

**CDOE – ODL B.B.A – SEMESTER V HUMAN RESOURCE
MANAGEMENT**

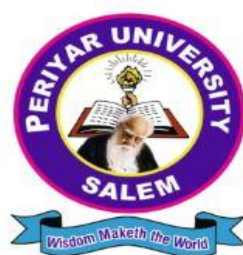
PERIYAR UNIVERSITY

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SALEM - 636 011, Tamil Nadu, India.

CENTRE FOR DISTANCE AND ONLINE EDUCATION (CDOE)

BACHELOR OF BUSINESS ADMINISTRATION SEMESTER - V



CORE PAPER: HUMAN RESOURCE MANAGEMENT (Candidates admitted from 2024 onwards)

PERIYAR UNIVERSITY

CENTRE FOR DISTANCE AND ONLINE EDUCATION (CDOE)

B.B.A 2024 admission onwards

CORE PAPER - IX

HUMAN RESOURCE MANAGEMENT

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SALEM - 636011

HUMAN RESOURCE MANAGEMENT

Course Code	24DUBA12	Credits	03
Course Title	HUMAN RESOURCE MANAGEMENT	Hours / Week	
Course Objectives	<ul style="list-style-type: none"> ✓ Explain the concepts, functions and process of HRM. ✓ Examine the selection and placement process. ✓ Evaluate the training and performance ✓ Understand the importance of employee engagement and compensation ✓ Understand the recent trends in HR 		
Course Outcome	<p>Upon successful completion of the requirements for this course, students will be able to:</p> <ol style="list-style-type: none"> 1.Explain the concepts, functions and process of HRM. 2.Examine the selection and placement proces. 3.Evaluate the training and performance appraisal 4.Understand the employee engagement and compensation 5.Understand the recent trends in HR. 		
Unit I	<p>Introduction to HRM:</p> <p>Nature and scope of Human Resources Management –Roles & responsibilities of HR manager-HR Policies & procedures-Differences between personnel management and HRM –Environment of HRM -Concept &scope of Strategic Human resource management (SHRM) -HRM as a competitive advantage in the VUCA world</p>		
Unit II	<p>HR planning & Recruitment, Selection:</p> <p>Human Resource Planning- Job Evaluation - methods- Job analysis-Job description, Job specification .Recruitment – Selection – Process, Methods – Interview, Tests, Induction and Placement.</p>		
Unit III	<p>Training and Development & Performance Management:</p> <p>Training and Development, Training Process, Methods, Training Need Assessment, Career Development. Transfer and Promotion. Performance Management –Meaning- Process - Performance appraisal methods- Performance Monitoring and review.</p>		
Unit IV	<p>Employee Engagement & Compensation:</p> <p>Employee Engagement- Meaning- Importanceevaluation- measuring employee employee engagement- Employee Compensationcomponents- incentives-benefits- welfare and social security measures</p>		

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Unit V	HR Audit & Green HRM Human Resource Audit – Nature – Benefits – Scope – Approaches. HRIS. Recent trends in HRM: Green HRM& Virtual HRM Practices, Understanding People Analytics, Multigenerational workforce. Global HRM.
Text Books	<ol style="list-style-type: none">1. Shashi K. Gupta & Rosy Joshi , Human Resource Management , Kalayani Publisher 1st Edition, 2018.2. Steve Brown, HR on Purpose: Developing Deliberate People Passion, Society for Human Resource Management, 1st Edition, 20173. Bernard Marr, Data-Driven HR: How to Use Analytics and Metrics to Drive Performance, Kogan Page, 1st Edition, 20184. Kirs Wayne Cascio and John Boudreau, Investing in People: Financial Impact of Human Resource Initiatives, Prentice Hall , 2nd Edition, 20155. Srinivas R Kandula, Competency Based Human Resource Managemet, PHI Learning , 1st Edition, 2013
Reference Books	<ol style="list-style-type: none">1. V S P Rao, Human Resource Management : Text & Cases, Excel Books, 3rd Edition ,2010.2. K.Ashwathappa, Human Resource Management- Text and cases, McGraw Hill Education India, 6th Edition.3. Garry Deseler, Human Resource Management, Pearson, 15th Edition, 20174. L M Prasad , Human Resource Management , Sultan Chand and Sons 3rd Edition , 20145. Tripathi. P C, Human Resource Management, Sultan Chand and Sons 1st Edition, 2010.

Self-Learning Material Development – STAGE 1

CONTENTS OF UNIT I

Nature and scope of Human Resources Management –Roles & responsibilities of HR manager-HR Policies & procedures-Differences between personnel management and HRM –Environment of HRM -Concept &scope of Strategic Human resource management (SHRM) -HRM as a competitive advantage in the VUCA world

UNIT 1 – Introduction to HRM

Unit - I Objectives

1. To understand the meaning of HRM and its scope.
2. To know the role and responsibilities of HR manager
3. Trace the techniques of HR policies and procedures.
4. To understand different types of personnel management
5. To know about the functions of strategic HRM

STAGE – 2 – Modules Sections and Sub-sections structuring

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SECTION 1.1: Introduction to HRM

Human Resource Management was originally known as personnel or people management. In the past, its role was quite limited. Within any company or organization, HRM is a formal way of managing people. It is a fundamental part of any organization and its management.

The main responsibilities of the personnel department include hiring, evaluating, training, and compensation of employees. The human resources department deals with any issues facing the staff in their working capacity within an organization. HR is concerned with specific work practices and how they affect the organization's performance.

1.1.1 Meaning of HRM

Human Resource Management (HRM) is an operation in companies designed to maximize employee performance in order to meet the employer's strategic goals and objectives. More precisely, HRM focuses on management of people within companies, emphasizing on policies and systems.

HRM also includes employee assessment like performance appraisal, facilitating proper compensation and benefits, encouragement, maintaining proper relations with labor and with trade unions, and taking care of employee safety, welfare and health by complying with labor laws of the state or country concerned.

HRM includes:

- Recruiting new hires
- Evaluating employee performance
- Ensuring fair compensation and benefits
- Training employees and supporting education and development

Protecting the health and safety of all employees

1.1.2 Definition of HRM

- **Edwin Flippo** defines HRM as- “planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are accomplished”

- According to **French Wendell**- “Personnel management is a major component of the broader managerial function and has roots and branches extending throughout and beyond each organization. It is a major sub-system of all organizations.”
- According to **Gary Dessler** – “Human Resource Management is the process of acquiring, training, appraising, and compensating employees, and attending to their labour relations, health, safety and fairness concerns.”

1.1.3 Nature and Characteristics of HRM

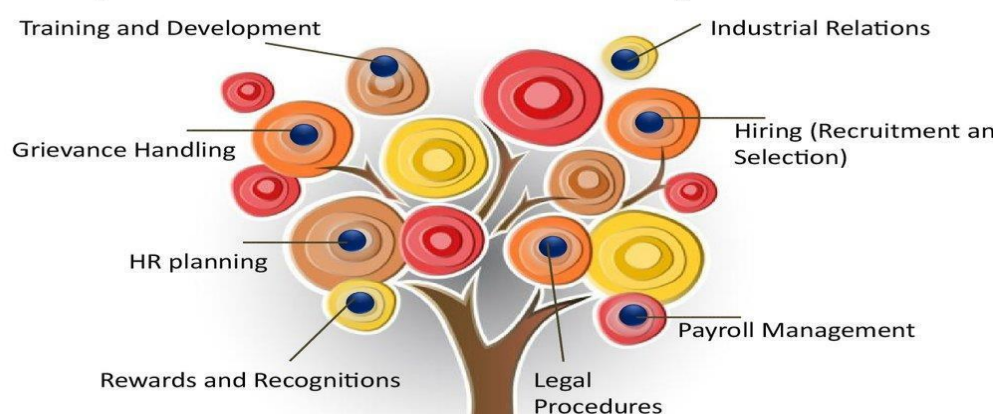
- ✚ **Embracing Diversity:** HRM aims to build an inclusive workplace culture that celebrates employee diversity. They do so by embracing the differences in skills, abilities, experiences, backgrounds, etc., and encouraging individuals’ unique strengths.
- ✚ **Strategic Alignment:** HRM helps align the HR goals to the organization’s overall strategic goals. HR professionals actively participate in strategic planning and decision-making by providing insights on workforce planning, talent acquisition and management, and organizational culture development.
- ✚ **Cultivating Commitment:** HRM helps build a commitment among the workforce by fostering a sense of loyalty and trust in them. In addition, they help promote a positive environment and a culture of transparency and accountability, along with nurturing long-term relationships with the workforce.
- ✚ **Mutual Benefit:** HRM aims to create a mutual environment where the employees and the organization benefit equally. This promotes collaboration, mutual trust, and respect among employees and management. So, in this situation, the organization achieves its goals while providing fair opportunities for growth and development for the employees.
- ✚ **Balancing Perspectives:** HRM aims to balance the unitarian and the pluralist perspectives of the employees. The unitarian perspective views the organization as a single entity with a common goal and aspirations. The pluralist perspective acknowledges the presence of multiple ambitions and goals of various stakeholders like employees, shareholders, managers, etc. A balance between the two helps nurtures efficient communication, synergy in the team and prompt conflict resolution.

- ✚ **Valuing Human Capital:** HRM values employee contributions to organizational development. Therefore, they focus on attracting, developing, training and developing talent to drive the organization toward business profitability and success.
- ✚ **Aligned with Values:** HRM helps align the organizational processes and HR practices with the organization's mission, vision, and core values. They promote the values of integrity, honesty, fairness, and sustainability among the workforce to ensure the organization's compliance with legal and ethical standards.
- ✚ **Harmonizing Outcomes:** HRM caters to organizational and individual needs by achieving results benefiting both parties. Their main goal is to enhance organizational productivity and profitability along with employee satisfaction and well-being. Thus, they need help balancing business goals and employee satisfaction simultaneously.
- ✚ **Integrated System:** HRM encompasses various HR functions like planning, designing and implementing HR practices and policies to create a culture where HRs take an active role in the business decision-making process and manage the organization's daily operations.

1.1.4 Scope of HRM

Scope of Human Resource Management

The scope of HRM covers but is not limited to the following functions:



Therefore, HRM is about developing and managing harmonious relationships at workplace and striking a balance between organizational goals and individual goals.

According to **Dale Yoder**, the scope of human resource management consists of the following functions:

- Setting general and specific management policy for organisational relationships, and establishing and maintaining a suitable organisation for leadership and co-operation.
- Collective bargaining, contract negotiation, contract administration and grievance handling.
- Staffing the organisation, finding, getting and holding prescribed types and number of workers.
- Aiding in the self-development of employees at all levels providing opportunities for personal development and growth as well as for acquiring requisite skill and experience.
- Developing and maintaining motivation for workers by providing incentives.
- Reviewing and auditing manpower management in the organisation.
- Industrial relations research – carrying out studies designed to explain employee behavior

Let's Sum Up

Dear Learners, in this first section, we have seen the nature and scope of human resource management. As we have seen, HR practices and policies to create a culture where HRs take an active role in the business decision-making process and manage the organization's daily operations.

SECTION 1.2: HR Manager

Dear Learners, we had the basic understanding about the meaning and definitions of human resource management in the first section. In this section, let's have the understanding about the HR role and responsibilities in an Organization.

1.2.1 Role & responsibilities of HR manager

Recruitment and Staffing

- **Job Analysis and Design:** Creating and defining job roles and responsibilities.
- **Recruitment:** Attracting, selecting, and onboarding qualified candidates.
- **Workforce Planning:** Forecasting the organization's future hiring needs.

Training and Development

- **Employee Training:** Designing and implementing training programs to enhance skills.
- **Career Development:** Providing career guidance and growth opportunities for employees.
- **Performance Management:** Setting performance standards, conducting evaluations, and providing feedback.

Compensation and Benefits

- **Salary and Wages:** Designing and managing compensation structures.
- **Benefits Administration:** Overseeing health insurance, retirement plans, and other employee benefits.
- **Payroll Management:** Ensuring timely and accurate payroll processing.

Employee Relations

- **Conflict Resolution:** Addressing employee grievances and disputes.
- **Employee Engagement:** Fostering a positive work environment and promoting employee satisfaction.
- **Labor Law Compliance:** Ensuring adherence to labor laws and regulations.

Organizational Development

- **Change Management:** Facilitating organizational changes and restructuring.
- **Culture Building:** Developing and promoting the organizational culture and values.
- **Strategic Planning:** Aligning HR strategies with organizational goals.

Health and Safety

- **Workplace Safety:** Implementing health and safety programs to ensure a safe working environment.
- **Compliance:** Ensuring compliance with occupational health and safety regulations.

Administrative Duties

- **HR Policies and Procedures:** Developing and enforcing HR policies and procedures.
- **Record Keeping:** Maintaining employee records and HR documentation.
- **HR Technology:** Managing HR information systems and data.

1.2.2 Qualities of HR Manager

- 1. Leadership Skills** - An HR Manager is the bridge between the employee and the organization. Hence his leadership skills such as the ability to understand employees and their needs, delegate tasks, visualize the bigger picture and remain aligned to the vision of the organization are crucial. It is also important that they possess sound knowledge of the functioning of every department of the organization, such as marketing, finance, sales and so on.
- 2. Communication Skills** - Communication should be the middle name of an HR Manager. He is responsible for much of the interpersonal communication with the employees and top bosses of the organization. Hence he must be both a people's person and remain aligned with the organization.
- 3. Self-Discipline** - Because the HR manager deals with real people, challenges can crop up at any hour. He is also engaged in delivering multiple tasks throughout the day. Hence he should be adept at prioritizing his tasks and managing any issues that could come up. This requires great mental and intellectual discipline.
- 4. Ethics and Integrity** - The HR is aware of confidential company policies pertaining to salary packages, placement criteria, selection processes, etc. He is also the one who receives the smallest to the biggest complaints such as money laundering and sexual misconduct. Hence his sense of fairness and integrity must be in the right place. He must be true to his conscience at all times.
- 5. Empathetic Attitude** - The HR should essentially be a people's person. This is a soft skill that can be built with time but it is at the center of the role. He should be able to work towards the satisfaction of all employees while retaining the essence of the organization at the same time. He should take care to not involve himself in personal issues of the employees and restrict himself to professional complaints unless absolutely necessary.
- 6. Legally Sound** - The HR makes key decisions pertaining to policy frameworks for the organization. He should ensure he consults the legal team regarding the

implications of the same. This will enable him to tackle any loopholes or issues that might crop up.

Let's Sum Up

Dear Learners, in this second section, we have made an attempt to have understanding on roles and responsibilities an HR manager must possess for facilitating organizational changes and restructuring and for better workplace.

SECTION 1.3: HR policies & procedures

SECTION 1.3.1: Introduction

HR Policies

Definition: HR policies are formal rules and guidelines that define how various HR matters should be handled within an organization. They ensure consistency, fairness, and compliance with legal and regulatory requirements.

Purpose:

- **Consistency:** Ensure uniformity in handling HR issues across the organization.
- **Compliance:** Adhere to laws and regulations.
- **Guidance:** Provide a clear framework for decision-making and employee behavior.
- **Communication:** Clarify expectations and standards for both employees and management.

Examples of HR Policies:

- **Equal Employment Opportunity:** Policies ensuring non-discriminatory hiring and employment practices.
- **Code of Conduct:** Guidelines on acceptable behavior and workplace ethics.
- **Leave Policies:** Rules regarding vacation, sick leave, and other types of employee leave.
- **Workplace Safety:** Policies ensuring a safe and healthy work environment.
- **Compensation and Benefits:** Policies outlining salary, bonuses, health insurance, and other benefits.

HR Procedures

Definition: HR procedures are the step-by-step processes that outline how to implement HR policies. They provide detailed instructions on handling specific HR tasks and situations.

Purpose:

- **Implementation:** Ensure HR policies are applied consistently and effectively.
- **Efficiency:** Streamline HR processes and improve efficiency.
- **Training:** Serve as a training tool for new HR staff.
- **Accountability:** Clarify roles and responsibilities in executing HR tasks.

Examples of HR Procedures:

- **Recruitment Process:** Steps for job posting, interviewing, selecting, and onboarding new employees.
- **Performance Appraisal:** Detailed process for conducting employee evaluations and providing feedback.
- **Grievance Handling:** Procedure for addressing and resolving employee complaints and disputes.
- **Payroll Processing:** Steps for calculating and distributing employee salaries and wages.

SECTION 1.3.2: Steps in implementing policies and procedures

1. Identify the Need

- **Assessment:** Conduct a thorough assessment of the organization to identify areas that require new or updated policies and procedures.
- **Feedback:** Gather input from employees, managers, and stakeholders to understand their needs and concerns.

2. Develop Policies and Procedures

- **Research:** Study best practices, legal requirements, and industry standards relevant to the policy area.
- **Drafting:** Create clear, concise, and comprehensive policy documents and procedural guidelines.
- **Review:** Seek feedback from key stakeholders and legal experts to ensure accuracy and compliance.

3. Obtain Approval

- **Management Review:** Present the drafted policies and procedures to senior management for approval.
- **Revisions:** Make necessary revisions based on feedback and obtain final approval.

4. Communicate Policies and Procedures

- **Announcement:** Officially announce the new or revised policies and procedures to all employees.
- **Documentation:** Distribute copies of the policy documents and ensure they are accessible, such as in an employee handbook or on the company intranet.
- **Training:** Conduct training sessions to educate employees and managers on the new policies and how to follow the procedures.

5. Implement the Policies and Procedures

- **Rollout Plan:** Develop a detailed implementation plan, including timelines and responsibilities.
- **Integration:** Integrate the policies and procedures into daily operations and HR practices.
- **Support:** Provide ongoing support and resources to help employees adhere to the new guidelines.

6. Monitor Compliance

- **Observation:** Monitor the implementation process to ensure policies and procedures are being followed.
- **Feedback Loop:** Create a system for employees to provide feedback and report issues related to the new policies.

7. Evaluate and Revise

- **Review:** Regularly review the effectiveness of the policies and procedures.
- **Feedback:** Collect feedback from employees and managers on the practicality and impact of the policies.
- **Update:** Make necessary updates and improvements based on feedback and changing legal or organizational requirements.

8. Document and Record

- **Record-Keeping:** Maintain thorough documentation of the policy development process, approvals, communications, and training.

- **Accessibility:** Ensure all relevant documentation is easily accessible for future reference and audits.

9. Continuous Improvement

- **Ongoing Assessment:** Continuously assess the need for new policies or revisions to existing ones as the organization evolves.
- **Best Practices:** Stay updated with industry trends and best practices to keep policies relevant and effective.

Let's Sum Up

Dear Learners, in this third section, we have made an attempt to have an understanding on the HR policies and procedures as they include a description of principles, rights and responsibilities for managers and employees.

1.4 Personnel Management & HRM

SECTION 1.4.1: Role of Personnel Management in HRM

1. Recruitment and Staffing

- **Job Analysis and Design:** Identifying and documenting job roles and requirements.
- **Recruitment:** Managing the process of attracting, interviewing, and hiring new employees.
- **Onboarding:** Facilitating the integration of new employees into the organization.

2. Employee Records and Administration

- **Record Keeping:** Maintaining accurate and up-to-date employee records.
- **Compliance:** Ensuring compliance with labor laws and regulations through proper documentation.
- **Payroll Administration:** Managing payroll processes, including salary calculations and disbursements.

3. Compensation and Benefits

- **Salary Administration:** Developing and managing compensation structures.
- **Benefits Management:** Administering employee benefits such as health insurance, retirement plans, and leave policies.

4. Employee Relations

- **Grievance Handling:** Addressing employee complaints and resolving disputes.
- **Disciplinary Actions:** Implementing disciplinary procedures and managing employee misconduct.
- **Communication:** Facilitating effective communication between management and employees.

5. Training and Development

- **Skill Development:** Identifying training needs and organizing training programs to enhance employee skills.
- **Career Development:** Assisting employees with career planning and growth opportunities.
- **Performance Appraisal:** Conducting performance evaluations and providing feedback.

6. Health and Safety

- **Workplace Safety:** Implementing health and safety programs to ensure a safe working environment.
- **Compliance:** Ensuring adherence to occupational health and safety regulations.

7. Labor Relations

- **Union Relations:** Managing relationships with labor unions and negotiating collective bargaining agreements.
- **Conflict Resolution:** Mediating conflicts between employees and management or among employees.

8. Policy Implementation

- **Policy Development:** Assisting in the creation of HR policies and procedures.
- **Enforcement:** Ensuring that HR policies and procedures are followed consistently across the organization.

SECTION 1.4.2: Objectives of Personnel Management

1. **Achievement of Organizational Goal:** The main function of personnel management is to get the employees in harmony with the organizational goals, aesthetically combine the staff and have skilled individuals recruited and groomed to fulfill their personal roles. This can be done through a carefully developed policy of recruitment, training, and placement.

- 2. Personnel Objectives:** The role of personnel management is to make sure that workers in the organization are contented both mentally and physically. It can be achieved by ensuring that employees receive their jobs along with favorable work environment and job satisfaction. The workplace must be tidy and well-ventilated, with proper lighting and airflow. Besides, employees' recognition in terms of remuneration, job security, and promotion will enhance job satisfaction.
- 3. Social Objectives:** One of the objectives of the personnel management is to ensure the welfare and development of the whole community. An enterprise carries a social obligation towards the wider society. It provides service to society by opening more employment opportunities and offering quality products at cheap prices.
- 4. HR Information Systems:** The major goal of HR Information Systems (HRIS) in personnel management is to develop an efficient and technically competent approach to HR processes that aid employee data management and decision-making. Since centralized data, workflow automation, analytics and reporting, compliance management, employee self-service facilities and strategic planning are provided through the HRIS, the HR operations are enhanced and enable the achievement of organizational objectives through the human capital management approach.
- 5. Health and Safety:** Becoming part of personnel management, health and safety fosters the aim of having safe environment and healthy people at work. It involves providing employers with guidelines for workplace safety, complying with regulations, ensuring staff is trained and educated, creating a safety-oriented culture, preventing injuries and illnesses, and planning for emergencies.

SECTION 1.4.3: Types of Personnel Management

- 1. Strategic:** Strategic Personnel Management means setting up and controlling the people within a company to meet its long-term goals. This is not only about handling routine assignments but also planning for the future and ensuring that the right people are allocated to the right jobs.

- Specifically, it means finding and employing gifted experts, competently implementing their tasks, and preparing them to take on leadership roles in the future.
- This strategy can enable organizations to adjust easily to emerging changes, make logical judgements by using their employees' data, and deploy their talented team members to outperform the competition.

2. Tactical: Planning for administration is a part of tactical personnel management. Choosing how to schedule current employees is part of this. It also entails projecting how many employees will be needed in the near and long run to fill open positions.

- Hiring the best applicants via a certain selection procedure is the main goal of tactical personnel management.
- Onboarding and training of new hires are also handled by this kind of management.
- Staff resources are sometimes divided into three categories: technical, functional, and organic.

3. Operational: Operational Personnel Management can be defined as a type of management, which focuses on the regulation of numerous processes regarding personnel administration.

- Unlike strategic personnel management, which is responsible for adjusting human resource practices to long-term perspectives, operational personnel management deals with the respective needs of the workforce.
- The tasks of the given process ranges from recruitment processes and hiring new people to supervise the employees' schedules and their performance, calculating payrolls, and resolving conflicts in the workplace.
- Operational personnel management is all about organizing company employees and keeping them in line with the policies of the company and regulatory standards to help a firm run on a daily basis.

SECTION 1.4.4: Approaches of Personnel Management

- **Traditional Approach:** The traditional approach to personnel management is a conventional method of treatment of processes related to employees within the company. Such an approach implies that the staff's data and records are collected by the HR or managerial department, while HR may be more focused on hiring and training individuals. Generally, in such a system, both parties involved; employers and individuals in the workforce, treat their activities as formal. The decisions are always made from a higher hierarchical level of employees; thus, any workforce involvement in a decision-making process is initiated and regulated. Overall, the traditional approach to personnel management represents a rational way of handling workforce tasks.
- **Human Resource Approach:** The Human Resource Approach to personnel management is oriented to the priority of employees' human needs. The HRM method is aligned with the organization's orientation, engages in the development and activity of employees, and creates an organizational culture. HR professionals implement staffing, control personnel, form ties with business and implement a full range of HRM works. HR benefits are employment, skill development, and salary, which people receive and are interested in continuing to work as intended. The HR approach takes into account the orientation to the use of human capital and seeks to manage employees effectively.
- **Human Relation Approach:** The Human Relation Approach in personnel management concerns itself with positive interpersonal relationship and communication and employees' mental health in order to increase the general output and development of the organization. The major purpose of the approach is to enable one to understand social and psychological effects of workers. By promoting efficient communication and proper relationships, organizations are able to achieve better results as well as cut down the labor turnover.
- **Systems Approach:** The Systems Approach in personnel management is based on the assumption that every organisation is a complex and interconnected system, where any changes may turn to be relevant to the whole structure. Thus, this approach aspires to improve and optimize interactions between people, processes, technology, and the environment. In other words,

this systematic approach is important for maximized efficiency, effectiveness, and adaptability, as it considers the HR area as part of the whole system.\

- **Contingency Approach:** The conventional method of personnel management takes into account the specific setting in which employees are managed. It recognizes that various circumstances could call for various responses and highlights how crucial it is for HR procedures to be flexible and adaptive in order to account for these variances.

SECTION 1.4.5: Difference between Personnel Management & HRM

BASIS FOR COMPARISON	PERSONNEL MANAGEMENT	HUMAN RESOURCE MANAGEMENT
Meaning	The aspect of management that is concerned with the work force and their relationship with the entity is known as Personnel Management.	The branch of management that focuses on the most effective use of the manpower of an entity, to achieve the organizational goals is known as Human Resource Management.
Approach	Traditional	Modern
Treatment of manpower	Machines or Tools	Asset
Type of function	Routine function	Strategic function
Basis of Pay	Job Evaluation	Performance Evaluation
Management Role	Transactional	Transformational
Communication	Indirect	Direct
Labor Management	Collective Bargaining Contracts	Individual Contracts
Initiatives	Piecemeal	Integrated
Management Actions	Procedure	Business needs
Decision Making	Slow	Fast
Job Design	Division of Labor	Groups/Teams
Focus	Primarily on mundane activities like employee hiring, remunerating, training, and harmony.	Treat manpower of the organization as valued assets, to be valued, used and preserved.

Let's Sum Up

Dear Learners, in this fifth section, we have made an attempt to have an understanding on function of personnel management has it has to get the employees in harmony with the organizational goals.

1.5 Strategic HRM

SECTION 1.5.1: Meaning of Strategic HRM

The goal of SHRM is to create policies and programs that align with the company's business strategy. The main difference between human resources and strategic human resources is that human resources focus on the day-to-day management of employees, while strategic human resources focus on how employees can achieve the company's overall goals. This means that SHRM must first understand the company's business goals and then create programs and policies that support those goals.

Some common examples of SHRM programs and policies include:

- **Performance management:** Creating systems to track and improve employee performance
- **Training and development:** Identifying employees' development needs and providing training and resources to help them improve
- **Compensation and benefits:** Designing compensation and benefits programs that attract and retain employees
- **Employee relations:** Managing employee relations to create a positive work environment

SECTION 1.5.2: Objectives of SHRM

Strategic HRM primarily focuses on resolving matters such as organizational culture, hierarchy structure, effectiveness of operations, resource-role matching, and performance challenges. Ideally, there are 5 primary objectives of SHRM approaches:

1. **Resource-based Strategy:** Focuses on enhancing the strategic capabilities of the company
2. **High Commitment Management:** Establishing better commitment between managers and their employees.
3. **Achieving Strategic Fit:** Integration of workforce and material resources through a streamlined and high ROI oriented operational model
4. **High Involvement Management:** Empowering and treating employees as stakeholders.

5. **High-Performance Management:** Enhancing company performance through superior productivity, growth, and profitability rate of the workforce

SECTION 1.5.3: Importance of SHRM

- ✓ **Improve employee performance:** SHRM can help businesses improve employee performance by creating systems to track and improve performance.
- ✓ **Develop the workforce:** SHRM can help businesses develop the workforce by identifying employees' development needs and providing training and resources to help them improve.
- ✓ **Create a positive work environment:** SHRM can help businesses create a positive work environment by managing employee relations.
- ✓ **Reduce turnover:** SHRM can help businesses reduce turnover by designing compensation and benefits programs that attract and retain employees.
- ✓ **Improve productivity:** SHRM can help businesses improve productivity by improving employee performance and creating a positive work environment

SECTION 1.5.4: Role of SHRM in an Organization

1. Alignment with Organizational Goals

- **Integration:** Ensures that HR policies and practices are integrated with the organization's overall strategic plan.
- **Support:** Provides HR support to achieve business objectives, such as expanding into new markets or increasing operational efficiency.

2. Talent Management

- **Recruitment and Retention:** Attracts and retains top talent that aligns with the organization's strategic needs.
- **Succession Planning:** Identifies and develops future leaders to ensure leadership continuity.

3. Employee Development

- **Training and Development:** Implements programs that enhance employee skills and competencies, supporting both individual and organizational growth.
- **Career Development:** Provides career development opportunities to foster employee engagement and loyalty.

4. Performance Management

- **Performance Metrics:** Establishes performance metrics aligned with strategic goals.
- **Feedback and Evaluation:** Conducts regular performance evaluations and provides feedback to drive continuous improvement.

5. Organizational Culture and Change Management

- **Culture Building:** Develops and nurtures a culture that supports the organization's vision and values.
- **Change Management:** Facilitates organizational change by managing the human aspect of transformation, ensuring smooth transitions and employee buy-in.

6. Innovation and Agility

- **Adaptability:** Encourages a culture of innovation and agility, enabling the organization to respond swiftly to market changes.
- **HR Technology:** Leverages technology to enhance HR processes and improve organizational efficiency.

7. Employee Engagement and Well-being

- **Engagement Programs:** Develops programs to boost employee engagement, satisfaction, and productivity.
- **Well-being Initiatives:** Implements initiatives that promote physical, mental, and emotional well-being of employees.

8. Compliance and Risk Management

- **Legal Compliance:** Ensures all HR practices comply with labor laws and regulations.
- **Risk Mitigation:** Identifies and mitigates HR-related risks to protect the organization from potential legal and financial repercussions.

9. Diversity and Inclusion

- **D&I Strategies:** Develops strategies to promote diversity and inclusion within the organization.
- **Inclusive Culture:** Fosters an inclusive work environment that values and leverages diverse perspectives.

