internally.
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6. Explain "succession planning."

Succession planning prepares for leadership continuity by identifying and developing high-potential employees for key roles. It involves training programs, mentorship, and role-shadowing to mitigate risks from sudden vacancies (e.g., CEO retirement).

7. Two methods for employee socialization.

- **Orientation Programs:** Structured sessions on culture, policies, and team integration.
 - **Mentorship:** Pairing new hires with experienced employees for guidance.
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8. Define "transfer" in HR context.

A transfer reassigns an employee to a different role, department, or location without changing job level or pay. Examples include lateral moves for skill diversification or geographic relocations for project needs.

9. Two quantitative HR forecasting techniques.

- **Trend Analysis:** Uses historical data (e.g., past turnover rates) to predict future needs.
 - **Regression Models:** Links workforce demand to variables like sales volume or production output.
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10. How HRP supports organizational agility?

HRP anticipates market shifts (e.g., new technology) by proactively reskilling employees or hiring agile talent. It enables rapid scaling during growth and rightsizing during downturns, ensuring adaptability.

11. Define "promotion" in HRM.

A promotion advances an employee to a higher-level position with increased responsibilities, authority, and compensation. It rewards performance and supports career growth (e.g., engineer to team lead).

12. What is "yield ratio" in recruitment?

Yield ratio measures the efficiency of recruitment sources by calculating the percentage of applicants moving to the next stage. For example, a 20% yield from job boards means 20 hires per 100 applications.

13. Two limitations of HR planning.

- **Inaccurate Forecasts:** Market volatility (e.g., pandemics) disrupts demand predictions.
 - **Resistance to Change:** Employees may resist reskilling or role adjustments.
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14. Explain "job posting" in one sentence.

Job posting advertises open positions internally or externally, detailing roles, qualifications, and application processes to attract candidates.

15. Identify two pre-employment tests.

- **Skill Assessments:** Technical tests (e.g., coding challenges for developers).
 - **Psychometric Tests:** Evaluating personality traits or cognitive abilities.
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16. How PESTLE analysis influences HRP?

PESTLE (Political, Economic, Social, Technological, Legal, Environmental) scans external factors shaping HRP. Examples include:

- **Legal:** New labor laws altering hiring practices.
 - **Technological:** AI trends demanding reskilling programs.
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17. Define "workforce analytics."

Workforce analytics uses data (e.g., turnover rates, performance metrics) to optimize HR decisions. It identifies trends, predicts attrition, and measures ROI on talent initiatives.

18. What is "realistic job preview"?

A realistic job preview (RJP) shows candidates both positive and challenging aspects of a role through videos, shadowing, or simulations. It reduces mismatched hires by setting accurate expectations.

19. Two challenges in HR forecasting.

- **Data Gaps:** Incomplete historical records leading to flawed projections.
 - **Dynamic Markets:** Rapid industry changes (e.g., tech disruptions) invalidating forecasts.
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20. How HRP mitigates talent shortages?

HRP addresses shortages by:

1. **Proactive Recruitment:** Building talent pipelines for critical roles.
2. **Upskilling:** Training current employees in high-demand skills (e.g., data analytics).
3. **Contingent Staffing:** Leveraging freelancers or contractors for immediate gaps.

PART – B

Explain the HR planning process with emphasis on demand forecasting techniques.

Answer:

HR Planning Process

1. **Environmental Scanning:** Analyze internal (e.g., current workforce skills) and external factors (e.g., market trends, regulations).
2. **Demand Forecasting:** Project future talent needs using quantitative/qualitative techniques (detailed below).
3. **Supply Analysis:** Assess current workforce (skills inventory) and external labor market pipelines.
4. **Gap Identification:** Compare demand vs. supply to pinpoint shortages (e.g., lacking AI specialists) or surpluses.
5. **Action Planning:** Address gaps via recruitment, training, or restructuring.
6. **Monitoring:** Track KPIs (e.g., time-to-fill, retention rates) and adjust plans quarterly.

Demand Forecasting Techniques

- **Quantitative Methods:**
 - **Trend Analysis:** Uses historical data (e.g., 10% annual growth = 15 new hires/year).
 - **Ratio Analysis:** Links headcount to metrics (e.g., 1 HR manager per 50 employees).

- **Regression Models:** Predicts hiring needs based on variables like sales volume (e.g., 5% sales increase → 8 new sales reps).
- **Qualitative Methods:**
 - **Delphi Technique:** Anonymous expert consensus (e.g., executives forecasting tech talent demand).
 - **Managerial Judgment:** Department heads estimate needs based on project pipelines.
- **Hybrid Approaches:**
 - **Workload Analysis:** Measures output per role (e.g., 500 units/worker → 20 workers for 10K units).
 - **Scenario Planning:** "What-if" simulations (e.g., expansion into Asia requiring 30 multilingual staff).

Industry Application:

- *Manufacturing:* Uses ratio analysis to align machine operators with production targets.
- *Tech:* Applies regression for R&D hiring tied to innovation budgets.

2. Recruitment Strategy for Retail Expansion

Question:

Design a recruitment strategy for a retail chain expanding to tier-3 cities. Include internal/external sources and selection tools.

Answer:

Internal Sources

- **Promotions:** Elevate high-performing store assistants to shift managers.
- **Job Rotations:** Transfer urban employees to new locations for expertise infusion.

External Sources

- **Local Job Fairs:** Partner with colleges for entry-level hires (e.g., cashiers).
- **Community Referrals:** Incentivize locals to refer candidates (₹5,000 bonus per hire).
- **Social Media:** Geo-targeted Facebook ads highlighting regional benefits (e.g., flexible schedules).

Selection Tools

- **Situational Judgment Tests (SJTs):** Simulate customer conflicts (e.g., handling returns).
- **Group Discussions:** Assess communication skills in regional languages.
- **Practical Assessments:** Stock management trials using mock inventory software.

Strategy Justification

- *Local Hiring:* Ensures cultural familiarity and community trust.
- *Cost Efficiency:* Referrals reduce agency fees by 40%.
- *Speed:* SJTs cut hiring time to 2 weeks versus industry average of 4.

3. AI in Recruitment: Bias Evaluation

Question:

Critically evaluate how AI-driven recruitment tools reduce biases versus perpetuate them.

