

HUMAN RESOURCE MANAGEMENT

Unit 1- Introduction to Human Resource Management-Meaning and Definition of HRM – Features Objectives- Differences between Human Resource Management and Personnel Management-Importance, Functions and Process of HRM-Role of HR Manager, Trends influencing HR practices.

Human resources management (HRM)

It is a management function concerned with hiring, motivating and maintaining people in an organization. It focuses on people in organizations. Human resource management is designing management systems to ensure that human talent is used effectively and efficiently to accomplish organizational goals.

HRM refers to the management of people in organizations. It comprises of the activities, policies, and practices involved in obtaining, developing, utilizing, evaluating, maintaining, and retaining the appropriate number and skill mix of employees to accomplish the organization's objectives. The goal of HRM is to maximize employees' contributions in order to achieve optimal productivity and effectiveness, while simultaneously attaining individual objectives (such as having a challenging job and obtaining recognition), and societal objectives (such as legal compliance and demonstrating social responsibility).

Objectives of HRM

- 1) Societal Objectives:** seek to ensure that the organization becomes socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization. The failure of the organizations to use their resources for the society's benefit in ethical ways may lead to restriction.
- 2) Organizational Objectives:** it recognizes the role of HRM in bringing about organizational effectiveness. It makes sure that HRM is not a standalone department, but rather a means to assist the organization with its primary objectives. The HR department exists to serve the rest of the organization.
- 3) Functional Objectives:** is to maintain the department's contribution at a level appropriate to the organization's needs. Human resources are to be adjusted to suit the organization's demands. The department's value should not become too expensive at the cost of the organization it serves.
- 4) Personnel Objectives:** it is to assist employees in achieving their personal goals, at least as far as these goals enhance the individual's contribution to the organization. Personal objectives of employees must be met if they are to be maintained, retained and motivated. Otherwise employee performance and satisfaction may decline giving rise to employee turnover.

Characteristics of HRM

People Oriented-This essential HRM feature is rather obvious. But, of course, humans are what human resource management is all about. Therefore, people have to be the focus of successful HRM. While managing their affairs at work is a given, excellent HR management considers everything that surrounds us as people. HRM teams are people too. So make sure you don't discount the human factor of the team that manages the rest of your team. A business considerate of its HRM team is likely to have one that is courteous to its employees.

Employee Oriented- This vital HRM characteristic means making the lives of employees at work easy. It includes not just managing them but also remaining accessible for all queries and support. The quicker HR professionals understand that a business runs most efficiently when its employees are happy, the better the outcome. A key function and feature of HRM should be its ability to create an atmosphere where employees feel like coming in and giving it their all.

Gives Opportunities- This characteristic of HRM could have a rather large scope. However, the focus of this HRM feature should be to let employees know that there is room for career growth. HR management teams must help employees set realistic, time-bound goals for their growth in the organization.

Decision Oriented- Data gathering is relatively easy in today's world. However, what gets done with that data is essential. Therefore, a crucial feature of HRM is to crunch data and provide a wealth of accurate, helpful information. Having the facts greatly facilitates decision-making. In many cases, this means looking into the future and analyzing potential outcomes before they happen.

Development Oriented- It is a vital, two-pronged characteristic of HRM. One aspect of this HRM feature is to ensure the development of employees. Plan training schedules well in advance to meet current and future growth requirements and ensure that the employees are meeting business demands. An employee who is given knowledge naturally has more confidence in executing their job better.

The other part of this feature of HRM is to develop HRM strategies. These have to keep up with the pace of the business. Preparing agile strategies helps ensure that HRM is always practical and rises to meet the demands of employees, management, and competitors.

Individual Focus- Having a plan as a whole is vital for any team. But, equally important is to keep individual goals in focus. A smart thing to do for smooth HRM is to take the time to meet individual employees and see if they are happy. But, unfortunately, a survey doesn't always cut it. Make it personal for your personnel! An important function and characteristic of HRM is the team's ability to develop and nurture genuine relationships with people. It ties in with the first HRM feature of being people-oriented but goes a step further. Personal relationships with employees can garner genuine feedback. You get to understand their behavior in general, the social aspects of their lives, and their emotional well-being to implement ways that improve the employee experience. In a world where pressure is ever-increasing, managing employees at work and their overall well-being should be prioritized.

Continuous Function- This HRM characteristic is self-explanatory. How often does it feel like the office is falling apart when the HR manager takes a sick day? HRM is a constant flow of information and action. Inaction in the HRM aspect could be disastrous. Therefore, a vital characteristic of HRM is constantly being aware of how employees are doing, how effectively they are doing it, and how they feel about performing their jobs.

Future Oriented- It is an essential characteristic of HRM and could be considered one of the crucial HRM features. Not only does this tie in very closely with many other attributes on this list, but it is also a function that needs a focus of its own. Preparing for the future is vital, whether it is the future of the company's growth, changes in culture, change in the work environment, or meeting new trends or future employee requirements. With the right tools at your disposal and agile plans in place, being future-oriented is a foolproof HRM feature to safeguard the business from any unexpected pitfalls.

Universal- HRM is a function that applies across every type of organization there is. For example, a two-person operation needs some level of HRM, as does a 500-employee operation. Universality is a core feature of HRM.

Importance of HRM

Quality of Work-Life (QWL)

Quality of work life refers to how conducive and unconducive a job environment could be for the employees working in an organization. QWL speaks volumes about the employees' perception of their work environment and their physical and psychological well-being at work. HRM based processes, therefore, aim at improving the quality of work life for employees by facilitating work autonomy, freedom, work recognition, belongingness, etc.

Maximizing Profit and Productivity

HR management focuses on both the quality and quantity of employees in an organization. In addition to this, it provides ample opportunities to motivate and enable employees to grow and advance their careers. Inspired employees strive hard to achieve their professional goals, which straight away influences organization productivity. In essence, productivity is cost minimization and profit maximization.

Adaptability of Employees

Essentially the **purpose of human resource management** is to enhance the productivity and efficiency of employees via training and development programs. Such programs are useful in keeping employees updated with skills that are imperative for keeping up with the ever-changing environment, structure, and technology of organizations.

Meeting Demand-Supply Gap of Human Resource

The importance of **HR management in an organization** is not just limited to managing employees but also ascertaining the adequacy of available human resources. In case the organization has inadequate employees, HR managers conduct recruitment and selection drives to fill the gap. Similarly, laying off unproductive employees comes under the purview of human resource management.

Helping Employees Achieve Company's Goal

Harnessing human resources to the fullest extent and building a sense of belonging among them is also an essential **purpose of human resource management**. For this purpose, HRM carries out activities such as rewards, compensation, and fringe benefits to the deserving people. Such activities not only boost the morale of employees but lead organizations one step closer to their objectives.

Employee Recognition

When employees get recognition for their merits and contributions, they see meaning and purpose in their job. Moreover, human resource managers must conduct timely appraisals to differentiate between high and low performers.

Infusing Team Spirit

The onus to make every employee feel important is on human resource managers. They emphasize the importance of teamwork within departments and devise ample strategies that highlight the importance of teamwork. Hence, infusing team spirit is critical to help employees contribute best from their side.

Business Sustenance

Human resource management ensures that the organization gets the best employees because a talented and capable workforce can work wonders for the company. Organization's success and sustenance are dependent on its workforce.

Conflict Resolution

Organizations, whether big or small, cannot stay aloof from conflicts that may arise between small teams or bigger groups. Such unforeseen instances are inevitable and are hard to let go of. HR management is responsible for sorting out such differences in a systematic way and facilitates smooth operations of the organization.

Building a Corporate Image

Sustainability for organizations means maintaining a venerable ideal image in the market. Everyone would like to associate with a company that's prominent for its moral and social responsibility towards its employees. On the contrary, companies that consider their employees as resources and not humans are on the verge of losing everything.

Functions of HRM:

1. Job design and job analysis
2. Employee hiring and selection
3. Employee training & development
4. Compensation and Benefits
5. Employee performance management
6. Managerial relations
7. Labour relation

8. Employee engagement & communication

9. Health and safety regulations

10. Personal support for employees

11. Succession Planning

12. Industrial Relations

1. Job design and job analysis-One of the foremost functions of HRM is job design and job analysis. Job design involves the process of describing duties, responsibilities and operations of the job. To hire the right employees based on rationality and research, it is imperative to identify the traits of an ideal candidate who would be suitable for the job. This can be accomplished by describing the skills and character traits of your top-performing employee. Doing so will help you determine the kind of candidate you want for the job. You will be able to identify your key minimum requirements in the candidate to qualify for the job.

Job analysis involves describing the job requirements, such as skills, qualification and work experience. The vital day-to-day functions need to be identified and described in detail, as they will decide the future course of action while recruiting.

2. Employee hiring and selection-Recruitment is one of the primary functions of human resource management. HRM aims to obtain and retain qualified and efficient employees to achieve the goals and objectives of the company. All this starts with [hiring the right employees](#) out of the list of applicants and favourable candidates. An HRM helps to source and identify the ideal candidates for interview and selection. The candidates are then subjected to a comprehensive [screening process](#) to filter out the most suitable candidates from the pool of applicants. The screened candidates are then taken through different interview rounds to test and analyse their skills, knowledge and work experience required for the job position.

3. Employee training & development-Imparting proper training and ensuring the right development of the selected candidates is a crucial function of HR. After all, the success of the organisation depends on how well the employees are trained for the job and what are their growth and development opportunities within the organisation. The role of HR should be to ensure that the new employees acquire the company-specific knowledge and skills to perform their task efficiently. It boosts the overall efficiency and productivity of the workforce, which ultimately results in better business for the company. HRM plays a very crucial role in preparing employees for bigger tasks and responsibilities, which leads to the holistic development of employees at work. And an organisation which provides ample growth and development opportunities to its employees is considered to be a healthy organisation.

4. Compensation and Benefits-Benefits and compensation form the major crux of the total cost expenditure of an organisation. It is a must to plug the expenses, and at the same time, it is also necessary to pay the employees well. Therefore, the role of human resource management is to formulate attractive yet efficient benefits and compensation packages to attract more employees into the workplace without disturbing the finances of the company. The primary objective of the benefits and compensation is to establish equitable and fair remuneration for everyone. Plus, HR can use benefits and compensation as a leverage to boost employee productivity as well as establish a good public image of the business.

5. Employee performance management-The next activity on HR functions list is effective employee performance management. Effective performance management -ensures that the output of the employees meets the goals and objective of the organisation. Performance management doesn't just focus on the performance of the employee. It also focuses on the performance of the team, the department, and the organisation as a whole.

6. Managerial relations-Relationships in employment are normally divided into two parts — managerial relations and labour relations. While labour relations is mainly about the relationship between the workforce and the company, managerial relations deals with the relationship between the various processes in an organisation. Managerial relations determine the amount of work that needs to be done in a given day and how to mobilise the workforce to accomplish the objective. It is about giving the appropriate project to the right group of employees to ensure efficient completion of the project. At the same time, it also entails managing the work schedules of employees to ensure continued productivity. It is essential that HR handles such relations effectively to maintain the efficiency and productivity of the company.

7. Labour relations-Cordial labour relations are essential to maintain harmonious relationships between employees at the workplace. At the workplace, many employees work together towards a single objective. However, individually, everyone is different from the other in characteristics. Hence, it is natural to observe a communication gap between two employees. If left unattended, such behaviours can spoil labour relations in the company.

8. Employee engagement and communication-[Employee engagement](#) is a crucial part of every organization. Higher levels of engagement guarantee better productivity and greater employee satisfaction. Efficiently managing [employee engagement activities](#) will help in improving the employee retention rates too. HRM is the

right agent who can manage the employee engagement seamlessly. Proper communication and engagement will do wonders for the employees as well as the organization. The more engaged the employees are, more committed and motivated they will be.

Human resource teams know the ‘humans’ of the organization better than anyone else. This gives them an upper hand in planning engagement activities. Although such activities might not fall under the direct functions of HRM, they are indeed required for the organizational welfare and employer branding.

9. Health and safety regulations-Every employer should mandatorily follow the health and safety regulations laid out by the authorities. Our labour laws insist every employer to provide whatever training, supplies, PPE, and essential information to ensure the safety and health of the employees. Integrating the health and safety regulations with company procedures or culture is the right way to ensure the safety of the employees. Making these safety regulations part of the company activities is one of the important functions of HRM.

10. Personal support for employees-HRM assists employees when they run into personal problems which may interfere with the workflow. Along with discharging administrative responsibilities, HR departments also help employees in need. Since the pandemic, the need for employee support and assistance has substantially increased. For example, many employees needed extra time off and medical assistance during the peak period of the pandemic. For those who reached out for help, whether it may be in the form of insurance assistance or extra leaves, companies provided help through HR teams.

11. Succession Planning-Succession planning is a core function of HRMs. It aims at planning, monitoring, and managing the growth path of the employees from within the organizations. What usually happens is that promising and bright employees within the organization who have excelled in their roles are handpicked by their supervisors and HRs, and their growth paths are developed.

This, of course, becomes quintessential as those employees who recognize the fact that the company is investing in their growth and development, and therefore, will stay loyal in the long run. However, while developing such employees towards a higher role, companies must keep in mind several aspects, such as improving employee engagement, assigning challenging tasks and activities.

12. Industrial Relations-It’s usually the production lines and manufacturing units where this HR function is mostly used. You see, Unions exist in factories and manufacturing units. And their responsibility is towards the goodwill about the workers — in fact, they’re always vocal and upfront about. HRM plays a major role in the smooth functioning of the organisation. The process starts with formulating the right policies for the job requirements and ends with ensuring a successful business growth of the company. Therefore, HRM works as an invisible agent that binds together all the aspects of the organisation to ensure smooth progress.

Definition of Personnel Management

Personnel Management is a part of management that deals with the recruitment, hiring, staffing, development, and compensation of the workforce and their relation with the organization to achieve the organizational objectives. The primary functions of the personnel management are divided into two categories:

- **Operative Functions:** The activities that are concerned with procurement, development, compensation, job evaluation, employee welfare, utilization, maintenance and collective bargaining.
- **Managerial Function:** Planning, Organizing, Directing, Motivation, Control, and Coordination are the basic managerial activities performed by Personnel Management.

Comparison Chart

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.

HRM process

- 1. Recruitment-**It is a positive process of posting job openings and attracting prospective employees to apply for their desired job openings in an organisation so that the eligible candidate can be selected.
 - 2. Selection-**Selection is quite a necessary process in HRM. It involves eliminating the unsuitable candidates through the process of tests or interviews and identifying the suitable ones, which are the best fit for the positions.
 - 3. Hiring -**This entails to the process of officially offering the job to the ideal candidate and giving them the date of joining.
 - 4. Training and development -**The hired candidates are given training and their skills are brushed so that they become more efficient in their work and handle future challenges.
- Performance management-**There should be proper management of the work done and the future goals. Performance management refers to appraising the performance of the employees and enhancing it. For such a management, it is necessary to encourage the employees so as to raise their confidence levels. This can be done by providing them with fair rewards so that they work in their optimum productivity levels.