10. Measurement and Evaluation

- **HR Metrics:** Utilizes HR metrics and analytics to measure the effectiveness of HR initiatives and their impact on organizational performance.

- **Continuous Improvement:** Continuously evaluates and improves HR strategies to better support organizational objectives.

Let's Sum Up

Dear Learners, in this sixth section, we have made an attempt to have an understanding on strategic human resource management and its role in organization for effective utilization to develop programs to boost employee engagement, satisfaction, and productivity.

1.6 VUCA world

SECTION 1.6.1: Contribution of HRM to Competitive advantage

Human Resource Management (HRM) contributes significantly to an organization's competitive advantage by optimizing the potential of its workforce and aligning HR practices with business strategies. Here's a brief overview of how HRM achieves this:

1. Talent Acquisition and Retention

- **Attracting Talent:** Implements effective recruitment strategies to attract top talent.
- **Retention:** Develops retention programs and a positive work environment to keep valuable employees.

2. Employee Development

- **Training and Development:** Provides ongoing training to enhance employee skills and knowledge, ensuring a competent and adaptive workforce.
- **Career Development:** Facilitates career growth opportunities to increase employee motivation and loyalty.

3. Performance Management

- **Setting Standards:** Establishes clear performance metrics aligned with strategic goals.
- **Evaluation and Feedback:** Conducts regular performance reviews and provides constructive feedback to drive improvement and productivity.

4. Organizational Culture

- **Culture Building:** Promotes a strong organizational culture that aligns with company values and strategic objectives.

- **Employee Engagement:** Enhances employee engagement and morale, leading to higher productivity and commitment.

5. Innovation and Adaptability

- **Encouraging Innovation:** Creates an environment that encourages innovation and creative problem-solving.
- **Agility:** Ensures the organization can adapt quickly to changes in the market through flexible HR practices.

6. Strategic HR Planning

- **Alignment with Goals:** Aligns HR strategies with business objectives to support long-term success.
- **Workforce Planning:** Anticipates future HR needs and prepares the workforce to meet those needs.

7. Diversity and Inclusion

- **Inclusive Practices:** Implements diversity and inclusion strategies to leverage a wide range of perspectives and skills.
- **Competitive Edge:** Enhances the organization's reputation and attractiveness as an employer.

8. Compliance and Risk Management

- **Legal Compliance:** Ensures adherence to labor laws and regulations, reducing legal risks.
- **Risk Mitigation:** Identifies and mitigates HR-related risks, protecting the organization from potential liabilities.

9. Compensation and Benefits

- **Competitive Packages:** Offers attractive compensation and benefits packages to attract and retain high-caliber employees.
- **Incentives:** Designs incentive programs to motivate employees and align their efforts with company goals.

10. HR Technology and Analytics

- **HR Systems:** Leverages HR technology to streamline processes and improve efficiency.
- **Data-Driven Decisions:** Uses HR analytics to make informed decisions and measure the impact of HR initiatives on organizational performance

SECTION 1.6.2: Role of HR in the VUCA world

In a VUCA (Volatile, Uncertain, Complex, and Ambiguous) world, HR plays a crucial role in ensuring organizational resilience and agility. Here's a brief overview in ten lines:

1. **Talent Acquisition:** Attracts versatile and adaptable talent capable of thriving in dynamic environments.
2. **Continuous Learning:** Promotes a culture of continuous learning and development to keep skills relevant.
3. **Change Management:** Facilitates smooth transitions and helps employees adapt to constant changes.
4. **Agility:** Implements flexible work practices to respond swiftly to market shifts.
5. **Leadership Development:** Cultivates strong, adaptive leaders who can guide through uncertainty.
6. **Employee Engagement:** Maintains high levels of engagement and morale amidst volatility.
7. **Well-being:** Prioritizes employee well-being to mitigate stress and ensure productivity.
8. **Innovation:** Encourages innovation and creative problem-solving to navigate complexities.
9. **Risk Management:** Anticipates and mitigates HR-related risks proactively.
10. **Strategic Alignment:** Aligns HR strategies with organizational goals to ensure sustained performance despite external challenges.

SECTION 1.6.3: Importance of strategic management in VUCA world

In a VUCA (Volatile, Uncertain, Complex, and Ambiguous) world, strategic management is vital for organizational success. Here's a brief overview in ten lines:

1. **Adaptability:** Enables organizations to swiftly adjust strategies in response to rapid changes.
2. **Proactive Planning:** Anticipates potential disruptions and prepares for various scenarios.
3. **Resource Allocation:** Ensures optimal use of resources to achieve strategic goals amidst uncertainty.

4. **Resilience:** Builds organizational resilience to withstand and recover from shocks.
5. **Vision Alignment:** Keeps the organization focused on long-term objectives despite short-term volatility.
6. **Innovation:** Promotes continuous innovation to stay competitive in complex environments.
7. **Decision-Making:** Enhances decision-making with data-driven insights and strategic foresight.
8. **Risk Management:** Identifies and mitigates risks effectively, reducing potential impacts.
9. **Stakeholder Confidence:** Maintains stakeholder confidence through clear and strategic direction.
10. **Competitive Advantage:** Secures a competitive edge by proactively navigating challenges and leveraging opportunities.

SECTION 1.6.4: Role of HRM in a competitive business environment

1. **Talent Acquisition:** Attracts and retains top talent to build a strong, capable workforce.
2. **Employee Development:** Provides ongoing training and career development to enhance skills and performance.
3. **Performance Management:** Implements effective performance management systems to align employee efforts with business goals.
4. **Employee Engagement:** Fosters a positive work environment to keep employees motivated and productive.
5. **Compensation and Benefits:** Offers competitive compensation and benefits to attract and retain high-quality employees.
6. **Strategic Alignment:** Aligns HR practices with the organization's strategic objectives to drive business success.
7. **Innovation:** Encourages a culture of innovation and continuous improvement.
8. **Diversity and Inclusion:** Promotes diversity and inclusion to leverage a wide range of perspectives and talents.
9. **Change Management:** Supports the organization through transitions and helps employees adapt to changes.

10. **Compliance:** Ensures compliance with labor laws and regulations to minimize legal risks and protect the organization.

1.7 Unit Summary

Human Resource Management was originally known as personnel or people management. HRM also includes employee assessment like performance appraisal, facilitating proper compensation and benefits, encouragement, maintaining proper relations with labour and with trade unions, and taking care of employee safety, welfare and health by complying with labour laws of the state or country concerned. Designing compensation and benefits programs that attract and retain employees, Strategic Personnel Management means setting up and controlling the people within a company to meet its long-term goals. This is not only about handling routine assignments but also planning for the future and ensuring that the right people are allocated to the right jobs. This means that SHRM must first understand the company's business goals and then create programs and policies that support those goals is covered in this chapter.

1.8 Glossary

HRM	HRM as- “planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are accomplished.
Strategic Alignment	HRM helps align the HR goals to the organization's overall strategic goals. HR professionals actively participate in strategic planning and decision-making by providing insights on workforce planning, talent acquisition and management, and organizational culture development
Personnel management	Personnel management refers to the process of effectively managing and overseeing the employees within an organization
HR Policies	HR policies are formal rules and guidelines that define how various HR

matters should be handled within an organization.

HR Procedures HR procedures are the step-by-step processes that outline how to implement HR policies

Systems Approach It enhances creativity, improves decision-making, and fosters a collaborative environment conducive to innovative problem-solving and idea generation

StrategicHRM Strategic HRM, or 'people strategy', is about creating a coherent framework for employees to be hired, managed and developed to support an organisation's long-term goals

1.9 Self Assessment Questions

MCQ

1. Which of the following is NOT an objective of Human Resource Management (HRM)?

- a) Enhancing employee morale and job satisfaction
- b) Maximizing shareholder wealth
- c) Ensuring legal compliance and minimizing risks
- d) Promoting employee wellness programs

2. The scope of Human Resource Management (HRM) includes:

- a) Financial planning and budgeting
- b) Procurement and supply chain management
- c) Recruitment and selection of employees
- d) Product design and development

3. Which aspect is NOT typically covered under the scope of HRM?

- a) Employee training and development
- b) Compensation and benefits administration
- c) Marketing and sales strategies
- d) Performance management and appraisal

4. One of the objectives of HRM is to:

- a) Increase shareholder dividends
- b) Decrease employee engagement
- c) Enhance organizational performance
- d) Minimize customer satisfaction

5. The scope of HRM extends to:

- a) Managing technological infrastructure
- b) Environmental sustainability initiatives
- c) Legal compliance and labor relations
- d) Financial forecasting and investment decisions

6. Which of the following qualities is essential for an effective HR manager?

- a) Technical expertise in marketing
- b) Strong analytical skills
- c) Proficiency in software development
- d) Knowledge of financial derivatives

7. An HR manager should possess excellent _____ to effectively manage interpersonal

relationships.

- a) Negotiation skills
- b) Marketing skills
- c) Programming skills
- d) Design skills

8. HR policies and procedures primarily aim to:

- a) Maximize shareholder wealth
- b) Ensure compliance with legal requirements
- c) Increase customer satisfaction
- d) Enhance product development

9. Which area does HR policies typically NOT cover?

- a) Recruitment and selection
- b) Workplace safety
- c) Marketing strategies
- d) Employee performance management

10. Personnel management focused primarily on administrative tasks and:

- a) Strategic planning
- b) Innovation initiatives
- c) Product development
- d) Financial forecasting

11. Which type of personnel management emphasizes employee welfare and relations?

- a) Scientific management
- b) Human relations approach
- c) Total quality management

d) Operations management

12. Strategic Human Resource Management (SHRM) aligns HR practices with:

- a) Marketing objectives
- b) Sales targets
- c) Organizational goals
- d) Technological advancements

13. SHRM helps in achieving competitive advantage by:

- a) Maximizing short-term profits
- b) Fostering a positive work culture
- c) Reducing workforce diversity
- d) Minimizing employee training

14. HRM contributes to competitive advantage by:

- a) Decreasing employee engagement
- b) Ignoring workforce diversity
- c) Enhancing employee skills and motivation
- d) Avoiding performance management

15. Competitive advantage through HRM is NOT achieved by:

- a) Attracting and retaining top talent
- b) Implementing effective performance management
- c) Reducing compensation and benefits
- d) Promoting a culture of innovation

16. In a VUCA world, HR plays a critical role in promoting:

- a) Stability and rigidity
- b) Change and adaptability
- c) Predictability and routine
- d) Bureaucracy and hierarchy

17. HR's focus in a VUCA world includes:

- a) Avoiding innovation and risk-taking
- b) Managing predictable outcomes
- c) Handling complexity and ambiguity
- d) Sticking to traditional HR practices

18. HRM involves which of the following processes?

- a) Product design and development
- b) Financial forecasting
- c) Talent acquisition and retention
- d) Supply chain management

19. A key objective of HRM is to:

- a) Maximize shareholder wealth
- b) Minimize employee satisfaction
- c) Reduce customer loyalty
- d) Enhance organizational performance

20. HR policies and procedures primarily aim to:

- a) Maximize shareholder wealth
- b) Ensure compliance with legal requirements
- c) Increase customer satisfaction
- d) Enhance product development

21. Which area does HR policies typically NOT cover?

- a) Recruitment and selection
- b) Workplace safety
- c) Marketing strategies
- d) Employee performance management

22. Personnel management focused primarily on administrative tasks and:

- a) Strategic planning
- b) Innovation initiatives
- c) Product development
- d) Financial forecasting

23. Which type of personnel management emphasizes employee welfare and relations?

- a) Scientific management
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24. Strategic Human Resource Management (SHRM) aligns HR practices with:

- a) Marketing objectives
- b) Sales targets
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- d) Technological advancements

25. SHRM helps in achieving competitive advantage by:

- a) Maximizing short-term profits
- b) Fostering a positive work culture
- c) Reducing workforce diversity
- d) Minimizing employee training

Short Answers:

1. Define the objectives of HRM.
2. Describe the scope of HRM.
3. Enumerate the qualities of HR Manager.
4. Discuss the approaches of personnel management.

Essay Type Answers:

5. Describe the steps in implementing HR policies and procedures
6. Explain the types of personnel management
7. Enumerate the role of HR in the VUCA world.
8. Discuss the role of HRM in a competitive business environment.

Answers for Check your Progress

1. B) Maximizing shareholder wealth
2. C) Recruitment and selection of employees
3. C) Marketing and sales strategies
4. C) Enhance organizational performance
5. C) Legal compliance and labor relations
6. B) Strong analytical skills
7. A) Negotiation skills
8. B) Ensure compliance with legal requirements
9. C) Marketing strategies
10. A) Strategic planning
11. B) Human relations approach
12. C) Organizational goals
13. B) Fostering a positive work culture
14. C) Enhancing employee skills and motivation
15. C) Reducing compensation and benefits
16. B) Change and adaptability
17. C) Handling complexity and ambiguity
18. C) Talent acquisition and retention
19. D) Enhance organizational performance
20. B) Ensure compliance with legal requirements
21. C) Marketing strategies

- 22.A) Strategic planning
- 23.B) Human relations approach
- 24.C) Organizational goals
- 25.B) Fostering a positive work culture

1.10 Activities



Activities

1. Develop and implement agile HR policies and strategies to enhance organizational resilience, adaptability, and employee well-being amidst VUCA challenges

1.11 Open Source E-Content Links

Sl.n	Topic	E-Content Link	QR Code
1	Introduction to HRM	https://www.youtube.com/watch?v=qWv570bxjd <u>U</u>	
2	Role & responsibilities of HR manager	https://www.youtube.com/watch?v=3sQBqEjLLg <u>M</u>	
3	Qualities of HR Manager	https://www.youtube.com/watch?v=AHMSNngm <u>wYk</u>	
4	HR policies & procedures	https://www.youtube.com/watch?v=qVStOBLJl4 <u>g</u>	
5	Personnel Management & HRM	https://www.youtube.com/watch?v=TA_yxiO- <u>Q_8</u>	
6	Strategic HRM	https://www.youtube.com/watch?v=EY-0FBhF8n0	
7	VUCA World	https://www.youtube.com/watch?v=RJszaeamS <u>Gw</u>	

1.12 Suggested Readings / References

1. Human Resource Management: Text and Cases, 10th Edition Paperback – 2023, K Aswathappa (Author), Sadhna Dash
2. https://www.opentextbooks.org.hk/system/files/export/32/32088/pdf/Human_Resource_Management_32088.pdf
3. Human Resource Management Paperback – 2019, S. S. Khanka (Author)
4. <https://in.indeed.com/career-advice/career-development/hr-manager-roles>
5. <https://www.whatishumanresource.com/scope-of-Human-Resource-Management>
6. <https://www.geeksforgeeks.org/personnel-management-meaning-types-elements-and-functions/#approaches-of-personnel-management>
7. <https://www.keka.com/human-resource-planning>
8. <https://www.economicdiscussion.net/human-resource-management/placement/placement/32361>
9. https://keydifferences.com/difference-between-personnel-management-and-human-resource-management.html#google_vignette

CONTENTS OF UNIT II

Human Resource Planning- Job Evaluation - methods- Job analysis-Job description, Job specification. Recruitment – Selection – Process, Methods – Interview, Tests, Induction and Placement.

Self-Learning Material Development – STAGE 1

UNIT 2 – HR planning & Recruitment, Selection

Unit - II Objectives

6. To understand the scope of human resource planning
7. To know the job evaluation techniques
8. Trace the methods of job analysis and job description
9. To understand the elements and components of job specification
10. To know about the methods of recruitment, selection & induction opportunities

STAGE – 2 – Modules Sections and Sub-sections structuring

Section	HR Planning	Illustrations	Page No
Section 1.1	HR Planning		
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1.1.2	Importance of HR Planning		
1.1.3	Process of HR Planning		
	Summary		
Section 1.2	Job Evaluation		
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1.2.2	Characteristics of Job Evaluation		
1.2.3	Objectives of Job Evaluation		

1.2.4	Significance of Job Evaluation		
1.2.5	Methods of Job Evaluation		
	Summary		
Section 1.3	Job Analysis		
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1.3.2	Methods of Job Analysis		
1.3.3	Techniques of Job Analysis		
1.3.4	Factors to be considered in collection of job analysis data		
1.3.5	Importance of Job Analysis		
	Summary		
1.4	Job description		
1.4.1	Meaning		
1.4.2	Importance of Job Description		
1.4.3	Steps to write a job description		
1.4.4	Components of Job Description		
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1.5	Job specification		
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1.5.2	Elements of Job specification		
1.5.3	Advantages of Job specification		
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1.9.3	Types of Induction		
1.9.4	Benefits of Induction		
1.9.5	Meaning of placement		
1.9.6	Process of placement		
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1.12	Self- Assessment Questions		
1.13	Activities / Exercises / Case Studies		
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1.14	Open-Source E-Content Links		
1.15	Suggested Readings/ References		

SECTION 1.1: HR Planning

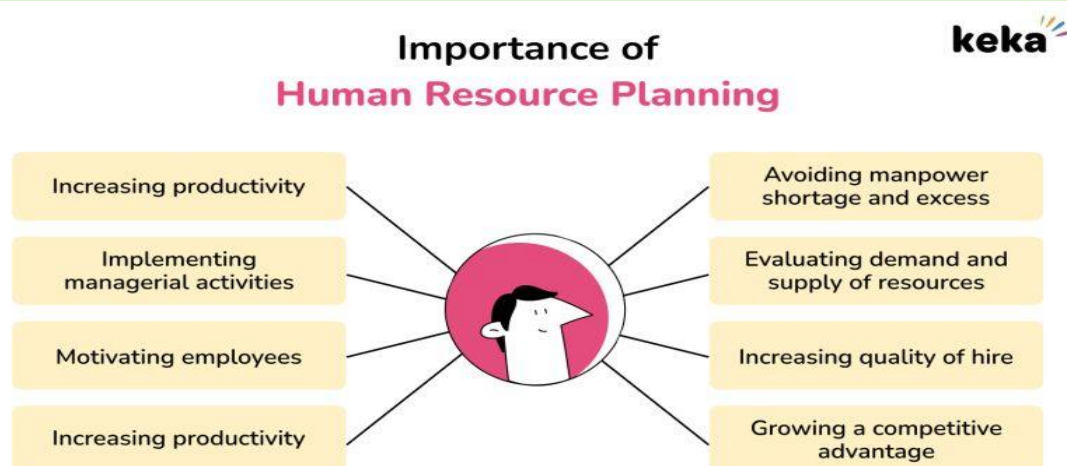
Human resource planning (HRP) is the continuous process of systematic planning to achieve optimum use of an organization's most valuable asset—quality employees. Human resources planning ensures the best fit between employees and jobs while avoiding manpower shortages or surpluses.

1.1.1 Meaning of HRM

HRP or HR Planning, is the process of carefully and scientifically preparing a strategy to ensure the right people are available at the right time, in the right place, and at the right cost for the organization.

Employees are the best resources of a company. Hence, HRP is all about finding the ideal employees and making sure they're in the right job, that benefits both the individual and the organization.

1.1.2 Importance of HR Planning



✚ **Increasing productivity:** In HR planning, maximizing productivity is crucial. Efficient use of resources and minimizing waste, achieved through staffing activities like training, performance appraisal, and fair compensation, leads to higher productivity.

HR planning ensures employees are skilled, motivated, and properly rewarded, enhancing overall efficiency and productivity in the organization.

✚ **Implementing managerial activities:** The success of managerial tasks like planning, organizing, directing, and controlling relies heavily on having the right

people (human resources) in place. Human resources play a crucial role in making sure these managerial activities work effectively.

So, HRP, which is about having the right staff in the right positions, is essential for all managerial functions to succeed. In simpler terms, having the right people is vital for any business to run smoothly.

✚ **Motivating employees:** HR Planning goes beyond just placing the right people in the right roles. It also involves motivating employees through programs like incentives. These incentives are crucial because they encourage active participation and help in retaining employees within the organization.

So, within the scope of HR planning, designing effective incentive plans becomes extremely important. It ensures not only hiring suitable individuals but also keeping them engaged and motivated to contribute their best to the organization.

✚ **Improving employee relations:** Strong human relations are vital for a company's stability. This strength is achieved through effective control, clear communication, and strong leadership. Human resources planning plays a key role in this.

By focusing on training and developing the workforce, HR Planning ensures that employees are skilled and cooperative. This in turn fosters better human relations within the organization. Essentially, HR planning helps create a positive work environment where employees understand their roles, communicate well, and cooperate effectively.

✚ **Coping with change:** Human resource planning is important for organizations to cope with changes in the external environment. It enables the development and implementation of strategies to enhance employee and organizational performance.

✚ **Evaluating demand and supply of resources:** Human resource planning ensures there is the right number of employees (demand) to meet the company's needs without overstaffing or understaffing. It's like finding the perfect balance, ensuring there are enough people to get the job done efficiently without unnecessary costs or gaps.

✚ **Increasing quality of hire:** Human resource planning impacts the quality of applicants an organization attracts. Companies practicing HR planning know

what qualities they need in applicants, making their hiring decisions more precise and effective. This results in attracting candidates who are better suited for the organization's needs.

✚ **Growing a competitive advantage:** Organizations that invest in human resource planning can identify and nurture the best talents. By having the right people with the right skills in the right places, a company gains a competitive edge.

They can adapt to changes faster, innovate more effectively, and deliver superior products or services. In essence, human resource planning helps companies stay ahead of the competition by ensuring they have the right team to tackle challenges and seize opportunities.

1.1.3 Process of HR Planning

Human Resource Planning Process



Step 1: Analysing the Environment

Analysing the environment marks the starting point of Human Resource Planning (HRP). It involves scrutinizing both external and internal factors to identify potential issues, threats, and opportunities shaping the organization's strategic planning.

External environment:

- Competitors
- Legal environment

Internal environment:

- Strategy
- Technology factors

Step 2: Predicting Labour Demands

Predicting labour demands is essential to avoid labour shortages that often impede business expansion. Various methods are employed to forecast how business needs will influence HR requirements. Here are two basic method categories:

- **Qualitative Methods:** Qualitative techniques like the Delphi and nominal group techniques involve expert collaboration to create forecast statements and assumptions. These methods, although time-consuming, allow for in-depth discussions and idea sharing among experts.
- **Quantitative Methods:** Quantitative techniques, such as trend analysis, rely on historical data to project future workforce needs. Crucial steps in trend analysis include selecting appropriate business factors, plotting historical records, computing productivity ratios, determining trends, and making necessary adjustments for future projections.

Step 3: Assessing Labour Supply

Labour supply assessment focuses on both internal (existing workforce) and external (potential recruits) resources. These resources are crucial to determine the supply required in the present and the future.

Internal and external labor supply can be explained as:

- **Internal Supply:** Internal labor supply refers to the available individuals and jobs within the organization. Human Resource Information System (HRIS) data projects future trends based on current patterns.
- **External Supply:** External supply encompasses individuals in the broader labor force who are potential recruits. The relevant labor market varies based on job skills. For highly skilled positions, it might be a national or global market, whereas for unskilled jobs, it typically is the local community.

Step 4: Bridging Gaps

Gap analysis merges labor demand and supply forecasts. This critical process identifies potential skill shortages or surpluses. By aligning environmental forecasts with supply and demand projections, HR planners evaluate the organization's readiness to pursue different business scenarios in alignment with its objectives.

Step 5: Implementation Planning

Following the analysis, implementation planning outlines the necessary steps to put the chosen solution into action. This phase ensures that decisions made in the above steps are translated into actionable plans, setting the sequence of events in motion.

Step 6: Oversight and Evaluation

Oversight and evaluation involve monitoring the effectiveness of human resource plans over time. Any deviations from the plans are identified, and corrective actions are taken as needed. Feedback from various outcomes is utilized to measure the extent to which human resource objectives have been achieved.

Let's Sum Up

Dear Learners, in this first section, we have seen the meaning and process of HR planning. As we have seen, Companies practicing HR planning knows what qualities they need in applicants, making their hiring decisions more precise and effective.

SECTION 1.2: Job Evaluation

Dear Learners, we had the basic understanding about the meaning and importance of HR planning in the first section. In this section, let's have the understanding about the characteristic, significance and methods of Job evaluation.

1.2.1 Meaning of Job Evaluation

Job Evaluation is a systematic process of determining the worth of one job in relation to another job in the organization. During job evaluation, the relative worth of various jobs is assessed so that wages can be paid depending upon the worth of the job. To improve the performance and maintain the high level of efficiency in work, employee should be compensated with wages and salaries depending upon the job he is performing.

1.2.2 Characteristics of Job Evaluation

1. It is a method with a systematic approach.
2. It is an analysis of the work involved in its starting point.
3. It is an attempt to determine the requirements of the work involved for any incumbent.
4. It is a process by which jobs in an organisation are appraised.
5. It is a process of analysing and describing positions, grouping them, and determining their relative value by comparing the duties of different positions in terms of their different responsibilities and other requirements.
6. It is a system to deal exclusively with assessment of the job and not concerned with employees assigned to the job.
7. It is designed only to establish wage differentials and is not concerned with the absolute wage level.

1.2.3 Objectives of Job Evaluation

- ✓ To secure and maintain complete, accurate and impersonal descriptions of each distinct job or occupation in the entire plant.
- ✓ To provide a standard procedure for determining the relative worth or value of each job in a plant.
- ✓ To determine a rate of pay for each job which is fair and equitable with relation to other jobs in the plant, community and industry.
- ✓ To ensure that like wages are paid to all qualified employees on like work.
- ✓ To promote fair and accurate consideration of all employees for advancement and transfer.
- ✓ To provide a factual basis for the consideration of wage rates for similar jobs both within the community and within the industry.
- ✓ To provide information for the work organisation, employee's selection and training and numerous other important purposes

1.2.4 Significance of Job Evaluation

Job evaluation is a valuable tool that helps in achieving wage rate consistency as well as developing good industrial relations.

The significance of job evaluation can be determined through the following points:

- i. Taking account of all the factors that are useful in determining wages and salaries
- ii. Maintaining harmony between the union and the management
- iii. Standardizing the wage determination process
- iv. Compensating the employees as per the requirements of the job to avoid biasness and promote equality in payment of wages
- v. Minimizing the cost of recruitment

1.2.5 Methods of Job Evaluation

1. Ranking Method

In the Ranking Method, jobs are ranked based on their relative relevance to other jobs in an organization. To make the ranking easier, the jobs are compared against a benchmark job or are compared based on their contribution towards the actualization of organizational objectives.

→ Advantages

- The Ranking Method is relatively simple.
- This method is endorsed by worker unions.
- It is feasible for startups.
- It is relatively easier to deploy.

→ Disadvantages

- The ranks are subjective based on the job evaluation committee.
- Jobs are relatively ranked, which may be inaccurate.
- There is no option to understand the relative gap between job ranks in the ranking method.

2. Grading Method

In the Job Grading Method, each job is classified based on the job's 'grade'. A job's 'grade' is established based on their description and the jobs classified under similar grades are the ones which require similar skills to undertake and have similar responsibilities.

To achieve this objective, the different characteristics of each job are matched with the description of the job class and the matching ones are placed in the same class.

→ Advantages

- It is a relatively easy method to create and implement.
- Compensation structure creation becomes easy with this method.
- The data collated for this method can also be used for job analytics.

→ Disadvantages

- Personal biases may result in inaccurate classifications.
- Dissimilar jobs can be classified under the same class.
- Grade inflation can make the method ineffective.

3. Point Allocation Method

In the Point Allocation Method, jobs are divided into factors and each factor is awarded with points. The sum of the points of each factor becomes the relative worth of the job for the company. Comparing these points for a specific job with the points of other jobs makes it easier to rank them and evaluate the jobs easily.

→ Advantages

- This method is useful for designating points to a job.
- It established tangible relations between jobs.
- It helps understand the relative relevance of jobs to organizational goals.

→ Disadvantages

- It is comparatively time-consuming.
- The listing of factors could potentially omit certain aspects of jobs.

4. Factor Comparison Method

The Factor Comparison Method is similar to the Point Allocation Method with the main difference being that instead of assigning arbitrary points, a monetary value is assigned to each factor.

As a result, this method becomes highly complex, which has resulted in reduced usage. Similarly, due to the subjective nature of the factors' creation, it is unfair to provide monetary value to the factors and the jobs, making the factor comparison method somewhat tedious.

→ Advantages

- This job evaluation method provides a systematic analysis of the jobs since monetary values are involved.
- Reduced chances of overlapping factors due to limited factors.

→ Disadvantages

- The method is also costly and time-consuming.
- It becomes hard to continue with the monetary values since the wage rates keep on changing.
- This method only considers limited factors for making comparisons.

5. Market Analysis Method

The Market Analysis Method analyzes the jobs based on the job's worth in the external market. It evaluates the jobs based on job ads, thereby evaluating the financial worth of the positions. Since this method considers the remuneration offered by competitors, it becomes easier to determine its relative worth.

→ Advantages

- This job evaluation method provides an overall estimation of the organizational values with the market trends.
- It helps the company understand where they stand relative to the market in terms of the job under scrutiny.

→ Disadvantages

- Since the wages of the jobs are compared with the market, it may not reflect its actual value.

Let's Sum Up

Dear Learners, in this second section, we have made an attempt to have understanding the significance of job evaluation as it has the relative worth of various jobs that is assessed so that wages can be paid depending upon the worth of the job.

SECTION 1.3: Job Analysis

SECTION 1.3.1: Meaning

Job analysis is a process that systematically recognizes and determines the requirements, responsibilities, and nature of a position at a company. This involves deconstructing the job into smaller pieces, gathering information on each piece, then studying the data to establish the competencies and skills that each role demands.

Job analysis impacts various critical functions of Human Resources, so as an HR professional, you should use it to gather reliable and accurate data.

A successful job analysis should examine the following key components to reveal the critical details and facts about a particular job:

- **Environment:** the nature of the work environment, like odors, temperatures, and hostile individuals.
- **Duties and tasks:** the frequency, type, and difficulty of doing the specific tasks and duties.
- **Tools and equipment:** whatever equipment and tools are needed to do the job to the required standard.
- **Requirements:** the skills, knowledge, and capabilities that are needed to do the job to the required standard.
- **Relationships:** connections with external and internal individuals.

SECTION 1.3.2: Methods of Job Analysis

Methods of job analysis in HRM play a pivotal role in crafting effective job descriptions and specifications. Here are some of the widely used job analysis techniques:

- **Interview Method:** Interview current employees and managers to gather information about job responsibilities and requirements.
- **Questionnaire Method:** Employees are provided with questionnaires that solicit detailed responses about their jobs and tasks.
- **Observation Method:** HR professionals or job analysts directly observe employees performing their jobs to understand job requirements.
- **Critical Incident Technique:** This method involves identifying job behaviours that result in success or failure in specific job tasks.