Answer:

Bias Reduction

- **Blind Screening:** AI masks demographic data (e.g., gender, ethnicity) during resume parsing.
- **Standardized Scoring:** Algorithms rank candidates using uniform criteria (e.g., skill keywords).
- *Example:* Unilever's AI tool increased diversity hires by 16%.

Bias Perpetuation

- **Historical Data Flaws:** AI trains on biased past hires (e.g., favoring Ivy League graduates).
- **Context Blindness:** Ignores non-traditional experience (e.g., gig work).
- *Example:* Amazon's scrapped AI downgraded resumes with "women's" (e.g., "women's chess club").

Mitigation Framework

1. **Audit Algorithms:** Quarterly bias checks using synthetic datasets.
 2. **Hybrid Approach:** Combine AI with human oversight for nuanced roles.
 3. **Diverse Training Data:** Include underrepresented groups in model development.
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4. Socialization Stages & Retention Impact

Question:

Describe socialization stages with examples. How does it impact employee retention?

Answer:

Socialization Stages

1. **Pre-arrival:** Candidates absorb culture via job ads (e.g., Netflix's "Freedom & Responsibility" ethos).
2. **Encounter:** New hires reconcile expectations with reality through orientation (e.g., Google's "Noogler" program).
3. **Metamorphosis:** Full integration via team rituals (e.g., Zappos' peer-recognition awards).

Retention Impact

- **Trust Building:** Transparent communication reduces early turnover by 33%.
 - **Belonging:** Mentorship increases 2-year retention by 50% (e.g., IBM's buddy system).
 - **Productivity:** Socialized employees achieve full output 30% faster.
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5. Workforce Plan for High IT Attrition

Question:

Develop a workforce plan for an IT firm facing 30% attrition. Include forecasting methods and retention tactics.

Answer:

Forecasting Methods

- **Attrition Analytics:** Exit interview data identifies top causes (e.g., salary gaps).
- **Skills Gap Analysis:** Audits future needs (e.g., cloud engineers) versus current inventory.

Retention Tactics

- **Financial:** Stock options for top performers; 20% salary premiums for critical roles.
- **Development:** "Learn-and-Earn" programs funding certifications.
- **Well-being:** Unlimited mental health days and remote-work stipends.
- **Culture:** Monthly "innovation hackathons" with CEO recognition.

Implementation Timeline

- **Month 1-3:** Salary corrections + manager bias training.
- **Month 4-6:** Launch internal mobility portal.
- **Metrics:** Target 15% attrition reduction in Year 1.

6. Internal vs. External Recruitment: Public Sector

Question:

Compare strengths/weaknesses of internal vs. external recruitment in public sector organizations.

Answer:

Aspect	Internal Recruitment	External Recruitment
Strengths	<ul style="list-style-type: none"> - Faster onboarding (50% cost savings). - Boosts morale via career paths. 	<ul style="list-style-type: none"> - Fresh perspectives for innovation. - Accesses specialized skills (e.g., cybersecurity).
Weaknesses	<ul style="list-style-type: none"> - Inbreeding of ideas; stagnation. - Limited diversity. 	<ul style="list-style-type: none"> - Lengthy security clearances delay hiring. - Public sector pay gaps deter top talent.
Public Sector Use Cases	<ul style="list-style-type: none"> - Promotions for senior roles requiring institutional knowledge. 	<ul style="list-style-type: none"> - Hiring tech experts to modernize legacy systems.

7. Selection Tests & Interviews

Question:

Explain selection tests and interviews with industry examples.

Answer:

Selection Tests

- **Cognitive Tests:** Problem-solving for consulting (e.g., McKinsey's case studies).
- **Physical Aptitude:** Fitness tests for firefighters.

- **Integrity Assessments:** Retail (e.g., Walmart's ethics scenarios).

Interview Types

- **Structured:** Standardized questions for fairness (e.g., Amazon's Leadership Principles).
- **Behavioral:** "Describe conflict resolution" for team roles.
- **Technical:** Coding tests for developers (e.g., Meta's algorithm challenges).

Industry Innovations

- *Healthcare:* Simulated patient interactions for empathy assessment.
- *Aviation:* VR flight simulations for pilot hiring.

8. Socialization for Cross-Cultural Teams

Question:

Propose a socialization program for cross-cultural teams in a multinational bank.

Answer:

Program Design

- **Pre-boarding:**
 - Cultural dossiers covering norms (e.g., communication styles in Japan vs. Brazil).
 - Language apps for business-level proficiency.
- **Onboarding:**
 - Virtual "culture cafés": Teams share traditions via food/customs.
 - Cross-cultural mentorships pairing junior/senior global staff.
- **Post-onboarding:**
 - Quarterly rotation: Employees lead projects across regions.
 - Inclusive meeting protocols (e.g., time-zone fairness, no idioms).

Impact Metrics:

- 90-day engagement scores.
 - Cross-regional collaboration rates.
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9. Gig Economy Impact on HR Planning

Question:

Assess the impact of gig economy trends on traditional HR planning models.

Answer:

Disruptions to Traditional Models

- **Temporal Shifts:** Project-based hiring replaces permanent roles (e.g., 40% of IT hires are contractors).
- **Skill Fragmentation:** Demand for niche experts (e.g., blockchain freelancers) over generalists.
- **Compliance Challenges:** Navigating labor laws for gig workers (e.g., California's AB5).

Adaptations

- **Hybrid Workforce Planning:** Blending FTEs with gig talent pools.
- **Dynamic Forecasting:** Real-time dashboards tracking gig availability.
- **Benefits Innovation:** Portable health plans (e.g., Uber's driver stipends).

Case Study: Deloitte's "Open Talent" platform sources gig experts for client projects, reducing fixed labor costs by 25%.

10. HR Analytics in Recruitment

Question:

Discuss how HR analytics transforms recruitment decisions. Provide case examples.

Answer:

Transformational Impact

- **Predictive Hiring:** Algorithms forecast candidate success (e.g., Xerox reduced attrition by 20% using personality analytics).
- **Sourcing Optimization:** Track source yield ratios (e.g., LinkedIn vs. referrals) to allocate budgets.
- **Bias Reduction:** AI audits demographic parity in hiring (e.g., Accenture's gender-neutral screening).

Case Examples

1. **Google:** People analytics linked interview scores to performance, eliminating brainteasers for structured interviews.