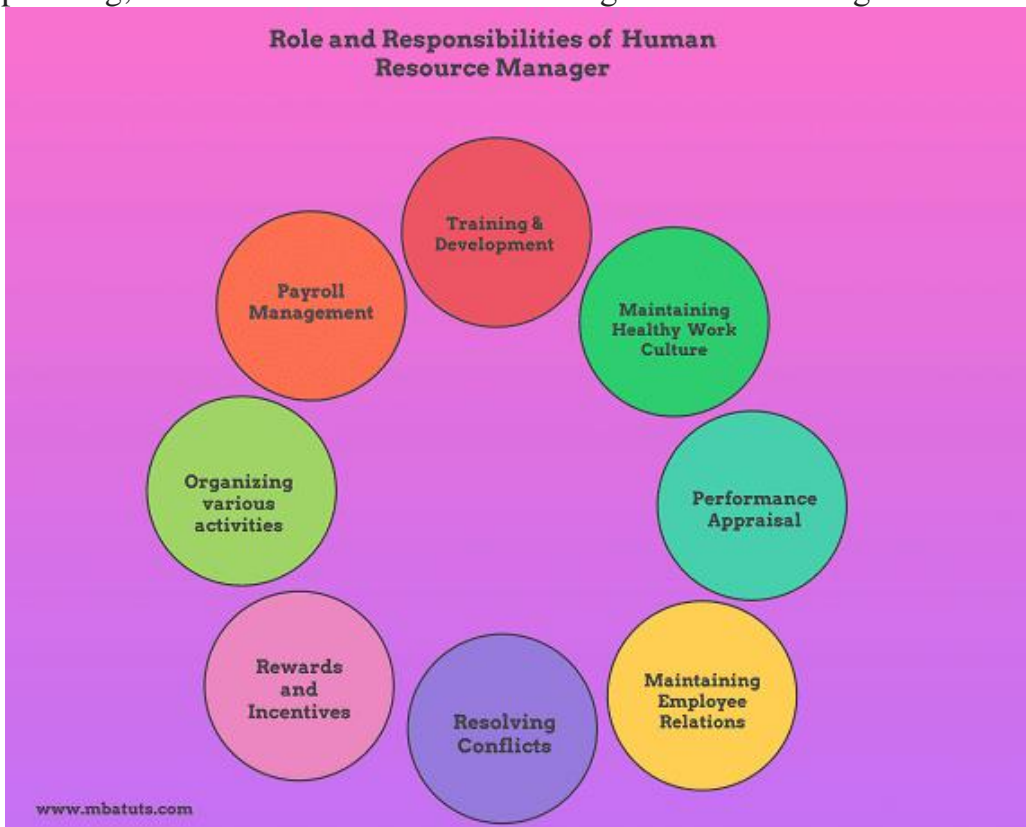
Remuneration to employees and benefits-Fair salary or remuneration plays a very important role in motivating an employee to accomplish organisational goals. If the employees get rewards for their best performance, they will get job satisfaction. The rewards not just includes salaries, but it also includes incentives and fringe benefits.

Employee Relations-There should be a sound relation between the employee and the organisation. There are various factors which motivate as well as demotivate the employees to stick with the organisation. These factors include working environment, labor law and relations, compensation, etc. The employers must ensure all these factors to build employee relationships that in turn garner better employee retention.

Conclusion-So, these were the core processes of HRM. All the processes should be cohesive and in conformity with each other so that HR strategies can gain success. Here at **MITSD**, we entail all our candidates with requisite skills so that they can follow as these processes effectively.

Role and Responsibilities of Human Resource Manager

Human Resource Manager plan, direct, and coordinate the administrative functions of an organization. They look upon the recruiting, interviewing, and hiring of new staff; consult with top executives on strategic planning; and serve as a link between an organization’s management and its employees.



- 1) **Training & Development**-Closely related to training, developing your employees. Encouraging the employee to attend conferences, trade shows, seminars, etc that may be in his personal interest will make the employee feel cared for as a vital part of the organization thus increasing employee engagement.
- 2) **Maintaining Healthy Work Culture**-It is the duty of the HR to maintain a healthy, safe, and fun work environment to ensure a level of comfort amongst the employees and eliminate any stressful or awkward atmosphere that may hinder the performance of the staff. It is vital to have an efficient work atmosphere because of an individual's performance largely depends on the surrounding they are working in.
- 3) **Performance Appraisals**-Since HRM is meant for the employees, carrying out timely performance appraisals is very important. Performance appraisals help in employee motivation by encouraging them to work to their fullest potential. It also enables to give them feedback on their work and suggest necessary measures for the same.
- 4) **Maintaining Employee Relation**-Human Resources' major responsibility is dealing with the human part of the organization and this involves having great interpersonal skills. He is the interlink between employees and the organization.
- 5) **Resolving Conflicts**-Where different people have different views, conflicts are almost inevitable. Whether the dispute is amongst two or more employees or between the employee and the management, an HR manager has the right to intervene and help map out a solution. The HR should be available at the disposal of the conflicting parties and hear out their issues without being judgmental.
- 6) **Rewards and Incentives**-Rewarding the employees for a work well done imparts motivation and at the same time induces a desire to excel at tasks in hope of obtaining rewards. It serves as bait for inculcating a healthy competitive environment amongst employees to achieve targets and meet deadlines.
- 7) **Organizing various activities**-An HR head is responsible for organizing all functions of the organization. To start with, it includes employee on-boarding, i.e. welcoming new employees. It is a must for every HR head to carry out induction for every new hire and give them an orientation regarding the company policies and rules.
- 8) **Payroll Management**-Once all the attendance monitoring, leave tracking, clock in/outs, etc is tracked and monitored, it's time for the most important aspect calculating the payroll. Efficient calculation of

salaries, wage-cuts, reimbursements, and generation of pay slips amounts to the role of HR managers in payroll management.

Trends influencing HR practice

1. Providing security to employees
2. Selective hiring: Hiring the right people
3. Self-managed and effective teams
4. Fair and performance-based compensation
5. Training in relevant skills
6. Creating a flat and egalitarian organization
7. Making information easily accessible to those who need it

1. Providing security to employees-The first Human Resource best practice is employment security. Life is unpredictable and work is a stable factor that is very important to most people. Having an employer who enables the employee to provide for themselves and their family is, in essence, the number one reason why people come to work. There is both a formal contract (labor for money) and an informal contract (you put in some extra effort, we take good care of you) between the employee and the employer. Employment security enables employees to go home after work and provide for themselves and their families. This concept of security is essential and underpins almost everything HR does

2. Selective hiring: Hiring the right people-The second HR best practice is selective hiring. This enables an organization to bring in employees who add value. You can't just hire anyone; you want people who are fit for the job. Companies do their utmost best to hire exceptional people because they add the most value to the business. There also needs to be a prioritization of building a structured and fair selection process. This reflects legal requirements, internal diversity goals, and that a more diverse workforce, better reflects society. This can be hugely beneficial for understanding wider consumer behavior and the needs of different customers.

3. Self-managed and effective teams-We all know that teamwork is crucial in achieving goals. High-performance teams are crucial for any company when it comes to achieving success. Teams provide value because they consist of people who are, and think differently but are working towards a common goal. This means that different ideas are generated to help achieve the goal. These ideas are then processed and combined, resulting in the best ones being selected.

4. Fair and performance-based compensation-Contingent compensation is the fourth Human Resource best practice. It has everything to do with compensation and benefits.

First of all, if you hire the right people, you want to compensate them above average. These are the people that will add the most value to your company so you want to retain them and pay them fairly. This is an example that shows how different best practices work together to provide more value than they would alone, in this case, selective hiring, contingent compensation, and employment security.

Paying people above the norm also has some potential disadvantages. For instance, it discourages bad employees to leave. However, if you're consistently hiring world-class performers, an above-average compensation is a must.

5. Training in relevant skills-This HR best practice states that companies should invest heavily in training time and budget for its employees. After recruiting the best people, you need to ensure that they remain the frontrunners in the field. This has become even more relevant today as the rate at which technology is developing is growing exponentially. This is where learning and development come in.

6. Creating a flat and egalitarian organization-This best practice in HR principles is rooted in the egalitarian practices of Japanese management. Although we just saw that some employees are more critical than others for the organization's success, this shouldn't be communicated in such a way. Every employee is a valuable member of the organization and should be treated as such. In Japanese organizations, this is expressed with common canteens, company uniforms, and similar sickness and holiday entitlement. Such an egalitarian culture shows that everyone deserves equal respect and could help in promoting the sharing of ideas.

7. Making information easily accessible to those who need it-Information sharing is essential. This is an area where a lot of large companies struggle: How do you keep track of who knows what, so you know where to go with your questions?

According to Pfeffer, there are two reasons why information sharing is so important.

Firstly, open communication about strategy, financials, and operations creates a culture in which people feel they are trusted. It truly involves employees in the business. As an additional effect, it discourages hear-say and negative informal chatter.

Secondly, if you want your people to share their ideas, they need to have an informed understanding of what's going on in the business. Being informed about the business is also something that employees often mention as something they find important in attitude surveys, as well as having a chance to contribute to and influence decisions affecting their working life.

HUMAN RESOURCE PLANNING, RECRUITMENT & SELECTION

UNIT-02- Human Resource Planning: Meaning and Importance of Human Resource Planning, Process of HRP, HR Demand Forecasting- Meaning and Techniques (Meanings Only) and HR supply forecasting.-Meaning Human Resource Planning: Succession Planning – Meaning and Features, Job Analysis: Meaning and Uses of Job Analysis, Process of Job Analysis – Job Description, Job Specification, Job Enlargement, Job Rotation, Job Enrichment (Meanings Only)- Recruitment – Meaning, Methods of Recruitment, Factors affecting Recruitment, Sources of Recruitment- Selection – Meaning, Steps in Selection Process, Psychometric tests for Selection, Barriers to effective Selection, Making Selection effective; Placement, Gamification – Meaning and Features.

Human Resource Planning MEANING

Human resource is the most important asset of an organisation. Human resources planning are the important managerial function. It ensures the right type of people, in the right number, at the right time and place, who are trained and motivated to do the right kind of work at the right time, there is generally a shortage of suitable persons.

IMPORTANCE OF HRP

Importance of HRP/ Need for HRP

1. Supply future personnel needs
2. Cope with change
3. Tap/Retain high talent personnel
4. Supports Strategic planning
5. Helps to implement equal employment opportunity
6. Help to win government contracts
7. Foundation for HR functions

www.gyankovandar.com

1. Supply future personnel needs:

Planning is vital for determining personnel needs for the future. Without Human Resource Planning, the organization can't get the right person at the right time and at the right cost.

2. Cope with change:

Human Resource Planning enables the enterprise to cope (face) with changes in competitive forces, markets, technology, products, and government regulations. Such changes often generate changes in job content, skill demands, number and type of personnel. Shortages of people may be found in some areas while surpluses in other areas may occur.

3. Tap/retain high talent personnel:

The mix of personnel employed in a great many organizations has shifted toward the high talent occupations-managerial and professional personnel. There is often a scarcity of highly talented people. The lead time required to hire and develop such personnel is long. Much effort has to be devoted to long-range career development, counseling, planned work assignments, and appropriate rewards.

4. Supports strategic planning:

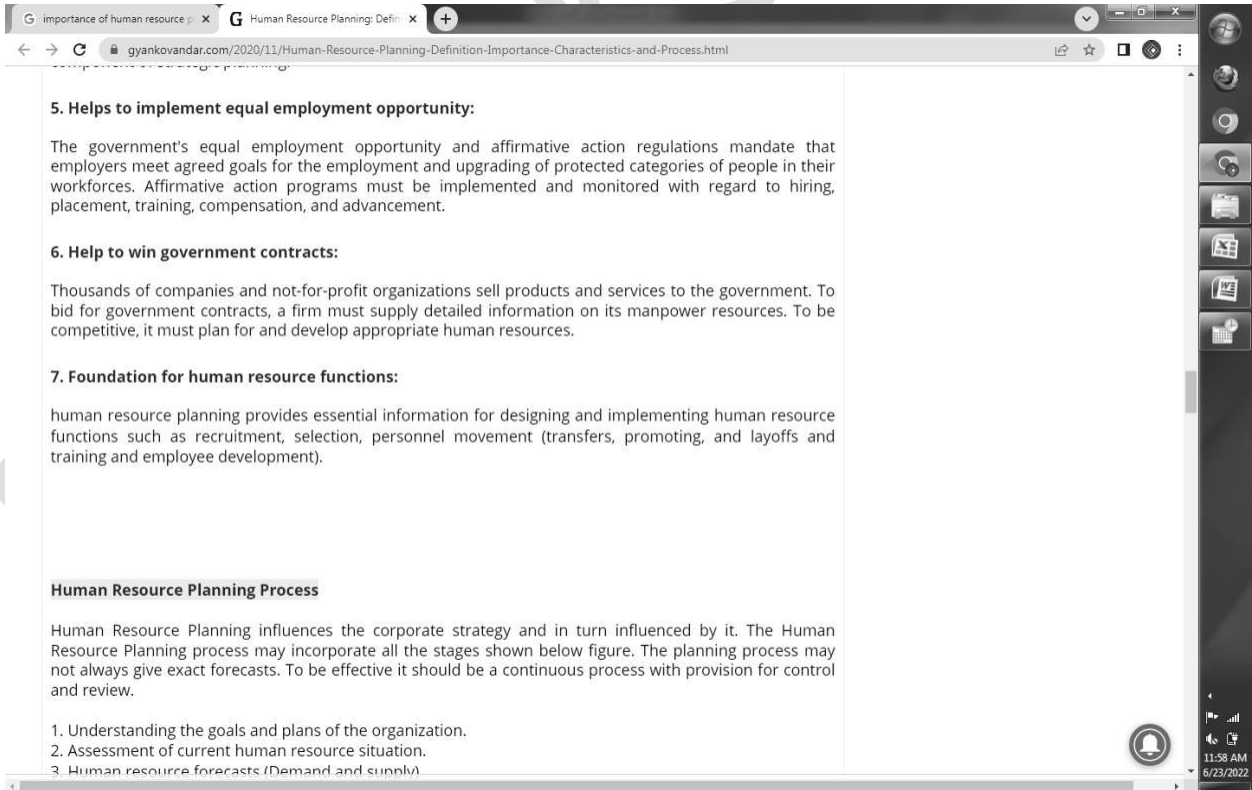
The modern competitive enterprise engages in strategic planning. Top management evaluates the environment in which the organization operates, assesses the strengths and weakness of the enterprise, sets objectives, and determines programs for implementation. Human resource planning is an essential component of strategic planning.

5. Helps to implement equal employment opportunity:

The government's equal employment opportunity and affirmative action regulations mandate that employers meet agreed goals for the employment and upgrading of protected categories of people in their workforces. Affirmative action programs must be implemented and monitored with regard to hiring, placement, training, compensation, and advancement.

6. Help to win government contracts:

Ad closed by Google



PROCESS OF HRP

1. Analyze Objectives

The human resources planning process starts with the identification of the objectives of the different departments in the organization. Each department such as management, marketing, production, finance, sales, etc. can have different objectives and they have specific expectations related to human resources. The objectives can include recruiting new employees for the process, reducing the number of employees by [automating processes](#) or improving the knowledge and skill levels of existing employees.

By analyzing the objectives of each department of the organization, the human resources planning team can identify the changes that will be necessary for the future of the organization.

2. Inventory current human resources

Once the necessary changes are identified, the Human resources planning team should create an [inventory](#) of the current human resources available in the organization. This should include the current number of employees available in the organization, their capacities, capabilities, and performance abilities. This helps the human resources team to identify the methods of filling the upcoming job requirements and to create estimates for internal and external recruitments that will be necessary.

