# Human Resource Management

# Introduction to HRM

As a Human Resources professional, I like to explain this importance in car terms so that it's simple for anyone to understand.

The board of directors or senior managers make decisions about where they want the car (or organization) to head, and how they would like this to happen (time-frames, route etc.).

The staff are the tires and pistons - the working parts, and just like a car, the organization goes nowhere if these parts are not oiled correctly.

In any organization HRM works between staff and management to reach common goals and achieve a good workplace environment and an instant increase in productivity.

Of course this will only occur in organizations who's HR branch are given powers beyond payroll, like planning and consultative arrangements.

# **Human Resource Management**

The only vital value an enterprise has is the experience, skills, innovativeness and insights of its people.

The people make or mar an organization.

How to induce the people to make an organization but not to mar it?

- ➤ Getting the people who can make an organization
- ➤ Enabling those people to acquire required capabilities to make a successful organization.
- ➤ Motivating them to contribute their resources continuously for running the organization successfully.



#### **Meaning and Definition**

According to Leon C Megginson: "The Total knowledge skills, creative abilities, talents and aptitudes of an organization's workforce, as well as the value, attitude and beliefs of the individuals involved" is called Human resources.

In simple sense, HRM means employing people, developing their resources, utilizing, maintaining and compensating their services in tune with the job and organizational requirements with a view to contribute to the goals of the organization, individual and the society.



# **Nature and Scope**

#### Nature of HRM

- **❖**Complex Dynamism
- **❖** A Social System
- **❖**A Challenging Task

#### Scope of HRM

- ■Personnel aspect (HRP, recruitment, selection, placement, transfer, promotion, T & D, lay off and retrenchment, remuneration, incentives, productivity, etc)
- ■Welfare aspect (canteens, crèches, rest and lunch rooms, housing, transport, medical assistant, education, health and safety, recreation facilities etc)
- Industrial relations aspect (union-management relations, joint consultation, collective bargaining, grievance and disciplinary procedures, settlement of disputes etc)



#### **Evolution of HRM**

Period	Emphasis	status	Roles
1920-30	Welfare management Paternalistic practices	Clerical	•Welfare administrator •Policeman
1940-60	Expanding the role to cover labor, welfare, industrial relations and personnel administration	Administrative	<ul><li>Appraiser</li><li>Advisor</li><li>Mediator</li><li>Legal advisor</li><li>Fire fighting</li></ul>
1970-80	Efficiency, effectiveness dimensions added emphasis on human values, aspirations, dignity, usefulness	Developmental	•Change agent •Integrator •Trainer •Educator
1990- 2000	Incremental productivity gains through human assets	Proactive, growth-oriented	<ul><li>Developer</li><li>Counselor</li><li>Coach</li><li>Mentor</li><li>Problem solver</li></ul>
Post 2000	Aggressive cost cutting in order to compete in a global environment	Fight for survival to live for another day	•Compete with the best and win

#### Difference between PM & HRM

Personnel Management views the man as economic man who works for money or salary.

HRM treats the people as human beings having economic, social and psychological needs.

According to David Guest, Storey and others, differences between PM & HRM are:

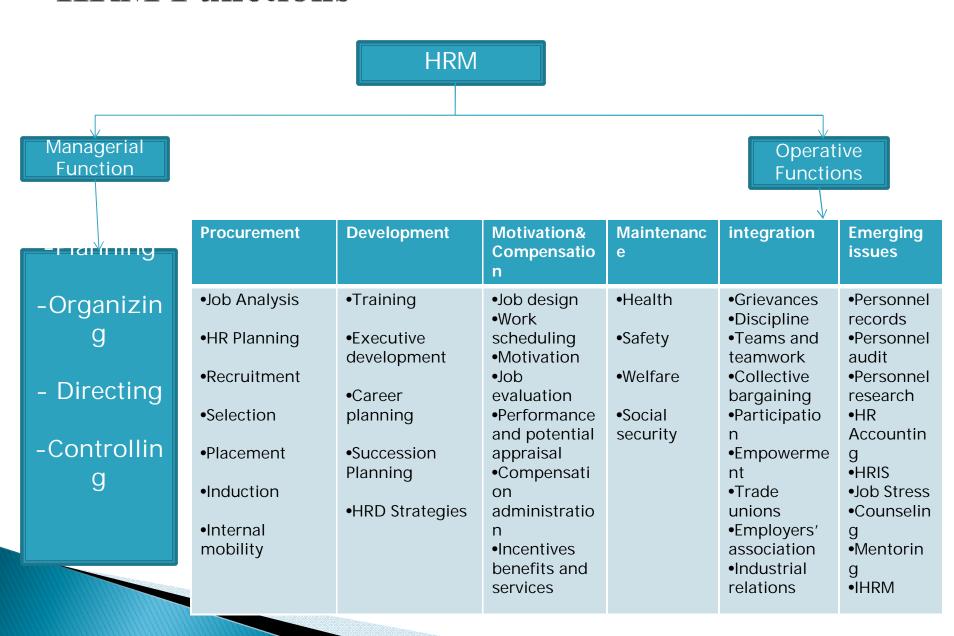
- > Flexibility
- Scope
- Approach to labor relations
- > Relationships with line management
- The Strategy aspects are also vastly different

#### **Features of HRM**



- •HRM is concerned with employees both as individual and as a group in attaining goals.
- •Development of human resources.
- •It covers both organized and unorganized employees.
- •It is common in all types of organization.
- •It is continuous and never ending process.
- •It is a responsibility of all line managers and function of staff managers.
- •It is concerned mostly with managing HR at work.
- •It is the central sub-system of an organization.

#### **HRM Functions**

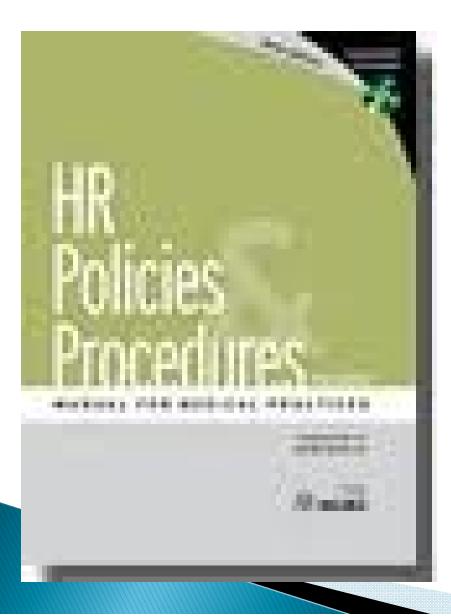


# **Objectives of HRM**



- 1. To help the organization reach its goals
- 2. To employ the skills and abilities of the workforce efficiently
- 3. To provide the organization with well-trained and well-motivated employees.
- 4. To increase to the fullest the employee's job satisfaction and self-actualization.
- 5. To develop and maintain a quality of work life.
- 6. To communicate HR policies to all employees.
- 7. To be ethically and socially responsive to the needs of society.

# Policies, procedures and Programmes



HRM Policy: " a set of proposals and actions that act as a reference point for managers in their dealings with employees".

HRM Procedure: Procedures are called 'action guidelines'.

Procedures are specific applications.

HRM Programmes: "are complex sets of goals, policies, procedures, rules, steps to be taken, resources to be employed and other elements necessary to carry out a given course of action.

# Organization of HRM (Organizational Design)

Organizations are usually formed to satisfy objectives "that can best be met collectively".

The steps involved in designing organization structure are:

- a) External environment
- b) Overall aims and purpose of the enterprise
- c) Objectives
- d) Activities
- e) Decisions to be taken across horizontally and vertical dimension
- f) Relationships
- g) Organization structure
- h) Job structure
- i) Organization climate
- j) Management style
- Human resource

# Line and staff responsibility

Formal relations are divided into line and staff relations.