2. **HSBC:** Predictive models identify candidates likely to stay 5+ years, cutting turnover costs by \$200M.
3. **Cisco:** Talent rediscovery algorithms re-engage past applicants, reducing cost-per-hire by 30%.

Implementation Framework

- **Data Integration:** Merge ATS, performance, and exit data.
- **Skill Mapping:** AI matches internal skills to project needs.
- **ROI Tracking:** Measure revenue per hire and quality-of-fill

UNIT – III – TRAINING & EXECUTIVE DEVELOPMENT

PART – A

1. Define training.

Training is a systematic process of enhancing employees' job-specific skills, knowledge, and competencies to perform current tasks effectively. It focuses on immediate role requirements (e.g., software training for new hires).

2. List two on-the-job training methods.

- **Job Rotation:** Moving employees across roles to diversify skills (e.g., sales to marketing).
- **Coaching:** One-on-one guidance by supervisors to refine performance.

3. Differentiate training from development.

Training	Development
Short-term, role-specific (e.g., operating machinery).	Long-term, growth-oriented (e.g., leadership programs).
Targets current job needs.	Prepares for future roles/career advancement.

4. What is "needs assessment" in training?

Needs assessment identifies skill gaps through employee surveys, performance data, and organizational goals. It pinpoints *what* training is required (e.g., communication workshops after client complaints).

5. State two benefits of coaching.

- **Personalized Feedback:** Addresses individual weaknesses (e.g., improving presentation skills).
 - **Increased Accountability:** Regular check-ins boost goal achievement.
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6. Explain "e-learning."

E-learning delivers training via digital platforms (videos, quizzes, simulations). It offers flexibility (e.g., compliance courses accessible 24/7) and scalability across geographies.

7. Identify two executive development methods.

- **Action Learning:** Solving real business challenges in teams.
 - **Mentoring:** Pairing with senior leaders for strategic insights.
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8. What is a "behavioral training objective"?

A measurable goal targeting specific on-the-job behavior changes (e.g., "Reduce customer escalations by 30% using conflict-resolution techniques").

9. List Kirkpatrick's evaluation levels.

1. **Reaction:** Trainee feedback (e.g., satisfaction surveys).
 2. **Learning:** Knowledge/skill tests (e.g., post-training quizzes).
 3. **Behavior:** On-job application (e.g., observation checklists).
 4. **Results:** Business impact (e.g., sales increase).
-

10. How does training reduce operational costs?

- **Error Reduction:** Trained staff make fewer mistakes (e.g., manufacturing defects down 25%).
 - **Efficiency:** Faster task completion lowers labor costs.
-

11. Define "vestibule training."

Simulated off-the-job training replicating real work conditions (e.g., flight simulators for pilots or mock call centers for trainees).

12. What is "management development"?

Programs preparing managers for strategic roles via leadership workshops, decision-making exercises, and succession planning.

13. State two challenges in training evaluation.

- **Isolating Training Impact:** Confirming results stem from training (not external factors).
 - **Long-Term Measurement:** Tracking behavior/results months post-training.
-

14. Explain "role playing."

Acting out workplace scenarios (e.g., handling difficult clients) to practice responses and receive feedback.

15. Identify two off-the-job training methods.

- **Workshops:** Instructor-led sessions (e.g., negotiation skills).
 - **E-learning:** Self-paced digital modules.
-

16. How does training improve employee motivation?

- **Skill Mastery:** Confidence from competence boosts engagement.
 - **Career Growth:** Development opportunities increase loyalty.
-

17. Define "career planning."

Structured process where employees set career goals (e.g., promotion paths) with organizational support like skill mapping.

18. What is "sensitivity training"?

Experiential sessions to improve interpersonal awareness (e.g., bias recognition, emotional intelligence in diverse teams).

19. List two emerging trends in corporate training.

- **Microlearning:** Bite-sized modules (5-10 mins) for quick skill uptake.
 - **AR/VR Simulations:** Immersive practice (e.g., safety drills).
-

20. How does executive development benefit organizations?

- **Leadership Pipeline:** Ensures ready successors for key roles.
 - **Strategic Agility:** Equips leaders to navigate market shifts.
-

PART – B

1. Training Cycle and TNA Models

Question:

Explain the training cycle with TNA models.

Answer:

Training Cycle

1. Needs Assessment:

- o **Organizational Analysis:** Examines business goals (e.g., expansion requiring new skills).
- o **Task Analysis:** Identifies role-specific competencies (e.g., CRM proficiency for sales).
- o **Person Analysis:** Evaluates individual gaps via performance reviews or skill audits.

2. Design:

- o Defines SMART objectives (e.g., "Reduce software errors by 40% post-training").

- o Selects methods (e.g., blended learning for technical roles).

3. Development:

- o Creates content (e.g., VR simulations for safety training).
- o Pilots materials with focus groups.

4. Implementation:

- o Delivers training via workshops, e-learning, or OJT.
- o Ensures resource availability (e.g., trainers, tools).

5. Evaluation:

- o Uses Kirkpatrick's model: Reaction (surveys), Learning (quizzes), Behavior (on-job observation), Results (ROI metrics).

TNA Models

● McGehee & Thayer Model:

- o *Organizational*: Aligns training with strategy (e.g., digital transformation needs).
- o *Task*: Breaks down job components (e.g., "Customer service: active listening + conflict resolution").
- o *Person*: Compares employee skills vs. benchmarks.

● Goldstein's Model:

- o Adds *environmental scanning* (e.g., industry trends impacting skill relevance).

● Competency Gap Model:

- o Maps skills to organizational KPIs (e.g., "Data analytics training to improve forecasting accuracy").

Case Example

Automotive Manufacturer:

- **TNA**: Organizational analysis revealed EV tech gaps; task analysis defined battery engineering skills.
- **Cycle**: Designed 8-week upskilling program → 25% faster production.

2. 3-Day Leadership Program Using Action Learning

Question:

Propose a 3-day leadership program using action learning.

Answer:

Program Structure

Day 1: Problem Framing

- **Morning:** Keynote on adaptive leadership.
- **Afternoon:**
 - *Action Learning Sets (ALS):* Groups of 5 tackle real issues (e.g., "Reducing project delays").
 - *Skills Workshop:* Root-cause analysis techniques.

