Human Resource Management

Books:

1. HUMAN RESOURCE MANAGEMENT by Garry Dessler 9th Edition
2. Managing Human Resource by Wayne F. Cascio

LECTURE 1

HRM (HUMAN RESOURCE MANAGEMENT)

HRM is only related to Human resource.

H → **Human** (It refers to the work force or human capital of organization)

R → **Resource** (It refers to limited availability)

M → **Management** (It refers to maximize or proper utilization or to make best use of resource in an Organization)

DEFINITIONS:
1. "The selection, training and Management of Human Resource of the organization to make it competitive."

2. "To make Human resource knowledgeable and skillful for doing complex tasks in an effective manner.

3. The process of hiring & developing employees so that they become more valuable for organization".

IS HUMAN RESOURCE MANAGEMENT SCIENCE OR ART OR BOTH???
First we will see that what is science…?

SCIENCE includes different techniques, formulas, strategies and methods based on research & Analysis.

So we can say

     HRM is a science because it includes different techniques, formulae, strategies and methods which are developed by experts on the bases of Research and Analysis.

Now we will see that what is Art…?

ART is the selection and application of these techniques, formulae, strategies and methods to different situations.

So we can say

     HRM is an art to customize application of this knowledge in diversity of situations.

Definition of Human Resource Management by Gary Dessler
"Human Resource Management deals with the Design of formal systems in an organization to ensure the effective and efficient use of human talent to accomplish organizational goals."

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LECTURE 2

Why Human Resource Management is required?

- We as a customer go to organizations to buy products or services.
- We go to these organizations because these products/services satisfy our needs and wants.
- This is the main reason of the existence of these organizations.
- We expect continuity in these qualitative product or services.

How it works?

However this continuity is a complex task and a huge work.

Huge work to be complex to perform by a single person. So a lot of people are brought together and each of them is assign a part of total task.

Activities of this multidiscipline team need to be coordinated for best possible outcome.

Therefore, management of Human Resource is required to ensure this continuity on qualitative delivery of product/ services to the customers.

Importance of Human Resource (Comments)

Konsuke Matsushita, *"Matsushita Electric makes people...and we also manufacture electrical appliances and various other products."*

Thomas Watson Jr., "All value of my company is my people, if you burn all of my company, I will develop again as I am today if I have my people. But if you take away my people I am not be able to recover".

Alfred Sloan says in his book **MY YEAR AT GENERAL MOTORS**, "*the success of an organization depends on its efficiency and the organizational efficiency comprises of following branches*".

We summarizes the tree of organizational efficiency to the following braches

i.   To reduce cost
ii. To increase productivity
iii. To move ahead of competitor
iv. To avail opportunities to overcome challenges to manage the change.
v.   To improve the culture of organization

Interestingly all of above mentioned branches are routed to Human Resource for organizational efficiency.

Human Resource Challenges

1. **Globalization**

Due to globalization, world is shrinking and businesses are carried and without borders.

Availability of economical and skillful globalized work force increases the competition among human Capital.

2. Technology

First pace of new technological advancement in every field their people in order to be competitive.

LECTURE 3

3. **Change:**
   Constant changes in every field create a lot of stress among individuals related to their careers, job opportunities, business development, customer satisfaction, quality control and cost effectiveness.
   - To enhance the ability of an organization to anticipate and respond these changes in its internal and external environment by enabling employees at all level to cope up with these changes.

4. **Knowledge management:**
   "Creation, transfer and application of knowledge among the people for competitive advantage of an organization."

   "Capture of tacit and explicit knowledge of people before they move on to other organization."

5. **Cost control:**
   To reduce the business cost in order to be competitive.

6. **Organizational restructuring:**
   In order to be competitive many organization restructured them due to which job requirement need to be redesigned.
   As a result people get affected some of salient reason for organizational restructuring are:
   - To remove several layers of management in order to reduce cost
   - Merger with the other organization
   - Closing down of facility due to economic pressure
   - Out sourcing of work due to feasible opportunities

HR Responsibilities

1) Planning and Analyzing

It comprises the activities of

i. Anticipating the forces that will influence the future supply and demand of employees.
ii. Providing accurate and timely information for future HR planning.
iii. Forecasting the need for Human Resources for activities like training, transfer and promotion.

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    iv.   Carrying out job descriptions and job satisfaction to make job evaluation and compensation decisions.

    v.   Developing Human resource Information System (HRIS) to provide accurate, upgraded and timely information for HR Planning and Analysis.