- a) Line and staff relationship
- b) Line relationship
- c) Staff relations

#### Role of PM/HR

HR Manager plays a vital role in the modern organization. These are

- i) The Conscience role
- ii) The Counselor
- iii) The Mediator
- iv) The Spokesman
- v) The Problem-solver
- vi) The Change Agent

As a Specialist the other roles of HR Manager are:

- i) Personnel role
- ii) Welfare role
- iii) Clerical role
- iv) Fire-fighting / legal role

# **Qualities of HR Manager**

The function of personnel management vary from orgn to orgn both in nature and degree. However, the qualities which will be applicable in general can be summarized as follows:

HR Manager must have initiative, resourcefulness, depth of perception, maturity in judgment and analytical ability. He should be thorough with labor laws. He must be familiar with human needs, wants, hopes and desires, values, aspiration etc. without which adequate motivation in impossible.

He should also possess personal attributes like:

- i) Intelligence
- ii) Educational skills
- iii) Discriminating skills
- iv) Executing skills
- v) Experience and training
- vi) Professional attitudes
  - qualifications

# HR Manager as a strategic partner

SHRM – Strategic Human Resource Management?

SHRM is built around 3 important propositions:

- The HR of a firm are a major source of competitive advantage
- Successful organizational performance depends on a close fit between business and HR strategy (vertical fit)
- Individual HR Strategy should cohere by being linked to each other to offer mutual support (horizontal fit)

#### HR Manager as a strategic partner:

- HR can play a vital role, especially in identifying and analyzing external threats and opportunities.
- HR can also offer competitive intelligence that may be helpful while giving shape to strategic plan.
- HR can also throw light on company's internal strengths and weakness.

# **Factors influencing HRM**

There are external & internal factors influencing HRM.

#### External factors includes:

- a) Economic factors (Customers, Suppliers, competitors & Globalization)
- Political & Legislative factors (The Legislative, the Employers, & The Judiciary)
- c) Technological Factors
- d) Social & Cultural factors
- e) Demographic factors

#### Internal factors include:

- a) Shareholders
- b) Customers
- c) suppliers
- d) Government
- e) Public
- f) Unions
- The employees
- Top Management

# **Challenges in HRM**

- Workplace Diversity
- The Challenges of Workplace Diversity
- ▶ The Management of Workplace Diversity
- Planning a Mentoring Program
- Organizing Talents Strategically
- Leading the Talk
- Control and Measure Results
- Motivational Approaches
- Gain-sharing
- Managing Gain-sharing
- Executive Information Systems
- Managing EIS

# Approaches to Personnel Management

- Mechanical Approach
- Paternalism
- Social System

# Mechanical Approach towards Personnel

- Labour must be classified with capital and land.
- Personnel are controllable, predictable, and interchangeable.
- Techniques such as time study, incentive wages were introduced.

#### Problems incurred were:

- Loss of jobs through development of new machines or work techniques
- Decreased economic security leading to formation of labour organizations
- Labour organizations grew at a very slow pace
- Decreased pride in work

# **Paternalism**

- Management must assume a Fatherly and Protective attitude toward employees.
- Activities such as Company stores Company homes and Recreational facilities were started

# Social System

- The firm is viewed as a complex central system operating within a complex environment which can be termed as "outerextended system"
- The central system cannot be closed & directed in a mechanistic fashion.
- Options are available to central system members with the aid of labour unions, government, and various public groups.

# Recruitment

It is a process of finding and attracting capable applicants for employment. The process begins when the new recruits are sought and ends when their applications are submitted. The result is a pool of applications from which capable applicants are selected.

# Methods of Recruitment

#### MAINLY DIVIDED INTO

- INTERNAL METHODS
- **EXTERNAL METHODS**

# INTERNAL FACTORS

- Promotions and transfers
- Job posting
- Employee referrals

# **External methods**

- Direct method
- Indirect method

# **External factors**

Direct methods

1) Campus recruitment

# Indirect methods

- Advertisements
- Televisions & radio
- News paper

# Third party

- Private Employment exchange
- Employment exchange
- Gate hiring & contractors
- Unsolicited application/walks

- Psychological testing is a field characterized by the use of samples of performance in order to assess psychological construct, such as cognitive and emotional implementation, about a given individual.
- The technical term for the science behind psychological is psychometrics. It is an instrument designed to measure unseen constructs, also known as latent variables.
- Psychological tests are naturally, but not necessarily, a series of tasks or problems that the respondent has to solve.