- **Work Diary/Log Method:** Employees record their daily activities, providing insights into the job's nature and responsibilities.
- **Functional Job Analysis (FJA):** Focuses on analysing tasks, duties, and responsibilities by evaluating the significance, sequence, and relationships of job tasks.

SECTION 1.3.3: Techniques of Job Analysis

There are many techniques of job analysis that help to collect data quickly and effectively.

- **Conversation** – usually hold with employees. All collected data have to be verified with the manager or team leader. The most important matters are: the level of independence, typical problems, level of difficulty, qualification needed, skills needed. **Advantages:** flexibility, simplicity. **Disadvantages:** time consuming, laborious analysis of information.
- **Questionnaires** – filled by the employees, verified by the manager or team leader. Here crucial is the wording of the questionnaire, that needs to contain simple, transparent, understandable questions. **Advantages:** useful for analysis of many job positions, save much time. **Disadvantages:** questionnaire preparation is time consuming, the accuracy of the results depends on the questionnaire quality and interpretative skill of respondents.
- **Checklist** – in this method the specific type of the questionnaire is used. The questionnaire is heavily structured and contains only such questions that require a respondent to mark either “yes” or “no”. The respondents can only check or rate the feature of the job. Checklist can be based on the long list of questions-tasks the employees have to mark only those, which are related to their job. **Advantages:** simplicity, good for many different job positions. **Disadvantages:** checklist preparation is time consuming, not suitable for small groups of participants
- **Observation** – require constant presence during work, when the full information about the job is being gathered: duration of tasks, methods, procedures – all this can be monitored during observation. **Advantages:** useful for key positions,

objectivity. **Disadvantages:** very time consuming, not suitable for all positions that involve mental activities that are not observable.

- **Self-description** – written description of the job position and all tasks made by the employee. **Advantages:** no preparation stage, extensive comparative material. **Disadvantages:** difficulties during writing of the description, subjectivity, need to provide a training or provide guidelines before the task.
- **Diaries and reports** – kept on a daily basis, describing typical day, hour by hour. Such diaries may be prepared after each working day. Diaries are particularly useful for managerial positions. **Advantages:** no preparation stage, extensive comparative material. **Disadvantages:** difficulties during writing of the description, subjectivity, need to provide a training or provide guidelines before the task.
- **Hierarchical analysis of tasks** – divides duties into hierarchical sets of tasks and sub-tasks. This method shows all the tasks in a clear and transparent way, describes standards of operation and working conditions. It is being used usually for blue-collar positions. **Advantages:** detailed analysis of goals with clear path of achieving them. **Disadvantages:** time consuming, requires high competencies of the analyst.

SECTION 1.3.4: Factors to be considered in collection of job analysis data

When collecting **Job analysis in HRM** data, several factors should be taken into consideration:

1. **Job Context:** The environment and conditions in which the job is performed. This includes physical surroundings, work schedules, and organizational culture.
2. **Job Relationships:** The interactions and relationships with other job positions. This includes collaboration, reporting relationships, and communication channels.
3. **Job Requirements:** The skills, qualifications, and competencies needed to perform the job effectively. This includes educational background, certifications, and specialized knowledge.

SECTION 1.3.5: Importance of Job Analysis

Job analysis is important for several reasons:

- 1. Recruitment and Selection:** Job analysis helps in identifying the key requirements, duties, and responsibilities of a job. This information is crucial for developing accurate job descriptions and job specifications, which are used in recruitment and selection processes. By understanding the skills, qualifications, and competencies needed for a particular job, HR professionals can effectively attract and select candidates who possess the desired attributes.
- 2. Performance Management:** Job analysis provides a foundation for performance management by defining performance standards and expectations. By analyzing the tasks, behaviours, and outcomes associated with a job, HR professionals can set clear performance objectives, establish performance appraisal criteria, and provide feedback to employees. This helps in evaluating and improving individual and team performance.
- 3. Training and Development:** Job analysis helps in identifying the knowledge, skills, and abilities required to perform a job effectively. This information is valuable for designing and delivering training programs that address specific job-related needs. By understanding the tasks and competencies involved in a job, HR professionals can ensure that training initiatives are aligned with organizational goals and enhance employee skills and performance.
- 4. Compensation and Benefits:** Job analysis is essential for establishing equitable and fair compensation and benefits systems. By analyzing job duties, responsibilities, and requirements, HR professionals can determine the relative worth of different jobs within an organization. This information forms the basis for developing job evaluation systems, job grading structures, and pay scales, which ensure that employees are compensated appropriately based on their job responsibilities and contributions.
- 5. Workforce Planning and Organizational Design:** Job analysis helps in understanding the structure and design of an organization. By examining the tasks and relationships within different jobs, HR professionals can identify duplication of efforts, gaps in responsibilities, and opportunities for redesigning job roles. This information is useful for workforce planning, organizational restructuring, and ensuring efficient use of human resources.

6. Compliance and Legal Requirements: Job analysis plays a crucial role in ensuring compliance with various legal and regulatory requirements. By documenting job requirements, qualifications, and essential functions, organizations can demonstrate adherence to equal employment opportunity laws, disability accommodations, and health and safety regulations. Job analysis also provides a factual basis for justifying job-related decisions and defending against legal challenges.

Let's Sum Up

Dear Learners, in this third section, we have made an attempt to have an understanding on the importance and methods of job analysis as it involves deconstructing the job into smaller pieces, gathering information on each piece, then studying the data to establish the competencies and skills that each role demands.

1.4 Job description

SECTION 1.4.1: Meaning

A job description includes an overview, role summary, catalog of responsibilities, and the qualifications and experience required for a particular role. It also defines the soft skills and business skills required for success in the role. Job descriptions should be fine-tuned and reviewed with stakeholders, such as senior management, to gain consensus on the requirements of a specific position to support a company's work, behavioural and business requirements.

SECTION 1.4.2: Importance of Job Description

- ✓ Job description is the most important thing which a candidate gets about a job listing.
- ✓ It gives all the relevant and necessary details about a job. The details which can help one decide whether the job is relevant or not.
- ✓ Qualifications, roles, responsibilities etc are included in the job description document which paints a clear picture of what is expected from the particular role.
- ✓ It gives an opportunity for a candidate to prepare well for a job interview. It also helps companies identify all skills required by a right candidate.

SECTION 1.4.3: Steps to write a job description

Companies have to make sure that they write an accurate & comprehensive job description giving all job-related details. The main steps to write a job description are:

1. Job Title

The first step is to write the job title decided internally for official purposes.

2. Role Summary

The second step is to write the summary about the job role.

3. Duties

The next step involves writing down all the job responsibilities as well as the job duties which are required with this particular job.

4. Qualifications

The fourth step is to give the basic education qualifications, work experience or other criteria required for this job role.

5. Role Expectations

This step defines what is required by an employee to be successful.

6. Reporting

The sixth step is to highlight who the reporting manager would be and who would be the subordinates.

7. Verification

The final step is to get the job description verified by the HR team for any changes, updates or validations.

SECTION 1.4.3: Components of job description



A Job description will include the following components:

- Roles and responsibilities of the job.
- Goals of the organization as well the goals to be achieved as a part of the profile are mentioned in the job description.
- Qualifications in terms of education and work experience required have to be clearly mentioned.
- Skill sets like leadership, team management, time management, communication management etc required to fulfill the job
- Salary range of the job are mentioned in the job description

Let's Sum Up

Dear Learners, in this fourth section, we have made an attempt to have an understanding on the job description as it is used in the recruitment process to inform the applicants of the job profile and requirements, and used at the performance management process to evaluate the employee's performance against the description.

1.5 Job specification

SECTION 1.5.1: Meaning of Job specification

A job specification defines the knowledge, skills and abilities that are required to perform a job in an organization. Job specification covers aspects like education, work-experience, managerial experience etc. which can help accomplish the goals related to the job. Job specification helps in the recruitment & selection process, evaluating the performance of employees and in their appraisal & promotion. Job specification, along with job description, is actually derived from job analysis. Collectively, job specification and job description help in giving a overview of the job in terms of its title, position, roles, responsibilities, education, experience, workplace etc.

SECTION 1.5.2: Elements of Job specification

Required experience: This job specification is where an employer might include the required experience in an exact role or relevant experience in similar roles. Entry-level positions, for example, might specify they don't require any experience, but a director job might want seven years of experience in managerial roles.

Required education: A job specification can indicate the level of education required to qualify. Education requirements may include general accomplishments like a high school diploma, associate or bachelor's degree, several years completed towards a degree or one in a specific area of study. You might include this to ensure the employee has the proper context and knowledge to perform their job duties successfully.

Required certification or credentials: In addition to education, some positions require certification or licensure. This might align with responsibilities in the job description because a company might have you get certain credentials before you

perform some tasks. For example, a mechanic job description might list working on heavy machinery or trucks as a responsibility, or it could require a candidate to have a certification to provide the services in the job specification. Credential requirements also could vary based on location to account for local laws. For example, substitute teachers could require state-level certification to qualify for a job even if they earned a bachelor's degree and a state certification elsewhere.

Required skills: Hiring managers, employees and human resources professionals may work together to establish the skills they want candidates to have. Skills can be what people might need to complete their job tasks, and they can center on how the candidate may fit on a team or reflect a company's culture. Skills included in a job specification can also vary based on job level. For example, entry-level jobs might have fewer required skills because hiring managers may expect new employees can develop them while working.

Personality traits: While skills can be technical or job-specific relating to how a person does their job, personality traits are qualities that reflect a candidate's character. For example, professionalism is a trait that describes a person who understands workplace etiquette and is helpful and respectful to their coworkers. You might need this trait for a job in a formal office setting. Matching every trait might not be a requirement, but they can explain what characteristics may make it easier to perform well.

Demands: Jobs might specify if there are physical demands. For example, if a warehouse job description says you will carry packages from one location to another, the job specification might want you to be able to lift boxes up to 50 pounds. In this case, the specification identifies how much weight the candidate might need to carry to ensure they can fulfill the requirement. Similarly, an office job might require long hours at a computer, and the specification can identify this to ensure the candidate's vision allows them to perform their duties.

SECTION 1.5.3: Advantages of Job specification

There are several benefits of having a comprehensive job specification. Some advantages are listed below:

- ✓ Job specification highlights all the specific details required to perform the job at its best

- ✓ It gives the HR managers a threshold and a framework on the basis on which they can identify the best prospects
- ✓ Helps in screening of resumes and saves time when there are multiple applications by choosing those who are closest to the job specification
- ✓ HR managers can use job specification as a benchmark to evaluate employees and give them required trainings
- ✓ It also helps companies during performance appraisal and promotions

SECTION 1.5.4: Components of Job specification

There are many parameters which are considered while giving the job specification for a certain profile.

1. Educational Qualification

This parameter gives an insight on how qualified a certain individual is. It covers their basic school education, graduation, master's degree, other certifications etc.

2. Experience

Job specification clearly highlights the experience required in a particular domain for completing a specific job. It includes work experience which can be from a specific industry, position, duration or in a particular domain. Managerial experience in handling and managing a team can also be a job specification criterion required for a particular position

3. Skills & Knowledge

This is an important parameter in job specification especially with knowledge and skill based profiles. The higher the position in a company, the more niche the skills become and more is the knowledge required to perform the job. Skills like leadership, communication management, time management, team management etc. are mentioned.

4. Personality traits and characteristics

The way in which a person behaves in a particular situation, handles complex problems, generic behaviour etc. are all covered in the characteristics of a job description. It also covers the emotional intelligence of a person i.e how strong or weak a person is emotionally

Let's Sum Up

Dear Learners, in this fifth section, we have made an attempt to have an understanding on job specification and its importance which helps in giving an overview of the job in terms of its title, position, roles, responsibilities, education, experience, workplace etc

1.6 Recruitment

SECTION 1.6.1: Meaning of Recruitment

Recruitment refers to the process of identifying, attracting, interviewing, selecting, hiring and onboarding employees. In other words, it involves everything from the identification of a staffing need to filling it.

Depending on the size of an organization, recruitment is the responsibility of a range of workers.

SECTION 1.6.2: Process of recruitment

The recruitment process in human resource management (HRM) involves several stages designed to attract, screen, and select qualified candidates for job openings within an organization. Here is a brief overview of the key steps involved:

1. Identifying the Need

- **Description:** Recognizing the need to fill a vacancy due to turnover, expansion, or other reasons.
- **Process:** HR collaborates with department managers to define the role and responsibilities of the vacant position.

2. Job Analysis

- **Description:** Analyzing the job to understand its requirements.
- **Process:** Involves identifying the skills, qualifications, and experience needed. This results in a detailed job description and job specification.

3. Sourcing Candidates

- **Description:** Finding potential candidates to fill the position.
- **Process:**
 - **Internal Recruitment:** Promoting or transferring existing employees.
 - **External Recruitment:** Using job boards, company websites, recruitment agencies, social media, and employee referrals.

4. Screening Applications

- **Description:** Reviewing applications to shortlist candidates.
- **Process:** HR screens resumes and cover letters to ensure candidates meet the basic job requirements. Automated software or Applicant Tracking Systems (ATS) may be used.

5. Initial Interview

- **Description:** Conducting preliminary interviews to further narrow down the candidate pool.
- **Process:**
 - **Phone/Video Interviews:** Initial discussions to assess candidates' qualifications, experience, and cultural fit.
 - **Shortlisting:** Selecting candidates for in-depth interviews.

6. In-Depth Interview

- **Description:** Conducting detailed interviews to assess suitability.
- **Process:**
 - **Panel Interviews:** Multiple interviewers from different departments.
 - **Behavioral Interviews:** Questions about past experiences and behaviors.
 - **Technical Interviews:** Assessing specific job-related skills.

7. Assessment and Testing

- **Description:** Evaluating candidates through various tests.
- **Process:**
 - **Psychometric Tests:** Assess cognitive abilities and personality traits.
 - **Skill Tests:** Evaluate specific job-related skills.
 - **Assessment Centers:** Simulated work tasks and activities.

8. Background Checks

- **Description:** Verifying the candidate's information.
- **Process:** Conducting reference checks, criminal background checks, and verifying educational qualifications and previous employment.

9. Final Interview

- **Description:** Final round of interviews, often with higher management.
- **Process:** Focuses on overall fit, salary negotiations, and final suitability.

10. Job Offer

- **Description:** Extending a formal offer to the selected candidate.
- **Process:**
 - **Offer Letter:** Includes job title, salary, benefits, and terms of employment.
 - **Negotiation:** Discussing any changes or conditions the candidate may have.

11. Onboarding

- **Description:** Integrating the new hire into the organization.
- **Process:**
 - **Orientation:** Introducing company policies, culture, and team.
 - **Training:** Providing necessary job training and resources.

SECTION 1.6.3: Types of recruitment

Internal Recruitment:

- ✓ **Description:** Filling job vacancies with existing employees. This can involve promotions, transfers, or reassignments.
- ✓ **Advantages:** Enhances employee morale, encourages career development, and ensures familiarity with organizational culture.
- ✓ **Disadvantages:** Limits fresh perspectives, may lead to internal conflicts.

External Recruitment:

- ✓ **Description:** Attracting candidates from outside the organization to fill job openings.
- ✓ **Advantages:** Brings in new skills and perspectives, broadens the talent pool.
- ✓ **Disadvantages:** May lead to longer integration periods, potential cultural differences.

Online Recruitment:

- ✓ **Description:** Using online platforms, job boards, and social media to advertise job openings and attract candidates.
- ✓ **Advantages:** Wider reach, cost-effective, faster response time.
- ✓ **Disadvantages:** Potential information overload, difficulty in evaluating candidates.

Campus Recruitment:

- ✓ **Description:** Recruiting candidates directly from educational institutions, typically universities and colleges.

- ✓ Advantages: Access to fresh talent, opportunity for early engagement.
- ✓ Disadvantages: Limited to specific demographics, may lack work experience

Let's Sum Up

Dear Learners, in this sixth section, we have made an attempt to have an understanding on recruitment process and various types of recruitment as it involves the process of effectively and efficiently sourcing, screening, selecting, and appointing the best-suited candidate to the right role.

1.7 Selection

SECTION 1.7.1: Meaning of Selection

The selection process refers to selecting the right candidate with the required qualifications and capabilities to fill the vacancy in the organization. The selection process is quite a lengthy one and also complex. It involves a series of steps before the final selection. The procedure of selecting the employees may vary from industry to industry according to their own needs. Every organization designs their selection process while keeping in mind the urgency of hiring the people and the requisites for the vacancy of the job.

SECTION 1.7.2: Process of Selection

- 1. Application** – After the job opening has been announced, the candidates apply for the respective jobs which suit them.
- 2. Screening and Pre-selection** – The goal of this second phase is to reduce the number of candidates from a large group to a manageable group of between 3-10 people that can be interviewed in person. The selection is based on their selection technique and according to the company's needs.
- 3. Interview** – The interview gives insight into a person's verbal accuracy and how sociable they are. This also provides the opportunity to ask the candidate job-related queries.
- 4. Assessment**-The full assessment usually is more accurate as this helps the organization to check the candidate well. Assessments include work sample tests, integrity tests, and related job knowledge tests.

5. **Reference And Background Check-** An essential step is the reference check, which is to confirm about the candidate. The candidates are asked to give references and he follows up on these.
6. **Decision-** The next step is to decide to choose the correct candidate who promises the greatest future potentiality for the organization.
7. **Job Offer and Contract –** After the decision-making process, the candidate needs to accept the offer which is known as the contract.

SECTION 1.7.3: Methods of Selection

Interviews:

- ✓ Description: Face-to-face or virtual meetings where candidates are assessed based on their responses to questions.
- ✓ Advantages: Allows direct interaction, assesses communication skills.
- ✓ Disadvantages: Subjective, may not reveal job-specific skills.

Written Tests:

- ✓ Description: Evaluating candidates through written assessments, such as aptitude tests, technical exams, or essay writing.
- ✓ Advantages: Objective evaluation of skills, applicable to various roles.
- ✓ Disadvantages: Limited in assessing practical skills and on-the-job performance.

Assessment Centers:

- ✓ Description: In-depth evaluation through simulations, group activities, and role-playing exercises.
- ✓ Advantages: Comprehensive assessment measures interpersonal skills.
- ✓ Disadvantages: Resource-intensive, may induce stress.

Reference Checks:

- ✓ Description: Verifying a candidate's qualifications, work history, and character through contacts provided by the candidate.
- ✓ Advantages: Confirms information provided by the candidate, gauges professionalism.
- ✓ Disadvantages: Limited to available references, potential bias.

Psychometric Tests:

- ✓ Description: Assessing personality traits, cognitive abilities, and emotional intelligence through standardized tests.

- ✓ Advantages: Objective insights into candidate attributes.
- ✓ Disadvantages: Interpretation challenges, cultural biases.

Let's Sum Up

Dear Learners, in this seventh section, we have made an attempt to have an understanding on selection methods and procedure of selection process as it varies from industry to industry according to their own needs on employee selection.

1.8 Interview & Test

SECTION 1.8.1: Meaning of Interview

The interview is the heart of the employment process. Interviewing is considered to be the most useful selection method. The interview is a conversation with a purpose. According to Juices Michael, "An interview is a face to face, oral observational and personal appraisal method." Its aim is to provide the candidate with information about the job and the company and also to give the candidate a favourable impression of the company.

SECTION 1.8.2: Types of Interviews

1. Structured Interview

- **Description:** Interviewers ask a predetermined set of questions.
- **Advantages:** Ensures consistency and fairness; easy to compare candidates.
- **Disadvantages:** Can feel rigid and less personal.

2. Unstructured Interview

- **Description:** Interviewers ask open-ended questions based on the candidate's responses.
- **Advantages:** Allows for a natural conversation; can uncover more about the candidate's personality.
- **Disadvantages:** Less consistent; can be biased and difficult to compare candidates.

3. Behavioral Interview

- **Description:** Focuses on past behavior and experiences as indicators of future performance.

- **Advantages:** Provides insight into how candidates have handled situations in the past.
- **Disadvantages:** Candidates may prepare rehearsed answers; doesn't always predict future behavior.

4. Situational Interview

- **Description:** Candidates are presented with hypothetical situations and asked how they would handle them.
- **Advantages:** Assesses problem-solving and decision-making skills.
- **Disadvantages:** Hypothetical responses may not reflect actual behavior.

5. Panel Interview

- **Description:** Multiple interviewers question a single candidate.
- **Advantages:** Reduces individual interviewer bias; provides diverse perspectives.
- **Disadvantages:** Can be intimidating for candidates; coordination can be challenging.

6. Group Interview

- **Description:** Multiple candidates are interviewed simultaneously.
- **Advantages:** Efficient for evaluating many candidates; observes interpersonal skills.
- **Disadvantages:** Less depth in individual assessment; can be competitive.

7. Telephone/Video Interview

- **Description:** Conducted over the phone or via video conferencing tools.
- **Advantages:** Convenient; saves time and travel costs.
- **Disadvantages:** Lack of non-verbal cues; potential technical issues.

8. Case Interview

- **Description:** Candidates are asked to solve a business problem or case study.
- **Advantages:** Evaluates analytical and problem-solving abilities.
- **Disadvantages:** Can be stressful for candidates; requires specific preparation.

9. Stress Interview

- **Description:** Intentionally creates a stressful environment to see how candidates handle pressure.
- **Advantages:** Tests candidates' ability to work under stress.

- **Disadvantages:** Can be perceived as hostile; may not reflect typical job conditions.

10. Competency-Based Interview

- **Description:** Focuses on specific competencies related to the job.
- **Advantages:** Directly assesses relevant skills and abilities.
- **Disadvantages:** Can be narrow in focus; may miss broader qualities.

11. Sequential Interview

- **Description:** Candidates are interviewed by multiple interviewers one after another.
- **Advantages:** Multiple perspectives; thorough assessment.
- **Disadvantages:** Time-consuming; can be repetitive for candidates.

12. Technical Interview

- **Description:** Focuses on assessing job-specific technical skills and knowledge.
- **Advantages:** Directly evaluates relevant expertise.
- **Disadvantages:** May overlook soft skills and cultural fit.

13. Informal Interview

- **Description:** Conducted in a casual setting, such as over coffee or lunch.
- **Advantages:** Can put candidates at ease; reveals personality and cultural fit.
- **Disadvantages:** Can lack structure; potential for bias.

SECTION 1.8.3: Types of selection test

1. Aptitude Tests

- **Description:** Measure a candidate's ability to learn or perform specific tasks.
- **Types:** Numerical, verbal, abstract, and spatial reasoning tests.
- **Advantages:** Predicts potential for future performance.
- **Disadvantages:** May not assess actual job performance.

2. Skill Tests

- **Description:** Assess specific job-related skills.
- **Types:** Typing tests, coding tests, language proficiency tests.
- **Advantages:** Directly relevant to job tasks.
- **Disadvantages:** Limited to specific skills; may not assess overall job fit.

3. Personality Tests

- **Description:** Evaluate candidates' personality traits and characteristics.

- **Types:** Myers-Briggs Type Indicator (MBTI), Big Five Personality Traits.
- **Advantages:** Helps determine cultural fit and work style.
- **Disadvantages:** Can be perceived as intrusive; may not predict job performance.

4. Cognitive Ability Tests

- **Description:** Measure general mental capability, including reasoning, memory, and problem-solving skills.
- **Types:** IQ tests, general mental ability tests.
- **Advantages:** Strong predictor of job performance.
- **Disadvantages:** May disadvantage candidates with test anxiety.

5. Work Sample Tests

- **Description:** Require candidates to perform tasks or work activities that mirror the job.
- **Types:** Writing samples, technical exercises, role-playing.
- **Advantages:** High relevance to job; good predictor of actual performance.
- **Disadvantages:** Time-consuming and costly to administer.

6. Situational Judgment Tests (SJTs)

- **Description:** Present hypothetical job scenarios and ask candidates to choose the best response.
- **Advantages:** Assesses practical decision-making and problem-solving skills.
- **Disadvantages:** Scenarios may not cover all aspects of the job.

7. Integrity Tests

- **Description:** Measure honesty, reliability, and ethical behavior.
- **Types:** Overt integrity tests (direct questions about integrity) and personality-based integrity tests.
- **Advantages:** Helps identify candidates who may engage in counterproductive work behavior.
- **Disadvantages:** Can be perceived as intrusive; risk of faking responses.

8. Emotional Intelligence (EI) Tests

- **Description:** Assess the ability to perceive, understand, and manage emotions.
- **Types:** Self-report questionnaires, ability-based tests.
- **Advantages:** Relevant for jobs requiring interpersonal interaction.
- **Disadvantages:** Subjective and difficult to measure accurately.

9. Physical Ability Tests

- **Description:** Measure physical strength, stamina, and dexterity.
- **Types:** Manual lifting, endurance tests, coordination tasks.
- **Advantages:** Essential for physically demanding jobs.
- **Disadvantages:** May discriminate against candidates with disabilities.

10. Assessment Centers

- **Description:** Involve multiple evaluation techniques, including group exercises, presentations, and in-basket exercises.
- **Advantages:** Comprehensive evaluation; multiple assessors reduce bias.
- **Disadvantages:** Expensive and time-consuming to administer.

11. Psychometric Tests

- **Description:** Measure mental capabilities and behavioral style.
- **Types:** Cognitive tests, personality tests, aptitude tests.
- **Advantages:** Standardized and objective.
- **Disadvantages:** May not capture all aspects of job performance.

Let's Sum Up

Dear Learners, in this eighth section, we have made an attempt to have an understanding on interview types and selection tests as it develops conversation with purpose and depending on the objectives of interview.

1.9 Induction & Placement

SECTION 1.9.1: Meaning of Induction

Induction, in the context of Human Resource Planning (HRP), refers to the process of orienting and integrating new employees into the organization. It is a crucial element in the employee onboarding process that occurs after the selection and placement stages. The primary purpose of induction is to familiarize new hires with the company culture, policies, procedures, and their specific job roles. During induction, employees are provided with essential information about the organization's mission, values, and expectations. This process aims to accelerate the integration of new employees, making them feel welcome and helping them understand their responsibilities.

Induction programs often include introductions to key team members, tours of the workplace, and overviews of various departments. They may also cover topics such as company policies, benefits, and safety procedures. The goal is to equip new employees with the knowledge and resources they need to become productive members of the organization. An effective induction process contributes to higher job satisfaction, faster adaptation to the work environment, and a smoother transition into the company culture. It is a critical component of human resource management that supports the successful integration of new talent into the existing workforce.

SECTION 1.9.2: Objectives of Induction

- ✓ To welcome the new employee, relieve his anxieties and make him feel at home.
- ✓ To develop a rapport between the company and the new employee and make him feel part of the organisation as quickly as possible.
- ✓ To inspire the new employee with a good attitude toward the company and his job.
- ✓ To acquaint new employees with company goals, history, management, traditions, policies, department, divisions, products and physical layouts.
- ✓ To communicate to new employee what is expected of them, their responsibilities and how they should handle themselves.
- ✓ To present the basic information the employee wants to know – rules and regulations, benefits, payday, procedures, and general practices.
- ✓ To encourage the new employee to have an inquiring mind, show him how to learn and assist him toward a discipline effort in developing additional knowledge.
- ✓ To provide basic skills, turns and ideas of the business world and help the new employee in human relations.

SECTION 1.9.3: Types of Induction

1. General Induction

- **Description:** Provides a broad overview of the organization.
- **Components:** Company history, mission, vision, values, organizational structure, key policies, and procedures.
- **Advantages:** Ensures all new employees have a consistent understanding of the organization.

- **Disadvantages:** May be too broad to address specific job-related needs.

2. Role-Specific Induction

- **Description:** Focuses on the specific requirements and responsibilities of the new hire's position.
- **Components:** Job description, performance expectations, tools and systems used, key responsibilities.
- **Advantages:** Helps new hires quickly understand their job duties.
- **Disadvantages:** May neglect broader organizational context.

3. Departmental Induction

- **Description:** Introduces new employees to their specific department and team.
- **Components:** Department goals, team structure, key projects, departmental processes.
- **Advantages:** Facilitates integration within the team and understanding of department-specific operations.
- **Disadvantages:** Can vary in quality depending on the department.

4. Formal Orientation Program

- **Description:** A structured program covering both general and specific induction elements over a set period.
- **Components:** Presentations, tours, training sessions, meetings with key personnel, company policies.
- **Advantages:** Comprehensive and structured; ensures thorough onboarding.
- **Disadvantages:** Time-consuming and resource-intensive to organize.

5. Buddy or Mentorship Program

- **Description:** Pairs new employees with experienced colleagues who guide them through the induction process.
- **Components:** Regular check-ins, informal guidance, support, answering questions.
- **Advantages:** Provides personalized support and helps new hires integrate quickly.
- **Disadvantages:** Success depends on the mentor's commitment and compatibility with the new hire.

6. E-Induction

- **Description:** Uses online platforms to deliver induction content and training.

- **Components:** E-learning modules, virtual tours, webinars, online documentation, interactive videos.
- **Advantages:** Flexible, accessible anytime, and cost-effective for large organizations.
- **Disadvantages:** Lacks personal touch and may lead to information overload.

7. Induction Training Programs

- **Description:** Specific training sessions designed to equip new employees with the skills needed for their roles.
- **Components:** Technical training, soft skills development, compliance training.
- **Advantages:** Ensures employees are job-ready and competent.
- **Disadvantages:** Can be costly and time-consuming to develop and deliver.

8. Corporate Socialization Programs

- **Description:** Activities aimed at integrating new employees into the organizational culture and social network.
- **Components:** Team-building activities, social events, cultural orientation, informal gatherings.
- **Advantages:** Enhances cultural fit and employee engagement.
- **Disadvantages:** Requires significant planning and resources.

9. Pre-boarding

- **Description:** Activities and communications that occur before the new employee's first day.
- **Components:** Welcome emails, introductory materials, administrative paperwork, access to online resources.
- **Advantages:** Prepares new hires and reduces first-day anxiety.
- **Disadvantages:** Requires coordination and timely communication.

10. Virtual Induction

- **Description:** A specific type of e-induction tailored for remote employees.
- **Components:** Virtual meetings, online training, digital resources, remote onboarding tools.
- **Advantages:** Facilitates the onboarding of remote workers.
- **Disadvantages:** May lack personal interaction and face-to-face engagement.