2) Staffing

    i.   It comprises the activities of identifying work requirements within an organization.

    ii.   Determining the number of people, type of skills and their level required to do the work.

    iii.   Providing an adequate supply of qualified individual by selecting, recruiting and promoting right people to fill the job in an organization.

    iv.   Job description and job specification should be prepared to recruit best possible people in an organization.

3) Retention

It comprises the activities of

    i.   Rewarding employees for performing their job effectively.

    ii.   Rewarding system can be linked with the individual, department and organizational performance.

    iii.   Ensuring conducive working relation between team members.

    iv.   Maintaining a safe and healthy work environment by implementing Occupational Safety and Health Act (**OSHA).**

    v.   Promoting accidents and injuries at work.

    vi.   Promoting employee assistance program (EAP) and Employee Welfare program (EWP) to improve employee satisfaction and health respectively.

4. Training & development

    i.   It comprises the activities of continuously identifying gap between capabilities needed and actually existed in employees.

    ii.   Need capabilities must be defined & linked to the work done in an organization.

    iii.   Ensuring that training program reflects actual job requirements and help employees in better performance of their jobs.

    iv.   Enhancing these capabilities through updated and relevant knowledge and skills.

    v.   Orientation for new employees followed up by on job training is necessary to keep up the skills level of employee according to changing scenario.

    vi.   Identifying career paths and future growth for employees in an organization.

5. Managing the Change

    i.   It comprises the activities of enhancing the ability of an employer anticipate and respond to development that take place in an internal and external environment.

Undertaking the changing realities of market and contribute measureable to the strategic success of business instead of working only as employee advocate.

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6. Administration:

It comprises the activities of

i. Maintaining employee's files and HR related data bases.
ii. Interpreting HR policies, rules and regulation of the government.
iii. Evaluating and processing employee service and post retirement benefits.
iv. Declining HR services and activities in a cost effective manner.

7. Operations

It comprises the activities of

i. Processing of employment applications
ii. Filling of new job openings
iii. Resolving of safety problems and safety issues.
iv. Coordinating HR Policies with managers and supervisor of all departments
v. Participating in discussions before the management making final decisions on the policies of merger acquisition and downsizing.
vi. Getting involved in strategic planning side by side with financial, technological and the other resources.

Now we want to know what is strategic planning...

Step 1
Normal planning is carried out to achieve goals, for example to win a world cup.

Step 2
During this journey to achieve long term goals many unexpected factors, problems and challenges.

Step 3
i. Strategies are developed to cater or accumulate these unexpected challenges.
ii. These strategies are developed to achieve these newly emerged short term goals
iii. To ensure the success of long term goals and objectives

"Strategies that are planned to ensure the success of long term objectives by meshing a fine net between short term goals (survival) and long term goals (growth) is called strategic planning"

History of HRM
i. HR started emerging as a specialized function in organization in later half of 19th century

ii. Since 1885 Fredrick Taylor started another finding ways to make work more efficient and less fatiguing thus increasing the productivity.
iii. About 1910 the growth of organization led to the first personnel department
iv. During 1920s, different researchers studied the impact of group dynamics on work output.

During 1930s, the passage of several labor laws led to the growth of unions.

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v. During 1940s and 1950s due to labors laws relationship between unions and management expanded the worth of personal department to elaborate record keeping labor because more knowledgeable about their rights.

vi. During 1960s and 1970s major changes took place in HR policies and regulations due to the input of automation and quality assurance concept.

vii. During 1980s introduction of new organizational structures further highlighted the importance of HR professionals.

viii. During 1990s and in early years of 21st century put a lot of emphasis on health care and other rights of employees in an organization.

ix. After globalization, now a day's HRM has become a department of strategic importance in an organization.

JOB ANALYSIS METHOD

What is Job Analysis?

To specify the kind of work that needs to be done, how it should be done, the number of people needed and the personal characteristics of those who will also do this work.

To develop through understanding of job and determined the kind of human resource.

A summary of task requirement for a particular job is called job description to do that task is called job specification, together they constitutes job analysis.

They are five common method of Job analysis

1. Job performance

i. In this method job analyst actually perform the job to get first hand exposure of actual job task, physical environment and other conditions of the job.

ii. It is appropriate for these jobs that can be learnt in short period of time.

iii. However this method is inappropriate for jobs that require extensive training or dangerous to perform.

2. Observation

i. Direct exposure to the job can provide a richer and deeper understanding of job requirements than workers descriptions of what they do.

ii. If the work is mostly mental and creative observations alone may not reveal useful information.

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3.   Interviews
i.   This method can help him getting information from different dimension due to direct questioning.
ii.   However worker can be suspicious about the motives of interviews which can result distorted information.