- Objective Personality Tests: The best known objective character test is the MMPI. This test was created mainly to measure psychopathology.
- It contains several validity scales to determine if the client is responding to the questions correctly and truly, and it also contains ten basic clinical scales.

- Hundreds of additional scales have been created for the MMPI to measure virtually every personality trait and emotion imaginable.
- The MMPI was recently revised; the MMPI-2 is now the more commonly used edition. The MMPI is interpreted by looking at scale elevations and configurations.
- It is particularly useful for the diagnosis of personality disorders. Other objective tests, such as the 16PF and the Myers-Briggs are more useful for looking at personality in the normal range, and are more helpful for counseling as opposite to psychiatric treatment.

#### **Vocational Testing:**

- Vocational testing can be particularly useful for teenagers, young adults, and persons contemplating a mid-life career change.
- Such an evaluation examines which occupations best fit with an individual's abilities, interests, and personality.

#### Types:

- 1. REALISTIC (outdoors and hands-on occupations)
- 2. INVESTIGATIVE (scientific)
- 3. ARTISTIC (creative)
- 4. SOCIAL (counseling and teaching)
- 5. ENTERPRISING (management and sales)
- 6. CONVENTIONAL (clerical).

# Induction training is generally given to new employees



# Purpose of Induction Training

# Integrates employees in and across the organization



#### Helps new employees to settle down quickly



# Provides benefits to both the organization as well as the employee.



## Who needs an Induction Program?

### New employees



# Customized to suit employees at different levels



# What questions do new employees typically have?

# New employees are eager to know...



# Who will be my boss and with whom will I work with?



## What is the culture like at my workplace?



# What are the rules and regulations?



#### Benefits of Induction Training

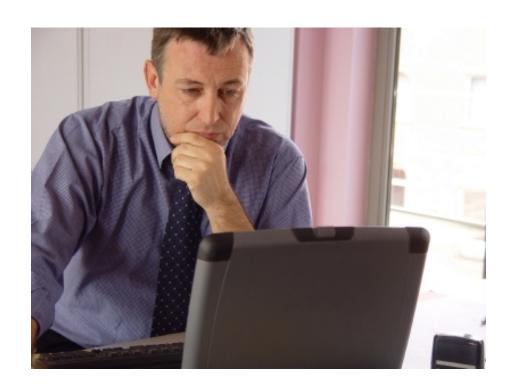
# Reduces the time spent on start up costs and saves time



### Reduces employee turnover



#### Reduces anxiety



### Well defined information



# Who delivers an Induction Program?



#### HR manager



# The line manager or the training officer



#### Safety officer



### Mentor or personnel officers



# Trade Union representatives



# Types of Induction Programs

# 1. Formal Induction Training



## Advantages of Formal Induction training



### Get a better chance to learn



### Less number of human errors



## Less stress while working



## Disadvantage of Formal Induction training



#### It consumes more time



# 2. Informal Induction training



## Advantages of Informal Induction training

# Helps to build personal repo



# Disadvantages of Informal Induction training



## Leaves more room for making errors



# Great losses for the organization



# Stressful for new employees



### **Conclusion:**

An induction program needs to be carefully planned and designed for maximum effect. It also needs to be designed by keeping the needs of specific groups in mind.

#### Training and Development (T&D)

- Human Resource Development Major HRM function consisting not only of T&D, but also individual career planning and development activities and performance appraisal
- Training and Development Heart of a continuous effort designed to improve employee competency and organizational performance

#### Training and Development (T&D)

- Training Designed to provide learners with the knowledge and skills needed for their present jobs - formal and informal
- Development Involves learning that goes beyond today's job - more long-term focus
- Learning Organization firms that recognize critical importance of continuous performancerelated training and development an take appropriate action