SECTION 1.9.4: Benefits of Induction

1. **Reduces employee turnover** – when an employee is given the right tools and information necessary to do their job and knows that the team is supportive and that there is a welcoming and understanding company culture, they are more likely to stay than leave. This reduces employee turnover.
2. **Ensures operational efficiency** – by implementing an induction plan for new employees, you set them up for success. From the beginning, they will know exactly what their tasks are and what performance goals need to be reached, enhancing operational efficiency and productivity.
3. **Make the new employee feel respected** – this training program enhances how employees think about their business and know they are valued because of the time taken to help them transition into their new role.
4. **Optimise transactional tasks** – when employees can effectively use the technology systems and software that the company uses, they can optimise their time and improve their overall productivity.
5. **Develop a workplace culture of inclusiveness** – when an employee feels included in a work environment, they are more likely to enjoy their work, which enhances overall efficiency and decreases their want to leave.
6. **Open communication lines** – an induction training program creates open lines of communication between the employer and employee from the start. The employee can be sure that they can go and talk to their managers, etc., and feel comfortable doing so because of the induction process.

SECTION 1.9.5: Meaning of placement

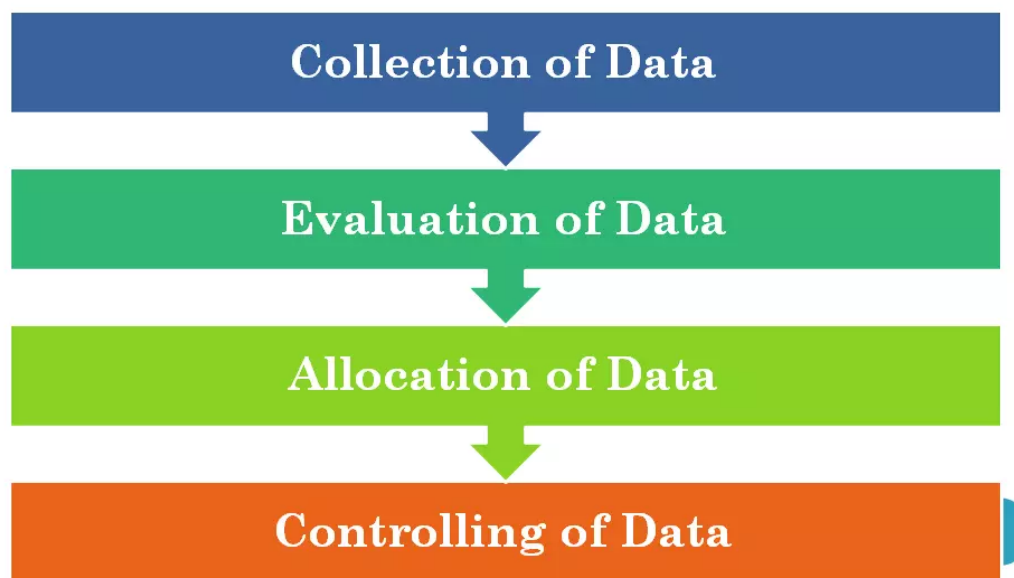
Placement refers to the process of connecting the selected person and the employer in order to establish an ongoing employment relationship.

In this step the employee is given the activities he/she needs to perform and is told about his/her duties. Placement is usually followed by the orientation process.

In the words of **Pigors and Myers**, “Placement is the determination of the job to which an accepted candidate is to be assigned and his assignment to that job. It is a matching of what the supervisor has reason to think he can do with the job demands. It is a matching of what he imposes in strain, working conditions and what he offers in the form of pay roll, companionship with others, promotional possibilities etc.”

SECTION 1.9.6: Process of placement

PROCESS OF PLACEMENT

**Step 1: Collection of Data**

The very first step in the process of employee placement is gathering employee data to identify the skills, qualifications, and abilities of the existing workforce.

Step 2: Evaluation

After data gathering of employees is completed, the next step comes into the picture which is evaluating employee competencies to define what kind of job every employee fits best.

Step 3: Allocation/Placing

This step deals with the activity of allocating employees to relevant and best-finding Jobs.

Step 4: Control

The last step in employee placement is controlling. In this step monitoring and measuring the performance of employees at their workplaces is done.

In most companies, the process of employee placement is typically managed and documented under an employee placement policy. This policy defines standards and requirements for employee qualifications and job assignments. It provides the

management with a set of guidelines to follow when choosing and assigning employees to the right positions and roles in the company.

SECTION 1.9.7: Importance of placement

- ✓ If the employees are properly placed, they will enjoy their work and organisation will not have to suffer the problem of employee turnover.
- ✓ If employees don't like their work, they start making excuses from the job and remain absent. Effective placement will keep the absenteeism rate low.
- ✓ Morale of workers increases because they get the work of their choice, if correctly placed.
- ✓ Workers will work attentively and safety of workers will be ensured and lesser accidents will happen.
- ✓ Workers will be satisfied with their jobs and there will be no reasons for disputes, so human relations will improve.
- ✓ Through proper placement, misfit between the job and person can be avoided.
- ✓ Efficient and effective performance of individual tasks will ensure the achievement of organisational goals.
- ✓ Productivity i.e., ratio of output to input increases as wastage and abnormal losses decrease.

SECTION 1.9.8: Principles of placement

The following principles are required to be observed while making placement of an employee:

- I. **Job requirement** – Man should be placed on the job according to the requirement of the job rather than qualification and requirement of the man.
- II. **Qualification** – The job offered should match with the qualification possessed by an employee.
- III. **Information** – All the information relating to the job should be given to the employees along with the prevailing working conditions. They should also be made known that they have to pay penalty for wrong doing.
- IV. **Loyalty and Co-operation** – Every effort should be made to develop a sense of loyalty and co-operation in employees to make them understand their responsibilities

1.10 Unit Summary

Human resource planning (HRP) is the continuous process of systematic planning to achieve optimum use of an organization's most valuable asset—quality employees. It is also about having the right staff in the right positions, is essential for all managerial functions to succeed. Implementation planning outlines the necessary steps to put the chosen solution into action. During job evaluation, the relative worth of various jobs is assessed so that wages can be paid depending upon the worth of the job. Ranking Method, jobs are ranked based on their relative relevance to other jobs in an organization. The sum of the points of each factor becomes the relative worth of the job for the company. The Market Analysis Method analyzes the jobs based on the job's worth in the external market. Job analysis impacts various critical functions of Human Resources, so as an HR professional, you should use it to gather reliable and accurate data. Job descriptions should be fine-tuned and reviewed with stakeholders, such as senior management, to gain consensus on the requirements of a specific position to support a company's work, behavioural and business requirements. Job specification helps in the recruitment & selection process, evaluating the performance of employees and in their appraisal & promotion. Depending on the size of an organization, recruitment is the responsibility of a range of workers. Every organization designs their selection process while keeping in mind the urgency of hiring the people and the requisites for the vacancy of the job. Various interview process and selection tests is covered in this chapter.

1.11 Glossary

HR Planning HRM as- “planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are accomplished.

Grading Method In the Job Grading Method, each job is classified based on the job's 'grade'

Questionnaire Employees are provided with questionnaires that solicit detailed

- Method** responses about their jobs and tasks
- Recruitment** Recruitment refers to the process of identifying, attracting, interviewing, selecting, hiring and onboarding employees. In other words, it involves everything from the identification of a staffing need to filling it.
- Selection** Selection is the process of assessing candidates' qualities, expertise and experience to narrow down the pool of applicants until you're left with the best person for the role.
- Induction** Induction, in the context of Human Resource Planning (HRP), refers to the process of orienting and integrating new employees into the organization
- Placement** Placement in hrm is the process of placing the right person at the right job. The objective of placement in hrm is to position the selected candidates in the jobs for which they are most suited. After an employee has been hired, he must be placed in the right job.

1.12 Self-Assessment Questions

MCQ

1. Which of the following is the first step in the HR planning process?

- a) Recruitment and selection
- b) Job analysis
- c) Forecasting demand for labor
- d) Assessing current HR capacity

2. What is the primary goal of HR forecasting in the HR planning process?

- a) To design job descriptions
- b) To predict future HR needs and availability
- c) To conduct employee training programs
- d) To manage employee relations

3. Which HR planning activity involves identifying the skills, knowledge, and abilities that

will be required in the future?

- a) Gap analysis
- b) Performance appraisal
- c) Compensation planning
- d) Onboarding

4. In HR planning, what is meant by 'succession planning'?

- a) Hiring external candidates for leadership positions
- b) Identifying and developing internal candidates for future leadership roles
- c) Terminating underperforming employees
- d) Outsourcing non-core business functions

5. Which of the following is a key benefit of effective HR planning?

- a) Increased employee turnover
- b) Improved organizational flexibility
- c) Reduced need for training
- d) Decreased employee engagement

6. Which method of job evaluation involves ranking jobs in order of their value to the organization?

- a) Point method
- b) Job ranking
- c) Factor comparison
- d) Job grading

7. The point method of job evaluation primarily assesses jobs based on which of the following?

- a) Job title
- b) Employee performance
- c) Specific compensable factors
- d) Length of service

8. What is the primary purpose of job analysis?

- a) To hire the right candidate
- b) To determine job compensation
- c) To gather detailed information about job duties and requirements
- d) To improve employee relations

9. Which of the following is NOT a common method of collecting job analysis data?

- a) Questionnaires
- b) Observations
- c) Psychological tests

d) Interviews

10. A job description typically includes all of the following EXCEPT:

- a) Job title
- b) Duties and responsibilities
- c) Employee's personal details
- d) Reporting relationships

11. Why is a job description important?

- a) It defines the compensation package.
- b) It outlines the performance review process.
- c) It provides a clear outline of job expectations and duties.
- d) It lists potential career paths.

12. A job specification primarily outlines which of the following?

- a) Job duties
- b) Salary and benefits
- c) Organizational goals
- d) Required qualifications and skills

13. Job specifications are important for which HR function?

- a) Compensation planning
- b) Employee training
- c) Recruitment and selection
- d) Employee relations

**14. Which type of recruitment involves filling job vacancies with current employees
From within the organization?**

- a) External recruitment
- b) Campus recruitment
- c) Internal recruitment
- d) Outsourcing

15. What is one advantage of external recruitment?

- a) It is less time-consuming.
- b) It brings fresh perspectives and new ideas to the organization.
- c) It is always cheaper than internal recruitment.
- d) It guarantees employee loyalty.

16. What is typically the first step in the selection process?

- a) Conducting interviews
- b) Background checks

c) Reviewing resumes and applications

d) Job offers

17. Which step in the selection process involves verifying the candidate's qualifications and experiences?

a) Job analysis

b) Reference checks

c) Medical examination

d) Orientation

18. Which type of interview involves asking each candidate the same set of Predetermined questions?

a) Structured interview

b) Unstructured interview

c) Stress interview

d) Panel interview

19. Which type of interview is designed to assess how a candidate performs under pressure?

a) Group interview

b) Behavioral interview

c) Stress interview

d) Phone interview

20. Which type of induction program focuses on providing an overview of the organization's history, culture, and policies?

a) Role-specific induction

b) General induction

c) Departmental induction

d) E-induction

21. Which induction method uses online platforms to deliver induction content and training?

a) General induction

b) Role-specific induction

c) Buddy program

d) E-induction

22. What is the primary goal of the placement process?

a) To promote employees

- b) To assign the right person to the right job
- c) To conduct job analysis
- d) To design job descriptions

23. Which principle of placement ensures that an employee's skills match the job requirements?

- a) Job rotation
- b) Job enrichment
- c) Job fit
- d) Job enlargement

24. Which of the following is a benefit of an effective induction program?

- a) Increased employee turnover
- b) Longer training periods
- c) Faster employee integration
- d) Higher recruitment costs

25. Which type of job analysis method involves observing and recording actual Job performance?

- a) Questionnaire
- b) Interview
- c) Diary/log
- d) Observation

Short Answers:

- 9. Define the objectives of HRM.
- 10. Describe the scope of HRM.
- 11. Enumerate the qualities of HR Manager.
- 12. Discuss the approaches of personnel management.

Essay Type Answers:

- 13. Describe the steps in implementing HR policies and procedures
- 14. Explain the types of personnel management
- 15. Enumerate the role of HR in the VUCA world.
- 16. Discuss the role of HRM in a competitive business environment.

Answers for Check your Progress

- 26. D) Assessing current HR capacity
- 27. B) To predict future HR needs and availability
- 28. A) Gap analysis

- 29.B) Identifying and developing internal candidates for future leadership roles
- 30.B) Improved organizational flexibility
- 31.B) Job ranking
- 32.C) Specific compensable factors
- 33.C) To gather detailed information about job duties and requirements
- 34.C) Psychological tests
- 35.C) Employee's personal details
- 36.C) It provides a clear outline of job expectations and duties.
- 37.D) Required qualifications and skills
- 38.C) Recruitment and selection
- 39.C) Internal recruitment
- 40.B) It brings fresh perspectives and new ideas to the organization
- 41.C) Reviewing resumes and applications
- 42.B) Reference checks
- 43.A) Structured interview
- 44.C) Stress interview
- 45.B) General induction
- 46.D) E-induction
- 47.B) To assign the right person to the right job
- 48.C) Job fit
- 49.C) Faster employee integration
- 50.D) Observation










1.13 Activities



Activities

- 2. Select any two IT companies and highlight its recruitment process
- 3. Conduct mock interview focusing each type

1.14 Open Source E-Content Links

Sl.n	Topic	E-Content Link	QR Code
1	HR Planning	https://www.youtube.com/watch?v=ZRhapDbu5ZU	
2	Job Evaluation	https://www.youtube.com/watch?v=hckc6r1qjl8	
3	Job Analysis	https://www.youtube.com/watch?v=373A3_iA4-c	
4	Job description	https://www.youtube.com/watch?v=eFD885WFnG4	
5	Job specification	https://www.youtube.com/watch?v=sOcA7beTc6s	
6	Recruitment	https://www.youtube.com/watch?v=-J5rHICDkto	
7	Selection	https://www.youtube.com/watch?v=l3l_0je_-Yl	
8	Interview & Test	https://www.youtube.com/watch?v=izT6o9UaqGU	
9	Induction & Placement	https://www.youtube.com/watch?v=83tdfS3TVWg	

1.15 Suggested Readings / References

- Human Resource Management: Text and Cases, 10th Edition Paperback – 2023, K Aswathappa (Author), Sadhna Dash
- https://www.opentextbooks.org.hk/system/files/export/32/32088/pdf/Human_Resource_Management_32088.pdf
- Human Resource Management Paperback – 2019, S. S. Khanka (Author)
- <https://honable.com/placement-in-hrm/#:~:text=Placement%20in%20hrm%20is%20the,placed%20in%20the%20right%20job.>
- <https://easyroster.net/blog/the-6-benefits-of-induction-for-new-employees/>
- <https://www.smartrecruiters.com/resources/glossary/recruitment/>

CONTENTS OF UNIT III

Training and Development, Training Process, Methods, Training Need Assessment, Career Development. Transfer and Promotion. Performance Management –Meaning- Process - Performance appraisal methods- Performance Monitoring and review.

16. https://www.economicdiscussion.net/human-resource-development/interview-in-hrm/interview-in-hrm/31987#google_vignette

Self-Learning Material Development – STAGE 1

UNIT 3 – Training and Development & Performance Management:

Unit - III Objectives

11. To understand the scope of training and development
12. To know about the methods of training programme
13. Trace the significance of career development
14. To understand the elements and components of performance management
15. To know about the methods of performance appraisal

STAGE – 2 – Modules Sections and Sub-sections structuring

Section	Topic	Illustrations	Page No
Section 1.1	Training and Development		
1.1.1	Meaning of training and development		
1.1.2	Definition of training and development		
1.1.3	Importance of training and development		
1.1.4	Process of training and development		
Section 1.2	Types of Training methods		
1.2.1	Meaning		

1.2.2	On-the-Job training		
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Section 1.3	Training Need Assessment		
1.3.1	Meaning		
1.3.2	Importance of training need analysis		
1.3.3	How to conduct training need analysis		
	Summary		
Section 1.4	Career Development		
1.4.1	Meaning		
1.4.2	Benefits of career development		
1.4.3	Process of career development		
1.4.4	Methods of career development		
	Summary		
1.5	Transfer and Promotion		
1.5.1	Meaning		
1.5.2	Objectives of promotion and transfer		
1.5.3	Difference between promotion and transfer		
	Summary		
1.6	Performance Management		
1.6.1	Meaning of Performance Management		
1.6.2	How to Improve the Performance Management		

	Process		
1.6.3	Steps in Performance Management		
	Summary		
1.7	Performance appraisal, Monitoring and review		
1.7.1	Meaning of performance appraisal		
1.7.2	Types of Performance Appraisals		
1.7.3	Methods of Performance Appraisals		
1.7.4	Meaning of performance monitoring		
1.7.5	Characteristics of Performance Monitoring		
1.7.6	Process of Performance Monitoring		
1.7.7	Meaning of Performance Review		
1.7.8	Types of Performance Reviews		
1.8	Unit-Summary		
1.9	Glossary		
1.10	Self- Assessment Questions		
1.11	Activities / Exercises / Case Studies		
	Module 1		
1.12	Open-Source E-Content Links		
1.13	Suggested Readings/ References		

SECTION 1.1: Training & Development

Training and Development in Human Resource Management is the process of acquiring knowledge, skills, and attitude that helps improve employees' job performance and enables future career growth.

1.1.1 Meaning of Training and Development

Training refers to acquiring specific knowledge and skills for a particular job or task. It is usually a short-term activity concerned with improving an employee's current job performance. It includes formal training courses, on-the-job training, or coaching sessions.

Development is concerned with the long-term growth of an individual's career. It usually covers acquiring knowledge that goes beyond the requirements of their current job to prepare the employees for their future job role or career advancement opportunities. Development activities include job shadowing, mentoring, attending conferences, or pursuing further education

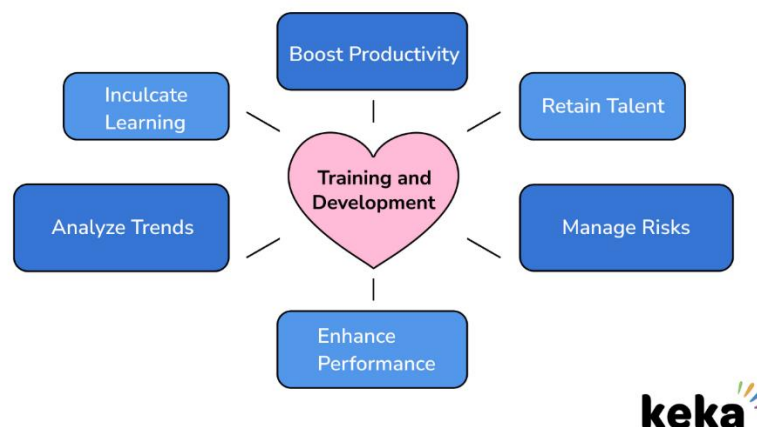
1.1.2 Definition of Training & Development

Kilatt, Murdick & Schuster "Training is a systematic way of altering behavior to prepare an employee for a job or to improve the employee's performance on the present job, and development is preparing an employee for improving the conceptual, decision-making, and interpersonal skills in complex, in structured situation"

Kirkpatrick "Training refers to the teaching of specific knowledge and skills required on the individual's present job. The term development refers to the growth of the individual and preparations for higher-level jobs".

Smith "Training is a planned process to modify attitude knowledge or skill behavior through learning experience to achieve effective performance in an activity or a range of activities"

1.1.3 Importance of Training & Development



1. Boost Performance and Productivity

When employees are trained and developed, they feel more confident in their abilities. As a result, they can be more productive in their roles. Acquainting employees with the necessary skills and knowledge help organizations improve employee performance, productivity, and job satisfaction. It also employees to remain engaged and motivated and positively impacts the organization's work environment.

2. Talent Management and Retention

In the recent competitive era, employees actively seek growth and development opportunities. So, organizations that invest in employee training and development programs find attracting and retaining top talent easier. Also, employees are more likely to be loyal and committed to the firm if their personal growth and development is prioritized. This leads to a lower turnover rate and a stable workforce.

3. Overcome Market Competition

It helps organizations stay current with the latest trends and best practices in the market. By investing in employees' training and development, companies can ensure retaining their competitive advantage in the future. This is essential in industries with rapid technological advancements and changing customer needs.

4. Effective Risk Management

Well-trained employees are less likely to make mistakes that might lead to costly errors or legal issues. For instance, compliance training can help organizations avoid legal actions by ensuring employees understand the regulations that apply to their daily work. Likewise, safety training helps organizations prevent workplace accidents that can lead to injuries or lawsuits.

5. Foster a Culture of Learning and Development

Investing in employee development shows that the organization values continuous learning. This creates a culture of learning and growth, where employees are encouraged to take risks, try new things, and seek out opportunities for development. A culture of learning and growth can lead to a more innovative and creative workforce, driving organizational success.

Investing in employees' training and development helps create a more engaged, productive, and innovative workforce that drives the company's success in today's competitive business environment.

1.1.4 Process of Training & Development

Training and development is a continuous process as the skills, knowledge and quality of work needs constant improvement. Since businesses are changing rapidly, it is critical that companies focus on training their employees after constantly monitoring them & developing their overall personality.

Steps for training and development processes are:

1. Determine the need of training and development for individuals or teams

First of all the need has to be seen for training and development. It has to align with the company's goals and objectives.

If a company is trying to start a new department or strengthen existing sales team in new products, then an appropriate training is needed.

2. Establish specific objectives & goals which need to be achieved

The goals and objectives of the training and development have to be established. Whether the goal is awareness about new products or even installation is required to be learnt.

3. Select the methods of training

Next, methods have to be defined. The training can be done as a :

1. Classroom Training
2. Online Self paced courses
3. Course with certification
4. Instructor led online training

4. Conduct and implement the programs for employees

After the plan and methods are finalized, the training and development programs have to be executed where courses, instructions are taught to the employees, partners or vendors.

5. Evaluate the output and performance post the training and development sessions

Training and Development is incomplete without proper monitoring. Monitoring can be done through evaluation of the instructor as well as attendees. Instructor evaluation can be done through feedback or ratings but attendees can be evaluated through internal or external certifications or scores.

6. Keep monitoring and evaluating the performances and again see if more training is required

Based on the evaluation results in the previous step, management needs to ascertain that if the training and development program was sufficient for now or more training and enablement would be required. Also, if future trainings are to be planned.

Let's Sum Up

Dear Learners, in this first section, we have seen the meaning and process of training and development. As we have seen, Training refers to the teaching of specific knowledge and skills required on the individual's present job. The term development refers to the growth of the individual and preparations for higher-level jobs.

SECTION 1.2: Types of Training methods

1.2.1 Meaning

Training methods refer to the various approaches and techniques employed to impart knowledge and skills to individuals in a structured learning environment. These methods can be broadly categorized into several types, including on-the-job training, where employees learn through practical experience within the workplace; off-the-job training, involving external programs and courses; hands-on training, emphasizing practical application of skills; virtual or e-learning, utilizing digital platforms for remote education; and mentorship, where experienced individuals guide and support the development of less-experienced individuals. The choice of training method depends on the learning objectives, the nature of the skills to be acquired, and the preferences and needs of the learners and the organization.

1.2.2 On-the-Job training

1) Job Rotations

Under the job rotation, employees are frequently juggled between different but associated jobs, with the idea of making them familiar with multiple job backgrounds.

This develops an out-of-the-box environment within the organization and keeps an energetic and unique air around the workforce. Instead of doing the same thing repeatedly, it helps create a rapport with different workers in the organization.

2) Mentoring

Mentoring is the process wherein a senior or more experienced person, i.e., the mentor, is assigned to act as a guide, advisor, counselor, etc., to the one that needs the training, i.e., the mentee.

A senior or a manager gives instructions to their immediate subordinate for them to carry out the needed function.

A one-on-one training method, where the senior guiding a person is viewed as a mentor to the subordinate and guides him in every needed situation.

3) Job Instruction

The trainer fabricates a structured training program in this process. The employee is provided with instructions on how to carry out the functions.

During the initial steps, an overview of the job alongside the expected outcomes is defined for the trainee. Throughout the process, the employees' capabilities needed for the tasks are tested by the trainer.

Along the way, the employees perform the job as per their acquired skills, and if need be, they can ask for feedback and reviews as well.

4) Committee Assignments

In committee assignments, trainees are required to find solutions for the actual organizational problems. All the trainees have to work together as one to find and offer a solution to the said problem.

This method also generates a sense of team spirit within the employees which eventually takes the whole organization towards its goals.

5) Internship Training

Internships are a form of on-the-job training wherein students or freshers are trained professionally to start or enhance their skills and expertise. The theoretical knowledge gained in classrooms is executed practically here.

Both theoretical and practical aspects are provided to the trainees in an internship environment.

6) Job Shadowing

As the term suggests, job shadowing is to become a literal shadow of a person doing the work. The trainee scrutinizes their trainer with clear focus and understands the work to be done by watching them. This helps a fresher in seeing what they are supposed to do.

Even experienced employees can practice the shadowing method as they can learn new techniques, train their soft skills, and view everything work related from a different perspective.

7) Self-instructional training

While rehearsing the self-instructional method, the person learns and enhances their skill through their own guidance with the assistance of a diverse range of resources.

It's a self-initiated system that trainees must take up independently. The edge that on hands training has over others is that a person learns and enhances their skills at their own pace, and no trainer is interfering.

8) Apprenticeship

In apprentice training, people requiring long-term learning are usually involved, from trainees in technical fields to trade and craft fields, who need quality training to become a professional.

The fields in apprentice training need respectable skills and knowledge. Thus, the long-term training process to polish every aspect.

Apprenticeship is a healthy fuse of on the job and classroom training and is carried out under professional supervision. The time frame can range anywhere from 1 to 4 years, as the learning process continues until the apprentices' become experts in their fields.

1.2.3 Benefits of On-the-Job training

- ✓ Accelerated way of training with authentic experience
- ✓ Swift and smooth adaptation to a new job
- ✓ Trainees learn to perform their tasks from the initial stage
- ✓ Retention of quality employees
- ✓ Assists in building a robust team spirit
- ✓ Modest and economical way of learning and enhancing skills
- ✓ Instantaneous elevation in productivity levels
- ✓ Cost-effective and fruitful for the organizations
- ✓ Enhanced progression of knowledge, skills, and expertise.
- ✓ Flexible and dynamic learning, etc.

1.2.4 Off-the-Job training & its benefits

1. Lectures



Lectures are effective **off-the-job training example** that provides employees with new concepts, theories, and ideas.

In this method, a trainer presents information to a large group of employees in a classroom or conference setting. Best professionals from institutes could give the lectures.

In lecture training, the trainer typically shares information using slides, handouts, or whiteboards, and the trainees listen and take notes.

Benefits of Lectures:

- Cost-effective.
- An efficient way to convey information to large groups.
- Provides a structured learning environment.

2. Conferences



Conferences are events that employees attend to learn and network with other professionals in their industry. In addition, conferences allow employees to learn new skills and knowledge in their field.

They also provide opportunities to network with other professionals. These events can range from seminars, workshops, conventions, and other gatherings that allow employees to learn about new developments and trends in their field.

Benefits of Conferences:

- Opportunity to learn from industry experts
- Chance to network with other professionals
- Exposure to new technologies and trends

3. Vestibule Training:



Vestibule training is an **off-the-job training method** where employees receive training in a simulated work environment replicating their workplace

This method provides employees with hands-on training without disrupting the workflow. Sometimes, employees will work with machinery and tools to understand their work.

Benefits of Vestibule Training:

- Provides hands-on training in a safe and controlled environment
- Minimizes disruption to workflow
- Offers opportunities to practice skills and knowledge

4. Audio-visual content



Audio-visual content is a popular **off-the-job training example** that provides employees with visual and auditory learning experiences.

This method effectively delivers training content and is particularly useful for employees who prefer learning through visual and auditory stimuli.

Benefits of Audio-Visual Content:

- Engaging and interactive training content.
- It allows employees to learn at their own pace.
- It can be used to deliver training content to a large group of employees.

5. Case Study



A case study comprehensively analyzes a particular situation or problem, usually in a real-world scenario. It allows employees to learn about complex problems and make plans based on the study of relevant data.

The primary goal of a case study is to provide a detailed examination of the problem, its causes, and potential solutions.

Benefits of Case Studies

- It enhances analytical and problem-solving skills.
- Improves decision-making.
- Encourages creativity.
- Provides opportunities for teamwork and collaboration.

6. Role-Playing



Role-playing is a popular **off-the-job training method** that involves simulating real-life situations in which employees can practice their skills and improve their performance.

It is particularly useful for developing communication, teamwork, leadership, and negotiation skills. In this method, employees are assigned specific roles and act out scenarios in which they must interact with each other to achieve a common goal.

Benefits of Role-playing

- It provides a safe environment to practice new skills.
- Encourages active participation and engagement.
- Improves interpersonal skills.
- Fosters teamwork and collaboration.

7. Computer Modelling



Computer modelling is a training method that uses software programs to simulate real-world situations and problems.

It is particularly useful for teaching technical skills like programming, engineering, and design. This method allows employees to work with virtual models and test their skills in a risk-free environment.

Benefits of Computer Modelling

- It allows all the employees to learn at their own pace.
- Provides immediate feedback.
- Encourages experimentation and innovation.
- It reduces the need for expensive equipment and materials, which can help organizations save time and money.

8. Business Games



Business games are simulation exercises that replicate the dynamics of the business world. They are designed to provide employees with an immersive learning experience in which they can apply their skills and knowledge to solve complex problems.

Business games can be played individually or in teams, covering various topics like finance, marketing, and operations.

Benefits of Business Games

- They provide a realistic and engaging learning experience.
- foster teamwork and collaboration.
- encourage creativity and innovation.

9. Management Education



Management education is a formal training program to provide employees with the skills and knowledge needed to become effective managers.

It covers several topics: leadership, communication, decision-making, and conflict resolution. Management education can be delivered through various methods, such as classroom instruction, online courses, and executive coaching.

Benefits of management education

- It provides employees with the knowledge and skills needed to become effective managers.
- Fosters critical thinking and problem-solving skills.
- Encourages innovation and creativity

Let's Sum Up

Dear Learners, in this second section, we have made an attempt to have understanding the methods of training methods and benefits as it is important in analysing trainees have to work together as one to find and offer a solution to the said problem.

SECTION 1.3: Training Need Assessment

SECTION 1.3.1: Meaning

The purpose of a training needs assessment is to identify performance requirements and the knowledge, skills, and abilities needed by an agency's workforce to achieve the requirements. An effective training needs assessment will help direct resources to areas of greatest demand. The assessment should address resources needed to fulfill organizational mission, improve productivity, and provide quality products and services. A needs assessment is the process of identifying the "gap" between performance required and current performance. When a difference exists, it explores the causes and reasons for the gap and methods for closing or eliminating the gap. A complete needs assessment also considers the consequences for ignoring the gaps.