4. Critical incidents
i.   This method focus on the extreme cases taking place in job environment.
ii.   It takes considerable time together, analyzes and categorize.
iii. However the profile of every job performance cannot be based on these critical incidents.

5. Structure Questionnaire
i.   This method is general, cheaper and quicker to do than other methods.
ii.   Questionnaire can be completed off the job, thus avoiding the loss of productive time.
iii. It also provides width of coverage which is difficult to achieve in other options.
iv.   However chances to misunderstand the meaning of questions can result in false feedback.

Recruitment

It is a process of attracting, training, selection and on boarding a qualified person for a job.

The stages of recruitment process include:

i.   Job analysis (Job Description and Job Specification)
ii.   Sourcing of candidate through networking, advertizing and other research methods
iii. Matching of candidate with job requirements.
iv.   Basic screening of individual using personality assessment test.
v.   Detailed assessment of candidates motivation and suitable through interview and other advance assessment techniques.
vi.   Finalizing of job offers, induction and on boarding of new employees

Sourcing
i.   It is the use of strategy to attract or identify candidates.
ii.   It involves internal/external advertising using appropriate medium such as newspapers and Internet, electronic media etc.

Screening
i.   It is the assessment of relevant skills, knowledge, aptitude, education or job related experience.
ii.   It is done to aptitude test, personality assessment test, and psychometric test and interviews etc.

On Boarding
i. It is the process of helping new employees to become productive members of the organization.
ii. It helps them to become fully operational quickly.
iii. On boarding is including in recruitment process to retain top talent who are new to that company.

Recruitment Approaches

Following are the basic approaches of recruitment and an organization can use one approach or combination of different approaches to make their recruitment process attractive and effective.

1. In house recruitment
i. It is a recruitment approach in which in house HR department, front line hiring managers and recruitment personnels handle, recruitment functions and potential candidates.
ii. These in house recruiters advertise job vacancies on their websites and other job boards, target and head hunt external candidates work with external association or visit university on own campus recruitment.

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iii.   An employee referral program is a system where existing employees of organization recommend prospective candidates for the job offered and if the suggested candidates are hired the employee who refers them receives cash bonus.

iv.   In some cases the organization provides the employee referral bonus only if the referred employee stay with the organization for some minimum time duration (mostly 3 to 6 months).

2. Outsourcing

i.   In small organizations an external recruitment and outsourcing is used because they have little or no facilities to recruit.

ii.   In large organizations recruitment outsourcing is used to ensure confidentiality while hiring for senior level position.

In this case the consultant company is supposed to be familiar with inside business plans, strategic plans and the objectives of the job giving company, it is therefore important to hire outsource company with excellent credibility.

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3. On Campus Recruitment
I. Student consular and consult faculty members can be contacted for on campus recruitment.
II. Fresh graduates can offer internships in organization.
III. Video interview can be used to interview student living in far flung areas.

4. Employment Agencies
I. Employment agencies operate their offices in different cities to find best possible employ from anywhere.
II. They do some initial screening of the candidate and then pass on to the organization.
III. These companies are ethically bound not to approach employees of Client Company in their search efforts for in other client.

Selection Test
I. Organization evaluates and select candidates on the bases of different test called selection test.
II. These tests are used to access knowledge, skills, abilities and other characteristics.
III. Trying objective of these tests is to avoid a common mistake in which, sometime the wrong person is selected and right person is rejected.
IV. However effectiveness and validity of these tests should be carefully checked according to location, culture, situation and contacts.

Types of test
1. **Drug testing**
   I. 70% of big companies have made pre-employment drug test mandatory.
   II. Absenteeism and turnover are the outcome that drug test forecast more accurate.
2. **Hand writing analysis**
   I. Hand writing is used by 85% of European companies as the hiring tool.
   II. Job applicants are requested to provide one page writing sample to be analyzed by hand writing analyst.
   III. Expert can access more than 300 personality trade including enthusiasm, imagination and ambition.
3. **Integrity test**
   I. Overt integrity test are used to directly access, dishonest behavior.
   II. Covert integrity test are used to predict, brought range of counterproductive, work behavior.

4. **Mental ability test**
   I.   It is used to measure verbal, non-verbal comprehension, reasoning and analytical skills of applicant.
   II.   Successful managers are forecasted, quite accurately with the help of these tests.

5. **Leadership test**
   I.   Leadership test mostly focus on consideration and initiation aspects of applicant.
   II.   Considerations reflect the capability of individual to develop mutual trust, respect and feelings or other.
   III. Initiation reflects the capability of applicant to define his own and other goal toward task accomplishment.
   IV.   However researches indicate these best design to check leadership attribute does not rightly predict applicant success and performances managing.
   V.   Because managing mean doing the thing right and leading mean doing the right thing.
   VI.   Past historical data can also be used to make prediction of applicants' future job performance.
   VII. In these cases, careful and competent research is necessary to make right prediction.