#### Training and Development (T&D)

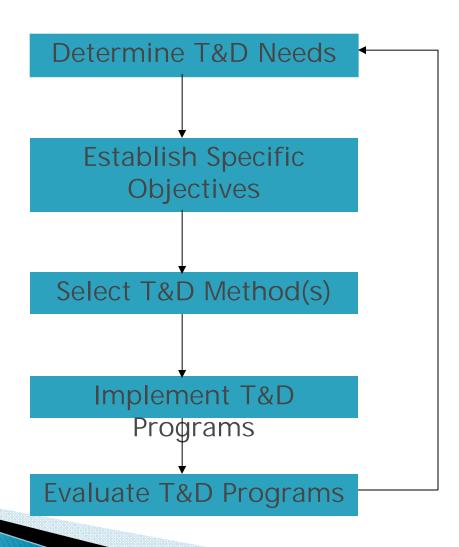
#### **Key Factors**

- Increasing a person education level increases productivity
- ✓ 100 Best companies to work for in America list T & D second

### Factors Influencing T&D

- Top management support
- Commitment from specialists and generalists
- Technological advances
- Organizational complexity
- Learning style

## The Training and Development (T&D) Process



# Determining Training and Development Needs



In order to compete effectively, firms must keep employees well trained.

# Establishing Training and Development Objectives

- Desired end results
- Clear and concise objectives must be formulated

#### **T&D Methods**

- Classroom Programs
- Mentoring
- Coaching
- Role Playing
- Simulations

- Distance Learning and Videoconferencing
- E-learning
- On-the-Job Training
- Job Rotation
- Internships

### Classroom Programs

- Continue to be effective for many types of employee training
- May incorporate some of other methods



### Mentoring

- Approach to advising, coaching, and nurturing, for creating practical relationship to enhance individual career, personal, and professional growth and development
- Mentor may be located elsewhere in organization or in another firm
- Relationship may be formal or informal

### Coaching

- Often considered responsibility of immediate boss
- Provides assistance much as a mentor

### **Role Playing**

- Respond to specific problems they may actually encounter in jobs
- Used to teach such skills as:
  - interviewing
  - grievance handling
  - performance appraisal reviews conference leadership
  - team problem solving
  - communication

#### Simulations





Training devices that model the real world or programs replicating tasks away from the job site

## Distance Learning and Videoconferencing

- Interactive training
- Used to:

increase access to training ensure consistency of instruction reduce cost of delivering T&D programs

### E-Learning

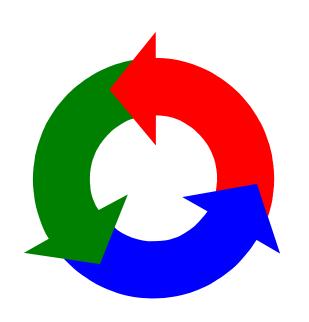
Umbrella term describing online instruction



### On-the-Job Training

- Informal approach that permits employee to learn job tasks by actually performing them
- Most commonly used T&D method
- No problem transferring what has been learned to the task

### **Job Rotation**



- Employees move from one job to another to broaden experience
- Helps new employees understand variety of jobs

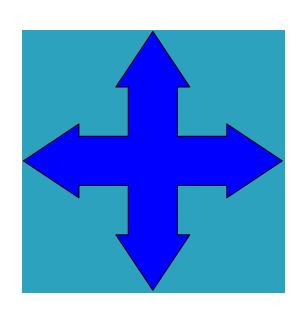
### Internships

- Training approach where university students divide their time between attending classes and working for an organization
- Excellent means of viewing potential permanent employee at work
- Students are enabled to integrate theory with practice

### Management Development

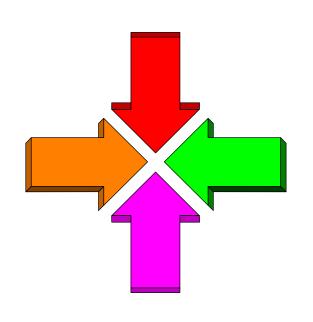
- All learning experiences resulting in upgrading of skills and knowledge needed in current and future managerial positions
- Imperative managers keep up with latest developments in their fields while managing everchanging workforce in a dynamic environment
- Requires personal commitment of individual manager

### Reasons to Conduct Management Training Outside of the Company



- An outside perspective
- New viewpoints
- Possibility of taking executives out of work environment
- Exposure to faculty experts and research
- Broader vision