3. Forecast the demand and the supply of employees

Based on the objectives of the different departments of the organization and the inventory of the available resources, the Human resources planning team can forecast the demand of the employees. Apart from that, based on the availability in the organization and the employee market, the supply of the employees should be forecasted.

4. Estimate Gaps

Conducting a comparison between the demand and the supply of the employee availability can help the human resources team to identify the gaps that can arise in the foreseeable future. The gaps can arise as employment deficits as well as employment surpluses. Employment deficits indicate the number of employees that need to be recruited and the employment surpluses indicates the job terminations or transfers between departments. Apart from that, the gaps can be used as an indication of the training and development requirements for the employees.

5. Formulate Plan

Once the employment gaps are estimated, the Human resources planning team should formulate a plan for the recruitment, training, development, termination, interdepartmental transfers, promotion, or early retirement of employees based on the requirements of the organization. The employment plan can vary based on the deficit or the surplus estimated in forecasting the demand and supply stage.

6. Implement Plan

Once the human resources plan is formulated, the human resources department should implement the plan in the organization. This should be aligned with the [goals and objectives](#) of the organization as well as the goals and objectives of each department of the organization.

7. Monitor, Control, and feedback

Once the human resources plan is implemented, the plan should be monitored continuously to ensure the alignment of the plan to the objectives of the departments. The necessary controls should be put in place and the feedback at each level should be obtained to measure any defects in the implemented human resources plan. The necessary changes should be implemented according to the feedback obtained in the ongoing process in order to make the human resources plan a success.

HR DEMAND FORECASTING

Human resource (HR) demand forecasting is the process of estimating the future quantity and quality of people required. The basis of the forecast must be the annual budget and long-term corporate plan, translated into activity levels for each function and department.

TECHNIQUES OF HR DEMAND FORECASTING

Ratio-trend analysis:

This is the quickest forecasting technique. The Technique involves studying past ratios, say, between the number of workers and sales in an organization and forecasting future ratios, making some allowance for changes in the organization or its methods.

2. Work Study Technique

Commonly referred to as workload analysis, the work study technique predicts comprehensive activities and production for a specified future time period. The end result of the work study technique is an estimation of the work hours required per unit produced.

When estimating future work hours needed, human resource management professionals must take into consideration-

- Resignations
- Dismissals
- Strikes
- Technical difficulties
- Absenteeism
- Turnover rate

The more experienced the human resource management professionals performing the work study technique are, the more accurate their estimate for resources required is likely to be.

3. Econometrics Models

The econometrics model analyzes the relationship of an dependent variable with an independent variable. An example of an dependent variable are human resources and an example of an independent variable are sales.

Statistical and mathematical techniques used throughout the econometrics model allows human resource management professionals to estimate future demand with significant accuracy.

4. Delphi Technique

The Delphi technique utilizes expert feedback in order to predict the human resources requirements that are necessary in the future. Human resource management professionals gather responses and develop reports that comprehensively summarize expert opinions.

The process of collecting feedback and creating reports is continued until a unified consensus is reached between the experts. For this reason, the Delphi technique can be a long term process if experts do not agree.

5. Regression Analysis

Regression analysis is a statistical method used to identify trends contained within data. Identifying trends helps business professionals to better understand their human resource requirements and optimize labor supply already available.

Regression analysis investigates the relationship between a predictor and a target, also known as independent and dependent variables. The dependent variable includes factors that businesses are trying to predict or gain additional insight about.

HUMAN RESOURCE SUPPLY FORECASTING

Human Resource supply forecasting is the process of estimating availability of human resource which is followed by demand forecasting . For forecasting supply of human resource we need to consider internal supply and external supply of human resources.

Internal supply of human resource available by way of transfers, promotions, retired employees & recall of laid-off employees, etc external supply of human resource is, availability of labour force in the market and by way of new recruitment.

□

- External supply of human resource depends on some factors mentioned below.

Supply and demand of jobs.

- literacy rate of nation.
- rate of population
- industry and expected growth rate and levels
- technological development.
- compensation system based on education, experience, skill and age.

□

Succession PLANNING

- Succession planning is the process of identifying the critical positions within your organization and developing action plans for individuals to assume those positions. Taking a holistic view of current and future goals, this type of preparation ensures that you have the right people in the right jobs today and in the years to come.

features of succession planning are:

- *Identifying the Need*

Succession planning exercise needs the company first to identify the key staff that is at the risk of losing or leaving. The key staffs are the people in the company making the company successful and productive. These staffs generally the top level managers, acquirers, or client management. The loss of any of these key personnel may affect the company growth, and hence, it is essential for the company management to keep an eye on their ongoing jobs. The necessary personnel may leave the company for any reason. Identification of the critical job people is done by way of studying their performance reports, their work details, and past jobs performed. This exercise is a formal business exercise which needs the involvement of HR and management.

Listing the Potential Candidate

Once the company management has identified the key personnel who needs replacement, the listing of potential candidates starts. This is done by studying the HR reports on the productivity of the staff. The staffs with similar education background, workforce handling, and similar skill set are the most probable ones to get the job. By studying the needs of the job detail, the staff of the companies is evaluated. Succession planning is done with the objective to replace the key personnel in the company with the rightful candidate. Hence, this exercise is essential. This requires extensive study from the HR and interviews of the candidates.

- *Strengthen Internal Staffing*

The main benefit of succession planning is to strengthen the company internally. By picking up the employee within the company, structure does not only save the company from the time of training but also provide development opportunity to the employees internally. The staffs picked for future roles internally, which is good for the company morale and keeps the competition among the employees healthy. The managers can ask the staff to self identify for jobs and prepare to be productive for a better future.

Training and Development

Once the company has identified the critical staff position and proper candidate for the job, the next step comes for the management to train the candidate properly. Finding the new staff for the vital job position does not mean that the candidate has to be recruited right away. In fact, the company management studies and watch the candidate for some time. They train the candidate to handle the future important roles to which he will entrust to. The opportunities for training and developing staff for the critical position is entrusted with the top-level managers in the company. The candidate must understand the business entirely and should be able to run the future role with great responsibility.

JOB ANALYSIS

the process of gathering and analyzing information about the content and the human requirements of jobs, as well as, the context in which jobs are performed. This process is used to determine placement of jobs. Under NU Values the decision-making in this area is shared by units and Human Resources. Specific internal approval processes will be determined by the unit's organizational leadership.

USES OF JOB ANALYSIS

Manpower Planning

Job analysis is a qualitative aspect of manpower needs, as it determines job requirements in terms of skills, qualities and other human characteristics. This facilitates the division of labor into different occupations.

Recruitment, Selection and Placement

In order to hire a good person for the job, it is very important to know the requirements of the job and the qualities of the person who will be doing the job. Information on these two elements comes from the job description or job description and helps management to tailor the job requirements as closely as possible to the attitudes, skills, interests of employees, etc.

Training and Development:

Job analysis determines standard levels for job performance. Helps manage learning development programs.

Job Evaluation

Job analysis provides the basis for job evaluation. The purpose of a job appraisal is to determine the relative value of the job which in turn helps determine job compensation.

Performance Appraisal

Job analysis data provides a clear standard of performance for each job. Employee performance can be objectively evaluated against the job performance standard.

Job Designing

Industrial engineers may use the job analysis information in designing the job by making the comprehensive study of the job elements.

Safety and Health

Management can take corrective actions to ensure the safety of workers and reduce the risk of various hazards to eliminate harmful conditions.

Promotions

The job analysis is mainly based on the effective policies. Effective policies may be formulated in regard to promotions and transfers.

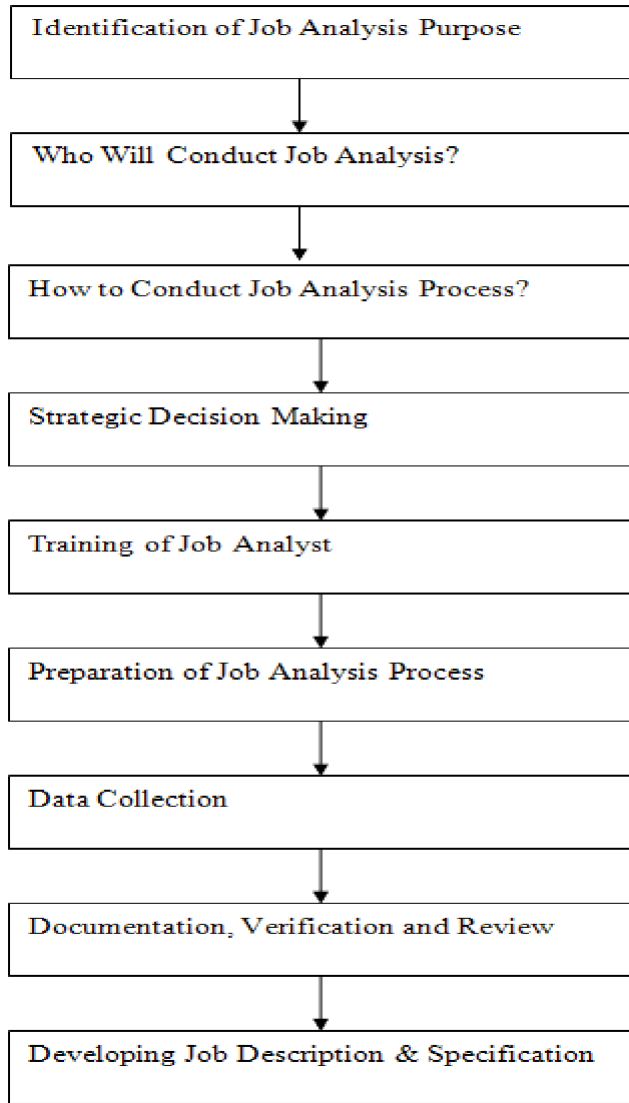
Employment Guidance

Job description, which is basically carried out on the basis of Job analysis, helps the aspirates in ascertaining the job, for which they have the necessary ability and skills.

Labour Relations

Job analysis serves as the basis for resolving disputes that may arise due to quality of performance expected of workers.

JOB ANALYSIS PROCESS



- **Identification of Job Analysis Purpose:** Well any process is futile until its purpose is not identified and defined. Therefore, the first step in the process is to determine its need

and desired output. Spending human efforts, energy as well as money is useless until HR managers don't know why data is to be collected and what is to be done with it.

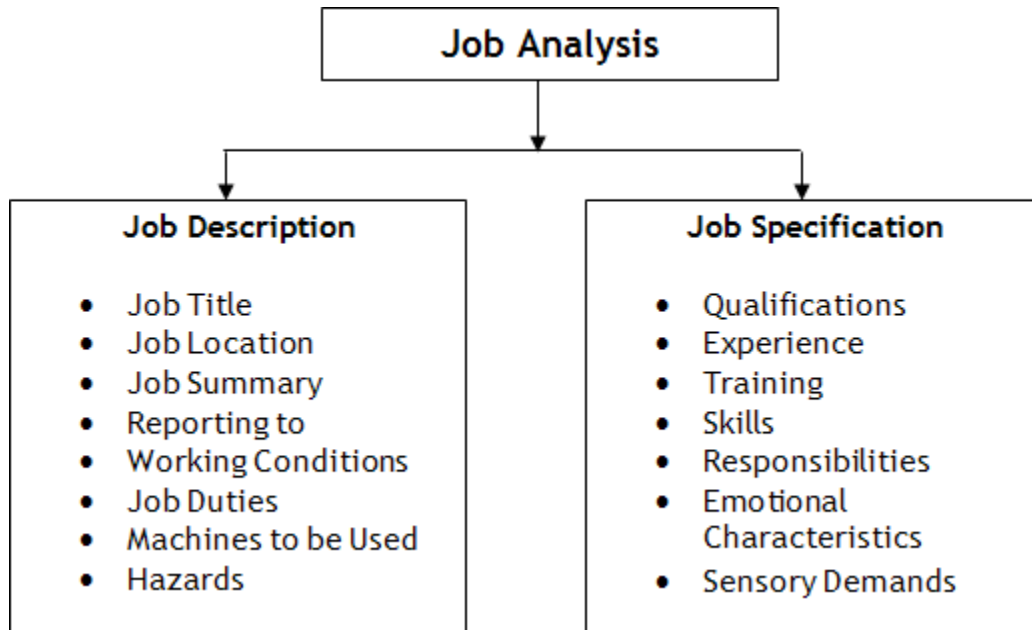
- **Who Will Conduct Job Analysis:** The second most important step in the process of job analysis is to decide who will conduct it. Some companies prefer getting it done by their own HR department while some hire job analysis consultants. Job analysis consultants may prove to be extremely helpful as they offer unbiased advice, guidelines and methods. They don't have any personal likes and dislikes when it comes to analyze a job.
- **How to Conduct the Process:** Deciding the way in which job analysis process needs to be conducted is surely the next step. A planned approach about how to carry the whole process is required in order to investigate a specific job.
- **Strategic Decision Making:** Now is the time to make strategic decision. It's about deciding the extent of employee involvement in the process, the level of details to be collected and recorded, sources from where data is to be collected, data collection methods, the processing of information and segregation of collected data.
- **Training of Job Analyst:** Next is to train the job analyst about how to conduct the process and use the selected methods for collection and recoding of job data.
- **Preparation of Job Analysis Process:** Communicating it within the organization is the next step. HR managers need to communicate the whole thing properly so that employees offer their full support to the job analyst. The stage also involves preparation of documents, questionnaires, interviews and feedback forms.
- **Data Collection:** Next is to collect job-related data including educational qualifications of employees, skills and abilities required to perform the job, working conditions, job activities, reporting hierarchy, required human traits, job activities, duties and responsibilities involved and employee behaviour.
- **Documentation, Verification and Review:** Proper documentation is done to verify the authenticity of collected data and then review it. This is the final information that is used to describe a specific job.
- **Developing Job Description and Job Specification:** Now is the time to segregate the collected data in to useful information. Job Description describes the roles, activities, duties and responsibilities of the job while job specification is a statement of educational qualification, experience, personal traits and skills required to perform the job.

JOB DESCRIPTION

Job description is an informative documentation of the scope, duties, tasks, responsibilities and working conditions related to the job listing in the organization through the process of job analysis. Job description also details the skills and qualifications that an individual applying for the job needs to possess.

DEFINITION OF JOB SPECIFICATION

a specialized job description designed by emphasizing mental and physical qualifications and special skills required in an operative to facilitate selection and placement of employees.



JOB ENLARGEMENT

Job enlargement means increasing the scope of a job through extending the range of its job duties and responsibilities generally within the same level and periphery. Job enlargement involves combining various activities at the same level in the organization and adding them to the existing job.

JOB ENRICHMENT

Job enrichment is a process that is characterized by adding dimensions to existing jobs to make them more motivating. Examples of job enrichment include adding extra tasks (also called job enlargement), increasing skill variety, adding meaning to jobs, creating autonomy, and giving feedback.

Job enrichment is a method of motivating employees where a job is designed to have interesting and challenging tasks which can require more skill and can increase pay.

Recruitment is the process of actively seeking out, finding and [hiring candidates](#) for a specific position or job. The recruitment definition includes the entire hiring process, from inception to the individual recruit's integration into the company.