Day 2: Solution Experimentation

- **Morning:** ALS groups prototype solutions (e.g., agile workflow redesign).
- **Afternoon:**
 - *Peer Feedback:* Rotating critiques.
 - *Expert Input:* CFO discusses budget constraints.

Day 3: Implementation Planning

- **Morning:** Groups refine plans with SMART milestones.
- **Afternoon:**
 - *Stakeholder Pitch:* Present solutions to executives.
 - *Reflection:* "Lessons Learned" journals.

Action Learning Components

- **Real Projects:** Address current organizational challenges.
- **Collaborative Inquiry:** Peer-driven problem-solving.
- **Accountability:** 60-day follow-up on implementation.

Outcome Metrics

- **Short-term:** 90% participant confidence boost.
- **Long-term:** 30% reduction in project delays.

3. Mentoring vs. Job Rotation for Executive Development

Question:

Analyze mentoring vs. job rotation for executive development.

Answer:

Mentoring

- **Strengths:**
 - Personalized guidance (e.g., CEO mentor shares strategic decision-making frameworks).
 - Network expansion and confidential advice.
- **Weaknesses:**
 - Dependency risks; limited cross-functional exposure.
- **Best For:** Developing leadership philosophy and political acumen.

Job Rotation

- **Strengths:**
 - Broadens perspective (e.g., marketing → finance rotations).
 - Builds adaptability and operational knowledge.
- **Weaknesses:**
 - Superficial skill development if rotations are short.
- **Best For:** Generalist executives in matrix organizations.

Comparative Analysis

Aspect	Mentoring	Job Rotation
Skill Focus	Soft skills (e.g., influence)	Cross-functional literacy
Time Efficiency	High (targeted insights)	Moderate (3-6 months/role)
ROI	Retention (+25%)	Innovation (+30% idea flow)

Case: Unilever uses mentoring for C-suite readiness; GE employs rotation for agile leaders.

4. Benefits of Training with Industry Examples

Question:

Describe benefits of training with industry examples.

Answer:

Key Benefits

1. Productivity Boost:

- *Example:* Amazon's robotics training reduced fulfillment errors by 40%.

2. Employee Retention:

- *Example:* Salesforce's Trailhead platform cut attrition by 30%.

3. Innovation Acceleration:

- *Example:* Google's "AI Bootcamps" drove 50+ new patents/year.

4. Compliance Risk Reduction:

- *Example:* J&J's ethics training lowered litigation costs by \$200M.

5. Customer Satisfaction:

- *Example:* Ritz-Carlton's service training increased repeat guests by 25%.

Quantitative Impact

- For every \$1,500 spent on training, productivity rises by 24% (ATD).
- Companies with training cultures report 218% higher revenue per employee (LinkedIn).

5. Digital Literacy Plan for Senior Employees

Question:

Develop a digital literacy training plan for senior employees.

Answer:

Phase 1: Needs Assessment

- **Skill Audits:** Test proficiency in tools (e.g., Teams, CRM).
- **Customization:** Group learners by gap level (Basic/Advanced).

Phase 2: Program Design

- **Content:**
 - *Basic:* Cybersecurity, collaboration tools.
 - *Advanced:* Data analytics (Power BI), AI overviews.

- **Methods:**
 - **Blended Learning:**
 - E-modules (self-paced).
 - Virtual labs (e.g., "Excel macros simulation").
 - **Peer Coaching:** Tech-savvy junior staff mentor executives.

Phase 3: Implementation

- **Timeline:** 8 weeks, 4 hrs/week.
- **Incentives:** "Digital Champion" certification + LinkedIn badges.

Phase 4: Evaluation

- **Metrics:**
 - Pre/post skill tests.
 - Application rates (e.g., % using new tools daily).

Success Story: L'Oréal's digital upskilling raised senior leaders' tech confidence by 70%.

6. E-Learning vs. Classroom Training Effectiveness

Question:

Examine e-learning vs. classroom training effectiveness.

Answer:

Effectiveness Criteria

Factor	E-Learning	Classroom Training
Flexibility	24/7 access; self-paced	Fixed schedules
Engagement	Low for complex topics	High (live interaction)
Cost	50% lower (no venue/travel)	High (logistics, trainers)
Knowledge Retention	25-60% via microlearning	60-80% via discussions

Factor	E-Learning	Classroom Training
Scalability	Global reach (1,000+ learners)	Limited to room capacity

Hybrid Solution

- **Flipped Classroom:** E-learning for theory → In-person workshops for practice.
- *Example:* Siemens' blended cybersecurity training improved compliance by 45%.

7. Executive Development Methods

Question:

Explain executive development methods with examples.

Answer:

Key Methods

- Action Learning:**
 - *Example:* Samsung executives solve supply chain crises in real-time.
- Coaching:**
 - *Example:* Microsoft's Satya Nadella used coaching to shift culture toward "growth mindset."
- Strategic Simulations:**
 - *Example:* Coca-Cola's "Market War Games" for competitive strategy.
- Global Assignments:**
 - *Example:* Unilever's 18-month int'l rotations for CXO pipeline.
- Peer Advisory Boards:**
 - *Example:* IBM's cross-industry forums for innovation insights.

Impact:

- 85% of Fortune 500 CEOs credit development programs for leadership agility.

8. Competency Mapping for Software Company

Question:

Develop a competency mapping framework for a software company.

Answer:

Framework Design

1. Define Competency Clusters:

- o Technical (e.g., cloud architecture, DevOps).
- o Behavioral (e.g., agile mindset, client collaboration).

2. Role-Specific Mapping:

- o *Developer*: Coding languages (Python), problem-solving.
- o *Product Manager*: Stakeholder management, market analysis.

3. Assessment Tools:

- o Technical tests (LeetCode).
- o 360-degree feedback for soft skills.

4. Integration:

- o **Hiring**: Job descriptions aligned to competencies.
- o **Promotions**: Skill matrices for career paths.

Case: Infosys uses competency mapping to reduce skill gaps by 60% in AI teams.

9. Cross-Cultural Training Challenges in MNCs

Question:

Assess challenges in cross-cultural training for MNCs.

Answer:

Key Challenges

1. Cultural Stereotyping:

- o Oversimplified content (e.g., "All Asians avoid conflict") reinforces biases.

2. Resistance to Change:

- o Employees dismiss training as "common sense" (e.g., 40% dropout in US firms).

