

UNIT III: HUMAN RESOURCE MANAGEMENT

WHAT IS HRM

It is a management function that helps managers
recruit, select, train and develop
manpower.

It also includes employee compensation, motivation and
growth



HRM: Objectives

- Provide effective & efficient manpower
- Create opportunities for employees to develop and grow
- Maintain positive work environment
- Take corrective actions to maintain stability of employees



HRM: Functions

Human Resource Planning

- Job Analysis, procurement, selection, induction training & development

Compensation

- Rewards, medical facilities, fringe benefits

Motivation

- Promotion, bonus, career development

Performance Appraisal

- Review of the work

Employee Relations



HUMAN RESOURCE PLANNING



Human Resource Planning (HRP)

It is the function to help the management anticipate shortages or surplus of human resource in future and correct these imbalances before they become unmanageable and expensive



Importance of HRP

- Reservoir of talent in the organization
- Cut cost by maintaining appropriate manpower budget for each division
- Prepare people for the future by training and motivational techniques
- Helps in succession planning by preparing promising candidates for senior positions
- Helps in adjusting personnel with expanding / contracting scale of operations



Process / steps of HRP

- Determining the objectives of manpower planning
- Analyzing current manpower inventory
- **Demand Forecasting**
- Job Requirement
- Employment plans
- Training & Development programs
- Appraisal of the manpower planning



Demand Forecasting

Process of
estimating the requirement of
different kinds of personnel in future
on basis of
annual budget and long-term corporate plan of action.



Demand Forecasting: Methods

Managerial Judgement (Right Angle Method)

- Functional Manager
 - Bottom-up
 - Top-Down
- Personnel Department forecast
- Match and combine

Work Study Techniques

- Work Force Analysis
- **Job Analysis**
- Work Load Analysis

Statistical Techniques

- Ratio Trend Analysis
- Econometric Model
- Regression Analysis
- Burkes Smith Model



Job Analysis

It is a formal and detailed examination of jobs to understand the task that needs to be done and the skills required to do these tasks.

It provides the basic data related to specific job in terms of their duties, responsibilities, skills, knowledge and degree of risk



Role / Use / Benefits of Job Analysis

- Helps in determining number and kinds of jobs and qualifications needed to fill these jobs
- Makes recruitment and selection easier by way of job description and job specification
- Gives direction to Orientation and Training & Development programs
- Determines relative worth of different jobs for right remuneration
- Establishes standard of performance to facilitate appraisal
- Traces out the health hazard related to job



Job Analysis: Stages / Process

Organizational Analysis

Collection of Job analysis data

Preparation of Job Description (JD)

Preparation of Job Specification (JS)

Job Description

It is written statement of what the job holder does, how it is to be done, under what conditions it is to be done and why it is to be done. It defines purpose and scope of a Job.

Content of Job Description:

- **Job title:** designation, code , department
- **Job summary:** brief write-up about the job
- **Job activities:** description of tasks done
- **Working Conditions:** time, working hours and days



Job Specification

It is a written statement of personal attributes in terms of skills, knowledge and abilities (SKAs) to perform a particular job.

It is useful in selection process.



Recruitment

It is the process of searching candidates and stimulating them to apply for job. It's a linking activity that bridges employer and the seeking employees.

Effective recruitment attracts qualifies applicants and provides enough information for unqualified persons to screen themselves out.



Sources of Recruitment

Internal

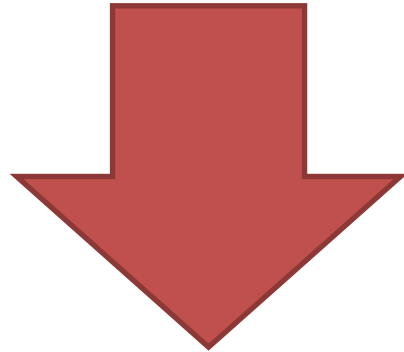
- Present work force:
Promotion / Transfer (IJP)

External

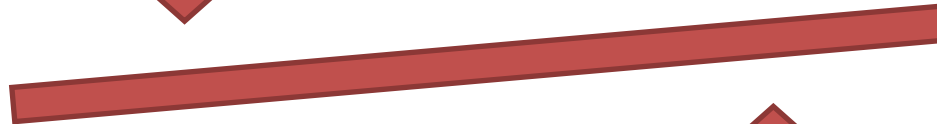
- Factory gate
- Advertisements
- Educational Institutes
- Telecasting unsolicited applications
- Employment agencies
- References