JOB ROTATION

Job rotation is the systematic movement of employees from one job to another within the organiza HUMAN RESOURCE PLANNING, RECRUITMENT & SELECTION

UNIT-02- Human Resource Planning: Meaning and Importance of Human Resource Planning, Process of HRP, HR Demand Forecasting- Meaning and Techniques (Meanings Only) and HR supply forecasting.-Meaning Human Resource Planning: Succession Planning – Meaning and Features, Job Analysis: Meaning and Uses of Job Analysis, Process of Job Analysis – Job Description, Job Specification, Job Enlargement, Job Rotation, Job Enrichment (Meanings Only)- Recruitment – Meaning, Methods of Recruitment, Factors affecting Recruitment, Sources of Recruitment- Selection – Meaning, Steps in Selection Process, Psychometric tests for Selection, Barriers to effective Selection, Making Selection effective; Placement, Gamification – Meaning and Features.

Human Resource Planning MEANING

Human resource is the most important asset of an organisation. Human resources planning are the important managerial function. It ensures the right type of people, in the right number, at the right time and place, who are trained and motivated to do the right kind of work at the right time, there is generally a shortage of suitable persons.

IMPORTANCE OF HRP

PROCESS OF HRP

1. Analyze Objectives

The human resources planning process starts with the identification of the objectives of the different departments in the organization. each department such as management, marketing, production, finance, sales, etc. can have different objectives and they have specific expectations related to human resources. The objectives can include recruiting new employees for the process, reducing the number of employees by automating processes or improving the knowledge and skill levels of existing employees.

By analyzing the objectives of each department of the organization, the human resources planning team can identify the changes that will be necessary for the future of the organization.

2. Inventory current human resources

Once the necessary changes are identified, the Human resources planning team should create an inventory of the current human resources available in the organization. This should include the current number of employees available in the organization, their capacities, capabilities, and performance abilities. This helps the human resources team to identify the methods of filling the upcoming job requirements and to create estimates for internal and external recruitments that will be necessary.

3. Forecast the demand and the supply of employees

Based on the objectives of the different departments of the organization and the inventory of the available resources, the Human resources planning team can forecast the demand of the employees. Apart from that, based on the availability in the organization and the employee market, the supply of the employees should be forecasted.

4. Estimate Gaps

Conducting a comparison between the demand and the supply of the employee availability can help the human resources team to identify the gaps that can arise in the foreseeable future. The gaps can arise as employment deficits as well as employment surpluses. Employment deficits indicate the number of employees that need to be recruited and the employment surpluses indicates the job terminations or transfers between departments. Apart from that, the gaps can be used as an indication of the training and development requirements for the employees.

5. Formulate Plan

Once the employment gaps are estimated, the Human resources planning team should formulate a plan for the recruitment, training, development, termination, interdepartmental transfers, promotion, or early retirement of employees based on the requirements of the organization. The employment plan can vary based on the deficit or the surplus estimated in forecasting the demand and supply stage.

6. Implement Plan

Once the human resources plan is formulated, the human resources department should implement the plan in the organization. This should be aligned with the goals and objectives of the organization as well as the goals and objectives of each department of the organization.

7. Monitor, Control, and feedback

Once the human resources plan is implemented, the plan should be monitored continuously to ensure the alignment of the plan to the objectives of the departments. The necessary controls should be put in place and the feedback at each level should be obtained to measure any defects in the implemented human resources plan. The necessary changes should be implemented according to the feedback obtained in the ongoing process in order to make the human resources plan a success.

HR DEMAND FORECASTING

Human resource (HR) demand forecasting is the process of estimating the future quantity and quality of people required. The basis of the forecast must be the annual budget and long-term corporate plan, translated into activity levels for each function and department.

TECHNIQUES OF HR DEMAND FORECASTING

Ratio-trend analysis:

This is the quickest forecasting technique. The Technique involves studying past ratios, say, between the number of workers and sales in an organization and forecasting future ratios, making some allowance for changes in the organization or its methods.

2. Work Study Technique

Commonly referred to as workload analysis, the work study technique predicts comprehensive activities and production for a specified future time period. The end result of the work study technique is an estimation of the work hours required per unit produced.

When estimating future work hours needed, human resource management professionals must take into consideration-

- Resignations

- Dismissals
- Strikes
- Technical difficulties
- Absenteeism
- Turnover rate

The more experienced the human resource management professionals performing the work study technique are, the more accurate their estimate for resources required is likely to be.

3. Econometrics Models

The econometrics model analyzes the relationship of an dependent variable with an independent variable. An example of an dependent variable are human resources and an example of an independent variable are sales.

Statistical and mathematical techniques used throughout the econometrics model allows human resource management professionals to estimate future demand with significant accuracy.

4. Delphi Technique

The Delphi technique utilizes expert feedback in order to predict the human resources requirements that are necessary in the future. Human resource management professionals gather responses and develop reports that comprehensively summarize expert opinions.

The process of collecting feedback and creating reports is continued until a unified consensus is reached between the experts. For this reason, the Delphi technique can be a long term process if experts do not agree.

5. Regression Analysis

Regression analysis is a statistical method used to identify trends contained within data. Identifying trends helps business professionals to better understand their human resource requirements and optimize labor supply already available.

Regression analysis investigates the relationship between a predictor and a target, also known as independent and dependent variables. The dependent variable includes factors that businesses are trying to predict or gain additional insight about.

HUMAN RESOURCE SUPPLY FORECASTING

Human Resource supply forecasting is the process of estimating availability of human resource which is followed by demand forecasting . For forecasting supply of human resource we need to consider internal supply and external supply of human resources.

Internal supply of human resource available by way of transfers, promotions, retired employees & recall of laid-off employees, etc external supply of human resource is, availability of labour force in the market and by way of new recruitment.

External supply of human resource depends on some factors mentioned below. Supply and

demand of jobs.

- literacy rate of nation.
- rate of population
- industry and expected growth rate and levels
- technological development.
- compensation system based on education, experience, skill and age.
-

Succession PLANNING

Succession planning is the process of identifying the critical positions within your organization and developing action plans for individuals to assume those positions. Taking a holistic view of current and future goals, this type of preparation ensures that you have the right people in the right jobs today and in the years to come.

features of succession planning are:

- Identifying the Need

Succession planning exercise needs the company first to identify the key staff that is at the risk of losing or leaving. The key staffs are the people in the company making the company successful and productive. These staffs generally the top level managers, acquirers, or client management. The loss of any of these key personnel may affect the company growth, and hence, it is essential for the company management to keep an eye on their ongoing jobs. The necessary personnel may leave the company for any reason. Identification of the critical job people is done by way of studying their performance reports, their work details, and past jobs performed. This exercise is a formal business exercise which needs the involvement of HR and management.

Listing the Potential Candidate

Once the company management has identified the key personnel who needs replacement, the listing of potential candidates starts. This is done by studying the HR reports on the productivity of the staff. The staffs with similar education background, workforce handling, and similar skill set are the most probable ones to get the job. By studying the needs of the job detail, the staff of the companies is evaluated. Succession planning is done with the objective to replace the key personnel in the company with the rightful candidate. Hence, this exercise is essential. This requires extensive study from the HR and interviews of the candidates.

- Strengthen Internal Staffing

The main benefit of succession planning is to strengthen the company internally. By picking up the employee within the company, structure does not only save the company from the time of training but also provide development opportunity to the employees internally. The staffs picked for future roles internally, which is good for the company morale and keeps the competition among the employees healthy. The managers can ask the staff to self identify for jobs and prepare to be productive for a better future.

Training and Development

Once the company has identified the critical staff position and proper candidate for the job, the next step comes for the management to train the candidate properly. Finding the new staff for the vital job position does not mean that the candidate has to be recruited right away. In fact, the company management studies and watch the candidate for some time. They train the candidate

to handle the future important roles to which he will entrust to. The opportunities for training and developing staff for the critical position is entrusted with the top-level managers in the company. The candidate must understand the business entirely and should be able to run the future role with great responsibility.

JOB ANALYSIS

the process of gathering and analyzing information about the content and the human requirements of jobs, as well as, the context in which jobs are performed. This process is used to determine placement of jobs. Under NU Values the decision-making in this area is shared by units and Human Resources. Specific internal approval processes will be determined by the unit's organizational leadership.

USES OF JOB ANALYSIS

Manpower Planning

Job analysis is a qualitative aspect of manpower needs, as it determines job requirements in terms of skills, qualities and other human characteristics. This facilitates the division of labor into different occupations.

Recruitment, Selection and Placement

In order to hire a good person for the job, it is very important to know the requirements of the job and the qualities of the person who will be doing the job. Information on these two elements comes from the job description or job description and helps management to tailor the job requirements as closely as possible to the attitudes, skills, interests of employees, etc.

Training and Development:

Job analysis determines standard levels for job performance. Helps manage learning development programs.

Job Evaluation

Job analysis provides the basis for job evaluation. The purpose of a job appraisal is to determine the relative value of the job which in turn helps determine job compensation.

Performance Appraisal

Job analysis data provides a clear standard of performance for each job. Employee performance can be objectively evaluated against the job performance standard.

Job Designing

Industrial engineers may use the job analysis information in designing the job by making the comprehensive study of the job elements.

Safety and Health

Management can take corrective actions to ensure the safety of workers and reduce the risk of various hazards to eliminate harmful conditions.

Promotions

The job analysis is mainly based on the effective policies. Effective policies may be formulated

in regard to promotions and transfers.

Employment Guidance

Job description, which is basically carried out on the basis of Job analysis, helps the aspirates in ascertaining the job, for which they have the necessary ability and skills.

Labour Relations

Job analysis serves as the basis for resolving disputes that may arise due to quality of performance expected of workers.

JOB ANALYSIS PROCESS

□ Identification of Job Analysis Purpose: Well any process is futile until its purpose is not identified and defined. Therefore, the first step in the process is to determine its need

and desired output. Spending human efforts, energy as well as money is useless until HR managers don't know why data is to be collected and what is to be done with it.

□ Who Will Conduct Job Analysis: The second most important step in the process of job analysis is to decide who will conduct it. Some companies prefer getting it done by their own HR department while some hire job analysis consultants. Job analysis consultants may prove to be extremely helpful as they offer unbiased advice, guidelines and methods. They don't have any personal likes and dislikes when it comes to analyze a job.

□ How to Conduct the Process: Deciding the way in which job analysis process needs to be conducted is surely the next step. A planned approach about how to carry the whole process is required in order to investigate a specific job.

□ Strategic Decision Making: Now is the time to make strategic decision. It's about deciding the extent of employee involvement in the process, the level of details to be collected and recorded, sources from where data is to be collected, data collection methods, the processing of information and segregation of collected data.

□ Training of Job Analyst: Next is to train the job analyst about how to conduct the process and use the selected methods for collection and recoding of job data.

□ Preparation of Job Analysis Process: Communicating it within the organization is the next step. HR managers need to communicate the whole thing properly so that employees offer their full support to the job analyst. The stage also involves preparation of documents, questionnaires, interviews and feedback forms.

□ Data Collection: Next is to collect job-related data including educational qualifications of employees, skills and abilities required to perform the job, working conditions, job activities, reporting hierarchy, required human traits, job activities, duties and responsibilities involved and employee behaviour.

□ Documentation, Verification and Review: Proper documentation is done to verify the authenticity of collected data and then review it. This is the final information that is used to describe a specific job.

□ Developing Job Description and Job Specification: Now is the time to segregate the collected data in to useful information. Job Description describes the roles, activities, duties and responsibilities of the job while job specification is a statement of educational qualification, experience, personal traits and skills required to perform the job.

JOB DESCRIPTION

Job description is an informative documentation of the scope, duties, tasks, responsibilities and working conditions related to the job listing in the organization through the process of job analysis. Job description also details the skills and qualifications that an individual applying for the job needs to possess.

DEFINITION OF JOB SPECIFICATION

a specialized job description designed by emphasizing mental and physical qualifications and special skills required in an operative to facilitate selection and placement of employees.

JOB ENLARGEMENT

Job enlargement means increasing the scope of a job through extending the range of its job duties and responsibilities generally within the same level and periphery. Job enlargement involves combining various activities at the same level in the organization and adding them to the existing job.

JOB ENRICHMENT

Job enrichment is a process that is characterized by adding dimensions to existing jobs to make them more motivating. Examples of job enrichment include adding extra tasks (also called job enlargement), increasing skill variety, adding meaning to jobs, creating autonomy, and giving feedback.

Job enrichment is a method of motivating employees where a job is designed to have interesting and challenging tasks which can require more skill and can increase pay.

Recruitment is the process of actively seeking out, finding and hiring candidates for a specific position or job. The recruitment definition includes the entire hiring process, from inception to the individual recruit's integration into the company.

JOB ROTATION

Job rotation is the systematic movement of employees from one job to another within the organization to achieve various human resources objectives such as orienting new

employees, training employees, enhancing career development, and preventing job boredom or burnout. Guidelines.

RECRUITMENT

Recruitment is the process of actively seeking out, finding and hiring candidates for a specific

position or job. The recruitment definition includes the entire hiring process, from inception to the individual recruit's integration into the company.

METHODS OF RECRUITMENT

1. Direct Method
2. Indirect Method
3. Third Party Method.

1. Direct Method:

In this method, the representatives of the organisation are sent to the potential candidates in the educational and training institutes. They establish contacts with the candidates seeking jobs. These representatives work in cooperation with placement cells in the institutions. Persons pursuing management; engineering, medical etc. programmes are mostly picked up in this manner.

Sometimes, some employer firms establish direct contact with the professors and solicit information about students with excellent academic records. Sending the recruiter to the conventions, seminars, setting up exhibits at fairs and using mobile office to go to the desired centers are some other methods used to establish direct contact with the job seekers.

2. Indirect Methods:

Indirect methods include advertisements in news papers, on the radio and television, in professional journals, technical magazines etc.

This method is useful when:

- (i) Organisation does not find suitable candidates to be promoted to fill up the higher posts
- (ii) When the organisation wants to reach out to a vast territory, and
- (iii) When organisation wants to fill up scientific, professional and technical posts.

The experience suggests that the higher the position to be filled up in the organisation, or the skill sought by the more sophisticated one, the more widely dispersed advertisement is likely to be used to reach to many suitable candidates.

Sometimes, many organisations go for what is referred to as blind advertisement in which only Box No. is given and the identity of the organisation is not disclosed. However, organisations with regional or national repute do not usually use blind advertisements for obvious reasons.

While placing an advertisement to reach to the potential candidates, the following three points need to be borne in mind:

1. First, to visualise the type of the applicant one is trying to recruit.
 2. Second, to write out a list of the advantages the job will offer
 3. Third, to decide where to run the advertisement, i.e., newspaper with local, state, nation-wide and international reach or circulation.
3. Third Party Methods:

These include the use of private employment agencies, management consultants, professional bodies/associations, employee referral/recommendations, voluntary organisations, trade unions, data banks, labour contractors etc., to establish contact with the job-seekers.

FACTORS AFFECTING RECRUITMENT

The recruitment function of the organizations is affected and governed by a mix of various internal and external forces. The internal forces or factors are the factors that can be controlled

by the organization. And the external factors are those factors which cannot be controlled by the organization. The internal and external forces affecting recruitment function of an organization are:

Internal Factors Affecting Recruitment

The internal forces which can be controlled by the organization are:

Recruitment Policy

The recruitment policy of an organization specifies the objectives of recruitment and provides a framework for implementation of recruitment program. It may involve organizational system to be developed for implementing recruitment program and procedure by filling up vacancies with best qualified people.