SECTION 1.3.2: Importance of Training need assessment

- ✓ **Identifies Skill Gaps:** Helps in pinpointing the exact skills and knowledge employees lack, ensuring targeted training programs.
- ✓ **Optimizes Resources:** Prevents wastage of time and money on irrelevant training, focusing only on necessary areas.
- ✓ **Aligns with Organizational Goals:** Ensures training programs support the company's strategic objectives and improve overall performance.
- ✓ **Enhances Employee Performance:** Tailored training improves employees' job performance, increasing efficiency and productivity.
- ✓ **Boosts Employee Morale:** Demonstrates investment in employee development, leading to higher job satisfaction and retention rates.
- ✓ **Improves Competitiveness:** Equips employees with the latest skills and knowledge, keeping the organization competitive in the market.
- ✓ **Facilitates Career Development:** Supports employees' career growth and advancement within the organization.
- ✓ **Ensures Compliance:** Identifies areas where compliance training is necessary, reducing the risk of legal issues.
- ✓ **Measures Training Effectiveness:** Provides a baseline to measure the impact of training programs and make necessary adjustments.

- ✓ **Supports Decision-Making:** Informs management about training priorities and helps in making informed decisions regarding training investments.

SECTION 1.3.3: How to conduct training need analysis

1. Identifying the needs of the business

The first step in conducting a training assessment is to identify the needs of your business. It will help to understand the areas where you need to focus on bridging the competency gaps. Understand the department as well as the overall goals of the organization for assessing and identifying the training opportunities that will lead to the success of the organization as a whole.

The assessment will also help to know about the steps that should be taken to motivate employees by offering career development opportunities and use the training options of the organization.

2. Identify priorities

The organization has identified the need for training and now is the time to view them and determine the needs are real and worth addressing. If you are looking for ways to conduct successful needs assessment then prioritize them in order of importance.

This will help to identify the needs of low importance as well that can be addressed by other cost-effective ways.

3. Identify causes

If you are looking for ways to conduct a successful needs assessment then identify specific areas that are considered problematic. Know and understand performance requirements and the solutions that will be needed for it.

4. Identify possible solutions as well as growth opportunities

If you are looking for ways to conduct a successful needs assessment then identify possible solutions as well as growth opportunities. This will help to understand if training can make a difference and help the employees as well as the organization to move in new directions.

5. Perform gap analysis

If you are looking for ways to conduct successful needs assessment then perform a gap analysis. The process of gap analysis is about assessing the current

employee skills, abilities, knowledge and performance and making comparisons with the desired levels. The difference is the competency gap that can be identified with the help of several gap analysis methods.

6. Assess training options

The gap analysis has helped to create a list of training needs and options. Now is the time to assess them based on the current and future goals of the organization if you are looking for ways to conduct a successful assessment?

Look for solutions to the problem along with the cost of the training. You can also assess training options by looking at ROI and legal compliance. In case of issues, it is recommended to outsource talent to fill in the skill gap.

7. Report training needs and recommend training plans

If you are looking for ways to conduct a successful training assessment then report the findings from the training needs and recommend training plans for both short-term and long-term along with budgets.

Start with the most important or critical option and then the next important and so on. Include a brief description of how and why the training needs was completed, people involved, methods used, and recommendation with timelines.

Let's Sum Up

Dear Learners, in this third section, we have made an attempt to have an understanding on the importance and process of training need assessment as training needs assessment is considered beneficial for an organization as it helps it to determine the employees who need training through performance evaluations, self-assessments, focus groups, customer feedback, etc..

1.4 Career Development

SECTION 1.4.1: Meaning

Career development in HRM involves designing strategies to support employees' growth by aligning their skills, interests, and goals with suitable career paths within the organization. Human Resource Management (HRM) plays a crucial role in career development by designing and implementing strategies to support employees' growth. HRM professionals assess employees' skills, interests, and goals to align them with suitable career paths within the organization. Career development is

the lifelong process through which individuals proactively shape their professional journeys. It includes:

- Identifying ones strengths, interests, and values
- Establishing long-term career aspirations and breaking them down into achievable milestones.
- Continuously acquiring new skills and knowledge relevant to one's desired career path through various means like training, education, and practical experience.
- Creating a roadmap to achieve your goals, outlining steps like seeking professional development opportunities, networking, and potentially pursuing further education.
- Regularly evaluating one's progress, and identifying areas for improvement.

SECTION 1.4.2: Benefits of career development

- ✓ **Growth** – Modern organisations understand the trend of frequent job changes. The HRM team can help the organisations cultivate a growth-centric environment, which will help the employees envision a long-term journey within the company.
- ✓ **Relevance** – As the business landscape shifts, employers and employees need to become adaptable. Employees should constantly enhance their skills to remain relevant, and employers should maintain a workforce ready for future evolving challenges.
- ✓ **New Opportunities** – New hires need to be informed about the growth paths available within the organisation. This will help them have a clear road map to their career aspirations and future in the company.
- ✓ **Strategic Edge** – An organisation that prioritises and understands the nuances of career development often enjoys a competitive advantage in the market. Employers need to invest in development strategies and employee growth to expect heightened productivity and, consequently, better financial outcomes.
- ✓ **Employee Assessment** – Career development is not just about training but also honing skills for current and future roles. Thus, every employee should undergo an assessment to help them understand where they stand and what they need to do for growth.

SECTION 1.4.3: Process of career development

Self-Assessment:

- **Purpose:** Employees evaluate their interests, skills, values, and career aspirations.
- **Tools:** Self-assessment tests, career counseling, and feedback from supervisors.

Goal Setting:

- **Purpose:** Employees set short-term and long-term career goals aligned with their self-assessment results.
- **Methods:** Creating Individual Development Plans (IDPs) with clear, achievable objectives.

Career Planning:

- **Purpose:** Employees and HR collaboratively plan a career path, identifying necessary skills and experiences.
- **Activities:** Identifying training opportunities, potential job rotations, and mentorship programs.

Skill Development:

- **Purpose:** Employees acquire the skills and knowledge needed to achieve their career goals.
- **Methods:** Training programs, workshops, seminars, and on-the-job training.

Career Advancement:

- **Purpose:** Employees move to higher positions within the organization as they achieve their career goals.
- **Activities:** Promotions, lateral moves, and taking on more challenging projects.

Performance Appraisal:

- **Purpose:** Regular evaluation of employee performance to ensure alignment with career goals and organizational needs.
- **Methods:** Performance reviews, feedback sessions, and setting new performance objectives.

Mentoring and Coaching:

- **Purpose:** Providing guidance and support to employees through experienced mentors or coaches.
- **Activities:** Regular mentoring meetings, coaching sessions, and career advice.

Monitoring and Feedback:

- **Purpose:** Continuously tracking progress and making adjustments as needed.
- **Methods:** Regular check-ins with HR, performance metrics, and feedback from supervisors and peers.

Career Transition:

- **Purpose:** Supporting employees during transitions, whether within the organization or to new opportunities.
- **Activities:** Succession planning, outplacement services, and career counseling.

SECTION 1.4.3: Methods of career development

HRM professionals employ sophisticated methods to assist employees in their career development methods. Let's see some of these methods.

- **Engaging with Experts:** Collaborative discussions between subordinates and superiors help outline the most suitable career development activities. In academic settings, specialised career guidance is often provided by professors or dedicated counsellors, ensuring students are well-prepared for their future endeavours.
- **Participating in Workshops:** Organisations frequently host multi-day workshops, enabling employees to align their career goals with the company's objectives. Some workshops even extend beyond the organization, offering community-level insights and opportunities.
- **Utilising Organisational Resources:** Many companies craft specific materials tailored to their needs, aiding in employee development. Job descriptions, for instance, offer insights into role requirements, helping employees gauge if their skills align with internal job opportunities.

Let's Sum Up

Dear Learners, in this fourth section, we have made an attempt to have an understanding on the career development benefits for effective functioning of an organization and its various methods which will help the organisations cultivate a growth-centric environment, which will help the employees envision a long-term journey within the company.

1.5 Transfer and Promotion

SECTION 1.5.1: Meaning

The **transfer** involves relocating an employee from one job, department, or location to another within the same organization. The objective of transfer may include filling a vacant position, providing development opportunities, or addressing performance or behavioral issues. This can either be a lateral transfer, where the employee moves to a similar job at the same level, or an upward transfer, where the employee moves to a higher-level position.

Promotion, on the other hand, is the advancement of an employee to a higher-level position within the organization based on their performance, skills, and potential. A promotion typically results in a salary increase, more responsibilities, and greater opportunities for career growth.

Both **transfer and promotion** can benefit both the employee and the organization by providing employees with opportunities to learn new skills, take on new challenges, and advance their careers. They also help organizations to retain talented employees, fill critical positions, and cultivate future leaders. However, organizations must ensure that transfers and promotions are based on merit and are transparent, avoiding any perceptions of favouritism or discrimination. Clear communication with employees about the reasons for transfers and promotions and any expectations or requirements for success in the new role is also crucial.

SECTION 1.5.2: Objectives of promotion and transfer

1. **To meet or fulfill organizational needs** – To fulfill organisational needs arising out of change in technology, volume of production, production schedule, quality of product etc., an employee may have to be transferred.
2. **To satisfy employee needs** – Sometimes employees themselves demand transfer due to their personal problems like ill health, family problem native attractiveness or non-co-operation from boss or fellow workers. To satisfy their needs employees may have to be transferred.

3. **To adjust the workforce** – Employees for excess or surplus in one department may have to be transferred to other department or section where there is shortage of workforce.
4. **To reduce monotony and to make the employees versatile** – If the employees have stayed on a job continuously for a longer duration, to reduce their monotony and to widen their knowledge and skill, employees are transferred.
5. **For effective use of employees** – If the management feels that the service of the able employee is to be used in different branches of the same organisation, then such employees will have to be transferred.
6. **To punish Employees** – If employees are found indulged in undesirable activities like fraud, bribery, duping etc., such employees are transferred to remote places as a disciplinary action.
7. **To give the relief to the employees** – Employees who are overburdened and doing complicated or risky work for long period are relieved from such work by transferring such employees to a place of their choice.
8. **To improve employees background by placing them in different jobs of various departments and units.**

SECTION 1.5.3: Difference between promotion and transfer

Basis	Transfer	Promotion
Meaning	Transfer involves relocating an employee from one job, department, or location to another within the same organization.	Promotion is an advancement of an employee to a higher-level position within the organization based on their performance, skills, and potential.
Objective	The primary objective of transfer is to move an employee from one job, department, or location to another within the same organization. Transfers can be initiated for a variety of reasons, such as filling a vacancy, meeting <u>staffing</u> needs, or providing development opportunities to employees.	The primary objective of promotion is to recognize and reward an employee's performance, skills, and potential by advancing them to a higher-level position within the organization.
Level of Responsibility	Transfers usually involve a similar or lower level of responsibility. For example, an employee may be transferred from one department to another to perform similar duties.	Promotions involve a higher level of responsibility, with the employee taking on more significant duties and having greater decision-making authority.
Compensation	Transfers may or may not result in a change in compensation, depending on the nature of the transfer.	Promotions usually come with a salary increase as the employee is being recognized for their performance and contributions to the organization.
Reporting Structure	Transfers do not result in a change in the employee's reporting structure. For example, an employee may be transferred to a new department but still report to the same supervisor.	Promotions often involve a change in reporting structure, with the employee reporting to a higher-level manager.
Requirements	Transfers often do not require additional qualifications or experience, particularly if the transfer involves a lateral move to a similar position.	Promotions usually require the employee to have additional qualifications, skills, or experience, as they are being recognized for their superior performance and potential for growth.
Frequency	Transfers may happen more frequently than promotions as they are often used to address staffing needs or to provide development opportunities to employees.	Promotions do not happen frequently.
Timing	Transfers may happen at any time, depending on the organization's needs and the availability of positions.	Promotions are typically linked to annual performance reviews or the availability of higher-level positions.
Impact	A transfer may have a limited impact on an employee's career development, as they are often used to meet staffing needs or provide employees with developmental opportunities.	A promotion can have a significant impact on an employee's career trajectory and potential for advancement within the organization, as they are being recognized for their superior performance and potential for growth.

Let's Sum Up

Dear Learners, in this fifth section, we have made an attempt to have an understanding on meaning of transfer and promotion and its differences.

1.6 Performance Management

SECTION 1.6.1: Meaning of Performance Management

Performance management is the process of continuous feedback and communication between managers and their employees to ensure the achievement of the strategic objectives of the organization.

The definition of performance management has evolved since it first appeared as a concept. What was once an annual process is now transitioning to continuous performance management. The goal is to ensure that employees are performing efficiently throughout the year, and in the process, address any issues that may arise along the way that affect employee performance.

- ✚ Performance management is intended to help people perform to the best of their abilities in alignment with the organization's goals.

- ✚ It views individuals in the context of the broader workplace system and encourages their input in goal-setting.
- ✚ Performance management focuses on accountability and transparency and fosters a clear understanding of expectations.
- ✚ Rather than just annual performance reviews, performance management provides ongoing feedback to employees.

SECTION 1.6.2: How to Improve the Performance Management Process

Set Clear Goals:

- **Action:** Define specific, measurable, achievable, relevant, and time-bound (SMART) goals.
- **Benefit:** Ensures employees understand expectations and can focus their efforts on key objectives.

Continuous Feedback:

- **Action:** Implement regular feedback sessions instead of relying solely on annual reviews.
- **Benefit:** Helps employees make timely adjustments and stay aligned with goals.

Employee Development:

- **Action:** Provide training and development opportunities tailored to individual needs.
- **Benefit:** Enhances skills and competencies, leading to improved performance.

Use Technology:

- **Action:** Utilize performance management software for tracking and evaluating performance.
- **Benefit:** Streamlines the process, ensures accuracy, and provides real-time data for informed decision-making.

Engage Employees:

- **Action:** Involve employees in setting goals and developing performance plans.
- **Benefit:** Increases ownership and commitment to achieving performance targets.

Regular Performance Reviews:

- **Action:** Conduct quarterly or bi-annual performance reviews instead of just annual reviews.

- **Benefit:** Keeps performance management dynamic and responsive to changes.

Clear Evaluation Criteria:

- **Action:** Establish transparent and objective criteria for performance evaluations.
- **Benefit:** Ensures fairness and consistency in assessing employee performance.

Recognize and Reward:

- **Action:** Implement a recognition and rewards system for high performers.
- **Benefit:** Motivates employees and reinforces desirable behaviors.

Address Poor Performance:

- **Action:** Develop a plan to address and improve underperformance, including coaching and support.
- **Benefit:** Helps employees get back on track and prevents ongoing performance issues.

Align with Organizational Goals:

- **Action:** Ensure individual performance goals are aligned with the organization's strategic objectives.
- **Benefit:** Enhances overall organizational performance and ensures everyone is working towards common goals.

Promote Open Communication:

- **Action:** Foster a culture of open communication where feedback is encouraged and valued.
- **Benefit:** Builds trust and ensures issues are addressed promptly

SECTION 1.6.3: Steps in Performance Management

- **Aligning employees' activities with the company's mission and goals:** Each employee should understand how their job contributes to the company's overall goals. Supervisors and employees together should define a job's duties.
- **Developing specific job-performance outcomes:** Through performance management, employees should understand: What goods or services does my job produce? What procedures does my job entail? What effect should my work have on the company? How should I interact with clients, colleagues, and supervisors?
- **Creating measurable performance-based expectations:** Employees should have the opportunity to give input into how success is measured. The

expectations can include results, which are the goods and services an employee produces; actions, which are the processes an employee uses to make a product or perform a service; and behaviors, which are the demeanor and values an employee demonstrates at work.

- **Defining job-development plans:** Employees should have a say in what types of new things they learn and how they can use that knowledge to the company's benefit.
- **Meeting regularly:** Instead of waiting for an annual performance appraisal, managers and employees should engage actively year-round to evaluate progress.

Let's Sum Up

Dear Learners, in this sixth section, we have made an attempt to have an understanding on performance management steps and its importance as managers can use performance management tools to adjust workflow, recommend new courses of action, and make other decisions that will help employees achieve their objectives.

1.7 Performance appraisal, Monitoring and review

SECTION 1.7.1: Meaning of performance appraisal

A performance appraisal is a systematic and periodic process of measuring an individual's work performance against the established requirements of the job. It's a subjective evaluation of the employee's strengths and weaknesses, relative worth to the organization, and future development potential.

Performance appraisals are also called performance evaluations, performance reviews, development discussions, or employee appraisals.

If you conduct a successful performance appraisal, you can get a handle on what the employee does best and identify areas that require improvement. Appraisals also come in handy for deciding how to fill new positions in the company structure with existing employees.

SECTION 1.7.2: Types of Performance Appraisals

Performance appraisals can be broken down into four distinct significant types:

1. 360-Degree Appraisal

The manager gathers information on the employee's performance, typically by questionnaire, from supervisors, co-workers, group members, and self-assessment.

2. Negotiated Appraisal

This type of appraisal uses a mediator to help evaluate the employee's performance, with a greater emphasis on the better parts of the employee's performance.

3. Peer Assessment

The team members, workgroup, and co-workers are responsible for rating the employee's performance.

4. Self-Assessment

The employees rate themselves in categories such as work behavior, attitude, and job performance.

SECTION 1.7.3: Methods of Performance Appraisals

Performance appraisals come in many forms. Managers and human resources staff responsible for these appraisals need to choose the best methods based on the size of their organization and what sorts of responsibilities the employees fulfill.

- 1. 720-Degree Feedback:** You could say that this method doubles what you would get from the 360-degree feedback! The 720-degree feedback method collects information not only from within the organization but also from the outside, from customers, investors, suppliers, and other financial-related groups.
- 2. The Assessment Center Method:** This method consists of exercises conducted at the company's designated assessment center, including computer simulations, discussions, role-playing, and other methods. Employees are evaluated based on communication skills, confidence, emotional intelligence, mental alertness, and administrative abilities. The rater observes the proceedings and then evaluates the employee's performance at the end.
- 3. Behaviorally Anchored Rating Scale (BARS):** This appraisal measures the employee's performance by comparing it with specific established behavior examples. Each example has a rating to help collect the data.

- 4. Checklist Method:** This simple method consists of a checklist with a series of questions that have yes/no answers for different traits.
- 5. Critical Incidents Method:** Critical incidents could be good or bad. In either case, the supervisor takes the employee's critical behavior into account.
- 6. Customer/Client Reviews:** This method fits best for employees who offer goods and services to customers. The manager asks clients and customers for feedback, especially how they perceive the employee and, by extension, the business.
- 7. Field Review Method:** An HR department or corporate office representative conducts the employee's performance evaluation.
- 8. Forced Choice Method:** This method is usually a series of prepared True/False questions.
- 9. General Performance Appraisal:** This method involves continuous interaction between the manager and the employee, including setting goals and seeing how they are met.
- 10. Human Resource Accounting Method:** Alternately called the "accounting method" or "cost accounting method," this method looks at the monetary value the employee brings to the company. It also includes the company's cost to retain the employee.
- 11. Management By Objective (MBO):** This process involves the employee and manager working as a team to identify goals for the former to work on. Once the goals are established, both parties discuss the progress the employee is making to meet those goals. This process concludes with the manager evaluating whether the employee achieved the goal.
- 12. Performance Tests and Observations:** This method consists of an oral test that measures employees' skills and knowledge in their respective fields. Sometimes, the tester poses a challenge to the employee and has them demonstrate their skills in solving the problem.
- 13. Project Evaluation Review:** This method involves appraising team members at the end of every project, not the end of the business year.
- 14. Rating Scales:** These ratings measure dependability, initiative, attitude, etc., ranging from Excellent to Poor or some similar scale. These results are used to calculate the employee's overall performance.

SECTION 1.7.4: Meaning of performance monitoring

Performance monitoring may be defined as the process of appraising an environment of continuous learning and development. It will be done by maintaining the employee's performance, enhancing individual competencies to make them more productive for the organization.

Successful business management requires the ongoing monitoring of performance in order to generate data by which to judge the success or otherwise of specific strategies. The improvement in performance can only be realistically achieved when management is properly informed about current performance and to this end it is important to identify key performance indicators (KPIs) that will enable management to monitor progress.

SECTION 1.7.5: Characteristics of Performance Monitoring

The key characteristics of performance monitoring are given below:

- ✓ In organizations, a performance monitoring plan is a critical tool for planning, managing, and documenting data collection.
- ✓ It is an important part of performance management system to control and measure the behaviours.
- ✓ This helps in maintaining the employees' performance as per the goals and objectives of the organization.
- ✓ Performance monitoring helps in building the strong relationships between the management and employees for their efficient performance.
- ✓ It facilitates career development of employees and provides the training and development opportunity to employees.

SECTION 1.7.6: Process of Performance Monitoring

In this process, the manager observes managee performance through:

- Periodic written reports.
- Scheduled meetings.
- On-the-spot inspections, or field or site visits in case of managees whose location is different from that of the manager.
- Relevant and reliable information from other available sources.

In the entire course of the monitoring process, the manager provides feedback to the managees and asks for feedback from the managees during group or team meetings. They need to discuss common issues, problems, etc.

One-on-one meetings are conducted to discuss specific issues and problems encountered by individual managees.

The manager and the managee, thereafter, discuss corrective measures needed, actions to be taken by either or both of them. They are discussing regarding other help or support needed to accomplish the requisite tasks and goals.

SECTION 1.7.7: Meaning of Performance Review

Performance reviews are a foundational way to leverage talent, understand needs and opportunities, and gather intelligence for making connections with employees and larger organizational strategies. They also play a central role in empowering employees by helping reach their fullest potential.

A performance review is a two-way, individualized conversation between a manager and an employee about performance impact, development, and growth. It's a critical component of a continuous performance management approach to evaluate and propel success for the employee, team, and the organization.

SECTION 1.7.8: Types of Performance Reviews

Here are a few types of performance reviews organized by:

- Number of voices
- Cadence or frequency
- Topic or focus
- ✚ **Multi-rater performance reviews:** 360 reviews have been around for quite some time. Today, they are still an integral part of a modern approach of reviewing performance. Why? 360s include multiple voices and perspectives as most work is done and evaluated via matrixed teams.

Here are a few examples of multi-rater performance reviews.

- ✚ **360 performance review:** At the heart of a 360 performance review is evaluative feedback. Yet 360 reviews are the most effective when they are built on a broader foundation of trust. Employees should leave with clear, actionable forward steps for what to continue and what to improve for future impact.

360 reviews help with:

- Diversifying performance data and measurement
- Providing unique vantage points and perspectives
- Showing leaders where they can improve

✚ **Self-assessment:** The purpose of a self-assessment is to improve shared accountability, buy-in, and alignment between manager and employee. The manager receives insight for how to better coach and guide the employee and the employee can discuss their performance with the perception of their manager.

A critical component of growth and change is reflection. The self-assessment is an important opportunity to evaluate past challenges and success, but also determine future goals and priorities for further action.

✚ **Peer review:** Managers can't be everywhere, all the time (nor should they). Successful organizations position managers as coaches or facilitators. When teams are strong peer feedback improves. Peer feedback is important because:

- Peers have a unique vantage point to share insights and ideas
- Recognition means more when it comes from peers
- Peers can often be trusted confidants or mentors
- Peers may know how to identify and share feedback so it's well-received

✚ **Upward feedback:** When employees and leaders approach feedback with a healthy mindset, upward feedback can help both parties realize they are in this together and help each other improve. This helps build a more trusting relationship between individuals where employees feel comfortable discussing what's going well and what's not.

Performance feedback can sometimes feel discouraging to employees, especially if they don't get the opportunity to provide feedback in return. It's liberating and engaging to be asked to provide feedback to your manager or someone in charge. Upward feedback is important for continued ongoing dialogue about performance.

✚ **Team performance review:** Team performance conversations help managers evaluate and coach to performance in the context of a team. A clear

picture can be realized to help identify strengths, development opportunities, goal adjustments, and further potential.

Team performance reviews can help you:

- Understand what's important to the team
- Set goals that align with individual needs and business needs
- Promote shared ownership and accountability of priorities and performance
- Demonstrate support to improve overall team performance and dynamics

✚ **Continuous performance conversations:** Continuous performance conversations address what is happening in the current moment. Immediacy is important because it allows managers to coach to what matters now and employees space for agility and change. When employees adjust their performance before it's too late they are more successful and so is your business.

Here are a few examples of continuous performance conversations by annual, mid-year, quarterly, and monthly cadences.

✚ **Annual performance review:** There's an important role for an annual performance review, but not in the traditional sense. Think—long forms, forced-rankings, and excessive scores. A modern approach provides the opportunity for managers and employees to look back and celebrate a year's worth of contributions, challenges, growth, and accomplishments.

This conversation should always be summative and focus on the big picture. It's also a great opportunity to reflect on where to focus long-term goals and priorities in the future. Fine-tune your agenda to review all goals and recognitions that have already taken place and avoid bringing up new information or behaviors that can't be changed or adjusted.

✚ **Mid-year performance review:** If monthly or quarterly performance conversations aren't feasible for your organization, consider a mid-year cadence. Mid-year performance reviews still allow for adjustments and corrections for the remainder of the year, while also creating touch points to discuss key milestones and progress. This is also a time for light-weight performance ratings and performance look-backs.

- ✚ **Quarterly performance review:** Having regular performance check-ins are ideal because it creates a mindset that development and progress is more important than perfection. At a minimum, a quarterly check-in is an ideal cadence for reviewing performance with a future-focused and continuous mindset.
- ✚ **Monthly performance conversations or GOODs:** The G.O.O.D. framework is our monthly approach to continuous performance conversations. It provides a shared outline for both parties to build an agenda around goals, opportunities, obstacles and decisions. This facilitates clear, practical, and relevant discussion that is continuous and builds upon itself.

1.8 Unit Summary

Training refers to acquiring specific knowledge and skills for a particular job or task. Development activities include job shadowing, mentoring, attending conferences, or pursuing further education. When employees are trained and developed, they feel more confident in their abilities. In the recent competitive era, employees actively seek growth and development opportunities. By investing in employees' training and development, companies can ensure retaining their competitive advantage in the future. Well-trained employees are less likely to make mistakes that might lead to costly errors or legal issues. Training and development is a continuous process as the skills, knowledge and quality of work needs constant improvement. Training methods refer to the various approaches and techniques employed to impart knowledge and skills to individuals in a structured learning environment. These methods can be broadly categorized into several types, including on-the-job training, where employees learn through practical experience within the workplace; off-the-job training, involving external programs and courses; hands-on training, emphasizing practical application of skills. The assessment should address resources needed to fulfill organizational mission, improve productivity, and provide quality products and services. Human Resource Management (HRM) plays a crucial role in career development by designing and implementing strategies to support employees' growth. Transfer and promotion can benefit both the employee and the organization by providing employees with opportunities to learn new skills, take on new challenges, and advance their careers. Performance appraisals are also called performance evaluations, performance

reviews, development discussions, or employee appraisals which is also covered in this chapter.

1.9 Glossary

<i>Training</i>	Training involves the process of enhancing the knowledge, skill levels, and competence of employees.
<i>Development</i>	It focuses on improving and honing the existing skills and the overall growth of employees
<i>Job Rotations</i>	Under the job rotation, employees are frequently juggled between different but associated jobs, with the idea of making them familiar with multiple job backgrounds
<i>Internship Training</i>	Internships are a form of on-the-job training wherein students or freshers are trained professionally to start or enhance their skills and expertise. The theoretical knowledge gained in classrooms is executed practically here.
<i>Training Need Assessment</i>	The purpose of a training needs assessment is to identify performance requirements and the knowledge, skills, and abilities needed by an agency's workforce to achieve the requirements.
<i>Career development</i>	It involves designing strategies to support employees' growth by aligning their skills, interests, and goals with suitable career paths within the organization
<i>Transfer</i>	It involves relocating an employee from one job, department, or location to another within the same organization.

It is the advancement of an employee to a higher-level position within the organization based on their performance, skills, and potential

Promotion

1.10 Self-Assessment Questions

MCQ

1. **What is the primary objective of training and development?**
 - A. To increase employee satisfaction
 - B. To improve employee performance
 - C. To reduce employee turnover
 - D. To create a more diverse workplace
2. **Which of the following is NOT a benefit of training and development?**
 - A. Enhanced employee skills
 - B. Increased employee motivation
 - C. Higher employee absenteeism
 - D. Improved organizational performance
3. **Which training method involves an employee learning tasks by actually performing them?**
 - A. Simulation
 - B. On-the-Job training
 - C. Classroom training
 - D. E-learning
4. **On-the-Job training typically includes all of the following EXCEPT:**
 - A. Coaching
 - B. Job rotation
 - C. Role playing
 - D. Mentoring
5. **Which of the following is a disadvantage of On-the-Job training?**
 - A. Real-life context
 - B. High cost
 - C. Lack of hands-on experience
 - D. Possible disruption of normal work
6. **Off-the-Job training includes which of the following methods?**
 - A. Job shadowing
 - B. Internships
 - C. Seminars

- D. Job rotation
- 7. Which is a major benefit of Off-the-Job training?**
- A. Lower costs
 - B. Focused learning environment
 - C. Real-time feedback
 - D. Minimal disruption to work
- 8. What is the first step in a Training Need Assessment?**
- A. Selecting training methods
 - B. Identifying performance gaps
 - C. Designing the training program
 - D. Evaluating training outcomes
- 9. Which tool is commonly used in Training Need Assessment?**
- A. Performance appraisals
 - B. Job analysis
 - C. Employee surveys
 - D. All of the above
- 10. What is the primary goal of career development?**
- A. Increase employee salaries
 - B. Align employee aspirations with organizational needs
 - C. Enhance employee social skills
 - D. Reduce employee workload
- 11. Which of the following is a method of career development?**
- A. Job rotation
 - B. Job enrichment
 - C. Mentoring
 - D. All of the above
- 12. What is one major benefit of career development?**
- A. Higher turnover rates
 - B. Increased employee loyalty
 - C. Greater organizational complexity
 - D. Decreased employee skills
- 13. Which of the following best describes a promotion?**
- A. Moving an employee to a different department at the same level
 - B. Elevating an employee to a higher position with more responsibilities
 - C. Changing an employee's job location
 - D. Assigning an employee to a project team

14. Which is true about a transfer?

- A. Always involves a salary increase
- B. Usually implies a change in job responsibilities
- C. Typically does not affect the employee's job level
- D. Always involves a promotion

15. What is the first step in the Performance Management process?

- A. Setting performance goals
- B. Conducting performance appraisals
- C. Providing feedback
- D. Evaluating performance

16. Which of the following is NOT a step in the Performance Management process?

- A. Performance planning
- B. Performance execution
- C. Performance monitoring
- D. Performance outsourcing

17. What is the primary purpose of performance monitoring?

- A. To increase employee workload
- B. To ensure goals are being met
- C. To determine employee salaries
- D. To conduct job analysis

18. Which of the following is a method of performance monitoring?

- A. Regular check-ins
- B. Annual appraisals
- C. Peer reviews
- D. All of the above

19. Which type of performance review occurs at the end of a project?

- A. Annual review
- B. Project-based review
- C. Mid-year review
- D. Probationary review

20. Which is a characteristic of a 360-degree performance review?

- A. Feedback is gathered from the employee's supervisors only
- B. Feedback is gathered from multiple sources, including peers and subordinates
- C. It is conducted once every three years
- D. It focuses solely on the employee's technical skills

21. Which of the following is a common type of performance appraisal?
- A. Management by Objectives (MBO)
 - B. Self-assessment
 - C. Rating scales
 - D. All of the above
22. Which performance appraisal method involves setting specific measurable goals with each employee and then periodically reviewing the progress made?
- A. Critical incident method
 - B. Management by Objectives (MBO)
 - C. 360-degree feedback
 - D. Forced ranking
23. In which type of performance appraisal are employees compared against each other?
- A. Forced ranking
 - B. Rating scales
 - C. Self-assessment
 - D. Narrative methods
24. What is a disadvantage of the 360-degree feedback method?
- A. Lack of diverse perspectives
 - B. Can be time-consuming and complex to administer
 - C. Limited to supervisor feedback only
 - D. Not useful for large organizations
25. Which of the following best describes the critical incident method of performance appraisal?
- A. Evaluating employee performance based on key events and behaviors
 - B. Ranking employees from best to worst
 - C. Setting and reviewing performance goals periodically
 - D. Gathering feedback from peers, supervisors, and subordinates

Short Answers:

1. Describe the process of training and development in an organization.
2. What are the benefits of On-the-Job training and how does it differ from Off-the-Job training?
3. Explain the importance of Training Need Assessment (TNA) in the training and development process.
4. List and describe at least three methods of career development.