6. **Employment interview**
   I.   It is the process of smooth, social exchange while simultaneously processing of information about the candidate.
   II.   Interview are consider poor bases of employment due to factor ,such as
         a) First impression
         b) Personnel feeling and contrast effects.
   III. However certain techniques can be used to take interview more effective.
         Interview should be limited to information which is already indicated in job analysis for successful job performance.
   IV.   The interview should be conducted along a specific guideline.
   V.   During discussion focus should only be the competency necessary for the job.
   VI.   To check the level of their decision making and problem solving capability for initial level position, applicants are ask how they would respond in different situation but for Experienced position they can be asking to provide detailed, account of actual situation.
   VII. Interview are recommender to be conducted in the relax environment and should begin by asking simple question.

Lecture 11

Work Sample Test

i.   The prime objective of work sample test is to assess the ability to do rather than the ability to know.
ii.   These tests are miniature replicas of actual job requirement.
iii. They are difficult to fake thus turnover ratio of applicants selected through this process is less.
iv.   These tests are usually not cost effective and also time consuming incase of large number of people, as each applicants is required to be tested individually through physical and situational tests.
v.   These tests are also poor predictor of that advance intellectual capabilities which are only develop with time, experience after handling of real life situation.

Following are the two famous sample test being used:

1. Leaderless Group Discussion (LGD)

i.   A group of applicants is given a job related situation and asked to carry on the discussion.
ii.   No one is appointed as a leader nor as anyone told where to sit.
iii. A circular table is used instead of rectangular one to give equal weight age to each position.
iv.   Observer read the performance of each position.
v.   In order to make LGD effective observer must be aware of capabilities which they need to judge in applicants.

2. In Basket Test

i.   It is a situational test design to check the important aspects of job position.
ii.   In basket test is used to check the ability of an individual to work independently.
iii. The applicant is briefed about the background information of real situation.
iv.   Applicant is given incoming files, notes for consideration (NFC). Record of phone calls and other material in one basket and he/she is supposed to take and write his decisions in every file, write letters and other related works.
v.   He/she is sufficiently brief about the situation so that he/she could do decision making on his own.
vi.   Applicants are instructed to use his own knowledge, experience and personal characteristics to solve these problems instead of pretending to be someone else.
vii. At the confusion of test each applicants leaves behind a pocket full of notes and decision taken.
viii. These things are evaluated by experts to assess his organizational and planning abilities, written communication, decision making and administrative abilities.

LECTURE 12

Training and Development

   i. Due to fast changing situation, skills and capabilities of human capital need to be continuously assess and improved.

   ii. Lower level employee who need hand on skills are usually consider as training while high level employee who need interpersonal decision making, leadership and management skills are usually consider as development.

   iii. It is a prime responsibility of HR people to identify the training and development need of an organization, arrange seminars, workshop and programs to inculcate these skills in them and finally assess the effectiveness of these training and development programs.

What is Training and Development?

   i. It consists of planned programs design to improve performance at individual, group and organizational level.

   ii. Improved performance should bring measurable changes in knowledge, skills, attitude and social behavior.

   iii. Training is a process that transforms environmental inputs into effective outputs to meet organizational needs and objectives.

Input → Organizational Performance → Environmet → Input

Training → Output → Organizational Performance → Environment → Input → Training
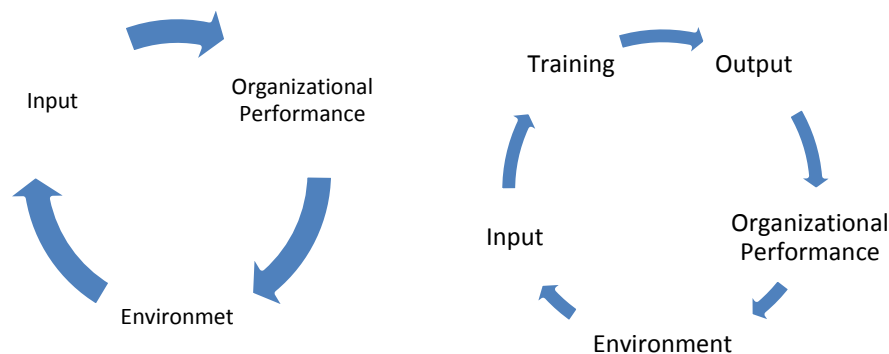
   iv. Thus training works like an open system due to its dynamic relationship with the environment.