Factors affecting recruitment policy

Organizational objectives

Personnel policies of the organization and its competitors. Government policies on reservations. Preferred sources of recruitment. Need of the organization.

Recruitment costs and financial implications. Human Resource Planning

Effective human resource planning helps in determining the gaps present in the existing

manpower of the organization. It also helps in determining the number of employees to be recruited and what qualification they must possess.

Size of the Firm

The size of the firm is an important factor in recruitment process. If the organization is planning to increase its operations and expand its business, it will think of hiring more personnel, which will handle its operations.

Cost

Recruitment incur cost to the employer, therefore, organizations try to employ that source of recruitment which will bear a lower cost of recruitment to the organization for each candidate.

Growth and Expansion

Organization will employ or think of employing more personnel if it is expanding its operations.

External Factors Affecting Recruitment

The external forces are the forces which cannot be controlled by the organization. The major external forces are:

Supply And Demand

The availability of manpower both within and outside the organization is an important determinant in the recruitment process. If the company has a demand for more professionals and there is limited supply in the market for the professionals demanded by the company, then the company will have to depend upon internal sources by providing them special training and development programs.

Labor Market

Employment conditions in the community where the organization is located will influence the recruiting efforts of the organization. If there is surplus of manpower at the time of recruitment, even informal attempts at the time of recruiting like notice boards display of the requisition or announcement in the meeting etc will attract more than enough applicants.

Image / Goodwill

Image of the employer can work as a potential constraint for recruitment. An organization with positive image and goodwill as an employer finds it easier to attract and retain employees than an organization with negative image. Image of a company is based on what organization does and affected by industry. For example finance was taken up by fresher MBA's when many finance companies were coming up.

Political-Social-legal Environment

Various government regulations prohibiting discrimination in hiring and employment have direct impact on recruitment practices. For example, Government of India has

introduced legislation for reservation in employment for scheduled castes, scheduled tribes, physically handicapped etc. Also, trade unions play important role in recruitment. This restricts management freedom to select those individuals who it believes would be the best performers. If the candidate can't meet criteria stipulated by the union but union regulations can restrict recruitment sources.

Unemployment Rate

One of the factors that influence the availability of applicants is the growth of the economy (whether economy is growing or not and its rate). When the company is not creating new jobs, there is often oversupply of qualified labor which in turn leads to unemployment.

Competitors

The recruitment policies of the competitors also affect the recruitment function of the organizations. To face the competition, many a times the organizations have to change their recruitment policies according to the policies being followed by the competitors.

SOURCES OF RECRUITMENT

1. Internal sources
2. External sources

The sources can be further explained with the help of following diagram

Internal sources of recruitment :-

Internal sources of recruitment refer to obtaining people for job from inside the company. There are different methods of internal recruitment

Promotion :-

Companies can give promotion to existing employees. This method of recruitment saves a lot of time, money and efforts because the company does not have to train the existing employee. Since the employee has already worked with the company. He is familiar with the working culture and working style. It is a method of encouraging efficient workers.

Departmental exam :- This method is used by government departments to select employees for higher level posts. The advertisement is put up on the notice board of the department. People

who are interested must send their application to the HR department and appear for the exam.

Successful candidates are given the higher level job. The method ensures proper selection and impartiality.

Transfer :-

Many companies adopt transfer as a method of recruitment. The idea is to select talented personnel from other branches of the company and transfer them to branches where there is shortage of people.

Retirement :-

Many companies call back personnel who have already retired from the organization. This is a temporary measure. The method is beneficial because it gives a sense of pride to the retired when he is called back and helps the organization to reduce recruitment selection and training cost.

Internal advertisement :-

In this method vacancies in a particular branch are advertised in the notice board. People who are interested are asked to apply for the job. The method helps in obtaining people who are ready to shift to another branch of the same company and it is also beneficial to people who want to shift to another branch.

Employee recommendation :-In this method employees are asked to recommend people for jobs. Since the employee is aware of the working conditions inside the company he will suggest people who can adjust to the situation. The company is benefited because it will obtain.

Advantages of internal recruitment:

- Internal methods are time saving.
- No separate induction program is required.
- The method increases loyalty and reduces labour turnover.
- This method is less expensive.

Disadvantages of internal recruitment:

- There is no opportunity to get new talent in this method.
- The method involves selecting people from those available in the company so there is limited scope for selection.
- There are chances of biased and partiality.
- Chances of employee discontent are very high.

External sources of recruitment:

External sources of recruitment refer to methods of recruitment to obtain people from outside the company. These methods are

Management consultant :-

Management consultant helps the company by providing them with managerial personnel, when the company is on the look out for entry level management trainees and middle level managers. They generally approach management consultants.

Employment agencies :-

Companies may give a contract to employment agencies that search, interview and obtain the required number of people. The method can be used to obtain lower level and middle level staff.

Campus recruitment :-

When companies are in search of fresh graduates or new talent they opt for campus recruitment. Companies approach colleges, management, technical institutes, make a presentation about the company and the job and invite applications. Interested candidates who have applied are made to go through a series of selection test and interview before final selection.

News paper advertisement :-

This is one of the oldest and most popular methods of recruitment. Advertisements for the job are given in leading news papers; the details of the job and salary are also mentioned. Candidates are given a contact address where their applications must be sent and are asked to send their applications within a specified time limit. The method has maximum reach and most preferred among all other methods of recruitment.

Internet advertisement :-

With increasing importance to internet, companies and candidates have started using the internet as medium of advertisement and search for jobs. There are various job sites like naukri.com and monster.com etc. candidates can also post their profiles on these sites. This method is growing in popularity.

Walk in interview :-

Another method of recruitment which is gaining importance is the walk in interview method. An advertisement about the location and time of walk in interview is given in the news paper. Candidates require to directly appearing for the interview and have to bring a copy of their C.V. with them. This method is very popular among B.P.O and call centers.

Advantages of external recruitment:

- There is influx of new talent in the method.
- The method encourages more and more competition.

- There is lesser chance of partiality through this method.
- If options like campus recruitment have been exercised we get a chance to employ fresh graduates, thus increasing employment.

Disadvantages of external recruitment:

- The method is costly because it involves recruitment cost, selection, training cost.
- The method is time consuming.
- The method reduces loyalty to the company.

SELECTION

Selection is the process of identifying an individual from a pool of job applicants with the requisite qualifications and competencies to fill jobs in the organization. This is an HR process that helps differentiate between qualified and unqualified applicants by applying various techniques.

SELECTION PROCESS

1. Job Analysis

Job analysis is the basis for selecting the right candidate every organization should finalize the job analysis i.e job description and job specification before proceeding to the next step of selection.

2. Recruitment

It refers to the process of searching for prospective employees & stimulating them to apply for a job in an organization. It is understood as the process of searching for applicants from the right candidate can be selected

3. Application Formes

The technique of application forms is traditional & it is widely accepted for screening information from prospective candidates. Application forms are also known as application blank it can also be used as a device to screen the candidates at the primary level.

The information is generally required in application forms are as follows

- a) Personal background
- b) Educational Attainment
- c) Work Experienced
- d) Salary
- e) References

4. Written Exam

the organization has to conduct written exams for the qualified candidates after they are screened on the basis of an application form so as to measure the candidate's ability in a mathematical calculation to know the candidate's attitude towards job reasoning knowledge in various disciplines like G.K & English language.

5. Preliminary Interviews

It solicits necessary information from the prospective y be conducted by an assistant in applicants & to access the applicant's suitability for the job. This kind of interview may be conducted by an

assistant in the HR department. The preliminary interview is useful for eliminating undesirable and unsuitable candidates. These interviews are known stand up or short interviews.

6. Group Discussion

the technique of GD is used in order to know the suitability of candidates G.D is a method where groups of successful applicants are brought around conference table & are asked to discuss either on a case study or a subject matter. The candidates in a group are required to analyze discuss & find an alternative solution and select the sound solution. The selection panel observes the candidate in the areas of initiating discussion explaining problems debating or presenting their views

7. Different tests

The next stage in the selection procedure is conducting different tests its objective is to solicit further information to assess employees suitability to a specific post. The tests are as follows

a) Aptitude test

This test is to check the mental abilities or intelligence of a candidate this helps to know whether an individual has the capacity to learn a given job if provided adequate training.

Forms of aptitude test:

- Mental or intelligence tests: These analyze the overall intellectual ability of a person and enable to know whether the person has the mental ability to deal with certain problems.
- Mechanical aptitude tests: To check the ability of a person to learn a particular type of mechanical work. These tests help to understand specialized technical knowledge and problem-solving abilities if the candidate.
- Psychomotor or skills tests: which measure a person's ability to do a specific job. Such tests are conducted in respect of semi-skilled and repetitive jobs such as packing, testing, and inspection, etc.

b) Intelligence test:

It helps to evaluate the traits of intelligence. Mental ability, the presence of mind, numerical ability, memory, and such other aspects can be measured. Intelligence is probably the most widely administered standardized test in the industry. It is taken to judge numerical, skills, reasoning, memory and such other abilities.

C) Interest Test:

These are conducted to find out likes and dislikes of candidates towards occupations, hobbies, etc. such tests indicate which occupations are more in line with a person's interest. Such tests also enable the company to provide vocational guidance to the selected candidates and even to the existing employees.

d) Personality Test:

The importance of personality to job success is irrefutable. Often an individual who possesses the intelligence, aptitude, and experience for certain has failed because of an inability to get along with and motivate other people.

e) Perception Test:

At times perception tests are been conducted to understand beliefs, attitudes, and mental sharpness.etc.

8. Medical Examination

The objective of the medical examination is to check whether the candidate is physically fit to do the job. Those candidates who are successful at the interview will be ultimately rejected if

they are

found physically unfit and place the employee on such jobs which they can handle without damage to their health.

9. Reference Checks

This is a very important parameter in the selection process. No matter how good candidate may appear on paper, and regardless of how impressive they may have been when you interviewed them, no recruiter should ever let the reference checking process slip and its very essential to check background information of that candidate before final selection.

10. Line manager decision

Line managers have the responsibility to conduct the interview and do selection in the right way and to positively represent the candidate in front of the company & measure the applicant's ability to meet the requirements of the current role, and possible future tasks, through a variety of interviewing techniques.

11. Employment

This is the final step in the selection process where the candidate who is scrutinized in all above step is been selected and given an offer letter and now he is been considered an employee and part of an organization.

BARRIERS TO EFFECTIVE SELECTION

Perception

Our inability to understand others accurately is probably the most fundamental barrier to selecting the right candidate.

Selection demands an individual or a group of people to assess and compare the respective competencies of others, with the aim of choosing the right persons for the jobs. But our views are

highly personalized. We all perceive the world differently. Our limited perceptual ability is obviously a stumbling block to the objective and rational selection of the people.

Fairness

Fairness in selection requires that no individual should be discriminated against on the basis of religion, region, race or gender. But the low numbers of women and other less privileged sections of the society in middle and senior management positions and open discrimination on the basis of age in job advertisements and in the selection process would suggest that all the efforts to minimize inequity have not been effective.

Validity

Validity, as explained earlier, is a test that helps predict job performance of an incumbent. A test that has been validated can differentiate between the employees who perform well and those

who will not. However, a validated test does not predict job success accurately. It can only increase possibility of success.

Reliability

A reliable method is one, which will produce consistent results when repeated in similar situations. Like validated test, a reliable test may fail to predict job performance with precision.

Pressure

Pressure is brought on the selectors by politicians, bureaucrats, relatives, friends and peers to select particular candidates. Candidates selected because of compulsions are obviously not the right ones. Appointments to public sectors undertakings generally take place under such pressures.

Expenses

The cost to hire and replace hourly workers is approximately six months' wages; the cost to replace salaried personnel is the salary for a year and a half, according to 2007 figures analyzed by management consultant firm The Hay Group. Recruitment costs include advertising space, professional memberships, job fair sponsorship and college recruiting trips.

DEVELOPING AN EFFECTIVE SELECTION PROCESS:

1. Understand the Job. Start with an understanding of the job and the traits that differentiate successful performance on the job. You can either conduct a job analysis internally, or partner with experts in the field that specialize in developing employee selection systems.
2. Develop a Process and Use it Consistently. Determine the best means to measure the most critical traits, preferably through multiple means of measurement. The traits of interest should help dictate the types of selection tools that are of most interest, along

with other considerations such as the efficiency of the process, candidate perceptions, and fairness. There are many different types of employee assessments and simulations available, along with interviews and role-plays, to name a few. Don't flush your hard work down the drain by allowing candidates to circumvent your process.

3. Identify Valid Tools. Ensure that the selection tools you utilize are job relevant and related to successful job performance (validation). There are numerous ways to examine validation evidence for any given selection tool, and this is a step where you could engage a consulting firm, if you wish.
4. Train HR Staff. Ensure that individuals involved in the selection process are trained, including interviewers, test proctors, and administrators. The majority of selection systems utilize some form of an interview, thus interviewer training is always recommended to both ensure consistency and effective interviewing techniques (not to mention legal defensibility). Further, interviewer training can be done in as little as 2 hours, using an effective online interviewer training program.
5. Monitor Your Process. Monitor your selection systems on-going for process enhancements,

examining pass rates, efficiency, accuracy, and fairness. As positions evolve in your organizations, so should the selection processes. And, given the criticality of selection processes, it's important to look for process improvements on-going.

What is psychometric test in recruitment example?

Psychometric tests are an objective way for recruiters to measure the potential of candidates to perform well in a job role. Traditionally recruiters studied your CV and qualifications, and made a decision based on an interview

PROCESS OF PSYCHOMETRIC TESTS

PLACEMENT

Placement is the process of assigning specific jobs and work places to the selected candidates. It involves putting square pegs in to square holes i.e. matching the individual and the job. Correct placement is in no way less important than accurate selection.

PROBLEMS IN PLACEMENT

GAMIFICATION

Gamification is the integration of games or game-like elements into business processes to boost employee participation and engagement. Gamification applies the same principles which attract people to recreational games such as football, chess, or Minecraft to the workplace.

FEATURES OF GAMIFICATION / BUILDING BLOCKS OF GAMIFICATION APPLICATION

- Badges.
- Points. ...
- Rewards. ...
- Levels. ...
- Interactive Progress Bars. ...
- Leaderboards. ...
- Gamification Templates. ...
- Customisation Options.

1. Badges

The Learning Management System should feature badges that are eye-catching and align with your online training objectives. For example, colourful badges with a trophy icon to award to your top performers, or a hard hat to recognize the completion of your health and safety online training course.

Another feature to look for is personalized badges that allow you to add your own branding and/or media. For instance, change the colour scheme or integrate photos taken in the workplace.

2. Points

Implementing a point-based gamification strategy is more complicated than some people might think. It's not just a matter of awarding points for successful completion of online training activities and modules.

It requires a complete overhaul of your existing eLearning course design in order to incorporate points from the ground up. For example, your corporate learners must be able to earn points for virtually every activity/accomplishment, not just an isolated activity or module.

As such, you need an LMS that supports point-based mechanics and enables you to award points based on your specific criteria. Otherwise, you may end up supporting behaviours or habits that misalign with your learning objectives.