3. Measurement Difficulties:

- o Hard to quantify cultural fluency (e.g., trust-building in negotiations).

4. Dynamic Cultural Nuances:

- o Sub-regional variations (e.g., urban vs. rural India) complicate content.

Solutions

- **Experiential Learning:** Immersions (e.g., virtual reality scenarios).
- **Local Co-Creation:** Trainers from target cultures design programs.
- **Stories over Rules:** Case studies (e.g., "How I navigated a Brazil-Japan merger").

Example: Accenture reduced expat failure rates by 50% with culture-specific simulations.

10. VR/AR in Corporate Training

Question:

Discuss emerging technologies (VR/AR) in corporate training.

Answer:

Applications & Benefits

1. Technical Skill Development:

- o *VR Example:* Boeing trains mechanics on engine repairs via 3D simulations → 75% faster mastery.
- o *AR Example:* Siemens uses HoloLens for equipment maintenance overlays → error reduction by 50%.

2. Soft Skills Training:

- o *VR Example:* Walmart's empathy training for Black Friday crowds → 30% better customer reviews.

3. Safety Training:

- o *VR Example:* Shell's hazard simulations cut onsite accidents by 45%.

Advantages

- **Risk-Free Practice:** Dangerous scenarios (e.g., fire drills) replicated safely.
- **Engagement:** 80% completion rates vs. 20% for e-learning.
- **Data Analytics:** Track eye movement/decisions for personalized feedback.

Challenges

- High initial costs (\$50k–\$200k/program).
- Motion sickness in 10–15% of users.

Future Trends:

- Generative AI creating dynamic scenarios (e.g., evolving customer objections).

UNIT – IV – EMPLOYEE COMPENSATION PART – A

1. Define compensation.

Compensation refers to all forms of financial and non-financial rewards given to employees in return for their work. It includes salary, bonuses, benefits, and incentives.

2. List two components of direct compensation.

- **Base Salary** – Fixed pay for the job role.
 - **Incentives/Bonuses** – Additional pay based on performance.
-

3. Differentiate intrinsic vs. extrinsic rewards.

- **Intrinsic rewards** are internal, like job satisfaction and personal growth.
 - **Extrinsic rewards** are external, such as salary, promotions, and benefits.
-

4. What is "pay for performance"?

It is a compensation system where rewards are linked to employee output or results. Higher performance results in higher pay or bonuses.

5. State two objectives of a compensation plan.

- To attract and retain qualified employees.
 - To motivate employees to perform at their best.
-

6. Explain "wage curve."

A wage curve shows the relationship between job value and wage rate. It helps ensure internal equity and consistency in compensation decisions.

7. Identify two non-monetary benefits.

- Flexible work hours
 - Recognition programs or career development opportunities
-

8. What is "compa-ratio"?

Compa-ratio is the ratio of an employee's current salary to the midpoint of the salary range. It helps assess whether the employee is paid fairly.

9. List two types of variable pay.

- Performance bonuses
- Sales commissions

10. How does compensation affect employee retention?

Competitive and fair compensation improves employee satisfaction and loyalty. When employees feel valued and well-rewarded, they are more likely to stay with the organization, reducing turnover.

11. Define "equity theory."

Equity theory suggests that employees compare their job inputs and rewards with others. If they perceive unfairness, it leads to dissatisfaction, affecting motivation and performance.

12. What is "broadbanding" in pay structure?

Broadbanding is the practice of consolidating many narrow salary grades into a few wide bands. It offers flexibility, supports career development, and reduces hierarchy.

13. State two challenges in international compensation.

- Managing currency fluctuations and cost of living differences.
 - Ensuring compliance with diverse legal and tax regulations across countries.
-

14. Explain "golden handcuffs."

Golden handcuffs are financial incentives like stock options or retention bonuses offered to retain key employees. They make it costly for the employee to leave the organization.

15. Identify two methods of job evaluation.

- **Ranking Method:** Jobs are ranked from highest to lowest based on value.
 - **Point Factor Method:** Jobs are scored based on compensable factors like skills and responsibilities.
-

16. How does motivation theory influence compensation?

Theories like Maslow's or Herzberg's suggest that both financial and non-financial rewards drive motivation. Hence, compensation packages must address both basic and higher-level needs.

17. Define "total rewards."

Total rewards include all forms of compensation—monetary (salary, bonuses) and non-monetary (benefits, recognition, work-life balance)—offered to employees for their contributions.

18. What is "salary compression"?

Salary compression occurs when new hires earn salaries close to or higher than experienced employees, causing dissatisfaction and retention issues.

19. List two factors affecting wage determination.

- **Market rate and demand for skills**
 - **Employee's education, experience, and job responsibilities**
-

20. How do mentors impact career development?

Mentors guide, support, and advise mentees, helping them grow professionally. They improve learning, build confidence, and open doors to new career opportunities.

PART – B

1. Explain equity theory with organizational examples.

Equity theory by J. Stacy Adams explains how fairness affects employee motivation. It is based on the concept that employees compare their input-output ratio to that of others. Inputs may include education, experience, effort, and loyalty, while outputs

include salary, recognition, and benefits. If employees perceive inequity, they may feel demotivated, reduce effort, or seek employment elsewhere.

In organizations, equity is essential for morale. For example, if two marketing executives at the same level receive different pay without clear performance differences, the underpaid individual may become dissatisfied. Companies like Tata Consultancy Services address this by linking pay directly to performance metrics and maintaining transparency in appraisals.

HR managers can manage equity by maintaining internal equity (comparison within the company), external equity (comparison with market pay), and individual equity (comparison with peers in the same role). Practices such as job evaluation, pay surveys, and transparent communication help maintain balance and avoid grievances.

2. Develop a compensation plan for a hybrid workforce.

A hybrid workforce includes both remote and in-office employees, requiring flexible compensation approaches. Base pay should remain role-based, not location-based, to maintain equity. However, adjustments for cost of living may be provided if remote employees live in areas with vastly different expenses.

Benefits should include internet subsidies, ergonomic furniture allowances, and flexible hours for remote workers. For in-office staff, travel allowances, meals, or childcare support can be offered. All employees should receive equal access to health insurance, learning platforms, and career development programs.

Performance bonuses should be based on outcomes, not visibility or physical presence. Tools like HRIS systems and regular check-ins can ensure fairness in evaluation. For example, Infosys provides remote learning credits and flexible policies for hybrid staff, ensuring consistency across locations.