## Reasons to Conduct Management Training Inside of the Company



- Training more specific to needs
- Lower costs
- Less time
- Consistent, relevant material
- More control of content and faculty

#### Orientation

- Initial T&D effort designed for employees
- Strives to inform them about company, job and workgroup
- On-boarding

## Additional Benefits of Orientation

Effective in retaining and motivating personnel

### Special Training Areas

- Telecommuter permit manager and employee to define job responsibilities and set goals and expectations
- Diversity develop sensitivity to create more harmonious working environment
- Ethics develop corporate culture that rewards ethical behavior
- Conflict Resolution communication skills needed to resolve gridlock

### Special Training Areas

- English as a Second Language help employees in way that validates them and optimizes personal relationships
- Teamwork how to work in groups
- Empowerment how to make decisions and accept responsibility
- Remedial basic literacy and mathematics skills

### Implementing Human Resource Development Programs

- Implies change
- Feel they are too busy to engage in T&D efforts
- Qualified trainers must be available
- Trainers must understand company objectives

# Evaluating Human Resource Development

- Ask participant's opinions
- Determine extent of learning
- Will training change behavior?
- Have T&D objectives been accomplished?
- Benchmarking
- Evaluation difficult, but necessary

### Organization Development



- Survey feedback process
- Quality circles
- Team building
- Sensitivity training

### Survey Feedback Description

- Process of collecting data from organizational unit through use of questionnaires, interviews and other objective data
- Can create working environments that lead to better working relationships, greater productivity and increased profitability

### **Quality Circles**



- Groups of employees who voluntarily meet regularly with their supervisors to discuss problems
- Investigate causes
- Recommend solutions

### **Team Building**



- Conscious effort to develop effective workgroups
- Uses self-directed teams
- Small group of employees responsible for an entire work process
- Members work together to improve their operation

### Sensitivity Training

- Participants learn about themselves and how others perceive them
- No agenda, leaders, authority, power positions
- People learn through dialogue
- Participants encouraged to learn about themselves and others in group
- Also called T-group training

## Importance of Training & Development

#### 1. Optimum Utilization of Human Resources -

Training and Development helps in optimizing the utilization of human resource that further helps the employee to achieve the organizational goals as well as their individual goals.

## Importance of Training & Development

#### 2) Development of Human Resources -

Training and Development helps to provide an opportunity and broad structure for the development of human resources' technical and behavioral skills in an organization. It also helps the employees in attaining personal growth.

## Importance of Training & Development

- 3) Development of skills of employees Training and Development helps in increasing the job knowledge and skills of employees at each level. It helps to expand the horizons of human intellect and an overall personality of the employees.
- 4) Productivity Training and Development helps in increasing the productivity of the employees that helps the <u>organization</u> further to achieve its long-term goal.
- **5)Team spirit –** Training and Development helps in inculcating the sense of team work, team spirit, and inter-team collaborations. It helps in inculcating the zeal to learn within the employees.

- 6) Organization Culture Training and Development helps to develop and improve the organizational health culture and effectiveness. It helps in creating the learning culture within the organization.
  - 7) Organization Climate Training and Development helps building the positive perception and feeling about the organization. The employees get these feelings from leaders, subordinates, and peers.

- 8) Quality Training and Development helps in improving upon the quality of work and work-life.
- 9) Healthy work environment Training & Development helps in creating the healthy working environment. It helps to build good employee, relationship so that individual goals aligns with organizational goal.

- 10) Health and Safety Training and Development helps in improving the health and safety of the organization thus preventing obsolescence.
  - 11) Morale Training and Development helps in improving the morale of the work force.
  - 12) **Image –** Training and Development helps in creating a better corporate image.

- **13) Profitability** Training and Development leads to improved profitability and more positive attitudes towards profit orientation.
- 14) Training and Development aids in organizational development i.e. Organization gets more effective decision making and problem solving. It helps in understanding and carrying out organisational policies
  - 15) Training and Development helps in developing leadership skills, motivation, loyalty, better attitudes, and other aspects that successful workers and managers usually display.