3. Rewards

There are two facets to this feature. The first is that many organizations need an LMS that can support a variety of different rewards and game mechanics. For example, some employees respond more favourably to badges than leaderboards. Some incentives may fall in line with your business objectives and brand image but others may send the wrong message.

The second facet is that the Learning Management System needs to support a 'grand prize' or more involved incentives program that employees strive toward. For example, they earn exclusive access to a VIP online training library when they accrue enough points.

4. Levels

An effective gamification LMS makes it easy to incorporate levels into your eLearning course design and set specific parameters. For instance, employees are only able to progress to the next level once they've met the requirements and received a passing score on the exam.

The system should also display some sort of progress indicator so that employees can track their performance. For example, an eLearning course map or bar that indicates how far they still need to go to make it to the next round.

5. Interactive Progress Bars

Speaking of progress bars, many Learning Management Systems now have interactive progress trackers that give corporate learners more control.

As an example, corporate learners can easily revisit previous levels of the gamified online training course to refresh their memory or click on a different destination on the eLearning course map to pick and choose which badge they want to earn next.

This empowers them to train on their own terms and go at their own pace, which increases their motivation and drive.

6. Leaderboards

Many corporate learners enjoy friendly competition. It helps them achieve their full potential by competing against their peers and proving their competency to themselves.

Once again, leaderboards require full integration, as every online training activity ties into the corporate learner's rank on the board. For example, they must achieve a certain amount of points to reach the top spot or move up one rung on the ladder.

In addition, make sure the LMS allows you to set criteria for how corporate learners advance and how top performers are recognized.

7. Gamification Templates

Building a gamified online training course from scratch requires a significant amount of resources and payroll hours. Not to mention, expertise and tech skills. However, you can simplify the process by choosing an LMS that features gamification templates.

For instance, level templates you can use to create multi-tiered online training courses that boost engagement. Or a badge catalog that you need to personalize based on job tasks and skills. Some platforms even feature built-in online asset libraries where you'll find blank badges, leaderboards and themes.

8. Customisation Options

One of the most crucial gamification features to look for in your new LMS is the ability to customize your game mechanics and rewards. For example, incorporate your logo into the leaderboard or modify the badges so that they align with your employees' interests. That said, there should still be some out-of-the-box options for those who want to save time and simply incorporate pre-built rewards. Especially if the LMS is equipped with a vast reward library that offers a variety of different themes and colour palettes.

.....ti
on to achieve various human resources objectives such as orienting new

employees, training employees, enhancing career development, and preventing job boredom or burnout. Guidelines.

RECRUITMENT

Recruitment is the process of actively seeking out, finding and [hiring candidates](#) for a specific position or job. The recruitment definition includes the entire hiring process, from inception to the individual recruit's integration into the company.

METHODS OF RECRUITMENT

1. Direct Method

2. Indirect Method

3. Third Party Method.

1. Direct Method:

In this method, the representatives of the organisation are sent to the potential candidates in the educational and training institutes. They establish contacts with the candidates seeking jobs. These representatives work in cooperation with placement cells in the institutions. Persons pursuing management; engineering, medical etc. programmes are mostly picked up in this manner.

Sometimes, some employer firms establish direct contact with the professors and solicit information about students with excellent academic records. Sending the recruiter to the conventions, seminars, setting up exhibits at fairs and using mobile office to go to the desired centers are some other methods used to establish direct contact with the job seekers.

2. Indirect Methods:

Indirect methods include advertisements in news papers, on the radio and television, in professional journals, technical magazines etc.

This method is useful when:

- (i) Organisation does not find suitable candidates to be promoted to fill up the higher posts
- (ii) When the organisation wants to reach out to a vast territory, and

(iii) When organisation wants to fill up scientific, professional and technical posts.

The experience suggests that the higher the position to be filled up in the organisation, or the skill sought by the more sophisticated one, the more widely dispersed advertisement is likely to be used to reach to many suitable candidates.

Sometimes, many organisations go for what is referred to as blind advertisement in which only Box No. is given and the identity of the organisation is not disclosed. However, organisations with regional or national repute do not usually use blind advertisements for obvious reasons.

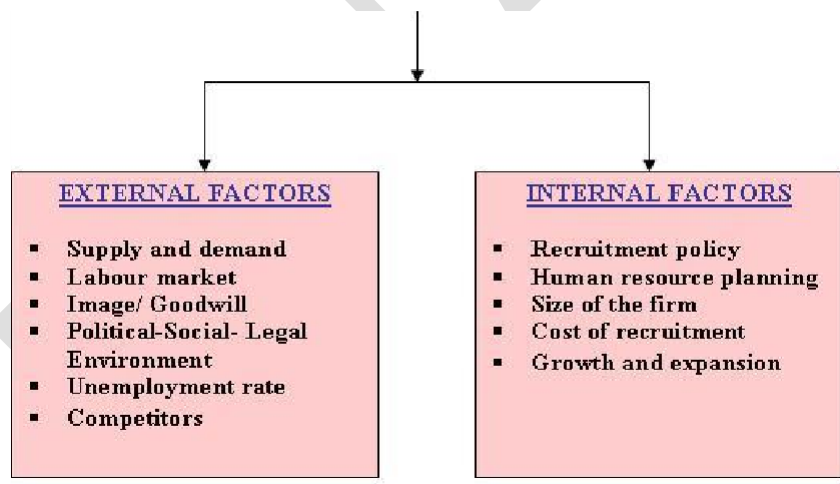
While placing an advertisement to reach to the potential candidates, the following three points need to be borne in mind:

1. First, to visualise the type of the applicant one is trying to recruit.
2. Second, to write out a list of the advantages the job will offer
3. Third, to decide where to run the advertisement, i.e., newspaper with local, state, nation-wide and international reach or circulation.

3. Third Party Methods:

These include the use of private employment agencies, management consultants, professional bodies/associations, employee referral/recommendations, voluntary organisations, trade unions, data banks, labour contractors etc., to establish contact with the job-seekers.

FACTORS AFFECTING RECRUITMENT



The recruitment function of the organizations is affected and governed by a mix of various internal and external forces. The internal forces or factors are the factors that can be controlled

by the organization. And the external factors are those factors which cannot be controlled by the organization. The internal and external forces affecting recruitment function of an organization are:

Internal Factors Affecting Recruitment

The internal forces which can be controlled by the organization are:

Recruitment Policy

The recruitment policy of an organization specifies the objectives of recruitment and provides a framework for implementation of recruitment program. It may involve organizational system to be developed for implementing recruitment program and procedure by filling up vacancies with best qualified people.

Factors affecting recruitment policy

Organizational objectives

Personnel policies of the organization and its competitors.

Government policies on reservations.

Preferred sources of recruitment.

Need of the organization.

Recruitment costs and financial implications.

Human Resource Planning

Effective human resource planning helps in determining the gaps present in the existing manpower of the organization. It also helps in determining the number of employees to be recruited and what qualification they must possess.

Size of the Firm

The size of the firm is an important factor in recruitment process. If the organization is planning to increase its operations and expand its business, it will think of hiring more personnel, which will handle its operations.

Cost

Recruitment incur cost to the employer, therefore, organizations try to employ that source of recruitment which will bear a lower cost of recruitment to the organization for each candidate.

Growth and Expansion

Organization will employ or think of employing more personnel if it is expanding its operations.

External Factors Affecting Recruitment

The external forces are the forces which cannot be controlled by the organization. The major external forces are:

Supply And Demand

The availability of manpower both within and outside the organization is an important determinant in the recruitment process. If the company has a demand for more professionals and there is limited supply in the market for the professionals demanded by the company, then the company will have to depend upon internal sources by providing them special training and development programs.

Labor Market

Employment conditions in the community where the organization is located will influence the recruiting efforts of the organization. If there is surplus of manpower at the time of recruitment, even informal attempts at the time of recruiting like notice boards display of the requisition or announcement in the meeting etc will attract more than enough applicants.

Image / Goodwill

Image of the employer can work as a potential constraint for recruitment. An organization with positive image and goodwill as an employer finds it easier to attract and retain employees than an organization with negative image. Image of a company is based on what organization does and affected by industry. For example finance was taken up by fresher MBA's when many finance companies were coming up.

Political-Social-legal Environment

Various government regulations prohibiting discrimination in hiring and employment have direct impact on recruitment practices. For example, Government of India has

introduced legislation for reservation in employment for scheduled castes, scheduled tribes, physically handicapped etc. Also, trade unions play important role in recruitment. This restricts management freedom to select those individuals who it believes would be the best performers. If the candidate can't meet criteria stipulated by the union but union regulations can restrict recruitment sources.

Unemployment Rate

One of the factors that influence the availability of applicants is the growth of the economy (whether economy is growing or not and its rate). When the company is not creating new jobs, there is often oversupply of qualified labor which in turn leads to unemployment.

Competitors

The recruitment policies of the competitors also affect the recruitment function of the organizations. To face the competition, many a times the organizations have to change their recruitment policies according to the policies being followed by the competitors.

SOURCES OF RECRUITMENT

Sources of recruitment (manpower supply)

⇩	⇩
Internal source	External sources
1. Promotion	1. Management consultant
2. Departmental exam	2. Employment agency
3. Transfer	3. Campus recruitment
4. Retirement	4. News paper advertisement
5. Internal advertisement	5. Internet advertisement
6. Employee recommendation	6. Walk in interview

1. Internal sources
2. External sources

The sources can be further explained with the help of following diagram

Internal sources of recruitment :-

Internal sources of recruitment refer to obtaining people for job from inside the company. There are different methods of internal recruitment

Promotion :-

Companies can give promotion to existing employees. This method of recruitment saves a lot of time, money and efforts because the company does not have to train the existing employee. Since the employee has already worked with the company. He is familiar with the working culture and working style. It is a method of encouraging efficient workers.

Departmental exam :- This method is used by government departments to select employees for higher level posts. The advertisement is put up on the notice board of the department. People

who are interested must send their application to the HR department and appear for the exam. Successful candidates are given the higher level job. The method ensures proper selection and impartiality.

Transfer :-

Many companies adopt transfer as a method of recruitment. The idea is to select talented personnel from other branches of the company and transfer them to branches where there is shortage of people.

Retirement :-

Many companies call back personnel who have already retired from the organization. This is a temporary measure. The method is beneficial because it gives a sense of pride to the retired when he is called back and helps the organization to reduce recruitment selection and training cost.

Internal advertisement :-

In this method vacancies in a particular branch are advertised in the notice board. People who are interested are asked to apply for the job. The method helps in obtaining people who are ready to shift to another branch of the same company and it is also beneficial to people who want to shift to another branch.

Employee recommendation :- In this method employees are asked to recommend people for jobs. Since the employee is aware of the working conditions inside the company he will suggest people who can adjust to the situation. The company is benefited because it will obtain.

Advantages of internal recruitment:

- Internal methods are time saving.
- No separate induction program is required.
- The method increases loyalty and reduces labour turnover.
- This method is less expensive.

Disadvantages of internal recruitment:

- There is no opportunity to get new talent in this method.
- The method involves selecting people from those available in the company so there is limited scope for selection.
- There are chances of biased and partiality.
- Chances of employee discontent are very high.

External sources of recruitment:

External sources of recruitment refer to methods of recruitment to obtain people from outside the company. These methods are

Management consultant :-

Management consultant helps the company by providing them with managerial personnel, when the company is on the look out for entry level management trainees and middle level managers. They generally approach management consultants.

Employment agencies :-

Companies may give a contract to employment agencies that search, interview and obtain the required number of people. The method can be used to obtain lower level and middle level staff.

Campus recruitment :-

When companies are in search of fresh graduates or new talent they opt for campus recruitment. Companies approach colleges, management, technical institutes, make a presentation about the company and the job and invite applications. Interested candidates who have applied are made to go through a series of selection test and interview before final selection.

News paper advertisement :-

This is one of the oldest and most popular methods of recruitment. Advertisements for the job are given in leading news papers; the details of the job and salary are also mentioned. Candidates are given a contact address where their applications must be sent and are asked to send their applications within a specified time limit. The method has maximum reach and most preferred among all other methods of recruitment.

Internet advertisement :-

With increasing importance to internet, companies and candidates have started using the internet as medium of advertisement and search for jobs. There are various job sites like naukri.com and monster.com etc. candidates can also post their profiles on these sites. This method is growing in popularity.

Walk in interview :-

Another method of recruitment which is gaining importance is the walk in interview method. An advertisement about the location and time of walk in interview is given in the news paper. Candidates require to directly appearing for the interview and have to bring a copy of their C.V. with them. This method is very popular among B.P.O and call centers.

Advantages of external recruitment:

- There is influx of new talent in the method.

- The method encourages more and more competition.
- There is lesser chance of partiality through this method.
- If options like campus recruitment have been exercised we get a chance to employ fresh graduates, thus increasing employment.

Disadvantages of external recruitment:

- The method is costly because it involves recruitment cost, selection, training cost.
- The method is time consuming.
- The method reduces loyalty to the company.

SELECTION

Selection is the process of identifying an individual from a pool of job applicants with the requisite qualifications and competencies to fill jobs in the organization. This is an HR process that helps differentiate between qualified and unqualified applicants by applying various techniques.

SELECTION PROCESS

1. Job Analysis

Job analysis is the basis for selecting the right candidate every organization should finalize the job analysis i.e job description and job specification before proceeding to the next step of selection.

2. Recruitment

It refers to the process of searching for prospective employees & stimulating them to apply for a job in an organization. It is understood as the process of searching for applicants from the right candidate can be selected

3. Application Formes

The technique of application forms is traditional & it is widely accepted for screening information from prospective candidates. Application forms are also known as application blank it can also be used as a device to screen the candidates at the primary level.

The information is generally required in application forms are as follows

- a) Personal background
- b) Educational Attainment
- c) Work Experienced
- d) Salary
- e) References

4. Written Exam

the organization has to conduct written exams for the qualified candidates after they are screened on the basis of an application form so as to measure the candidate's ability in a mathematical calculation to know the candidate's attitude towards job reasoning knowledge in various disciplines like G.K & English language.

5. Preliminary Interviews

It solicits necessary information from the prospective y be conducted by an assistant in applicants & to access the applicant's suitability for the job. This kind of interview may be conducted by an

assistant in the HR department. The preliminary interview is useful for eliminating undesirable and unsuitable candidates. These interviews are known stand up or short interviews.

6. Group Discussion

the technique of GD is used in order to know the suitability of candidates G.D is a method where groups of successful applicants are brought around conference table & are asked to discuss either on a case study or a subject matter. The candidates in a group are required to analyze discuss & find an alternative solution and select the sound solution. The selection panel observes the candidate in the areas of initiating discussion explaining problems debating or presenting their views

7. Different tests

The next stage in the selection procedure is conducting different tests its objective is to solicit further information to assess employees suitability to a specific post. The tests are as follows

a) Aptitude test

This test is to check the mental abilities or intelligence of a candidate this helps to know whether an individual has the capacity to learn a given job if provided adequate training.