5. What is the difference between promotion and transfer in the context of employee movement within an organization?

Essay Type Answers:

1. Describe the process of training and development in an organization and explain why each step is important.
2. Discuss the process and importance of Training Need Assessment (TNA) in organizational training programs
3. Explain the benefits of On-the-Job training and provide examples of how it can be effectively implemented in an organization.
4. Compare and contrast promotion and transfer as methods of employee movement within an organization and its benefits.
5. Outline the steps in Performance Management and explain how each step contributes to the overall effectiveness of the process.

Answers for Check your Progress

1. B. To improve employee performance
2. C. Higher employee absenteeism
3. B. On-the-Job training
4. C. Role playing
5. D. Possible disruption of normal work
6. C. Seminars
7. B. Focused learning environment
8. B. Identifying performance gaps
9. D. All of the above
10. B. Align employee aspirations with organizational needs
11. D. All of the above
12. B. Increased employee loyalty
13. B. Elevating an employee to a higher position with more responsibilities
14. C. Typically does not affect the employee's job level
15. A. Setting performance goals
16. D. Performance outsourcing
17. B. To ensure goals are being met
18. D. All of the above
19. B. Project-based review
20. B. Feedback is gathered from multiple sources, including peers and subordinates
21. D. All of the above
22. B. Management by Objectives (MBO)

- 23. A. Forced ranking
- 24. B. Can be time-consuming and complex to administer
- 25. A. Evaluating employee performance based on key events and behaviors

1.11 Activities



- 4. Role play - Buyer-seller negotiations to practice bargaining strategies and win-win solutions.

Activities

1.12 Open Source E-Content Links

Sl.n	Topic	E-Content Link	QR Code
1	Training and Development	https://www.youtube.com/watch?v=8bFSSTD-wGs	
2	Types of training methods	https://www.youtube.com/watch?v=dIB1KX5eC-Gc	
3	Training Need Assessment	https://www.youtube.com/watch?v=ibft86ZAL9o	
4	Career Development	https://www.youtube.com/watch?v=slt4gyDdnqq	
5	Transfer and Promotion	https://www.youtube.com/watch?v=yjaK_aizRK-Q	
6	Performance Management	https://www.youtube.com/watch?v=88EhLHO5x-A4	
7	Performance appraisal	https://www.youtube.com/watch?v=2Ww4KEnUhec	
8	Performance Monitoring	https://www.youtube.com/watch?v=e795qqD5iMw&list=PLowEowqdeNMobjY0BDazlpZwwwuNqn62	

9 ***Performance review***

https://www.youtube.com/watch?v=YQKOWLB2_MY



1.15 Suggested Readings / References

17. <https://www.mbaskool.com/business-concepts/human-resources-hr-terms/8685-training-and-development.html>
18. <https://www.upgrad.com/blog/career-development-in-hrm/>
19. <https://www.geeksforgeeks.org/difference-between-transfer-and-promotion/#what-is-transfer>
20. <https://www.marketing91.com/training-needs-assessment/>
21. <https://www.simplilearn.com/what-is-performance-appraisal-methods-process-article>
22. <https://www.geektonight.com/performance-monitoring/>
23. <https://www.quantumworkplace.com/future-of-work/what-is-a-performance-review>
24. <https://www.economicdiscussion.net/human-resource-management/transfer-in-hrm/32086>
25. <https://medium.com/@dlahrseo2022/training-and-development-process-a5fbd234dda5>
26. <https://www.opm.gov/policy-data-oversight/training-and-development/planning-evaluating/>

Self-Learning Material Development – STAGE 1

UNIT 4 – Employee Engagement & Compensation**CONTENTS OF UNIT IV**

Employee Engagement- Meaning- Importance evaluation- measuring employee employee engagement- Employee Compensation components- incentives- benefits- welfare and social security measures

Unit - IV Objectives

9. To understand the importance of evaluation techniques
10. To know about the measures to employee engagement practices
11. Trace the significance employee compensation
12. To understand the elements and benefits of incentives
13. To know about the welfare and social security measures

STAGE – 2 – Modules Sections and Sub-sections structuring

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SECTION 1.1: Employee Engagement

Employee engagement is defined as employees' emotional investment in their work – in terms of the passion they put into their work and the motivation they feel to do their job well.

1.1.1 Meaning of Employee Engagement

Employee engagement is a human resources (HR) concept that describes the level of enthusiasm and dedication a worker feels toward their job. Engaged employees care about their work and about the performance of the company, and feel that their efforts make a difference. An engaged employee is in it for more than a paycheck and may consider their well-being linked to their performance, and thus instrumental to their company's success.

1.1.2 Importance of Employee Engagement

Employee engagement is crucial in Human Resource Management (HRM) for several key reasons:

- 1. Increased Productivity:** Engaged employees are more motivated and committed to their work, leading to higher levels of productivity and efficiency. They are more likely to go above and beyond in their roles.
- 2. Reduced Turnover:** High levels of engagement are associated with lower employee turnover rates. Engaged employees are more satisfied with their jobs and less likely to seek employment elsewhere, saving the company costs associated with recruitment and training.
- 3. Improved Morale:** Engaged employees tend to have higher job satisfaction and morale. This positive attitude can spread throughout the organization, fostering a more supportive and collaborative work environment.
- 4. Better Customer Service:** Employees who are engaged are more likely to provide superior customer service. Their commitment and positive outlook can enhance customer experiences and foster loyalty.

5. **Innovation and Creativity:** Engaged employees are more likely to contribute innovative ideas and creative solutions to problems. Their active involvement and interest in their work drive them to think outside the box and improve processes.
6. **Enhanced Organizational Reputation:** Companies with high employee engagement often have better reputations. They are seen as desirable places to work, which can attract top talent and create a positive public image.
7. **Increased Profitability:** Ultimately, engaged employees contribute to the bottom line. Their productivity, creativity, and commitment can lead to improved performance and profitability for the organization.
8. **Health and Well-being:** Engaged employees tend to experience better mental and physical health, reducing absenteeism and healthcare costs for the organization

1.1.3 Measuring employee employee engagement

1. Feedback

Employee feedback plays into engagement by giving employees the tools and guidance they need to perform their best. Letting employees know what areas they can improve will minimize the risk of confusion, poor quality of work, and even imposter syndrome. That's because giving great feedback nudges people in the right direction and lets them know you believe in them.

Feedback sub-metrics and questions to measure them

- **Feedback frequency:** Are you satisfied with the frequency of feedback coming from your peers?
- **Feedback quality:** Is the feedback you get specific?
- **Suggestions for the organization:** On a scale from 0-10, if you have new ideas for your organization, what are the chances you will share them?

2. Recognition

It's difficult to feel engaged when your work regularly goes unnoticed by your peers and direct manager. Oftentimes, lack of recognition isn't intentional. It's simply forgotten, especially during bustling periods. But here's a secret: recognizing employees when work is extra busy is a low-hanging fruit that can make them feel valued and improve employee engagement in only a few minutes.

Recognition sub-metrics and questions to measure them

- **Recognition frequency:** How would you rate the frequency at which you receive recognition?
- **Recognition quality:** Is recognition meaningful when you receive it?

Acknowledging how your team feels about recognition is key to boosting engagement. Ask these [employee recognition survey questions](#) to better understand their needs and expectations.

3. Happiness

Happiness is one of the top-of-mind employee engagement metrics for most managers, yet many don't know how to measure it – understandably so. Many factors can contribute to happiness, so the first step is narrowing down happiness (or lack thereof) stemming from work.

Happiness sub-metrics and question examples

- **Happiness at work:** Generally speaking, how would you rate your level of happiness at work?
- **Work-life balance:** Do you have the flexibility to take time off when you need to?

4. Relationship with peers

Considering the average employee spends just as much, if not more, time with their colleagues than their family and friends, it's no surprise that having a good relationship with your peers is important to engagement. If your employees collaborate and communicate well, and respect each other, the entire team will thrive.

Relationship with peers sub-metrics and questions to measure them

- **Collaboration between peers:** Do you and your peers collaborate well together?
- **Communication between peers:** Are communications among peers honest and transparent?
- **Trust between peers:** On a scale from 0-10, how safe do you feel to be yourself around your peers?

Trust is paramount to a team's success. Check out these five strategies to [build trust and boost collaboration](#) with your peers.

5. Relationship with managers

Officevibe's data report, "[The state of the employee experience](#)", showed that 75% of employees who display low engagement levels or leave their jobs say that it's due to their manager or leadership. That's why it's crucial to maintain positive and supportive relationships with your employees, and keep a close eye on this metric at all times.

Relationship with manager sub-metrics and questions to measure them

- **Collaboration with manager:** When you ask your direct manager for help, can they devote time to help you?
- **Communication with manager:** Are you satisfied with how frequently you meet with your direct manager?
- **Trust with manager:** Do you feel your direct manager cares about your well-being?

6. Personal growth

Feeling stagnated at work is a fast-track ticket to disengagement. Employees want to feel challenged and mentally stimulated, while also having a clear idea of where they are headed. Detecting early signs of a dwindling personal growth metric can let you know that your team members are in dire need of guidance and motivation to feel engaged.

Personal growth sub-metrics and question examples

- **Autonomy:** Do you feel you have enough freedom to decide how you do your work?
- **Mastery:** How would you define the level of challenge you have at work?
- **Purpose:** Can you see how your work contributes to your organization's success?

7. Alignment

Feeling aligned with your company's vision, mission, and values is a key contributor to engagement. When you understand where your organization is headed and how you play a role in reaching broader objectives, you're more likely to be productive at work and genuinely enjoy your job.

Alignment sub-metrics and questions to measure them

- **Ethics and social responsibility:** On a scale of 0-10, how environmentally-conscious is your organization?
- **Values:** Are you motivated by your organization's values?
- **Mission and vision:** Do you believe that your organization is able to reach its objectives?

8. Satisfaction

An engaged employee feels satisfied with their role within their team or company, and all aspects surrounding it. If they do not feel supported with the right resources or fairly compensated for their work, employee satisfaction will decrease and so will engagement. If caught on time, you can make quick changes and prevent issues from becoming larger and more difficult to tackle.

Satisfaction sub-metrics and questions to measure them

- **Compensation:** Do you trust you are paid fairly compared to similar roles in other organizations?
- **Role within organization:** Are your responsibilities clear?

- **Workplace:** Do you feel like your work environment reflects your organizational culture?

9. Wellness

Gone are the days of hustle culture and high-stress environments. Employees are now prioritizing health and wellness, and signs of stress and overwhelming workloads are important to flag. The good news is that employees are talking about this metric more openly, so measuring it through surveys can help you keep tabs on how everyone feels throughout the whole year.

Wellness sub-metrics and questions to measure them

- **Personal health:** Do you feel that working at your organization allows you to have a healthy lifestyle?
- **Stress:** On a scale from 0-10, how reasonable is your workload?

10. Ambassadorship

It's one thing to be happy at work, but it's another to truly advocate for your organization and its offerings. By monitoring and measuring ambassadorship, you can divide your team into three categories:

- Promoters
- Neutrals
- Detractors

To measure employee engagement, be sure to evaluate the employee experience from the perspective of each of these groups. You'll learn what makes promoters feel engaged, why detractors are disengaged, and where gaps can be filled for neutrals.

Ambassadorship sub-metrics and questions to measure them

- **Employee Net Promoter Score (eNPS):** On a scale from 0-10, how likely are you to recommend your organization as a good place to work?
- **Pride:** When you say what organization you work for, how do you feel?

1.1.4 Drivers of employee engagement

Drivers of employee engagement in Human Resource Management (HRM) are factors that influence an employee's level of commitment, satisfaction, and motivation. Key drivers include:

- 1. Leadership and Management:** Effective, supportive, and transparent leadership greatly influences employee engagement. Managers who communicate well and provide clear direction and feedback can foster a more engaged workforce.
- 2. Work Environment:** A positive, inclusive, and safe work environment encourages engagement. This includes physical workspace, organizational culture, and the overall atmosphere of respect and collaboration.
- 3. Recognition and Rewards:** Regularly recognizing and rewarding employees for their contributions boosts morale and motivation. This can include formal rewards, public acknowledgment, and informal praise.
- 4. Career Development:** Opportunities for growth, learning, and career advancement are crucial. Employees who see a clear path for progression and have access to training and development resources are more likely to stay engaged.
- 5. Job Role and Responsibilities:** Clearly defined roles and responsibilities that align with an employee's skills and interests can enhance engagement. Autonomy and the ability to make meaningful contributions are also important.
- 6. Work-Life Balance:** Support for work-life balance through flexible working hours, remote work options, and understanding personal commitments helps maintain high engagement levels.
- 7. Employee Involvement:** Encouraging employee input in decision-making and providing opportunities for them to voice their opinions can make them feel valued and engaged.

- 8. Organizational Support:** Access to resources, tools, and support needed to perform their job effectively. This includes adequate training, technology, and administrative support.
- 9. Purpose and Meaning:** Employees who understand and align with the organization's mission, values, and goals are more engaged. A sense of purpose and the feeling that their work matters can significantly enhance engagement.
- 10. Team Dynamics:** Positive relationships with colleagues and a sense of camaraderie and teamwork contribute to higher engagement levels. Collaborative and supportive team environments are key.

.1.1.5 Importance of employee evaluation in employee engagement

Employee evaluation is crucial for fostering employee engagement in Human Resource Management (HRM) for several reasons:

- 1. Feedback and Improvement:** Regular evaluations provide employees with constructive feedback on their performance, helping them understand their strengths and areas for improvement. This encourages personal and professional growth, leading to higher engagement.
- 2. Goal Setting and Alignment:** Evaluations help align individual goals with organizational objectives. When employees see how their work contributes to the broader goals, they feel more connected and motivated.
- 3. Recognition and Motivation:** Performance evaluations can be a platform to recognize and reward employees for their hard work and achievements. This recognition boosts morale and motivation, enhancing engagement.
- 4. Career Development:** Evaluations identify employees' training and development needs. Providing opportunities for skill enhancement and career advancement increases job satisfaction and engagement.

5. **Communication and Transparency:** Regular evaluations foster open communication between employees and managers. This transparency helps build trust and ensures employees feel heard and valued.
6. **Accountability and Responsibility:** Evaluations hold employees accountable for their performance, fostering a sense of responsibility. When employees understand that their contributions are monitored and valued, they are more likely to stay engaged.
7. **Identification of Issues:** Regular assessments help identify any issues or concerns that might be affecting an employee's engagement. Addressing these issues promptly can prevent disengagement and turnover.
8. **Tailored Support:** Through evaluations, managers can understand individual employee needs and provide tailored support, resources, and encouragement, enhancing overall engagement.

Let's Sum Up

Dear Learners, in this first section, we have seen the meaning, importance and drivers of employee engagement as it focuses on how to measure an engaged employee is in it for more than a paycheck and may consider their well-being linked to their performance, and thus instrumental to their company's success.

SECTION 1.2: Employee Compensation

1.2.1 Meaning

Employee compensation refers to the combination of salary and wages, benefits, bonuses, and any additional perks employees receive for performing their job. To better understand everything employee compensation encompasses, let's break down each of these components individually.

- **Salary and wages:** The amount of money employees receive for their work, which is processed through payroll. This might be paid as an hourly wage or an annual salary and includes any commission employees receive. Salary and wages are paid to employees on regular pay schedules.

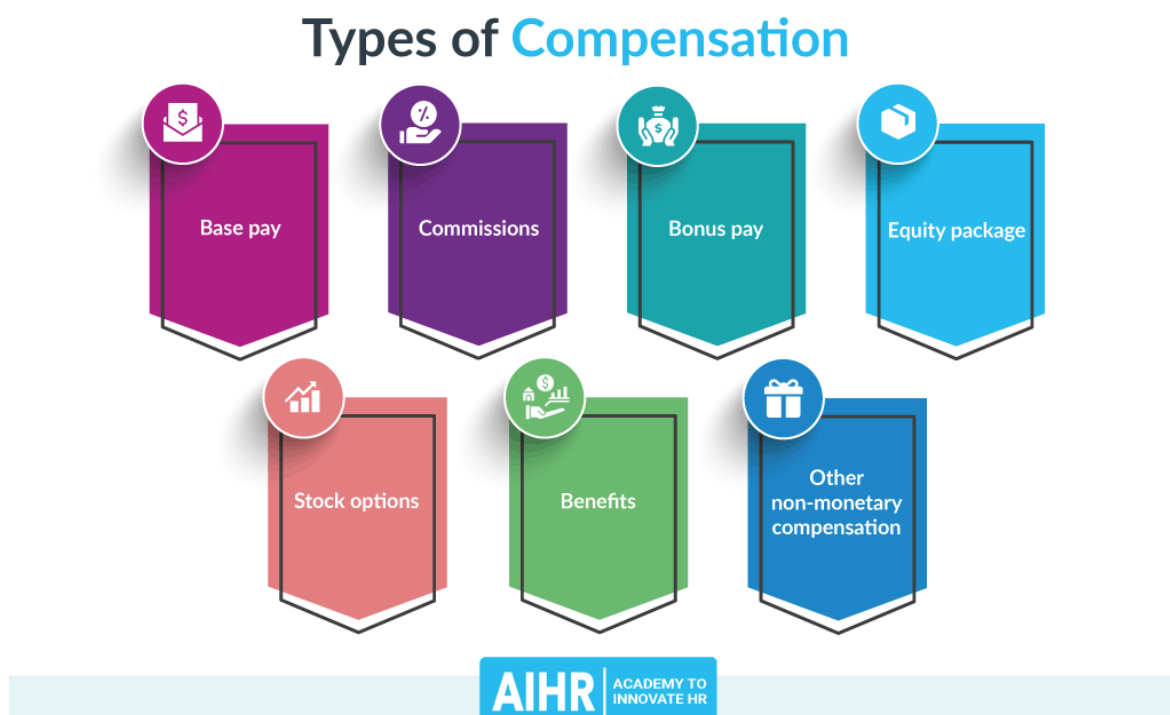
- **Benefits:** Any employer-provided benefits that employees receive. This typically includes any insurance benefits (health, dental, vision, life, etc.), retirement plans, stock options, profit-sharing plans, and various types of leave. These benefits may be statutory (required by law) or supplementary (at the employer's discretion).
- **Bonuses:** Bonuses might be paid to employees for exceeding sales goals or if the company has an excess budget at the end of the year. These, too, are processed through payroll but might not be paid out every pay cycle.
- **Additional perks:** This covers anything else employees receive for their work that doesn't easily fit into any of the previously mentioned categories. This might include things like company-provided lunches, on-site parking, and other perks that don't have easily measurable monetary values like flexible work schedules, professional development opportunities, stipends for employees' home offices, and more. These perks are typically beyond statutory requirements, so are left to the employer's discretion.

1.2.2 Significance of employee compensation

- ✚ Wages/ salaries constitute the primary source of income to employees. Their adequacy or otherwise would very much determine their standard of living.
- ✚ Adequate remuneration is a source of motivation to employees.
- ✚ It makes them committed and loyal to the organisation; and paves way for excellent industrial relations.
- ✚ Through making adequate and timely payment of employee remuneration, an employer can attract and retain good personnel to and in the organisation.
- ✚ This helps to ensure a stability of labour force – bringing several valuable advantages in the its wake for the organisation.
- ✚ Specially, in labour-intensive industries, wages constitute a substantial part of the cost of production.
- ✚ As such wage payments affects the cost and price-structures of an industrial enterprise. Prices of goods and services, in turn, have social implications; as these directly affect the purchasing power of money held by the society.

1.2.3 Types of Employee Compensation

1. Direct compensation (financial)
2. Indirect compensation (financial & non-financial)



Direct compensation

Direct compensation is a financial (or monetary) form of compensation. Here are the four main types of direct compensation:

Hourly

- ✓ Hourly wages are often provided to unskilled, semi-skilled, temporary, part-time, or contract workers in exchange for their time and labor.
- ✓ Jobs where some employees receive hourly wage include the retail, hospitality, and construction industries.
- ✓ Employees who receive hourly wages are usually able to earn overtime pay. This pay consists of any additional hours worked outside of their set contract
- ✓ When setting your employees' wages, you need to be compliant with the local minimum wage legislation.

Salary

- ✓ Annual salaries are typically provided to most full-time employees or skilled employees and those who fill management positions. A salary often indicates that the organization has invested in this employee for the long-term future.
- ✓ Examples of employees who receive a salary include teachers, accountants, doctors, and retail and hospitality managers.
- ✓ Both hourly wages and salary make up an employee's base pay or base salary.

Commission

- ✓ Commission is a common form of compensation provided to employees in sales roles. It will usually be based on a predetermined quota or target. The higher the quota reached, the higher the commission pay will be.
- ✓ Commission rates are often based on various specified factors, including revenue and profit margins.
- ✓ Some employees will work on commission only or obtain a salary with commission.

Bonuses

- ✓ Companies often offer bonuses to employees based on year-end business results or the individual meeting their set goals. Sometimes, the decision is at the manager's discretion.
- ✓ Bonuses can be paid annually, quarterly, or even after the completion of each project.
- ✓ Both commission and bonuses fall under incentive pay, along with piece rate, profit sharing, stock options, and shift differentials

Indirect compensation

- ✓ Indirect compensation is still a financial form of compensation since it has a financial value. However, employees do not directly receive it in cash form. That's why certain types of indirect compensation are viewed as monetary, while others are deemed non-monetary. This often varies between organizations.
- ✓ Indirect compensation is often known as employee benefits or perks of the job.

Here are some common examples of indirect compensation.

- ✚ **Equity package:** Equity as part of a compensation package essentially means the employee is offered equity (ownership) in the company, either through shares of stock or the option to buy such shares. An equity package is common at start-up companies. These businesses may be low on cash or funding and need other incentives to attract and retain employees.
- ✚ **Stock options:** This form of compensation entitles employees to purchase a set number of shares at a fixed price after a certain period. This is different from an equity package because the employee will not have any ownership in the company. Many stock options require employees to work between three to five years before they can access this compensation.

1.2.4 Benefits of employee compensation

Employee compensation provides numerous benefits in Human Resource Management (HRM). Here are the key benefits:

1. **Attracts Talent:** Competitive compensation packages help attract skilled and qualified candidates to the organization.
2. **Retains Employees:** Fair and adequate compensation reduces turnover by keeping employees satisfied and less likely to leave.
3. **Motivates Performance:** Financial rewards incentivize employees to meet and exceed performance targets, enhancing productivity.
4. **Boosts Morale:** Appropriate compensation improves employee morale, leading to a more positive work environment.
5. **Enhances Job Satisfaction:** Fair pay and benefits contribute to overall job satisfaction and employee well-being.
6. **Promotes Loyalty:** Employees who feel well-compensated are more likely to be loyal and committed to the organization.
7. **Supports Equity and Fairness:** A transparent compensation system promotes a sense of fairness and reduces conflicts within the workplace.
8. **Improves Employee Engagement:** Proper compensation is a key driver of engagement, leading to higher levels of commitment and involvement.

- 9. Ensures Legal Compliance:** Adhering to compensation laws and regulations helps avoid legal issues and penalties.
- 10. Aligns with Organizational Goals:** Linking compensation to performance and company success aligns employee efforts with organizational objectives.
- 11. Encourages Skill Development:** Compensation tied to skill levels and professional development motivates employees to enhance their capabilities.
- 12. Reduces Absenteeism:** Satisfied and well-compensated employees are less likely to take unnecessary leave, improving overall attendance.
- 13. Fosters Innovation:** Financial incentives for innovation encourage employees to contribute new ideas and solutions.
- 14. Builds a Positive Reputation:** Companies known for fair compensation attract better talent and enjoy a stronger reputation in the market.
- 15. Supports Financial Security:** Benefits like health insurance and retirement plans provide employees with financial security, reducing stress and improving focus.
- 16. Encourages Teamwork:** Incentive pay and profit-sharing programs promote collaboration and teamwork among employees.
- 17. Facilitates Strategic Planning:** Well-structured compensation plans help HRM strategically plan and manage the workforce efficiently.
- 18. Customizes Rewards:** Flexible compensation options allow customization to meet diverse employee needs and preferences, enhancing satisfaction.

SECTION 1.3: Incentives

SECTION 1.3.1: Meaning

Incentive in simple terms is something that encourages a person or organization to do or achieve something. It is something that incites or has a tendency to incite a determination. This is usually given in cash or in kind.

In business, the objective of incentive is to increase employee productivity, improve industrial and interpersonal relations, and as result increase the overall profit of the organization.

SECTION 1.3.2: Importance of Incentive

- ✓ The primary advantage of incentive is the inducement and motivation of workers for higher efficiency and greater output,
- ✓ Fixed remuneration removes fear of insecurity in the minds of employees (as incentive as a part of total remuneration)
- ✓ Earnings of employees would be enhance due to incentive.
- ✓ Reduction in the total as well as unit cost of production through incentives (because of higher productivity)
- ✓ Production capacity is also likely to increase.
- ✓ Incentive payments reduce supervision, better utilization of equipment, reduce scrap, reduce loss time, and reduce absenteeism and turnover.

SECTION 1.3.3: Types of incentives

Organisations perform use a combination of incentive system. This incentive plans can be setup as individual, group or organisational in nature. Performance can be measured un-productivity, cost effective, and superiors rating.

Type # 1. Individual Incentives:

Individual incentive systems may have to be tailored to individual desires for instant salary plus commission basis, only commission or worker wants additional time up instead of additional take home pay.

An individual incentive system may also be used as a means of measuring individual capabilities and initiatives.

Type # 2. Peace Rate Systems:

The most basic individual incentive system is the Peace Rate System. Under the State Peace Work system wages are determined by multiplying the number of units produce by the Peace Rate for 1 unit.

Type # 3. Differential Peace Rate:

The differential Peace Rate System pays employees at one peace rate, if they produce less than a standard output and at a higher peace rate if they produce more than the standard, developed by Frederick Taylor in the late 1800s. The system is to design to stimulate employees to achieve or exceed established standard of production.

Peace Rate System is difficult to use, because of determination standards.

Incentives for Employees:

The following are the different incentives for employees which the company can use:

a. Financial Incentives:

The various financial incentives are:

- (i) Pay and allowances
- (ii) Productivity linked wage incentive
- (iii) Bonus
- (iv) Co-partnership/stock option
- (v) Retirement benefits
- (vi) Perquisites

b. Non-Financial Incentives:

The various non-financial incentives are:

- (i) Employee recognition programmes
- (ii) Employee empowerment
- (iii) Job security
- (iv) Status
- (v) Employee participation
- (vi) Organisational climate

Incentives for Agents:

The following are the different incentives for agents which the company can use:

a. Financial Incentives:

The various financial incentives are:

- (i) Commission
- (ii) Profit sharing

b. Non-Financial Incentives:

The various non-financial incentives are:

- (i) Recognition programmes like certificate of merit etc.
- (ii) Organisational climate
- (iii) Job enrichment
- (iv) Career advancement opportunity

SECTION 1.3.4: Characteristics of a Good Incentive Plan

The basics of a good incentive plan are:

- i. Simple and easy to understand
- ii. Lessor is not costly to operate
- iii. Must be discussed with employees before implementation
- iv. Assist in supervision
- v. Able to evaluate employee's performance
- vi. Induce cooperation among the employees
- vii. Encourage workers to perform better
- viii. Acceptable to employee and employer
- ix. Ensure sufficient monetary compensation and recognition to employees
- x. Ensure reduction in unit production cost
- xi. Standardized methods of implementation
- xii. Eliminate distrust between the employee and employer

Let's Sum Up

Dear Learners, in this third section, we have seen the meaning, importance and characteristics of good incentive plan to motivate employees to work in an organization to enhance self-productivity and to boost the productivity of the organization.

1.4 Welfare and social security measures

SECTION 1.4.1: Meaning

Employee welfare means anything done for the comfort and (intellectual or social) improvement of the employees, over and above the wages paid.

In simple words, it means “the efforts to make life worth living for workmen.” It includes various services, facilities and amenities provided to employees for their betterment. These facilities may be provided voluntarily by progressive entrepreneurs, or statutory provisions may compel them to provide these amenities; or these may be undertaken by the government or trade unions, if they have the required funds.