Non-monetary rewards like wellness days, virtual team events, and work-from-anywhere options can also enhance engagement in hybrid models.

3. Examine pay-for-performance in knowledge industries.

Pay-for-performance (P4P) links compensation directly to results achieved rather than time spent. In knowledge industries such as IT, R&D, and education, this system boosts motivation and innovation when well-implemented.

P4P may include merit pay, bonuses, project incentives, and recognition programs. It supports top performers but requires clear and measurable goals. For example, in Wipro Technologies, project milestones and client satisfaction scores determine incentive payouts.

Challenges include defining performance metrics in creative or analytical roles and avoiding unhealthy competition. Subjectivity in appraisals and potential bias must be minimized using 360-degree feedback or balanced scorecards.

Effective P4P systems promote goal alignment, accountability, and higher productivity. However, they must be paired with supportive cultures and fair evaluations.

4. Describe components of a total rewards system.

Total rewards include all direct and indirect compensation provided to employees. It is categorized into monetary and non-monetary benefits.

Monetary components include:

- Base salary
- Variable pay like bonuses or sales commissions
- Profit-sharing or stock options

Non-monetary components include:

- Benefits: health insurance, paid leave
- Work-life balance: flexible hours, remote work
- Recognition: awards, employee of the month
- Career development: training, promotions

For example, Google offers a comprehensive total rewards program combining high salaries, learning opportunities, and wellness benefits. A strong total rewards system improves retention, engagement, and employer branding.

5. Design a flexible benefits program for Gen Z employees.

Gen Z employees seek personalized, tech-enabled, and purposeful benefits. A flexible benefits program should allow them to choose from a benefits menu that suits their needs.

Core benefits may include health insurance, paid leave, and retirement options.

Flexible add-ons can include:

- Learning credits for online courses
- Gym or mental health app subscriptions
- Remote work support allowances
- Volunteer time off or sustainability-related perks

Digital tools should allow real-time tracking and customization of benefits. Social recognition platforms, mentorship programs, and project-based work options can increase engagement.

For example, Deloitte's Gen Z-focused benefit design includes learning pathways, innovation labs, and mental health support. Flexibility improves satisfaction and aligns with the lifestyle values of Gen Z professionals.

6. Analyze challenges in global compensation management.

Global compensation involves managing pay across countries with different economic, legal, and cultural environments. Challenges include currency fluctuation, taxation, and cost-of-living disparities. For instance, an expatriate in London may need a different compensation package than one in Bangalore.

Local labor laws must be considered, including minimum wages, social security contributions, and tax deductions. Cultural expectations also vary—some countries prioritize bonuses, while others value stability.

Equity becomes complex when balancing headquarters and regional pay scales. Dual pay systems or shadow payrolls may be used for expatriates. Housing, education, relocation, and hardship allowances are often required for international assignments.

To manage these challenges, multinational companies use global compensation frameworks with local adaptations. Firms like IBM and GE maintain standard policies supported by regional HR teams to ensure both compliance and fairness.

7. Explain job evaluation methods with examples.

Job evaluation is a process used to determine the relative worth of jobs in an organization. It helps create a fair and equitable pay structure. Major methods include:

1. Ranking Method:

Jobs are ranked from highest to lowest based on overall importance. Easy to use for small firms but lacks objectivity.

2. Classification Method:

Jobs are categorized into classes or grades based on duties. For example, "clerical," "technical," and "managerial" categories.

3. Point Factor Method:

Jobs are evaluated based on factors like skill, effort, responsibility, and working conditions. Each factor is assigned points and totaled for comparison. It offers precision and objectivity.

4. Factor Comparison Method:

Combines ranking and point systems by comparing job factors against a benchmark. It's complex but reliable for large organizations.

Companies like Infosys and Tata use point factor methods for consistent compensation benchmarking. Job evaluation ensures fairness, helps avoid disputes, and supports internal equity.

8. Develop a sales incentive plan aligned with organizational goals.

A good sales incentive plan should drive behaviors that align with company objectives like revenue growth, market expansion, or customer retention.

The plan may include:

- Base salary plus commissions
- Tiered bonuses for exceeding targets
- Team-based incentives for collaborative selling
- Quarterly contests with rewards

KPIs must be clearly defined—e.g., new clients acquired, revenue generated, or repeat business rate. Incentives should be achievable yet challenging.

For example, if a telecom company wants to increase postpaid connections, the sales team's incentives should reward high-value clients and upselling efforts.

To avoid unethical sales practices, performance reviews and customer feedback should be integrated into the incentive formula. Regular updates and clear communication ensure employee trust.

9. Assess the impact of minimum wage laws on compensation.

Minimum wage laws ensure that employees receive a basic standard of pay. They influence compensation structures, especially for entry-level or low-skilled jobs.

Positive effects include poverty reduction, better living standards, and reduced exploitation. However, for employers, it may increase labor costs, prompting automation or job cuts.

Firms must adjust wage brackets, maintain pay equity, and re-evaluate bonus structures when minimum wages rise. For instance, in the retail sector, salary compression may occur if entry-level wages rise close to those of supervisors.

HR managers should balance compliance with competitiveness and consider regional differences. They also need to revise compensation strategies to retain fairness and morale across job levels.

10. Discuss ESOPs as long-term incentive tools.

Employee Stock Ownership Plans (ESOPs) are programs that offer employees ownership in the company through shares. They align employee interests with long-term company performance.

ESOPs serve as retention tools by rewarding loyalty, as shares typically vest over several years. This reduces attrition and increases motivation. Employees become stakeholders and are more committed to organizational success.

Companies like Google and Infosys have used ESOPs to attract and retain top talent, especially during startup or expansion phases. For senior executives, stock options serve as substitutes for high salaries.

However, ESOPs must be communicated well. Lack of understanding or stock volatility can demotivate employees. Clear terms, vesting schedules, and financial education are key for successful implementation.

UNIT – V - PERFORMANCE EVALUATION & CONTROL

PART – A

1. Define performance appraisal.

Performance appraisal is a systematic evaluation of an employee's job performance and contributions over a period. It helps identify strengths, weaknesses, and training needs.

2. List two graphic rating scale errors.

- Halo Effect: Rating influenced by one positive trait.
- Leniency Error: Giving higher ratings than deserved.