Forms of aptitude test:

- **Mental or intelligence tests:** These analyze the overall intellectual ability of a person and enable to know whether the person has the mental ability to deal with certain problems.
- **Mechanical aptitude tests:** To check the ability of a person to learn a particular type of mechanical work. These tests help to understand specialized technical knowledge and problem-solving abilities if the candidate.
- **Psychomotor or skills tests:** which measure a person's ability to do a specific job. Such tests are conducted in respect of semi-skilled and repetitive jobs such as packing, testing, and inspection, etc.

b) Intelligence test:

It helps to evaluate the traits of intelligence. Mental ability, the presence of mind, numerical ability, memory, and such other aspects can be measured. Intelligence is probably the most widely administered standardized test in the industry. It is taken to judge numerical, skills, reasoning, memory and such other abilities.

c) Interest Test:

These are conducted to find out likes and dislikes of candidates towards occupations, hobbies, etc. such tests indicate which occupations are more in line with a person's interest. Such tests also enable the company to provide vocational guidance to the selected candidates and even to the existing employees.

d) Personality Test:

The importance of personality to job success is irrefutable. Often an individual who possesses the intelligence, aptitude, and experience for certain has failed because of an inability to get along with and motivate other people.

e) Perception Test:

At times perception tests are been conducted to understand beliefs, attitudes, and mental sharpness.etc.

8. Medical Examination

The objective of the medical examination is to check whether the candidate is physically fit to do the job. Those candidates who are successful at the interview will be ultimately rejected if they are

found physically unfit and place the employee on such jobs which they can handle without damage to their health.

9. Reference Checks

This is a very important parameter in the selection process. No matter how good candidate may appear on paper, and regardless of how impressive they may have been when you interviewed them, no recruiter should ever let the reference checking process slip and its very essential to check background information of that candidate before final selection.

10. Line manager decision

Line managers have the responsibility to conduct the interview and do selection in the right way and to positively represent the candidate in front of the company & measure the applicant's ability to meet the requirements of the current role, and possible future tasks, through a variety of interviewing techniques.

11. Employment

This is the final step in the selection process where the candidate who is scrutinized in all above step is been selected and given an offer letter and now he is been considered an employee and part of an organization.

BARRIERS TO EFFECTIVE SELECTION



Perception

Our inability to understand others accurately is probably the most fundamental barrier to selecting the right candidate.

Selection demands an individual or a group of people to assess and compare the respective competencies of others, with the aim of choosing the right persons for the jobs. But our views are

highly personalized. We all perceive the world differently. Our limited perceptual ability is obviously a stumbling block to the objective and rational selection of the people.

Fairness

Fairness in selection requires that no individual should be discriminated against on the basis of religion, region, race or gender. But the low numbers of women and other less privileged sections of the society in middle and senior management positions and open discrimination on the basis of age in job advertisements and in the selection process would suggest that all the efforts to minimize inequity have not been effective.

Validity

Validity, as explained earlier, is a test that helps predict job performance of an incumbent. A test that has been validated can differentiate between the employees who perform well and those who will not. However, a validated test does not predict job success accurately. It can only increase possibility of success.

Reliability

A reliable method is one, which will produce consistent results when repeated in similar situations. Like validated test, a reliable test may fail to predict job performance with precision.

Pressure

Pressure is brought on the selectors by politicians, bureaucrats, relatives, friends and peers to select particular candidates. Candidates selected because of compulsions are obviously not the right ones. Appointments to public sectors undertakings generally take place under such pressures.

Expenses

The cost to hire and replace hourly workers is approximately six months' wages; the cost to replace salaried personnel is the salary for a year and a half, according to 2007 figures analyzed by management consultant firm The Hay Group. Recruitment costs include advertising space, professional memberships, job fair sponsorship and college recruiting trips.

DEVELOPING AN EFFECTIVE SELECTION PROCESS:

1. **Understand the Job.** Start with an understanding of the job and the traits that differentiate successful performance on the job. You can either conduct a job analysis internally, or partner with experts in the field that specialize in developing employee selection systems.
2. **Develop a Process and Use it Consistently.** Determine the best means to measure the most critical traits, preferably through multiple means of measurement. The traits of interest should help dictate the types of selection tools that are of most interest, along

with other considerations such as the efficiency of the process, candidate perceptions, and fairness. There are many different types of employee assessments and simulations available, along with interviews and role-plays, to name a few. Don't flush your hard work down the drain by allowing candidates to circumvent your process.

3. **Identify Valid Tools.** Ensure that the selection tools you utilize are job relevant and related to successful job performance (validation). There are numerous ways to examine validation evidence for any given selection tool, and this is a step where you could engage a consulting firm, if you wish.
4. **Train HR Staff.** Ensure that individuals involved in the selection process are trained, including interviewers, test proctors, and administrators. The majority of selection systems utilize some form of an interview, thus interviewer training is always recommended to both ensure consistency and effective interviewing techniques (not to mention legal defensibility). Further, interviewer training can be done in as little as 2 hours, using an effective online interviewer training program.
5. **Monitor Your Process.** Monitor your selection systems on-going for process enhancements, examining pass rates, efficiency, accuracy, and fairness. As positions evolve in your organizations, so should the selection processes. And, given the criticality of selection processes, it's important to look for process improvements on-going.

PSYCHOMETRIC TESTS

Psychometric tests are assessment tools used to objectively measure an individual's personality traits, aptitude, intelligence, abilities and behavioral style. Psychometric assessments are widely used in career guidance and employment to match a person's abilities and personality to a suitable career or role.

What is psychometric test in recruitment example?

Psychometric tests are **an objective way for recruiters to measure the potential of candidates to perform well in a job role.** Traditionally recruiters studied your CV and qualifications, and made a decision based on an interview

PROCESS OF PSYCHOMETRIC TESTS

PLACEMENT

Placement is the process of assigning specific jobs and work places to the selected candidates. It involves putting square pegs in to square holes i.e. matching the individual and the job. Correct placement is in no way less important than accurate selection.

PROBLEMS IN PLACEMENT

GAMIFICATION

Gamification is the integration of games or game-like elements into business processes to boost employee participation and engagement. Gamification applies the same principles which attract people to recreational games such as football, chess, or Minecraft to the workplace.

FEATURES OF GAMIFICATION / BUILDING BLOCKS OF GAMIFICATION APPLICATION

- Badges.
- Points. ...
- Rewards. ...
- Levels. ...
- Interactive Progress Bars. ...
- Leaderboards. ...
- Gamification Templates. ...
- Customisation Options.

1. Badges

The Learning Management System should feature badges that are eye-catching and align with your online training objectives. For example, colourful badges with a trophy icon to award to your top performers, or a hard hat to recognize the completion of your health and safety online training course.

Another feature to look for is personalized badges that allow you to add your own branding and/or media. For instance, change the colour scheme or integrate photos taken in the workplace.

2. Points

Implementing a point-based gamification strategy is more complicated than some people might think. It's not just a matter of awarding points for successful completion of online training activities and modules.

It requires a complete overhaul of your existing eLearning course design in order to incorporate points from the ground up. For example, your corporate learners must be able to earn points for virtually every activity/accomplishment, not just an isolated activity or module.

As such, you need an LMS that supports point-based mechanics and enables you to award points based on your specific criteria. Otherwise, you may end up supporting behaviours or habits that misalign with your learning objectives.

3. Rewards

There are two facets to this feature. The first is that many organizations need an LMS that can support a variety of different rewards and game mechanics. For example, some employees respond more favourably to badges than leaderboards. Some incentives may fall in line with your business objectives and brand image but others may send the wrong message.

The second facet is that the Learning Management System needs to support a 'grand prize' or more involved incentives program that employees strive toward. For example, they earn exclusive access to a VIP online training library when they accrue enough points.

4. Levels

An effective gamification LMS makes it easy to incorporate levels into your eLearning course design and set specific parameters. For instance, employees are only able to progress to the next level once they've met the requirements and received a passing score on the exam.

The system should also display some sort of progress indicator so that employees can track their performance. For example, an eLearning course map or bar that indicates how far they still need to go to make it to the next round.

5. Interactive Progress Bars

Speaking of progress bars, many Learning Management Systems now have interactive progress trackers that give corporate learners more control.

As an example, corporate learners can easily revisit previous levels of the gamified online training course to refresh their memory or click on a different destination on the eLearning course map to pick and choose which badge they want to earn next.

This empowers them to train on their own terms and go at their own pace, which increases their motivation and drive.

6. Leaderboards

Many corporate learners enjoy friendly competition. It helps them achieve their full potential by competing against their peers and proving their competency to themselves.

Once again, leaderboards require full integration, as every online training activity ties into the corporate learner's rank on the board. For example, they must achieve a certain amount of points to reach the top spot or move up one rung on the ladder.

In addition, make sure the LMS allows you to set criteria for how corporate learners advance and how top performers are recognized.

7. Gamification Templates

Building a gamified online training course from scratch requires a significant amount of resources and payroll hours. Not to mention, expertise and tech skills. However, you can simplify the process by choosing an LMS that features gamification templates.

For instance, level templates you can use to create multi-tiered online training courses that boost engagement. Or a badge catalog that you need to personalize based on job tasks and skills. Some platforms even feature built-in online asset libraries where you'll find blank badges, leaderboards and themes.

8. Customisation Options

One of the most crucial gamification features to look for in your new LMS is the ability to customize your game mechanics and rewards. For example, incorporate your logo into the leaderboard or modify the badges so that they align with your employees' interests. That said, there should still be some out-of-the-box options for those who want to save time and simply incorporate pre-built rewards. Especially if the LMS is equipped with a vast reward library that offers a variety of different themes and colour palettes.

HUMAN RESOURCE MANAGEMENT

UNIT-03-Induction, Training and Compensation

INDUCTION

Induction is **the process for welcoming newly recruited employees and supporting them to adjust to their new roles and working environments.** Starting a new job can be a stressful experience and new employees need help to settle in.

Compensation is what employees receive in exchange for their work. It is a particular kind of price, that is, the price of labor. Like any other price, remuneration is set at the point where the demand curve for labor crosses the supply curve of labor.

OBJECTIVES OF COMPENSATION MANAGEMENT ARE:

1. Acquire qualified personnel.
2. Retain current employees.
3. Ensure equity.
4. Reward desired behavior.
5. Control costs.
6. Comply with legal regulations.
7. Facilitate understanding.
8. Further administrative efficiency.
9. Motivating Personnel.
10. Consistency in Compensation.
11. To be adequate.

Acquire qualified personnel

Compensation needs to be high enough to attract applicants. Pay levels must respond to the supply and demand of workers in the labor market since employees compare for workers.

Premium wages are sometimes needed to attract applicants working for others.

Retain current employees

Employees may quit when compensation levels are not competitive, resulting in higher turnover.

Prof. LAKSHMI SN

Employees serve organizations in exchange for a reward. If pay levels are not competitive, some employees quit the firm. To retain these employees, pay levels must be competitive with that of other employers.

Ensure equity

To retain and motivate employees, employee compensation must be fair. Fairness requires wage and salary administration to be directed to achieving equity. Compensation management strives for internal and external equity.

Internal equity requires that pay be related to the relative worth of a job so that similar jobs get **similar pay**.

External equity means paying workers what other firms in the labor market pay comparable workers.

Reward desired behavior

Pay should reinforce desired behaviors and act as an incentive for those behaviors to occur in the future. Effective compensation plans reward performance, loyalty, experience, responsibility, and other behaviors.

Good performance, experience, loyalty, new responsibilities, and other behaviors can be rewarded through an effective compensation plan.

Control costs

A rational compensation system helps the organization obtain and retain workers' reasonable costs. Without effective compensation management, workers could be overpaid or underpaid.

Comply with legal regulations

HRM

A sound wage and salary system considers the legal challenges imposed by the government and ensures employers comply.

Facilitate understanding

The compensation management system should be easily understood by human resource specialists, operating managers, and employees.

Prof. LAKSHMI SN

BENEFITS OF INDUCTIONS

1. A sense of belongingness is created in the mind of the new employee.
2. It gives favourable impression about the organization.
3. It gives chances of increasing loyalty towards the organization and reduction in the rate of labour turnover.
4. It leads to regular and honest participation, and timely completion of the task by the employee.
5. It helps in removal of anxiety, bias and confusion about the organizational details.
6. It leads to the development of good and favourable public image of the company.
7. Adjustment with peers, seniors and the work assigned becomes easy.

1. Saves money and reduces turnover.

Structured induction programs are an essential and natural extension of a recruitment process. They are key to ensuring the candidate's success, ensuring that he or she adapts quickly and easily to their new role. You want to get your ROI, right? Someone leaving within a six-month period is not a great commercial outcome and no good for your company culture, morale or productivity.

2. Ensures efficiency and reduces risk.

Your new employees need to be across any legislative and compliance requirements related to your business, plus the processes and procedures when it comes to "how" you do business. They need to understand the culture, vision, mission and goals. For your employees to operate efficiently and get involved in their job, they need to be educated on your company policies. This includes knowing what their requirements and responsibilities as an employee are – it's best if they actually sign off on those policies so that you can be sure they understand, and this is a good risk management practice for potential confusion down the track. The bottom line is that you

can't assume that just because they know where the company manual is on your intranet, they will have actually read and understood it.

3. Results in a smooth transition.

With the right induction, you can be clear about your corporate expectations and ensure that the new hire doesn't pick up a second-hand distorted view. A good induction program doesn't have to be huge or extensive, but it should be structured – and therefore easily rolled out to each new employee.

In my view, the induction adds to the employee's initial experience with your business – it demonstrates that they are supported, cared for and that you are committed to their success. From a practical perspective, it ensures that the transition into your business is smooth, measured and relaxed.

PROBLEMS FACED DURINF INDUCTION

1. Giving New Starters Too Much Information At Once

It makes sense to want to get your new starters productive as quickly as possible, however many organizations think this is done by overwhelming workers on day one and trying to tell them everything in one go. Put yourself in the position of the new starters.

On your first day, it's natural to have woes and worries about the new role, along with many questions, so adding the overwhelming feeling of having to process everything in one day is certainly counter-productive and not a good first experience.

2. An Impersonal Induction Experience

Not fully understanding the roles of your new starters will result in a difficult induction experience, with generic and uninspiring content. Your workers will have their own expectations of their role, so it's important to acknowledge these right away and give your new starters enough information that is personal and relevant to them.

3. Trying To Do Everything On Day One

Many companies focus on just using the new starters' first few days to really engage them, but then struggle to follow-up or continue the induction process in the right way. By jumping into the onboarding process without a clear sense of direction or devoting enough time to getting new starters up-to-speed, organizations find themselves struggling

HRM

to keep their new starters interested, and there will then be a lack of excitement when engaging with future training materials.

Prof.LAKSHMI SN

4. Getting Lost In The Details

Many organizations find themselves focusing on only the formalities, rather than the experience for new starters. It's daunting starting a new role, and your employee

induction training should be offering support and comfort to your workers, and not feel like a cold, strict experience.

You want to get your new starters excited about joining the company, so your induction process should offer a more personable and relatable approach, and most importantly make your new starters feel like they are welcome and can ask questions when they need to.

5. Not Utilizing Digital For Support

It's understandable to want to free up valuable face-to-face time and that schedules and high workloads can get in the way of spending enough time in-person to support new starters. That's why choosing the right learning platform for your employee induction training is vital as a permanent point of support for your workers.

EFFECTIVE INDUCTION PROGRAMME PLANNING

1. Prepare a checklist before induction programme. ...
2. An Effective Induction programme covers employee training- ...
3. Encourage social interaction with your team. ...
4. Discuss Company Goals and Mission. ...
5. Ask for Employee for feedback on the Induction programme.

1. Prepare a checklist before induction programme

Think back to your first day at work and prepare a checklist of items that an employee would need on his/her first day such as computer set-up, email set- up, stationery and other items.