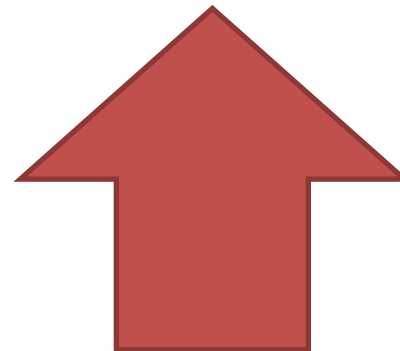
Internal Sources: Advantages / Disadvantages



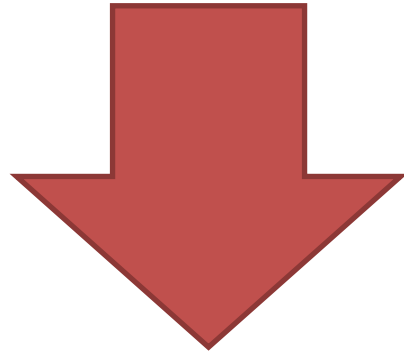
- Increases morale of existing employees
- Cheaper source
- Transfer / Job rotation acts as tool of training for higher jobs



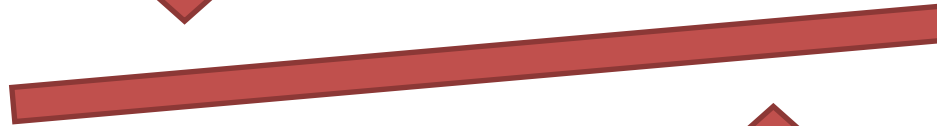
- Limited pool
- Lack of fresh ideas / talent



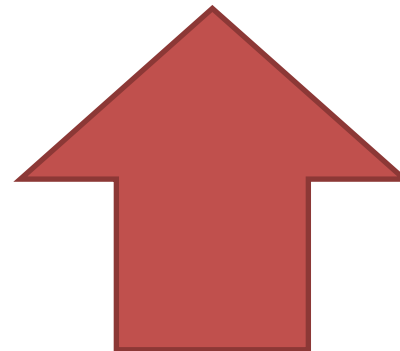
External Sources: Advantages / Disadvantages



- Wider Choice
- Competitive spirit b/w new and old employees
- Allows getting fresh talent with creative ideas



- Lengthy and Costly process
- No guarantee of selecting right person
- May de-motivate old employees



Selection

It is the process of picking individuals who have relevant qualifications and experience to fill jobs in an organization. Selection is a negative process as compared to recruitment because it involves rejection of applicants that are unfit for the job.



Job Description

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Factors in Selection

- Personal Characteristics: Marital Status, Size of family, economic position
- Proficiency: Qualification, training, experience
- Competency: Potential for learning and performing
- Temperament: Mental and emotional stability, honesty, loyalty, social skills
- Aptitude and Attitude: Finding out interest of person in job.
- Physiological Characteristics: Physique, height, weight, sight, endurance.