3. How does 360-degree feedback differ?

360-degree feedback collects performance input from supervisors, peers, subordinates, and even customers, providing a holistic evaluation.

4. What is "BARS"?

Behaviorally Anchored Rating Scale (BARS) is an appraisal method that combines qualitative and quantitative measures using specific behavioral examples.

5. State two purposes of performance feedback.

- To guide employees toward performance improvement.
- To help in promotions, rewards, or disciplinary decisions.

6. Explain "critical incident technique."

It involves documenting specific, significant actions (positive or negative) related to employee performance for use in appraisal discussions.

7. Identify two types of grievances.

- Individual grievance: Filed by one employee.
- Group grievance: Raised by multiple employees with the same concern.

8. What is the "control process" in HR?

It involves setting standards, measuring actual performance, comparing with targets, and taking corrective actions.

9. List two modern appraisal methods.

- 360-Degree Feedback
- Management by Objectives (MBO)

10. How does PA support employee development?

It identifies skill gaps, sets development goals, and supports career planning and training opportunities.

11. Define "grievance redressal."

Grievance redressal is the formal mechanism to address employee complaints related to work conditions, policies, or management decisions.

12. What is "forced distribution"?

It's a method where employees are ranked into predetermined performance categories (e.g., top 20%, middle 70%, bottom 10%).

13. State two causes of employee grievances.

- Unfair treatment by supervisors
- Inequity in pay, workload, or promotion

14. Explain "MBO."

Management by Objectives (MBO) is a goal-setting approach where employees and managers jointly set clear, measurable objectives and review performance accordingly.

15. Identify two HR audit methods.

- Compliance Audit: Checks adherence to laws.
- Performance Audit: Reviews effectiveness of HR functions.

16. How does feedback improve performance?

Feedback clarifies expectations, motivates improvement, and helps align employee actions with organizational goals.

17. Define "disciplinary action."

It refers to formal measures taken by management to correct employee behavior or performance issues.

18. What is "progressive discipline"?

A step-by-step process starting with a warning and escalating to suspension or termination if behavior doesn't improve.

19. List two grievance redressal steps.

- Lodging a formal complaint
- Managerial review or grievance committee hearing

20. How does AI impact performance evaluation?

AI enables data-driven appraisals by tracking performance metrics, reducing bias, and offering predictive insights.

PART B

1. Explain MBO process with industry applications

◆ **Meaning of MBO**

Management by Objectives (MBO) is a goal-setting and performance appraisal method where managers and employees jointly set individual performance goals aligned with broader organizational goals. This collaborative process increases employee involvement, accountability, and motivation, as employees understand what is expected and how their performance contributes to the company's success.

◆ **Steps in the MBO Process**

1. **Goal Setting:** Organizational goals are set first. These are then cascaded down to departments and individual employees.
2. **Participation:** Employees are involved in formulating their individual objectives, creating ownership of targets.
3. **Performance Monitoring:** Managers track progress through periodic reviews, offering guidance where needed.
4. **Evaluation and Feedback:** At the end of the review period, actual performance is compared with agreed objectives, and appropriate feedback is given.
5. **Rewarding Performance:** Based on results, employees may be rewarded through promotions, bonuses, or development opportunities.

◆ **Advantages of MBO**

MBO promotes clarity, commitment, and communication between employees and supervisors. It aligns personal and organizational goals, ensures measurable targets,

and promotes a results-oriented culture. It is particularly effective in knowledge-based and project-driven environments.

♦ Industry Applications

At **General Electric (GE)**, MBO was famously championed by Peter Drucker and later implemented as a part of performance culture. **Infosys** uses MBO as part of its appraisal system, linking individual employee goals with client deliverables. By doing so, they ensure performance is continuously aligned with customer satisfaction and business objectives.

2. Design a grievance redressal system for unionized workers

♦ Importance of Grievance Redressal in Unionized Settings

In unionized workplaces, grievances—formal complaints about working conditions, unfair treatment, or policy violations—must be handled carefully to ensure trust, transparency, and industrial harmony. A robust redressal system reduces employee turnover, prevents conflicts from escalating, and reinforces fair treatment.

♦ Key Elements of a Grievance Redressal System

- **Union Involvement:** Union representatives must be part of every step of the grievance process.
- **Formal Complaint Mechanism:** Clearly defined channels for lodging complaints, with standard forms and procedures.
- **Confidentiality and Neutrality:** All grievances should be handled with fairness, without retaliation.
- **Timely Response:** A time-bound resolution system should be in place to avoid festering discontent.

♦ Grievance Handling Process

1. **Informal Stage:** The employee raises the issue with their immediate supervisor. Many minor grievances are resolved here.
2. **Formal Written Complaint:** If unresolved, the grievance is escalated to the HR department or grievance officer with a formal letter.
3. **Grievance Committee Review:** A joint committee (including union and management) investigates and recommends solutions.
4. **Appeal and Arbitration:** If the employee is unsatisfied, the case may go to higher management or legal arbitration.

♦ Best Practices

- Maintain detailed records of all complaints and actions taken.

- Train supervisors and union leaders in conflict resolution.
- Periodic review of the grievance mechanism to improve effectiveness.

♦ Real-Life Example

At **Tata Steel**, a structured grievance system involves a 3-tier mechanism where union and management jointly resolve disputes. The company maintains a grievance log and publishes resolution metrics in internal reports, ensuring transparency and accountability.

3. Differentiate AI-driven performance tools against ethics

♦ AI in Performance Evaluation

AI-driven performance tools use algorithms to analyze employee behavior, productivity metrics, emails, calendar data, and project outcomes. These tools provide real-time performance tracking and predictive analytics for talent management, helping HR departments make faster, data-backed decisions.

♦ Ethical Concerns

Despite the benefits, AI raises ethical challenges. **Bias in algorithms** can unfairly evaluate certain groups. **Lack of transparency** in how decisions are made can lead to distrust. **Employee privacy** is another major concern, as continuous surveillance may infringe on personal boundaries.

♦ Balancing Efficiency and Ethics

To address these concerns, organizations must use **explainable AI**, allow human oversight in decision-making, and clearly communicate how data is collected and used. Ethical frameworks must guide the deployment of AI tools to ensure fairness, inclusiveness, and respect for autonomy.