## Management Development

### What is Management?

- Simply it is the art of getting work done through people, the way you would have done it yourself and with the available resources.
- Optimum utilization of resources is the first rule of management. Making the best out of whatever is available with you is a management art.
- It involves four major functions viz planning, organizing, staffing and controlling/coordinating.

# Management Development

### What is Development?

As the word suggests, it is progress i.e. a growth or success over a period of time. For a business, it can be expansion and diversification and for an individual may be a promotion or a salary hike.

## Management Development

## So, what is Management Development?

- If we put the two together, it simple means one's improved abilities to manage businesses or self. It is a conscious effort, planned in nature, which makes a person capable and increases their capacity to manage an organization, its people and also their own self.
- Best explained, it is the process by which managers discover as well as improve their abilities and skills, which would not only be advantageous to them but also to the organizations for which they work.
- The most common traits required in a manger are good communication skills, leadership qualities, problem identification and solving, and most importantly persuading and encouraging others to give in their best. These traits if not present in a manager or are dormant, can be identified and developed over a period of time through proper management development programs.

## Need of Management Development

- It is acknowledged as one of the determinants for organizational success having a direct impact on its economical benefits.
- For organizations, making available such techniques to their managers helps the company to hold on to their prized employees.
- It also helps the organization to serve their customers better. The productivity of the managers as well as employees increases.
- Leadership and risk taking ability of the manager is enhanced, making the overall working environment of an organization, challenging.
- It helps in exploring skills of a manager and the employees which were till now not active or unresponsive.

## 1) Dysfunction Analysis

Simply put, this is a sort of test carried out in order to check a person's mental stability and whether or not he has any psychological disorder. This can also help in assessing a person's mental strength and ultimately also guides us whether or not the individual needs to undergo a psychological training program

## 2) Professional Development

As the words suggests, it means undergoing a professional training program for both personal progress and career enhancement. Under this, the manager is also made aware of the functioning of the organization. Some of the most common methods include.

- Case study learning
- Lesson study
- Technical assistance
- Consultation
- Regulation

#### Some others include

- Apprenticeship
- Competency evaluation
- Induction
- Training and development

## 3) Mentoring

Under this, a senior person in the same organization guides the manager, as to develop their skills and solve the organizational problems. They teach them out of their own experiences. He also helps in building up the confidence of the manager, by asking questions and providing them challenges while also providing the necessary assistance and encouragement. It gives the manager a chance to look more closely at themselves, their issues and what they want in life. It makes them self aware, responsible and gives a direction to their life.

#### 4) Action Learning

Individuals are given the freedom to solve a problem according to their understanding and technique they think best. This lets them to attempt varied approaches to solve various issues and problems. This approach recognizes that individuals learn best from experience so that the process is structured.

#### 5) Internal Training Programs

The organization itself develops a training program for the managers. The advantage here is, that they get trained under your eyes, and they do not need to be provided training externally. It also helps in breaking the communication barriers between the old and new employees. Onthe job training is the most common internal training program where in the manager learns while doing the work itself.

### 6) Job Rotation

It is a technique in which an employee is moved between two or more jobs at regular intervals in a planned manner. This helps the manager in learning the aspects, roles and responsibilities of all the jobs, and ultimately of all the employees that are going to be working under him.

### 7) Vendor Provided Training

Your own vendors and clients are invited in to provide training. You can select from the many trainers, costs, locations and programs. You can choose the one that can train your managers on skills and techniques that you find useful and can make a difference to your organization.

## 8) Business Workflow Analysis

It is a method allowing managers and businesses to have an improved understanding of their requirements and also in establishing feasible objectives. The aim here is to reduce the costs and improve overall performance.

### 9) Upward Feedback

- This concept relies on the on subsidiary's judgment and viewpoint of their managers as a key element of assessing managerial effectiveness. This is based on the 360 degree principle that managers can only be as excellent as per their employees' opinions.
- Over and above this, a firm can also formulate its own methods of management development, which are flexible and are or can be formulated keeping in mind the working patterns of an organization and the skill sets they're looking for in the manager and the employees.

# Thanks