Selection Process

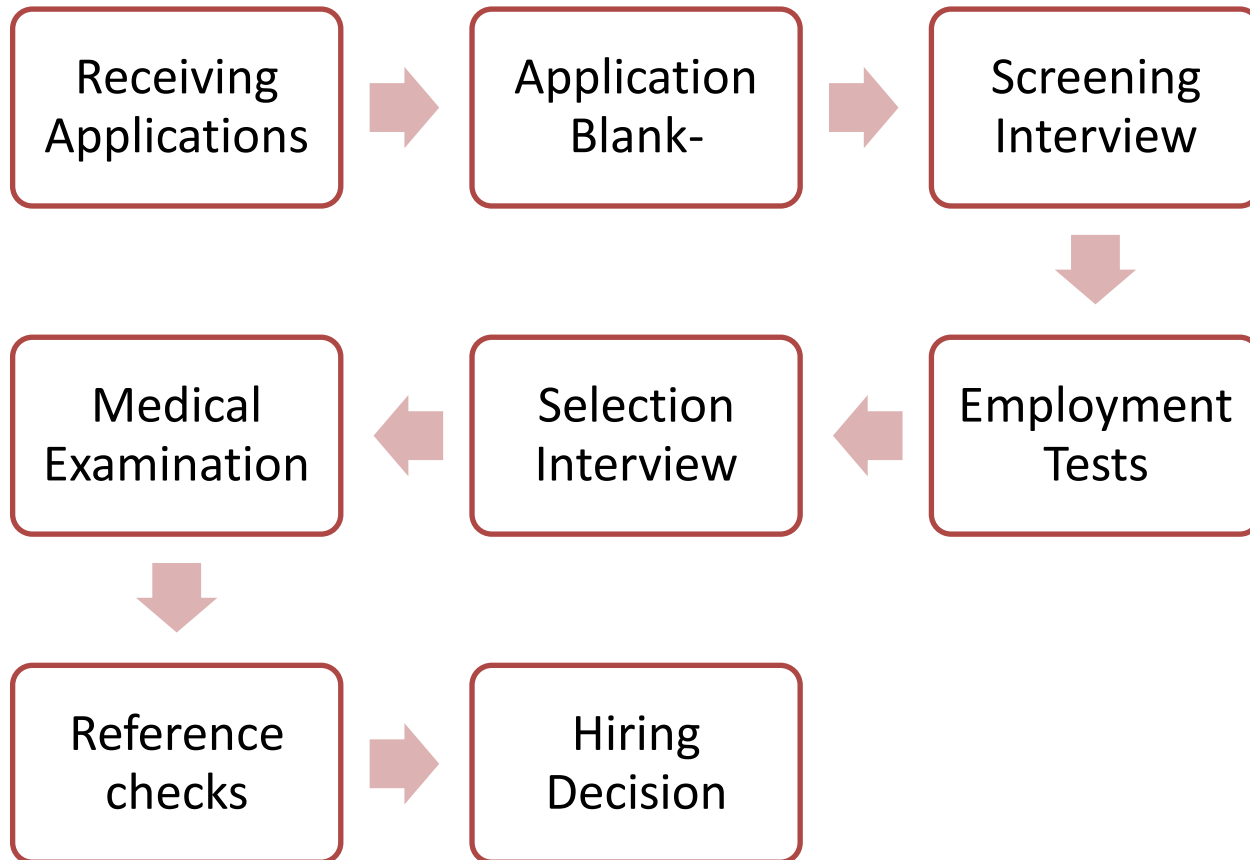
Every company has its own selection process depending upon the need of the position. The basic steps of selection are as follows:

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Factors in Selection



Stages in Induction Programme

Introduction

- Introduce to company policies, procedures and benefits
- Introduce to campus and vicinity.

Socialization

- Process through which the new hire understand and accept the values, norms and beliefs held by others in the organizations.

Follow- Up

- There are possibility that the new hires may not have understood certain things. To fill in this gap, follow-up check list should be reviewed.

Training

Training is the act of increasing the knowledge and skills of employee in improving the performance. It is a planned program to bring measurable changes in skills, aptitude and social behavior of employees.

Objectives of Training:

- Imparting new skills and increasing knowledge of workers.
- To bring changes in attitude, building confidence and providing security to employees.
- Training improves performance which lead to self growth and promotion and higher earnings.



Difference: Training & Development

Training

- Executives at the operational level
- It is short term, one shot deal
- It is a reactive process, focuses on skill enhancement.
- It is to meet the current requirement of the job.

Development

- Managers with the strategic planning tasks
- It is a long term process, on going process
- It is proactive process focuses on personal growth.
- Aims at meeting the future requirement of the jobs.



Methods of Training

On the Job Training

- Training while actually doing the assigned job.
- Real work environment.

Off the job training

- Managers with the strategic planning tasks
- It is a long term process, on going process
- It is proactive process focuses on personal growth.
- Aims at meeting the future requirement of the jobs.



Performance Appraisal

Performance Appraisal is the method of evaluating the behavior of employees in the workplace, evaluating the quantitative and qualitative aspects of job performance in terms of output.

Objectives of Performance Appraisal:

- Compensation Decisions: It can serve as a basis for pay raises.
- Promotion Decisions- Person doing the best job rewards promotion.

Transfers- Unsatisfactory performance calls for transfer, demotions and discharges due to economic conditions of organization.

Feedback: Performance Appraisal enables the employee and the employer to know how well he is doing on the job.

Self- Improvement- It gives chance to the employee to for introspection and to enhance his output to the organization.



Problems: Performance Appraisal

- First Impression: The appraiser's first impression of a candidate may decide his evaluation of all subsequent behavior. This is called "Primary Effect".
- Halo Effect: It occurs when one aspect of the employee affects the rates evaluation of the other performance attributes.
- Horn Effect: The rater's bias is directed towards one negative quality of the ratee, he is being rated harshly for his one negative quality.
- Leniency: Depending on raters own mood at the time of evaluation, he can rate very strictly or very leniently.



Problems: Performance Appraisal

- Central Tendency: Rater rate all the employees moderately at average point.
- Stereotyping: Generalizing behavior of a person on the basis of mental pictures set in the mind of appraiser.
- Recency Effect: The rater gives greater weightage to recent incidents than earlier performance.