SECTION 1.4.2: Objectives of employee welfare

- (i) To enhance the level of morale of employees.
- (ii) To create a loyal, contented workforce in organization.
- (iii) To develop a better image of the company in the minds of the employees.
- (iv) To enable the workers to live comfortably and happily.
- (v) To develop efficiency of the workers.
- (vi) To reduce influence of trade unions over the workers.
- (vii) To expose philanthropic and benevolent activities of the company.
- (viii) To make the workers know that the company takes care of them.
- (ix) To develop positive attitude towards job, company and management.
- (x) To reduce tax burden.
- (xi) To develop a feeling of satisfaction of employees with the company.
- (xii) To develop a sense of belonging to the company.
- (xiii) To retain skilled and talented workers.
- (xiv) To develop better human relation.
- (xv) To prevent social evils like drinking, gambling through improvement of working conditions, cultural activities and social conditions.

SECTION 1.4.3: Types of Employee Welfare

Employee welfare encompasses a wide range of services, benefits, and facilities provided by employers to ensure the well-being of their employees. These can be broadly categorized into several types:

Health and Safety

- 1. Health Insurance:**
 - Coverage for medical, dental, and vision expenses.
- 2. Wellness Programs:**
 - Initiatives promoting physical and mental health, such as fitness programs, health screenings, and stress management workshops.
- 3. Safety Measures:**
 - Providing a safe working environment, personal protective equipment (PPE), and training on workplace safety.

Financial Welfare

- 1. Retirement Plans:**
 - Employer-sponsored savings plans like 401(k) or pensions to ensure financial security post-retirement.
- 2. Life Insurance:**
 - Financial protection for employees' families in case of death.
- 3. Disability Insurance:**
 - Income replacement in case of long-term disability.
- 4. Bonuses and Incentives:**
 - Performance-based financial rewards.

Work-Life Balance

- 1. Paid Time Off (PTO):**
 - Vacation days, sick leave, personal leave, and holidays.
- 2. Flexible Work Arrangements:**
 - Options like remote work, flexible hours, and compressed workweeks.
- 3. Parental Leave:**
 - Paid or unpaid leave for new parents.

Career Development

- 1. Training and Development:**
 - Opportunities for professional growth through workshops, courses, and seminars.
- 2. Tuition Reimbursement:**
 - Financial support for further education and skill development.
 -

Employee Assistance Programs (EAPs)

- 1. Counseling Services:**
 - Support for personal or work-related issues.
- 2. Legal and Financial Advice:**
 - Access to professional advice for personal matters.

Social and Recreational Welfare

- 1. Team Building Activities:**
 - Events and activities that promote teamwork and social interaction.
- 2. Recreational Facilities:**
 - Access to gyms, sports facilities, and clubs.

Housing and Transportation

- 1. Housing Assistance:**
 - Support for housing expenses or provision of company housing.
- 2. Transportation Allowances:**
 - Subsidies for commuting costs or company-provided transportation.

Family Support

- 1. Childcare Assistance:**
 - On-site childcare facilities or financial support for childcare expenses.
- 2. Family Health Programs:**
 - Health initiatives that include family members.

Community and Social Responsibility

- 1. Volunteer Programs:**
 - Opportunities for employees to participate in community service.
- 2. Environmental Sustainability Programs:**
 - Initiatives that promote sustainability and corporate social responsibility.

Recognition and Awards

- 1. Employee Recognition Programs:**
 - Acknowledgment of employee achievements through awards, certificates, or public recognition.

SECTION 1.4.4: Schemes and Procedures of Employee Welfare Activities

Employee Welfare activities are provided under various schemes by central government/state government / trade unions / voluntary agencies etc.

Those are provided as stated below:

Central Government has enacted various laws, to provide certain welfare facilities by the employers to their employee's viz.:

1. Canteen facility if employing more than 250 workers, creche, if employing more than 30 women, welfare officer if employing 500 or more workers.
2. Provision of shelters for taking food and rest if 150 or more persons are employed, first aid rooms, in mines employing more than 150 workers
3. Educational facilities, in the estate for the children of workers where there are 25 workers children, between the age of 6 and 12, housing facilities to every worker and his / her family residing in the plantation.
4. Uniforms, raincoats to drivers, conductors and line checking staff, for protection against rain and cold, medical facilities, to the motor transport worker
5. Ensure regular payment of minimum wages / equal pay for equal work irrespective of sex / provide suitable residential accommodation to workers / to provide such protective clothing to the workmen, as may be prescribed.

SECTION 1.4.5: Approaches to Employee Welfare

The different approaches to employee welfare reflect the evolution of the concept of welfare. Earlier, the Government of the land had to compel the industrial houses to provide the basic amenities to their employees. Such compulsion was necessary because the employers believed in exploiting the employee and treating it in an unfair manner. But with passage of time, the concept of welfare has undergone changes. Many progressive managements today provide welfare facilities voluntarily and with enlightened willingness and enthusiasm. In fact, welfare facilities are, no longer, restricted to workers alone, it has been extended to include social welfare also.

A brief description of the various approaches to employee welfare is as follows:

1. Policing Approach:

According to this theory, the factory owners exploit the employee in an unfair manner. Instances of exploitation are making the employees work for long hours, paying low wages, neglecting health and safety provisions, providing unhygienic conditions of work, etc. A welfare state enacts legislation under which managements are compelled to provide basic amenities to the workers. Thus, the state assumes the role of a policeman and compels the employers to provide welfare facilities and punishes the non-complier.

2. Religion Approach:

The religion theory has two aspects namely, the investment aspect and atonement aspect. The investment aspect implies that the fruit of today's deeds will be reaped tomorrow. Any action, whether positive or negative, is thus, treated as an investment. Inspired by this belief, some employers plan and organize welfare facilities for the employees. The atonement aspect of the religion theory implies that the present disabilities of a person are the result of the sins committed by him previously. He should undertake to do good deeds on how to atone or compensate for his sins.

3. Philanthropic Approach:

Affection for mankind is the basis of philanthropic theory. This theory refers to the provision of good working conditions, creches and canteens out of pity on the part of the employers who want to remove the disabilities of the employees. The philanthropic theory is more common in social welfare rather than in industrial enterprises.

4. Paternalistic Approach:

According to the paternalistic theory, the industrialist holds the entire industrial estate, properties and the profits accruing from them in trust. This trust is not actual and legal but it is moral. The employers provide for the well-being of their employees out of funds under their control. As, the whole enterprise is held in trust for the benefit of the employees, this theory is also called trusteeship theory.

5. Placating Approach:

When workers are organized and unions are strong, management has to appease them. As crying children are pacified by sweets, workers are pleased by welfare works.

This theory is based on the assumption that management can bring peace in the organization by welfare measures.

6. Public Relations Approach:

According to this theory, welfare facilities provided by the employers to the employees, create a good image of the employer in the mind of the general public. Some employers proudly take their visitors around the plant to show how well they have organized their welfare activities.

7. Functional Approach:

According to the functional theory, welfare work is a means of securing, preserving and increasing the efficiency of labour. Welfare facilities are provided by the employers to the employees to make them more efficient.

8. Social Approach:

The social responsibility of business has been assuming great significance these days. The social theory implies that an industrial establishment is morally bound to improve the conditions of society in addition to improving the condition of the employees. Labour welfare is gradually taking the shape of social welfare.

Let's Sum Up

Dear Learners, in this fourth section, we have seen the schemes and procedures of employee welfare activities and its approaches strengthening the overall welfare state enacts legislation under which managements are compelled to provide basic amenities to the workers.

1.5 Unit Summary

Employee engagement is a human resources (HR) concept that describes the level of enthusiasm and dedication a worker feels toward their job. Employees who are engaged are more likely to provide superior customer service. Their commitment and positive outlook can enhance customer experiences and foster loyalty. Performance evaluations can be a platform to recognize and reward employees for their hard work and achievements. This recognition boosts morale and motivation, enhancing engagement. Employee compensation refers to the combination of salary and wages, benefits, bonuses, and any additional perks employees receive for performing their job.

Competitive compensation packages help attract skilled and qualified candidates to the organization. A transparent compensation system promotes a sense of fairness and reduces conflicts within the workplace. Financial incentives for innovation encourage employees to contribute new ideas and solutions. Incentive in simple terms is something that encourages a person or organization to do or achieve something. It is something that incites or has a tendency to incite a determination. This is usually given in cash or in kind. Employee welfare means anything done for the comfort and (intellectual or social) improvement of the employees, over and above the wages paid are covered in this chapter.

1.6 Glossary

Improved Morale	Engaged employees tend to have higher job satisfaction and morale. This positive attitude can spread throughout the organization, fostering a more supportive and collaborative work environment
Innovation and Creativity	Engaged employees are more likely to contribute innovative ideas and creative solutions to problems. Their active involvement and interest in their work drive them to think outside the box and improve processes
Feedback	Employee feedback plays into engagement by giving employees the tools and guidance they need to perform their best
Recognition	Employee recognition is the act of showing appreciation and acknowledgement for employees for contributions to the business that links to the company's purpose, mission and values.
Work Environment	A positive, inclusive, and safe work environment encourages engagement. This includes physical workspace, organizational culture, and the overall atmosphere of respect and collaboration
Work-Life Balance	Support for work-life balance through flexible working hours, remote work options, and understanding personal commitments helps maintain high engagement levels. Bonuses might be paid to employees for exceeding sales goals or if the

Bonuses company has an excess budget at the end of the year. These, too, are processed through payroll but might not be paid out every pay cycle

Individual Incentives Individual incentive systems may have to be tailored to individual desires for instant salary plus commission basis, only commission or worker wants additional time up instead of additional take home pay

Peace Rate Systems The most basic individual incentive system is the Peace Rate System. Under the State Peace Work system wages are determined by multiplying the number of units produce by the Peace Rate for 1 unit

1.7 Self-Assessment Questions

MCQ

- 1. Which of the following is an example of financial welfare in employee welfare activities?**
 - A) Team-building activities
 - B) Health insurance
 - C) Flexible work arrangements
 - D) On-site gym facilities
- 2. What does EAP stand for in employee welfare programs?**
 - A) Employee Acknowledgment Program
 - B) Employee Assistance Program
 - C) Employee Activity Plan
 - D) Employee Advancement Program
- 3. Which of these is not considered a type of employee welfare activity?**
 - A) Tuition reimbursement
 - B) Recognition programs
 - C) Profit sharing
 - D) Childcare assistance
- 4. Why are work-life balance initiatives important in employee welfare?**
 - A) To increase profits
 - B) To reduce employee engagement
 - C) To improve productivity and well-being
 - D) To decrease job satisfaction

- 5. Which of these is an example of social welfare in employee welfare activities?**
- A) Retirement plans
 - B) On-site childcare
 - C) Employee bonuses
 - D) Health insurance
- 6. What is a characteristic of a good incentive plan?**
- A) It should be easy to understand and administer
 - B) It should only focus on financial rewards
 - C) It should be rigid and inflexible
 - D) It should not be linked to performance
- 7. Which of these is not a component of an incentive plan?**
- A) Base salary
 - B) Bonuses
 - C) Stock options
 - D) Employee discounts
- 8. What type of incentive plan rewards employees based on the company's overall profitability?**
- A) Individual performance bonuses
 - B) Profit-sharing
 - C) Stock options
 - D) Commission-based pay
- 9. Which of these is a direct component of employee compensation?**
- A) Health insurance
 - B) Retirement plans
 - C) Bonuses
 - D) Flexible work arrangements
- 10. What type of compensation provides employees the right to purchase company stock at a discounted rate?**
- A) Profit-sharing
 - B) Commissions
 - C) Stock options
 - D) Incentive pay
- 11. Which of these is an example of indirect compensation?**
- A) Overtime pay
 - B) Tuition reimbursement
 - C) Base salary

D) Commissions

12. What factor influences employee engagement by providing growth opportunities?

- A) Recognition and rewards
- B) Compensation and benefits
- C) Career development
- D) Work-life balance

13. Which of these fosters employee engagement by creating a positive work environment?

- A) Competitive compensation
- B) Supportive leadership
- C) Overtime pay
- D) Profit-sharing

14. What drives employee engagement by aligning personal values with organizational goals?

- A) Performance appraisals
- B) Team-building activities
- C) Purpose and meaning
- D) Employee benefits

15. Which of these employee welfare activities provides counseling services for personal or work-related issues?

- A) Recognition programs
- B) Employee Assistance Programs (EAPs)
- C) Wellness programs
- D) Flexible work arrangements

16. Why is employee compensation important in HRM?

- A) To increase employee turnover
- B) To attract and retain talent
- C) To reduce job satisfaction
- D) To discourage performance improvement

17. What does fair compensation contribute to in an organization?

- A) Decreased productivity
- B) Increased employee morale
- C) Higher turnover rates
- D) Poor work-life balance

18. How does proper compensation help in aligning employee efforts with organizational goals?

- A) By decreasing job satisfaction
- B) By discouraging teamwork
- C) By increasing absenteeism
- D) By linking pay to performance

Short Answers:

1. Explain two types of employee welfare activities typically provided by organizations.
2. What are three key characteristics of a good incentive plan? Briefly explain each.
3. Briefly describe three components of employee compensation.
4. Identify and explain two key drivers of employee engagement in organizations.
5. Why is employee compensation significant in Human Resource Management (HRM)?

Essay Type Answers:

1. Discuss the steps involved in implementing an effective employee wellness program in an organization
2. Analyze the role of performance-based pay in employee motivation and organizational performance
3. Evaluate the significance of non-monetary benefits, such as flexible work arrangements and professional development opportunities, in enhancing employee satisfaction and engagement.
4. Discuss the characteristics of a Good Incentive Plan that organization must follow.
5. Explain the various approaches to employee Welfare in HRM.

Answers for Check your Progress

1. B) Health insurance
2. B) Employee Assistance Program
3. C) Profit sharing
4. C) To improve productivity and well-being
5. B) On-site childcare
6. A) It should be easy to understand and administer
7. D) Employee discounts
8. B) Profit-sharing
9. C) Bonuses
10. C) Stock options
11. B) Tuition reimbursement
12. C) Career development
13. B) Supportive leadership

- 14. C) Purpose and meaning
- 15. B) Employee Assistance Programs (EAPs)
- 16. B) To attract and retain talent
- 17. B) Increased employee morale
- 18. D) By linking pay to performance






1.8 Activities



Activities

- 5. Select any two companies highlight its welfare measures inside the workplace including safety measures, health services, recreation, and economic services.

1.9 Open Source E-Content Links

Sl.n	Topic	E-Content Link	QR Code
1	Employee Engagement	https://www.youtube.com/watch?v=UUmBKsY8i-A	
2	Employee Compensation	https://www.youtube.com/watch?v=stlUpQGVxrE	
3	Incentives	https://www.youtube.com/watch?v=anCijlK9nag	
4	Employee Welfare	https://www.youtube.com/watch?v=d0ckMOqO0TM	
5	Social security measures	https://www.youtube.com/watch?v=7rWhUNN1eAU	

1.10 Suggested Readings / References

27. <https://www.spiceworks.com/hr/engagement-retention/articles/what-is-employee-engagement/>
28. <https://www.investopedia.com/terms/e/employee-engagement.asp#:~:text=Key%20Takeaways,be%20productive%20and%20higher%20performing.>
29. <https://www.yourarticlelibrary.com/human-resource-management-2/employee-welfare/employee-welfare/99778>
30. <https://www.carboncollective.co/sustainable-investing/incentive>
31. <https://workleap.com/blog/drivers-employee-engagement/>
32. <https://www.omnipresent.com/articles/what-is-employee-compensation>
33. <https://www.yourarticlelibrary.com/organization/compensation-plan/compensation-to-employees-concept-significance-and-components/69685>
34. <https://www.aihr.com/blog/types-of-compensation/>

CONTENTS OF UNIT V

Human Resource Audit – Nature – Benefits – Scope – Approaches. HRIS. Recent trends in HRM: Green HRM& Virtual HRM Practices, Understanding People Analytics, Multigenerational workforce. Global HRM.

Self-Learning Material Development – STAGE 1

UNIT 5 – HR Audit & Green HRM

Unit - V Objectives

- 14. To understand the scope of Human Resource Audit
- 15. To know about the benefits of HR audit
- 16. Trace the approaches to HR audit
- 17. To understand the Green HRM & Virtual HRM practices
- 18. To understand the people analytics in HRM

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SECTION 1.1: Human Resource Audit

An HR audit is a systematic method of investigating the HR department's practices, policies, and procedures. It helps identify gaps in HR practice areas, and HR can prioritize these gaps by identifying ways to improve. Like any other type of business audit, an HR audit also takes place to avoid errors and meet the desired goals.

1.1.1 Meaning of Human Resource Audit

Human resources auditing is the process of reviewing an organization's HR policies, procedures, practices, and documentation to assess legal compliance. The audit can be conducted internally by the organization's HR department or by an independent auditor.

The process involves a comprehensive review of various HR functions like **recruitment**, **performance management**, **compensation** and benefits, employee relations, compliance with labor laws, and record-keeping. The goal of a human resources audit is to ensure that the organization is operating in compliance with relevant laws and regulations.

Auditing also helps ensure that HR practices at your company are effective, and that the organization's employees are being managed properly. This will allow you to identify areas where you can improve HR practices, reduce risk, and increase overall effectiveness.

1.1.2 Nature of HR Audit

The Human Resources (HR) audit is a comprehensive method to review current HR policies, procedures, documentation, and systems to identify areas that need improvement and ensure compliance with ever-changing rules and regulations. Here's an in-depth look at the nature of HR audits in Human Resource Management (HRM):

1. Systematic Evaluation:

- **Structured Approach:** HR audits follow a systematic and structured approach to evaluate HR activities. This involves predefined steps and checklists to ensure all aspects of HRM are thoroughly examined.
- **Regular Intervals:** These audits are conducted at regular intervals to continually assess and improve HR functions, ensuring ongoing compliance and effectiveness.

2. Comprehensive Scope:

- **Broad Coverage:** HR audits cover a wide range of HR activities, including recruitment and selection, training and development, performance management, compensation and benefits, employee relations, compliance with labor laws, and health and safety.
- **Detailed Analysis:** They involve a detailed analysis of each HR function to ensure alignment with organizational goals and legal requirements.

3. Objective Assessment:

- **Impartial Review:** The audit aims to provide an objective assessment of the HR department's efficiency and effectiveness. It identifies strengths, weaknesses, opportunities, and threats.
- **External vs. Internal:** An HR audit can be conducted by internal HR personnel or by external consultants to provide an unbiased perspective.

4. Diagnostic Tool:

- **Problem Identification:** It serves as a diagnostic tool to identify problems or gaps in the current HR practices. This includes non-compliance with laws, inefficiencies, or areas where HR strategies are not aligned with business objectives.
- **Performance Metrics:** Audits often use performance metrics and benchmarks to assess HR activities against industry standards or best practices.

5. Compliance and Risk Management:

- **Regulatory Compliance:** Ensures that the organization is in compliance with all relevant employment laws and regulations, reducing the risk of legal issues and penalties.
- **Risk Mitigation:** Identifies potential risks related to HR practices and recommends corrective actions to mitigate these risks.

6. Continuous Improvement:

- **Feedback Mechanism:** Provides valuable feedback that helps in the continuous improvement of HR policies and practices.
- **Action Plans:** The findings from the audit lead to the development of action plans to address deficiencies and enhance HR operations.

7. Strategic Alignment:

- **Organizational Goals:** Assesses whether HR strategies are aligned with the overall strategic goals of the organization.
- **HR Effectiveness:** Evaluates how effectively HR practices support the business objectives and contribute to the organization's success.

8. Employee Engagement and Satisfaction:

- **Work Environment:** Reviews the impact of HR practices on employee engagement, morale, and satisfaction.
- **Feedback Collection:** Involves collecting feedback from employees to understand their perspectives and identify areas for improvement.

1.1.3 Purpose of HR Audit

The main purpose of HR audit is to identify gaps in HR-related areas and improve them. It helps assess whether the HR practices are benefiting or harming the organization. It also goes beyond the typical hiring process and looks into areas like employee compensation, training, employee retention, employee relations, and other practices that affect employees within an organization. Some of the main purposes of HR audit are:

1. Ensuring compliance and updating regulations to avoid any potential penalties
2. Designing a fair, competitive employee compensation and benefits package
3. Staying relevant with the latest employment laws and trends
4. Identify reasons for employee turnover to improve retention
5. Improve processes, procedures, organizational structures, and job descriptions
6. Identify employee grievances and address issues

1.1.4 Benefits of HR Audit

HR audits are not mandatory, they are a decision taken by an organization to improve its HR efficiency and performance. Apart from this, there are significant benefits of HR audit:

1. Identify reasons for low productivity

By examining HR processes, policies, and employee performance, the audit can identify bottlenecks, gaps in training, or ineffective management practices that may be hindering productivity. This enables organizations to implement targeted improvements, streamlined workflows, and overall organizational efficiency.

2. Gain a competitive advantage

HR audit allows organizations to assess their HR practices against benchmarks and best practices. This helps identify areas for improvement, enhancing HR capabilities, attracting top talent, and creating a positive employer brand.

3. Staying up to date with laws and regulations

HR audit helps organizations keep up with changing employment laws and regulations. Non-compliance issues can be identified to take corrective actions. This mitigates legal risks, avoids penalties or lawsuits, and helps maintain a strong reputation for ethical business practices.

4. Improve talent acquisition strategies

An HR audit also assesses recruitment practices, candidate screening, onboarding procedures, and employer branding efforts. By identifying areas for

improvement, such as targeting new talent pools, enhancing candidate experience, or optimizing job descriptions, organizations can attract top talent.

5. Low employee turnover

Gaps in compensation and benefits, career development, work-life balance, and employee engagement initiatives are identified. This helps address issues and create a more positive workplace. Employee satisfaction is improved by assessing the reasons for turnover. Ultimately, employee retention is increased.

6. Improve safety in the workplace

Workplace safety practices, policies, and compliance with health and safety regulations are evaluated. Potential hazards, gaps in safety training, inadequate safety protocols, etc., are identified so that organizations can take corrective action to enhance workplace safety.

1.1.4 Scope of HR Audit

The scope of an HR audit encompasses a comprehensive review of various HR functions, policies, practices, and procedures within an organization. Here is a brief overview of the primary areas covered:

1. Recruitment and Selection:

- **Job Descriptions and Specifications:** Review accuracy and relevance.
- **Recruitment Processes:** Evaluate sourcing strategies, candidate screening, and selection methods.
- **Compliance:** Check adherence to equal employment opportunity laws and other regulations.

2. Training and Development:

- **Training Programs:** Assess the effectiveness, relevance, and return on investment of training initiatives.
- **Employee Development Plans:** Review career development and succession planning processes.

3. Performance Management:

- **Appraisal Systems:** Evaluate performance appraisal processes and tools.
- **Goal Setting and Feedback:** Check alignment with organizational goals and effectiveness in providing constructive feedback.

4. Compensation and Benefits:

- **Salary Structures:** Review competitiveness and fairness of compensation packages.
- **Benefits Programs:** Assess the adequacy and utilization of health insurance, retirement plans, and other benefits.

5. Employee Relations:

- **Grievance Handling:** Evaluate the processes for addressing employee complaints and conflicts.
- **Disciplinary Procedures:** Review the fairness and consistency of disciplinary actions.

6. Compliance and Legal Issues:

- **Labor Laws:** Ensure compliance with federal, state, and local labor laws and regulations.
- **Policies and Procedures:** Review HR policies for legal compliance and update requirements.

7. Health and Safety:

- **Workplace Safety Programs:** Assess the effectiveness of health and safety measures.
- **Compliance:** Ensure adherence to Occupational Safety and Health Administration (OSHA) regulations.

8. Employee Engagement and Satisfaction:

- **Engagement Surveys:** Review methods and results of employee engagement surveys.
- **Retention Strategies:** Evaluate initiatives aimed at improving employee retention and satisfaction.

9. HR Information Systems (HRIS):

- **Data Management:** Assess the efficiency and accuracy of HR data management systems.
- **Technology Utilization:** Review the effectiveness of HR technologies in supporting HR functions.

10. Organizational Culture:

- **Culture Alignment:** Evaluate the alignment of organizational culture with HR policies and practices.
- **Diversity and Inclusion:** Review diversity and inclusion initiatives and their impact on the workplace.

1.1.5 Approaches of HR Audit

The following approaches are adopted for purposes of evaluation.



Comparative Approach:

In this, the auditor identifies competitor's company as a model. The results of the organisation are compared with those of the model company. Benchmarks for comparison may be decided by an outside consultant.

Outside Authority Approach:

In this, auditor standards set by an outside consultant as benchmark for comparison of own results.

Statistical Approach:

In this, statistical measures of performance such as absenteeism & turnover rates are used to assess performance which is considering the company's existing information.

Compliance Approach:

In this, auditor review past action to calculate whether these activities comply with legal requirement & industry policies & procedures.

Management by Objectives (MBO) Approach:

This approach creates specific goals, against which performance can be measured, to arrive at final decision about organisation actual performance with the set objectives.

Let's Sum Up

Dear Learners, in this first section, we have seen the meaning and nature of HR Audit and its benefits focusing on the approaches that helps assess whether the HR practices are benefiting or harming the organization.

SECTION 1.2: Human Resource Information System

1.2.1 Meaning

A human resource information system (HRIS) is software that aids organizations in managing and automating core human resource (core HR) processes. An HRIS provides a centralized repository of employee master data that the human resource management (HRM) team needs to complete core HR tasks.

HRIS software stores, processes and manages employee data, including names, addresses, national IDs or Social Security numbers, visa or work permit information and information about dependents. It typically also provides HR functions such as recruiting, applicant tracking, time and attendance management, performance appraisals and benefits administration. An HRIS can also offer employee self-service and accounting functions.

In some ways, an HRIS can be considered a smart database of employee information. The interaction of the data, the processes that can be performed and the reporting capabilities make the data stored in the system more accessible and usable.

1.2.2 Benefits of HRIS

HRIS software can breathe new life into a company's HR processes and procedures. While the benefits vary depending on the system a company opts for or the modules it chooses, the following are key benefits of HRIS software:

- **Expedites tasks:** An HRIS enables the HR department to spend less time on clerical tasks, helps ensure the accuracy of employee data and can make it easier for employees to manage their information.
- **Reduces paperwork:** Having a centralized repository for employee data removes the need for storing paper files, which can be easily damaged, as well as the need to search through large paper-based employee files to find information.
- **Simplifies predictive analysis and visualizations:** Depending on the type of HRIS software, it can generate various reports, provide ad hoc reporting capabilities and offer HR analytics on important metrics such as headcount and

turnover. Modern HRIS software also offers visualization capabilities for employee data, such as automatically rendered organizational charts or nine-box grid employee assessment tools.

- **Empowers employees:** Employees can directly access and make changes to their personal information without having to contact HR.
- **Improves productivity:** Self-service features simplify the process for making employee master data or organizational changes and are less time-consuming than paper-based requests. Approval workflows enable changes to be approved or rejected, with the necessary individuals automatically notified. An HRIS might also offer mobile capabilities that extend self-service and provide additional flexibility for remote workers.
- **Maintains compliance.** HR tasks are highly regulated, and there's little to no margin for error. Many HRIS programs have monitoring capabilities and are designed with specific compliance regulations in mind. This encourages organizations to stay compliant and avoid legal issues, penalties and financial losses.
- **Offers security and privacy:** An HRIS also helps secure employee data and keep information private. When using paper forms or spreadsheets, information can easily be accessed by people who aren't authorized. Data security and privacy are important factors when handling sensitive personal information.
- **Provides scalability:** A cloud-based HRIS is easily scalable depending on an organization's needs.
- **Offers data-driven features:** Some HRIS software includes features such as predictive analytics, forecasting and modeling, which can aid HR in making more data-based informed decisions.

1.2.3 Functions of HRIS

The Functions of an HRIS are as follows:

- **Applicant Tracking System (ATS):** This software handles a company's recruiting needs. It enables recruiters to track candidate information and resumes, match job openings with suitable candidates from the company's application pool, and guide the hiring process.
- **Payroll:** It automates the process of paying employees. Payrolling involves entering contractual data and information on new hires, sometimes combined with time and attendance data. At the end of the month, payment orders are made based on this information.
- **Employee Self-Service:** Organisations nowadays are shifting their focus towards employee self-service. It allows employees and their supervisors to manage their own data. For example, employees can request leave, which is approved and recorded in the system immediately. It helps keep track of payroll and benefits accurately.
- **Benefits Administration:** Advanced systems offer employee self-service in choosing employee benefits. This means that employees can select the benefits that best suit their needs, such as paternity leave or a more expensive company car.
- **Time and Attendance:** Employees check into work using a fingerprint or card synced with an HRIS. This method gives an exact time for arrival and departure, and any lateness issues can be easily detected.
- **Training:** Employee development and growth is vital for effective employee management. HR can use a Learning Management System (LMS) to keep track of employee qualifications, certifications, and skills. The LMS also provides a list of available courses for employees, including e-learning courses.
- **Performance Management:** It is crucial to manage employee performance. Managers and peers evaluate and rate employees periodically to help identify strengths and areas for improvement and inform decisions on compensation, promotions, and training opportunities.

- **Succession Planning:** It's critical to have a talent pool and replacement options in place for key roles. These can be managed with the help of an HRIS, which tracks and manages the entire employee lifecycle from recruitment to retirement. A strong HRIS ensures that organisations have the right people in the right roles at the right time, reducing the risk of disruptions caused by unexpected departures or vacancies.
- **Reporting and Analytics:** Modern HRIS systems provide automated HR reports on employee turnover, absence, performance, etc. Analytics involves analysing these insights to make better-informed decisions.

1.2.4 Types of HRIS

All HRIS systems have a few things in common, like automation, self-service, centralised databases, and talent management, to help HR professionals best perform their functions. Beyond that, different HRISs offer different sets of features. The types of HRIS are as follows:

Operational HRIS

Operational HRIS systems streamline HR tasks by managing employee records, position details, and performance appraisals. They equip HR managers with essential data for performance reviews, hiring, and promotions. They are ideal for organisations burdened with manual, repetitive HR tasks or scattered data. These systems centralise information, automate tasks, and enhance efficiency. Key benefits include task automation, suitability for standard HR functions, and applicability across various organisations.

Tactical HRIS

Tactical HRIS systems focus on resource-related processes like recruiting, training, compensation, and vacancies, aiding organisations in making strategic decisions on resource allocation, job analysis, and team development. Beyond internal data, they incorporate external factors such as union details, competitor insights, and regulatory requirements. They are ideal for organisations requiring macro-level decision-making support rather than daily operational support. These systems offer big-picture insights

and optimisation of resource use, primarily catering to macro-level organisational needs.