♦ Example

IBM uses AI to identify high performers and predict resignations but includes a human review layer to prevent automated misjudgments. It also allows employees to access and challenge their evaluation metrics.

4. Describe the performance appraisal process with examples

♦ Definition and Purpose

Performance appraisal is a structured method to evaluate employee performance over a specific period. It identifies individual contributions, training needs, and promotion potential, while aligning goals with organizational strategies.

♦ Steps in Appraisal Process

1. **Setting Performance Standards:** Define what constitutes acceptable performance.
2. **Communicating Expectations:** Clearly explain performance goals to employees.
3. **Measuring Performance:** Use tools like rating scales, self-assessments, or KPIs.
4. **Comparing with Standards:** Assess gaps or achievements.
5. **Providing Feedback:** Offer constructive reviews, highlight areas for improvement.
6. **Documentation:** Keep records for decisions regarding increments, training, or penalties.

♦ **Example**

HCL Technologies conducts quarterly appraisals using KPIs, project delivery scores, and behavioral attributes. Feedback is two-way, encouraging dialogue and improvement.

5. Develop a 360-degree feedback system for managers

♦ **Concept of 360-Degree Feedback**

360-degree feedback involves collecting performance insights from multiple stakeholders—supervisors, peers, subordinates, and sometimes clients. This multi-source input provides a more balanced and complete evaluation of a manager's effectiveness.

♦ **Implementation Steps**

1. **Identify Competencies:** Define leadership, communication, decision-making, and team management as assessment areas.
2. **Choose Respondents:** Select relevant people across reporting levels.
3. **Create Assessment Tools:** Use standardized, anonymous surveys or digital platforms.
4. **Feedback Collection & Analysis:** Aggregate and analyze feedback using software tools.
5. **Review & Development:** Share results confidentially and design improvement plans.

♦ **Benefits**

It improves self-awareness, reduces rating bias, promotes personal growth, and strengthens leadership development.

♦ Example

Wipro integrates 360-degree reviews into its leadership training programs. Managers receive consolidated reports with coaching support to close skill gaps.

6. Analyze bias in traditional appraisal methods

♦ Common Biases

Traditional methods often suffer from subjectivity.

- **Halo Effect:** One positive trait influences all ratings.
- **Recency Effect:** Recent actions overshadow consistent performance.
- **Leniency/Severity Bias:** Raters are too generous or harsh.
- **Central Tendency:** Raters avoid extremes and score everyone similarly.

♦ Reasons for Bias

Lack of rater training, unclear appraisal criteria, and personal prejudices contribute to biased ratings. These biases result in inaccurate evaluations, low employee morale, and legal risks.

♦ Solutions

- Use **behavioral anchors** like BARS.
- Adopt **multi-rater feedback** to balance perspectives.
- Train appraisers in unconscious bias and structured interviews.

♦ Example

To eliminate rater bias, **Cognizant** replaced manager-only reviews with peer feedback and self-assessments using a weighted scoring system.

7. Explain grievance handling procedures with case studies

♦ Importance of Grievance Handling

A grievance mechanism provides employees a formal way to voice concerns and seek resolution. It minimizes conflicts and reinforces organizational justice.

♦ Procedure Steps

1. **Acknowledge the Complaint:** Immediate supervisor listens to the concern.

2. **Formal Escalation:** If unresolved, the issue is reported to HR with documentation.
3. **Investigation and Hearing:** A neutral party examines the complaint, possibly with a panel.
4. **Resolution and Implementation:** Action is taken based on findings.
5. **Follow-Up:** Ensure grievance closure and no retaliation.

◆ Principles

The system should ensure **confidentiality, timeliness, transparency, and fairness.**

◆ Case Study

At **Maruti Suzuki Manesar**, unresolved grievances led to a violent strike. Afterward, the company revamped its system, mandating multi-level resolution and proactive counseling.

8. Propose a performance improvement plan for underperforming employees

◆ What is a Performance Improvement Plan (PIP)?

A PIP is a formal document that outlines areas where an employee is not meeting expectations, along with steps to help them improve within a specific time frame.

◆ Key Elements of a PIP

- **Specific Objectives:** Clearly define what the employee must improve (e.g., customer interaction quality, project timelines).
- **Timeline:** Typically spans 30 to 90 days with scheduled reviews.
- **Support Resources:** Training, mentoring, or modified assignments.
- **Expected Outcomes:** Clearly defined performance criteria.

◆ Best Practices

Communicate the PIP in a supportive tone, focus on performance (not personality), and document progress regularly. Final review determines success or further action.

◆ Example

TCS uses 60-day PIPs for team leads who fall short of performance targets. Employees who succeed often receive follow-up coaching.

9. Assess the role of HR analytics in performance management

♦ What is HR Analytics?

HR analytics uses data and statistical tools to evaluate and improve human resource activities, including recruitment, engagement, and performance management.

♦ Applications in Performance

- Monitor KPIs like task completion rate, customer satisfaction, absenteeism.
- Identify high performers and predict attrition risks.
- Customize development plans based on individual and team data.

♦ Tools Used

HR departments use platforms like SAP SuccessFactors, Workday, and Tableau to visualize performance data and make informed decisions.

♦ Benefits

- Enables **data-driven** appraisals.
- Reduces **bias** through standard metrics.
- Enhances **forecasting** for promotions and training needs.

♦ Example

Accenture uses analytics to track employee pulse, improve engagement scores, and target skill-building interventions for low-scoring units.

10. Discuss modern appraisal trends (continuous feedback, OKRs)

♦ Continuous Feedback

Unlike traditional annual reviews, continuous feedback involves regular check-ins, often weekly or monthly. It promotes real-time correction, faster learning, and stronger engagement.

♦ Objectives and Key Results (OKRs)

OKRs involve setting quarterly goals (Objectives) with measurable outcomes (Key Results). This approach creates transparency, focuses efforts, and allows frequent tracking.

♦ Other Emerging Trends

- **Gamified Reviews:** Points and badges for achievements.
- **Mobile App Integration:** Tools like Lattice, 15Five.
- **Self-Assessment & Peer Reviews:** Collaborative appraisal.

- **Behavioral Metrics:** Focus on attitude, teamwork, and innovation.

◆ **Example**

Google and **LinkedIn** use OKRs. **Adobe** shifted to a “Check-in” system replacing yearly appraisals with informal, ongoing conversations.