Strategic HRIS

Strategic HRIS systems facilitate strategic analysis and decision-making for HR professionals, aiding in goal-setting, future workforce planning, and leveraging data such as market insights and operational budgets. They are particularly beneficial for organisations eyeing growth or expansion. These systems empower companies with concrete, data-driven insights to make informed strategic decisions. If your organisation aims to harness precise data for planning and expanding strategically, opting for a strategic HRIS is advisable, given its emphasis on data-driven decision-making tailored for growing companies.

Comprehensive HRIS

A comprehensive HRIS amalgamates operational, tactical, and strategic functionalities, serving as a centralised platform for managing many HR tasks. This all-encompassing system facilitates streamlined management across various HR domains, including employee data, recruitment, job analysis, safety protocols, skills inventory, compensation, training, and performance appraisal. Comprehensive HRIS platforms offer a complete HR management solution by consolidating information and operations under one umbrella. While they may entail higher costs and necessitate extensive training, their multifaceted capabilities can significantly revolutionise HR department functionalities, making them ideal for organisations seeking complete and integrated HR solutions.

Limited-Function HRIS

A limited-function HRIS is designed to serve a singular, specific purpose rather than encompassing a broad range of HR functions like a comprehensive system. These systems cater to distinct areas such as training, benefits management, or other specific HR tasks based on their design. They are particularly well-suited for smaller companies or departments. Limited-functioning HRIS solutions are often cost-effective, user-friendly, and efficiently managed even by a single HR professional. Their focused

approach allows for targeted management of particular HR functions, making them ideal for organisations seeking streamlined solutions for specific HR needs

Let's Sum Up

Dear Learners, in this second section, we have made an attempt to have understanding on the benefits of HRIS and various functions HRIS provides as a centralized repository of employee master data that the human resource management (HRM) team needs to complete core HR tasks.

SECTION 1.3: Green HRM & Virtual HRM

SECTION 1.3.1: Meaning of Green HRM

In the present scenario, Green HRM is an emerging topic. Green HRM was developed from the green movement around the world.

The concept of Green HRM has become popular worldwide. Its meaning differs from person to person. It attempts to boost energy savings or reduce the pollution created by industries and general living habits. The primary aim of greening is to minimize the possible adverse effects of energy consumption and pollution on the environment.

Implementing green technology as a corporate plan will promote business success in the ever-evolving world. The inevitable fact is that organizations will play a critical role in the fight against global warming. HRM will fulfil the company's dedication to green practices with the help of management and its employees. Green HRM's function may become the operator of sustainability goals, which will aid in achieving your company goals.

SECTION 1.3.2: Benefits of GHRM

- ✓ Companies need to carry out an environmental audit that can focus on recycling and help society and its people. It will help the workers and members of organizations to understand the use of natural resources and promote eco-friendly goods. Some benefits of Green HRM are as follows-
- ✓ It can support organizations to minimize expenses without losing talent.

- ✓ It decreases a company's total costs as it becomes more effective concerning the use of electricity, water, and manufactured goods.
- ✓ It helps to achieve greater employee job satisfaction and dedication, which leads to increased productivity.
- ✓ Develop a culture of concern for the holistic wellbeing of fellow employees.
- ✓ Small companies can also reduce their electricity costs by using technologies that are energy-efficient and less costly.
- ✓ It can be used to create good public relations if an organization adds a green initiative to its workplace.

SECTION 1.3.3: Policies of Green HRM

Recruitment and Selection Method

- ✚ Companies can go online to hire candidates with online applications and resumes to reduce massive paper waste.
- ✚ HR should ensure that the next steps of the selection process determine the applicants' willingness to embrace eco-friendly choices after the first screening of CVs. During an interview, some questions should focus on environmental issues or a group dynamic that combines a corporate strategy with sustainability concerns. In the end, each candidate can also be given a green score and added to the total spreadsheet of scores that will eventually rank the top applicants.

Onboarding Process

- ✚ Induction programs should be structured in such a way to promote the incorporation of these new workers with the culture of green consciousness of the organization. Besides, these programs should also illustrate the company's environmental issues and the green actions that are being developed within the company.

Learning and Development

- ✚ Learning and development is a method that focuses on improving the abilities, skills, and attitudes of employees. Leaders should offer training materials to develop employee knowledge and skills in environmental sustainability. Learning and development can encourage the employees to find ways to help their organizations become more successful.

- ✚ For environmental management training, companies can use digital media and web-based training modules. Energy conservation, waste management, and recycling factors relevant to the environment can become green training core points.

Performance Management and Appraisal

- ✚ Performance management is a motivational approach to enhance employees' technical skills that help in achieving company goals. Thus, performance appraisal can include sustainability objectives measured with specific metrics to set up a greener company.
- ✚ Green targets, tasks, and responsibilities such as creating green awareness and encouraging them to participate in the company's green activities can also be considered when it comes to managers' performance appraisal.

Compensation and Reward Management

Green compensation and reward management aim to acknowledge workers' commitment to developing a more sustainable organization. Three types of rewards are as follows-

- Monetary rewards can be in the form of salary increments, cash rewards, and bonuses.
- Non-Monetary rewards like leaves for special occasions, gifts, etc.
- Recognition-based rewards highlight the employee's contribution towards the company, appraisal from the top management, etc.

SECTION 1.3.4: Meaning of Virtual HRM

Virtual human resources (also known as virtual HR) is the process of connecting employees to a range of technologies and HR services when they need them. This allows employees to go straight to resources through a self-service platform, rather than always going through an onsite HR representative.

Virtual HR means using online tools for HR tasks. It includes hiring, onboarding, and managing employees remotely, making work more digital and flexible. It's like a self-service platform, making it easy to access resources without always going through someone in the office.

SECTION 1.3.5: Benefits of Virtual HRM

- ✓ **Accessibility:** Employees can access HR services and resources conveniently through online platforms.
- ✓ **Efficiency:** Streamlines HR processes, reducing paperwork and increasing overall efficiency.
- ✓ **Flexibility:** Allows employees to manage HR-related tasks remotely, promoting flexibility in work arrangements.
- ✓ **Self-Service:** Offers self-service options, enabling employees to find information and complete tasks independently.

Let's Sum Up

Dear Learners, in this third section, we have made an attempt to have an understanding on Green HRM and Virtual HR which focuses on using online tools for HR tasks.

1.4 Multigenerational workforce

SECTION 1.4.1: Meaning

A multigenerational workforce is a personnel comprised of people from several generations. The average lifespan for humans has been increasing, so more individuals are choosing to work well past the typical retirement age.

The age diversity in the current workforce is the widest ever. It is now common for organizations to have employees working side-by-side who represent four to five generations.

These groups are defined as:

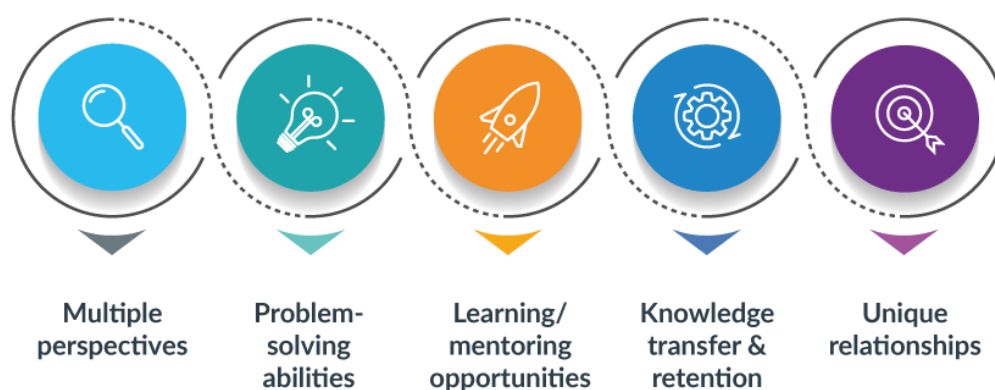
- **Silent Generation (Traditionalists)** – born 1928-1945
- **Baby Boomers** – born 1946-1964
- **Generation X** – born 1965-1980
- **Generation Y (Millennials)** – born 1981-1996
- **Generation Z** – born 1997-2012

The presence of multiple generations expands the pool of available talent and shifts its demographics. Still, many employers have not placed a significant focus on taking advantage of this.

HR leaders should consider all age groups during succession and strategic workforce planning to find the best ways to attract, engage, retain, and develop employees from various life stages.

SECTION 1.4.2: Benefits of Multigenerational workforce

Multigenerational Workforce Benefits



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Including a range of ages in your staff adds value to the organization. Younger employees are accustomed to rapidly developing technology and adapting to the changes it drives. In like manner, more mature employees have knowledge from the duration of their experience that can guide decision-making. The collaboration of fresh innovation with wisdom from the experience brings increased productivity.

The following are some of the significant benefits of a multigenerational workforce:

- **Multiple perspectives** – Different generations can have distinctive ways of viewing job responsibilities. Sharing perspectives within and across teams brings a broad range of knowledge and abilities to support innovation.

- **Problem-solving abilities** – Combining multiple perspectives and diverse skills drives creative solutions to problems. Life experience influences how we relate to and interact with others to address challenges and conflict. As a result, teams with age diversity can offer a variety of ways to address problems.
- **Learning/mentoring opportunities** – The more diverse a team is, the more ways people have to interact and learn from each other's insights. This includes mutually beneficial mentoring opportunities. Those with more years of experience can advise younger employees on career development. What's more, the recent trend of reverse/cross-generational mentoring allows more junior employees to educate mature workers with their familiarity with current trends and technology.
- **Knowledge transfer and retention** – The awareness and strengths that each generation offers better prepare the business to meet its future leadership needs. Tacit knowledge stays within the company in a robust internal talent pipeline. Focus is more on in-house promotion and less on recruiting from the outside.
- **Unique relationships** – Meaningful relationships with co-workers can help meet employees' emotional needs and contribute to job satisfaction. A variety of age groups within the organization mirrors a family structure to offer opportunities for personal connections with those outside of one's own generation.

SECTION 1.4.3: Multigenerational workforce challenges

Although a multigenerational workforce is advantageous overall, it does propose some obstacles to maneuver.

Here's an overview of some of the main multigenerational workforce challenges:

- **Communication issues** – There are likely differences in preferred communication styles and interpretation of tone between the generations. With the availability of email, instant messaging, or phone and video calls, methods for reaching employees are plentiful. Selecting the best way to connect with team members and avoid communication breakdowns requires careful consideration.
- **Negative stereotypes** – As with any type of diversity, people have preconceived notions about those in a different age group. Older generations

may assume that younger people are entitled, oversensitive “snowflakes.” Youthful employees may presume that those that are older than them are inflexible and afraid to embrace technology. These sweeping generalizations form negative stereotypes that might lead to toxic company culture, disparate treatment, ageism, and legal problems.

- **Varying employee expectations** – People from different generations may not hold the same expectations for their employment. Ways that people accomplish their duties, learn from trainings, or expect to have their performance evaluated can vary. Also, what is considered a desirable compensation package might not be the same for each generation.

SECTION 1.4.4: Managing a multigenerational workforce

HR is instrumental in making sure the company bridges the generational gap and has efficient, cohesive teams. How do you overcome the multigenerational workforce challenges to reap the benefits?

Here are nine management practices for leading a multigenerational workforce:

1. Work on your Employee Value Proposition (EVP)

- ✓ Cultural benefits can keep employees of all ages satisfied with their job. The key is offering a sought-after work environment and an assortment of perks to satisfy a variety of people.
- ✓ Policies and programs for wellness, work/life balance, and paid time-off are attractive to all generations. However, providing professional development, career advancement, community service opportunities, financial investment programs, and social events can target other desires to offer a wider appeal to different ages.

2. Fine-tune your inclusive hiring process

- ✓ From sourcing to offer, you should strive to eliminate age bias when recruiting. Start with educating hiring personnel, then expand your recruiting channels to

use as many as possible. (College job fairs shouldn't be the only place you look to fill entry-level positions.)

- ✓ The wording of job ads can discourage age diversity. Check them for inclusivity. Stick to neutral language and avoid terms or phrases that target a particular generation. You should also include images and videos on your career site that show people of diverse age groups.
- ✓ Dates, names, and other resume details can infer demographic information. If you are able to implement computer programs that use AI to screen, it can help you avoid these biases. Having a mix of younger and older hiring managers filter applicants and conduct interviews can also help level the field.

3. Cater to different communication styles

- ✓ Harmony and productivity are dependent on effective communication. The aim is to ensure that the same information is accessible to everyone.
- ✓ Language gaps have always existed between generations, but younger workers used to assimilate into their employer's communication norms. Now that digital communication is changing culture so rapidly, younger generations have much more influence. Workplace communication has become more about meeting in the middle to find common ground and blend the varied styles.
- ✓ You should have consistency in company-wide communications and certain standards when it comes to your brand voice, but you can look for ways to facilitate different styles on a smaller scale. Offer leaders their choice of text-based or video communication methods based on their teams' needs. When it comes to one-on-ones, there should certainly be leeway for managers to address these individually.

4. Clarify and reiterate expectations

- ✓ A common purpose unites people and minimizes their differences. Regardless of their age, employees want to be clear on the business goals and the specific role they are required to play in these endeavors.
- ✓ Managers must establish avenues for spreading the word about expectations on an ongoing basis. They should also provide assurance about what employees can anticipate from the company as a whole and within their team.

- ✓ Constructive observations from leaders help workers be accountable and enhance their skills. This type of direction assures that employees have the confidence of knowing where they're headed.

5. Collect feedback

- ✓ Not everyone is comfortable giving unsolicited opinions, so you need ways to encourage honest feedback that reveals the pulse of your multigenerational workforce. You should offer these opportunities through surveys, performance appraisals, and one-on-ones, or other creative methods.
- ✓ As you learn how engaged people feel and how they are performing, you can discover what you need to improve to manage a multigenerational workforce better.

6. Accommodate diverse working styles and needs

- ✓ There is no one-size-fits-all way to address how workers of any generation can perform best. Organizations that are able to adjust to their employees' needs are more apt to attract and retain the finest of the available talent pool.
- ✓ Flexible work hours can accommodate employees of all seasons of life. Offering varied schedules or part-time work allows caregivers more time with family or provides a phased-in approach to retirement.
- ✓ Previously, there might have been a generational factor in the preference for virtual employment, but the COVID-19 pandemic has changed that. A broad range of people have welcomed the freedom of remote work, and employers are embracing this reality. For example, Spotify is now offering its employees the ability to 'work-from-anywhere'. Not every industry can accommodate this type of situation, but businesses that want to compete for top talent will need to oblige.

7. Create learning opportunities

- ✓ People are generally eager to expand their skills and advance their careers, and it is not limited to just younger workers. Providing a wide array of knowledge-building opportunities benefits employees' growth and enlarges their contribution

to your business. An environment where asking questions is encouraged facilitates a learning atmosphere and allows everyone to be heard.

- ✓ Upskilling and reskilling aren't only accomplished through formal trainings. It can happen through knowledge sharing between generations through peer mentoring and learning, sponsorship, or assembling cross-functional teams.
- ✓ Some employees will quickly catch on to new technologies, but you should provide optional training for those who desire something more in-depth. This will boost their proficiency and confidence and ensure continuity.

8. Combat bias and stereotypes

- ✓ Generational bias and stereotypes do exist. It's far better to reframe them than pretend they aren't there. Although it is a mistake to assume that people are "entitled," "stubborn," "idealistic," or "a workaholic" just because of their age, the context of different life experiences does shape people in certain ways.
- ✓ Acknowledging and contemplating differences allows you to harness the strengths of each generation. It might be necessary to conduct training to confront age-based stereotypes, such as role-playing exercises. Bringing inaccurate perceptions to the forefront makes people more aware of their assumptions and can lead to more harmonized multigenerational teamwork.
- ✓ You should work on deliberately dispelling bias and stereotypes at all employee lifecycle stages. In addition to the hiring process, you must watch out for the bias in your HR and people policies and among employees and leadership approaches.

9. Nurture an inclusive environment at work

- ✓ Employers are certainly making a strong effort to create work environments that are inclusive to everyone, but age diversity may be the most overlooked concept. You must take ageism and perceived generation gaps into account when designing your diversity & inclusion policy.
- ✓ Employees should feel respected and free to voice their opinions, regardless of their stage in life.

Let's Sum Up

Dear Learners, in this fourth section, we have made an attempt to have an understanding on the multigenerational workforce as employers who implement strategies that optimize a multigenerational workforce can bolster their business goals.

1.5 Global HRM

SECTION 1.5.1: Meaning

With the advent of globalization, organizations - big or small have ceased to be local, they have become global! This has increased the workforce diversity and cultural sensitivities have emerged like never before. All this led to the development of Global Human Resource Management.

Even those organizations who consider themselves immune to transactions across geographical boundaries are connected to the wider network globally. They are in one way or the other dependent upon organizations that may even not have heard about. There is interdependence between organizations in various areas and functions.

SECTION 1.5.2: Objectives of global HRM

Global Human Resource Management (Global HRM) involves managing a diverse workforce across different countries and cultures. The primary objectives of Global HRM are to ensure that the organization can operate effectively on a global scale, leveraging its human resources for competitive advantage. Here are the key objectives in brief:

1. Talent Acquisition and Retention:

- **Objective:** To attract, recruit, and retain the best talent worldwide.
- **Purpose:** Ensures that the organization has the skilled workforce needed to achieve its global business objectives.

2. Cultural Competence:

- **Objective:** To develop cultural awareness and sensitivity among employees.
- **Purpose:** Facilitates effective communication and collaboration in multicultural environments, enhancing global team cohesion.

3. Compliance with International Labor Laws:

- **Objective:** To ensure adherence to local labor laws and international regulations.
- **Purpose:** Reduces legal risks and promotes fair labor practices across all operational regions.

4. Standardization and Localization:

- **Objective:** To balance global standardization of HR policies with local adaptation.
- **Purpose:** Ensures consistent HR practices while respecting local customs, laws, and business practices.

5. Global Leadership Development:

- **Objective:** To identify and develop leaders capable of managing international operations.
- **Purpose:** Strengthens the organization's leadership pipeline and prepares leaders for cross-cultural management challenges.

6. Effective Communication:

- **Objective:** To establish robust communication channels across global locations.
- **Purpose:** Ensures clear, consistent, and timely information flow, supporting coordination and strategic alignment.

7. Employee Engagement and Motivation:

- **Objective:** To foster high levels of engagement and motivation among a diverse workforce.
- **Purpose:** Enhances productivity, job satisfaction, and retention rates globally.

8. Performance Management:

- **Objective:** To implement effective performance management systems that account for cultural differences.
- **Purpose:** Ensures fair and accurate assessment of employee performance, fostering a culture of continuous improvement.

9. Training and Development:

- **Objective:** To provide training and development opportunities that meet the diverse needs of a global workforce.
- **Purpose:** Enhances skills and competencies, supporting both individual career growth and organizational goals.

10. Cost Management:

- **Objective:** To manage the costs associated with global HR activities efficiently.
- **Purpose:** Ensures the financial sustainability of global HR operations and maximizes return on investment in human capital.

SECTION 1.5.3: Functions of global HRM

- ✚ **Staffing and talent acquisition:** Global HRM administrators identify and recruit international talent to meet the company's workforce needs. They must address any challenges related to HR sourcing, recruiting, global hiring, and onboarding employees from diverse cultural backgrounds.
- ✚ **Training and development:** Global HRM includes developing training programs for foreign employees that consider cultural differences and language barriers. These opportunities must also enhance the international employees' skills and knowledge of their job roles and company objectives and goals.
- ✚ **Compensation and benefits:** Global HRM administrators must develop compensation structures and global employee benefits that align with the local market conditions while maintaining global consistency and fairness across the company. Their global payroll and compensation strategy must address varying tax implications, currency fluctuations, labor compliance, and other financial considerations related to global compensation.
- ✚ **Employee relations:** Global HRM also develops employee policies and management practices that comply with local labor laws and regulations. These policies must also navigate any cultural differences in employee relations and workplace dynamics.
- ✚ **Global mobility and expatriate management:** Another component of global HRM is managing a company's global mobility programs, such as expatriate placements or employees on short-term and long-term international assignments. Global HRM managers must address immigration requirements,

challenges, and support needs of employees relocating to new locations and working in foreign countries.

- ✚ **Legal compliance:** Labor laws vary significantly from country to country, so global HRM managers must ensure compliance with the diverse and complex regulations and employment practices across different countries. Global HRM administrators must manage the legal risks associated with international employment.
- ✚ **Diversity and inclusion:** Global HRM can also implement strategies to promote diversity and inclusion for employees at a global level. Global HRM administrators help companies foster an inclusive workplace culture that values diversity, respects cultural differences, and encourages collaborative norms and practices.
- ✚ **Strategic planning:** Global HRM policies and practices support the company's international expansion objectives while aligning HR strategies with the organization's overall business goals.

Let's Sum Up

Dear Learners, in this fifth section, we have made an attempt to have an understanding on meaning of Global HRM and its benefits as they consider themselves immune to transactions across geographical boundaries are connected to the wider network globally.

1.6 Unit Summary

HR audit is a systematic method of investigating the HR department's practices, policies, and procedures. Ensuring compliance and updating regulations to avoid any potential penalties, Designing a fair, competitive employee compensation and benefits package, Staying relevant with the latest employment laws and trends, Identify reasons for employee turnover to improve retention, Improve processes, procedures, organizational structures, and job descriptions, Identify employee grievances and address issues. HRIS software stores, processes and manages employee data, including names, addresses, national IDs or Social Security numbers, visa or work permit information and information about dependents. Performance management is a motivational approach to enhance employees' technical skills that help in achieving company goals. Green targets, tasks, and responsibilities such as creating green

awareness and encouraging them to participate in the company's green activities can also be considered when it comes to managers' performance appraisal. Virtual HR means using online tools for HR tasks. It includes hiring, onboarding, and managing employees remotely, making work more digital and flexible is also covered in this chapter.

1.7 Glossary

HR Audit	HR audit is an objective examination of your business's HR policies, practices, and procedures. The goal is to look for trouble spots and/or identify ways you can improve.
Comparative Approach	In this, the auditor identifies competitor's company as a model. The results of the organisation are compared with those of the model company. Benchmarks for comparison may be decided by an outside consultant
Statistical Approach	In this, statistical measures of performance such as absenteeism & turnover rates are used to assess performance which is considering the company's existing information
Compliance Approach	In this, auditor review past action to calculate whether these activities comply with legal requirement & industry policies & procedures.
Management by Objectives (MBO) Approach	This approach creates specific goals, against which performance can be measured, to arrive at final decision about organisation actual performance with the set objectives.
Green HRM	It attempts to boost energy savings or reduce the pollution created by industries and general living habits, The primary aim of greening is to minimize the possible adverse effects of energy consumption and pollution on the environment

Virtual HRM

Virtual human resources (also known as virtual HR) is the process of connecting employees to a range of technologies and HR services when they need them

1.8 Self-Assessment Questions

MCQ

1. **Which of the following is a common approach to HR audits?**
 - A) Compliance Audit
 - B) Operational Audit
 - C) Strategic Audit
 - D) All of the above
2. **What is the primary focus of a compliance HR audit?**
 - A) Evaluating HR effectiveness
 - B) Ensuring adherence to laws and regulations
 - C) Assessing strategic alignment
 - D) Reviewing employee performance
3. **Which approach to HR auditing focuses on how well HR activities align with the company's strategic goals?**
 - A) Operational Audit
 - B) Compliance Audit
 - C) Strategic Audit
 - D) Functional Audit
4. **One key benefit of an HRIS is:**
 - A) Increased paperwork
 - B) Improved data accuracy
 - C) Reduced employee engagement
 - D) Higher operational costs
5. **HRIS systems help in decision-making by:**
 - A) Providing outdated information
 - B) Offering real-time data and analytics
 - C) Reducing data accessibility
 - D) Increasing data entry errors
6. **A benefit of HRIS is enhanced compliance. This is achieved by:**

- A) Ignoring legal requirements
 - B) Automating compliance tracking and reporting
 - C) Reducing data security
 - D) Increasing manual tracking
7. **Which HRIS type focuses on employee self-service for accessing HR information?**
- A) Tactical HRIS
 - B) Operational HRIS
 - C) Strategic HRIS
 - D) Modular HRIS
8. **A strategic HRIS primarily supports:**
- A) Daily HR tasks
 - B) Long-term HR planning and strategy
 - C) Basic employee information management
 - D) Payroll processing
9. **What type of HRIS allows for the integration of various independent HR modules?**
- A) Comprehensive HRIS
 - B) Modular HRIS
 - C) Electronic HRM (e-HRM)
 - D) Operational HRIS
10. **Which is a primary benefit of Green HRM?**
- A) Increased environmental sustainability
 - B) Higher resource wastage
 - C) Lower employee morale
 - D) Increased operational costs
11. **Green HRM practices can lead to:**
- A) Reduced organizational reputation
 - B) Enhanced corporate social responsibility
 - C) Higher energy consumption
 - D) Increased legal issues
12. **An example of Green HRM practice is:**
- A) Excessive paper usage
 - B) Promoting telecommuting
 - C) Ignoring recycling programs
 - D) Increasing travel requirements

13. A key policy of Green HRM includes:

- A) Encouraging the use of single-use plastics
- B) Implementing energy-saving initiatives
- C) Increasing paper-based processes
- D) Promoting excessive travel

14. Green HRM policies often aim to:

- A) Increase environmental impact
- B) Reduce carbon footprint
- C) Ignore sustainability efforts
- D) Discourage remote working

15. Which policy would align with Green HRM?

- A) Limiting virtual meetings
- B) Enhancing digital documentation
- C) Encouraging physical travel for all meetings
- D) Reducing the use of energy-efficient devices

16. A major benefit of Virtual HRM is:

- A) Decreased employee productivity
- B) Increased flexibility and accessibility
- C) Higher office maintenance costs
- D) Reduced technological adoption

17. Virtual HRM can lead to:

- A) Poorer communication
- B) Enhanced talent acquisition globally
- C) Higher physical workspace requirements
- D) Increased commute times

18. Virtual HRM often reduces costs by:

- A) Increasing office space needs
- B) Decreasing travel and accommodation expenses
- C) Enhancing physical infrastructure
- D) Limiting remote work opportunities

19. A common challenge in managing a multigenerational workforce is:

- A) Uniform communication preferences
- B) Differing values and expectations
- C) Homogeneous technological skills
- D) Consistent work-life balance needs

20. Which challenge is associated with a multigenerational workforce?

- A) Consistent motivational drivers
- B) Varying levels of technological proficiency
- C) Similar learning styles
- D) Identical career aspirations

21. A major challenge in a multigenerational workforce is:

- A) Universal adaptability to change
- B) Differing communication styles
- C) Similar expectations of feedback
- D) Homogeneous leadership expectations

22. A benefit of a multigenerational workforce is:

- A) Limited perspectives and ideas
- B) Diverse viewpoints and innovation
- C) Uniform work experiences
- D) Homogeneous skill sets

23. Multigenerational workforces often benefit from:

- A) Reduced knowledge sharing
- B) Enhanced mentoring opportunities
- C) Lower employee engagement
- D) Decreased adaptability

24. A key advantage of a multigenerational workforce is:

- A) Narrow problem-solving approaches
- B) Broader range of skills and experiences
- C) Identical technological preferences
- D) Similar perspectives on work-life balance

25. One of the primary functions of Global HRM is:

- A) Localized workforce management only
- B) International talent acquisition and management
- C) Ignoring cultural differences
- D) Limiting employee development

Short Answers:

1. What are the different approaches to conducting an HR audit?
2. What are some key benefits of implementing an HRIS?
3. What are the main types of HRIS systems?
4. How does Green HRM benefit organizations?

5. What are the primary functions of Global HRM?

Essay Type Answers:

1. Discuss the different approaches to HR audits and how they contribute to the overall effectiveness of HR management.
2. Analyze the benefits of HRIS implementation for an organization, including its impact on HR functions and overall business performance.
3. Describe the key policies associated with Green HRM and their potential impact on an organization's sustainability efforts.
4. What are the primary challenges associated with managing a multigenerational workforce, and how can organizations address these challenges?
5. Explain the functions of Global HRM and how they support the strategic goals of multinational organizations.

Answers for Check your Progress

26. D) All of the above
27. B) Ensuring adherence to laws and regulations
28. C) Strategic Audit
29. B) Improved data accuracy
30. B) Offering real-time data and analytics
31. B) Automating compliance tracking and reporting
32. B) Operational HRIS
33. B) Long-term HR planning and strategy
34. B) Modular HRIS
35. A) Increased environmental sustainability
36. B) Enhanced corporate social responsibility
37. B) Promoting telecommuting
38. B) Implementing energy-saving initiatives
39. B) Reduce carbon footprint
40. B) Enhancing digital documentation
41. B) Increased flexibility and accessibility
42. B) Enhanced talent acquisition globally
43. B) Decreasing travel and accommodation expenses
44. B) Differing values and expectations
45. B) Varying levels of technological proficiency
46. B) Differing communication styles

- 47. B) Diverse viewpoints and innovation
- 48. B) Enhanced mentoring opportunities
- 49. B) Broader range of skills and experiences
- 50. B) International talent acquisition and management

1.19 Activities



- 6. Provide examples of Green HRM practices that align with CSR goals in Hospital Industry

Activities

1.12 Open Source E-Content Links

Sl.n	Topic	E-Content Link	QR Code
1	HR audit	https://www.youtube.com/watch?v=-pspZt5Syaw	
2	Human Resource Information System	https://www.youtube.com/watch?v=DTDYbbWZ4Tc	
3	Green HRM	https://www.youtube.com/watch?v=qilbNXTJSs0	
4	Virtual HRM	https://www.youtube.com/watch?v=4PHk5a-3br4	
5	Multigenerational workforce	https://www.youtube.com/watch?v=BGhSrN-S7U	
6	Global HRM	https://www.youtube.com/watch?v=SxZc4N-Sz9c	

1.10 Suggested Readings / References

- 35. <https://www.keka.com/glossary/human-resource-audit>
- 36. <https://ebooks.inflibnet.ac.in/mgmt01/chapter/hr-audit-nature-benefits-scope-and-approachesto-hr-audit/>
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38. <https://www.spiceworks.com/hr/performance-management/articles/what-is-hris/>
39. <https://www.managementstudyguide.com/global-hrm.htm>
40. <https://hrone.cloud/hr-glossary/virtual-hr/>
41. <https://www.spiceworks.com/hr/performance-management/articles/what-is-hris/>
42. <https://www.vantagecircle.com/en/blog/green-hrm/>