However an effective induction programme should not just cover an employee's first-day but also his/her first week on the job. A few things that could be part of the induction checklist could be –

- Introduction to team leader or direct manager as well as fellow team members
- Work timings
- HR Policy and information regarding leaves and attendance
- Training for skills that an employee may require for his work

2. An Effective Induction programme covers employee training-

To make an induction programme work wonders for your company, you have to think beyond the usual 'introductions'. Making sure that the employee is properly trained and his responsibilities are clearly mentioned makes the employee be productive faster.

A simple job description can work miracles for your new joinee. A job description listing out important duties as well as required skills for the job can be crucial in facilitating productivity of a new recruit. The new recruit can have immediate knowledge of what is expected of him/her helping him/her dive right into his work and be productive instantly.

3. Encourage social interaction with your team

First days on the job are usually awkward as working in a new and strange place can be intimidating. Research proves that social connections at work boost employee morale and increases productivity within teams.

For a successful on-boarding process, new employees must feel welcome in their new team. Creating a mentorship program or buddy system can help employees build relationships within the workplace. It also helps create a culture where an employee can rely on fellow team members or ask for help in case any questions or queries.

4. Discuss Company Goals and Mission

It is vital that new recruits learn about the company's goals and mission as soon as they join the company. Clearly communicating the company's goals during the on-boarding process helps new recruits work towards those collective goals as soon as they join the company.

5. Ask for Employee for feedback on the Induction programme

The best way to create an effective induction process and improve is asking your recent hires to provide feedback on the programme . Feedback from your recent hires can give you insight on what changes need to be made and how the induction programme can be made more effective for your next hires.

Training

Training is a two-way and continuous process because there is no end to learning and secondly, a person gets to learn new technology, new patterns etc., continuously.

According to William G. Torpey, "Training is the process of developing skill, knowledge, habits and aptitudes in employees for the purpose of increasing the effectiveness of employees in their present government position as well as preparing employee for future government positions."

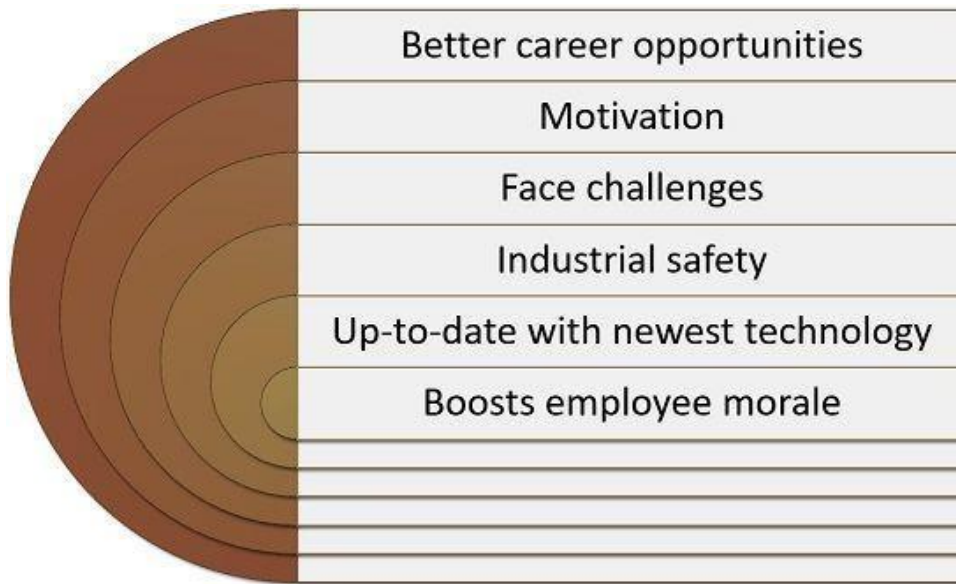
IMPORTANCE OF TRAINING

1. For organization:



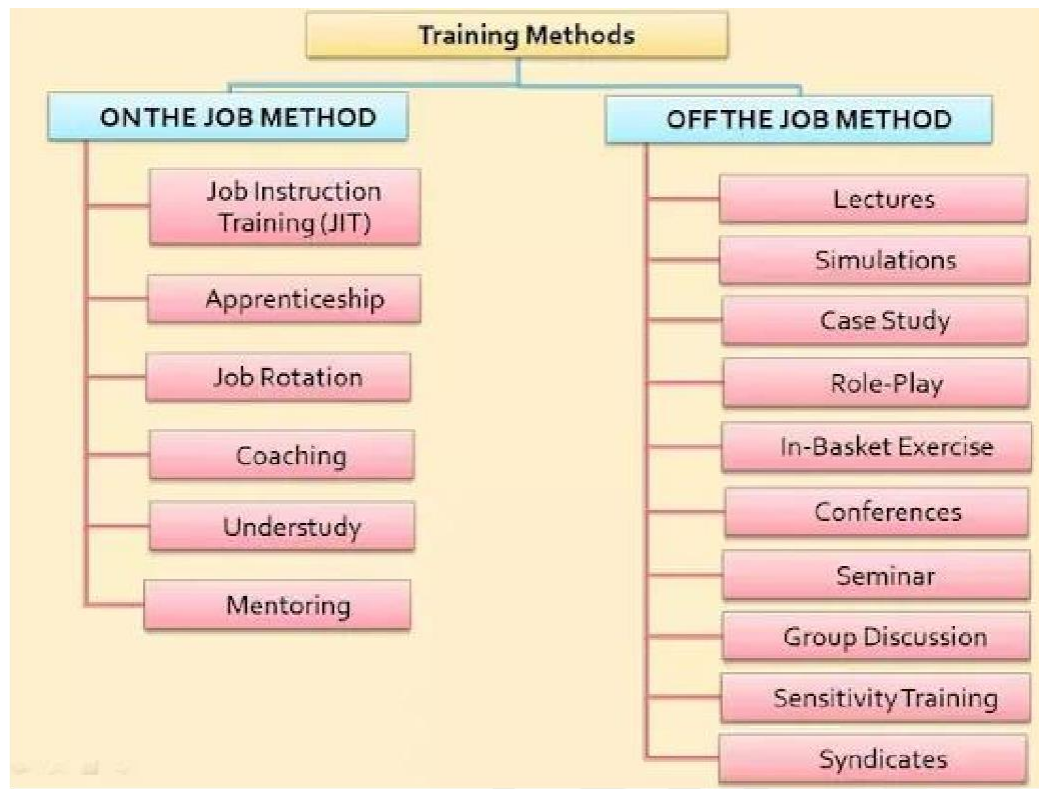
- Training and Development programme facilitates **better utilization of an organization's resources**, i.e. men, machine, material and money.
- It ensures **less wastage, with respect to resources and time**. When a worker is skilled and trained enough, the amount of wastage will be less, as well as the learning time will be reduced, and the work will be performed in very less time.
- It **improves the performance** of the employee which results in increased profitability.
- The employees learn **new and improved methods of performing an activity**, which helps the organization to survive, compete and grow in the market.
- It results in a **reduction in employee turnover, idle time and absenteeism**.
- It develops a **positive attitude** in employees towards the work and organization, as well as boosts their morale, which helps them adapt themselves to the changing environment.

2. For Employees:



- An individual focuses more on career than a job. And so, the **skills and knowledge acquired from the training add to their resume.**
- Improved performance is a sort of **motivation** for an individual which encourages them to perform much better than before and contribute to the organization's success, which ultimately increases their incentives.
- When an employee is trained enough, he/she will **handle any situation or problem and deal with the challenges** in a better way.
- Training makes workers machine or equipment-friendly, which **reduces the number of accidents** during the process.
- It helps the employee to **stay up-to-date with the technological changes.**
- It results in **job satisfaction and boosts employees morale.**

METHODS OF TRAINING



Training is provided to the employee by two methods:

1. On the job methods and
2. Off the job methods.

A. On the Job Training Method:

In this method, the trainee is placed on a regular job and taught the skills necessary to perform it. The trainee is placed under the guidance of his immediate boss on the job training, which is given through the following methods-

1. On Specific Job:

Here the trainee is trained for a specific job. It is conducted through-

(a) Experience:

This is the oldest method of on the job training. But it is wasteful, time consuming and inefficient method.

(b) Coaching:

On the job, coaching by a superior is an important and potentially effective approach. If superior is properly trained and oriented, the supervisor provides feedback to the trainee on his

performance and offers him some suggestions for improvement. Often the trainee shares his thoughts, views and apprehensions about the duties and responsibilities with the boss and thus gets relief and also relieves him of his burden. But limitation of this method of training is that the trainee may not have the freedom of opportunity to express his own ideas.

(c) Understudy:

It makes the trainee an assistant to the current jobholder. The trainee learns by experience, observations and initiation of the style of the person he asked to work with. The trainee is informed about the policies, the methods, techniques etc. Here training is conducted in a practical and realistic situation.

2. Position Rotation:

The major objective of job rotation is the broadening of the task of the trainee in the organisation. In this type of training trainee moves from one job to another and receives the job knowledge and gains experience from his supervisor. This method gives an opportunity to the trainee to understand the operational dynamics of a variety of jobs. There are certain disadvantages of this method.

3. Special Projects:

This is a very flexible training programme. Here the trainee is asked to perform special assignment, thereby he learns the work procedure. Trainees not only acquire knowledge about the assignment activities, but also learn how to work with others.

4. Selective Reading:

Individuals in the organisation gather and advance their knowledge through selective reading. The reading may be professional journals and books. Various business organisations maintain libraries for their staff. Many executives become members of professional associations and they exchange their ideas with others. This is a good method of assimilating knowledge.

5. Apprenticeship:

Aim of this training is to develop all round craftsmen. Generally, a stipend is paid during the training period. Thus, it is an “earn while you learn” scheme.” Today’s industrial organisations require the large number of skilled craftsmen who can be trained by this system.

Such training is either provided by the organisation or it is imparted by governmental agencies. Most states now have apprenticeship laws with supervised plans. Such training provides a mixed programme of classroom and job experience.

6. Vestibule School:

Large organisations are provided vestibule schools which is a preliminary for actual shop experience. As far as possible, shop conditions are duplicated, under the close watch of the instructors. Vestibule schools are widely used in training for clerical and office jobs as well as for factory production job. Such training is though shorter and less complex but is relatively expensive. However, the costs are justified, if the volume of training is large and high standard results are achieved.

B. Off the Job Training Methods:

Here, trainees have to leave their work place and devote their entire time in the training. In these methods development of trainees is primary and work produced during training is secondary. In this method, trainee place his entire concentration on learning the job rather than spending his time in performing. It also provides freedom of expression to the trainees.

Off-the-job training methods are as follows:

1. Special Course and Lectures:

For development programmes special courses and lectures are organised by organisations in different ways. In the first approach, there are courses, which the organisations themselves establish to be taught by members of the organisations. Some organisations have regular instructors assigned to their training and development departments.

A second approach to special courses and lectures is to work with universities or institutes in establishing a course of series of courses to be taught by instructors of these institutions.

The third approach is to send personnel to programmes organised by the universities, institutes and other bodies. Such courses are organised for a short period ranging from 2-3 days to a few weeks.

2. Conferences:

This is an old but still a favourite training method. Many organisations have adopted discussion type or conferences in their training programmes. In this method, the participants with their full ideas and experiences deal with the problems, which are common subject of the discussion. Conferences may include buzz sessions that divide conferences into small groups of four or five for intensive discussion. These small groups then report back to the whole conference with their conclusions.

3. Case Studies:

This technique was developed and popularised by the Harvard Business School in USA Here a case is written account of trained reporter to describe an actual situation. Cases are widely used in a variety of programmes. This method increases the trainee's power of observation. It helps him to ask better questions and to look for a broader range of problems.

4. Brainstorming:

This method stimulates creative thinking of the trainees. It was developed by Alex Osborn to reduce prohibiting forces by providing for a maximum of group participation and a minimum of criticism Here a problem is posed and ideas are sought. Quantity rather than quality is the primary objective. Ideas are encouraged and criticism of any idea is discouraged. Chain reaction from idea to idea is often developed. Later these ideas are critically examined.

5. Laboratory Training:

Laboratory training change individual behaviour and attitude. It is generally more successful in changing job performance than conventional training methods.

There are two methods of laboratory training, namely simulation and sensitivity trainingas explained below:

(a) Simulation:

Simulation is the presentation of real situation of organisation in the training session. It covers situations of varying complexities and roles for the participants. It creates a whole field organisation, relates participants through key roles in it, and asks them to deal with specific situations of a kind they encounter in real life. There are two common simulation methods of training role playing is one and business game is the other.

i. Role Playing:

Role-playing is a laboratory method. It is supplement to conventional training methods. Its purpose is to increase the trainee's skill in dealing with other people. By this method, a trainee can broaden his experience by trying different approaches. Role-playing also has some limitations. It is time-consuming and expensive. It requires experienced trainers because it can easily turn over- without effective direction.

ii. Gaming:

Gaming has simulated the problems of a company or even a particular department. It has been used for a variety of training purpose, from investment strategy, collective bargaining techniques to the morale of clerical personnel. It has been used from the top executive's level to the production supervisor's level.

(b) Sensitivity Training:

It is the most controversial laboratory training method. Many of its advocates have religious zeal in their enhancement with the training group experience. Some of its critics match this favour in their attacks on the technique. As a result of criticism and experience, a somewhat revised approach, often described as “team development” training has appeared.

KIRKPATRICK MODEL

For the first time, Donald Kirkpatrick got his model published in 1959, during the time he was a professor at University of Wisconsin. The first update to that came in 1975 and then in 1993 which included his most renowned contribution, “Evaluating Training Programs”. The interesting thing about the Kirkpatrick Model is every level offers a more accurate measure of effectiveness of training. Initially, Donald with his son James prepared the model. Later on, it was developed by Donald and Wendy Kirkpatrick, his wife.

It wasn't until 2016 when James and his mother Wendy reviewed and updated the actual theory by introducing “New World Kirkpatrick Model” as an update. The book is called Four Levels of Training Evaluation. One notable change is the focus on significance of making the training applicable to everyone's day jobs nowadays.

Let's take a detailed look at all the four levels namely: **Reaction, Learning, Behavior and Results.**

Reaction (Level 1):

What's the number one goal of your training? Most probably it's that you want them to know that the training is useful. On a simpler level, there are three metrics that help you decide how well they received it:

HRM

- How engaged the audience was during your training?
- How much contribution did they put in and how actively did they do that?

Prof. LAKSHMI SN

- How was their overall reaction to your training?

Not only you can get feedback on the training, it would also help you greatly improve your next training. This is because you can easily identify significant topics that you might have missed by any chance. There are a lot of questions that you can ask from the audience. Such as:

- Do you think the training was successful?
- Would you recommend this training to others in your unit?
- If anything, what would you change about this class, and why?
- In your opinions, what are the strong and weak points of this class?
- Did the training activities/exercises engage you?
- What could be the 3 most valuable stuff that you learned by attending this training?
- How good/bad were the venue?
- How good/bad was the presentation style, in your opinion?
- From this training program, how much do you think you can apply at your job?
- How much and what kind of support might you need when applying the learned knowledge at your job?

Learning (Level 2):

This is a level that emphasizes what the trainees have or have not learned from your training. There is one new and innovative addition in the New World version. It also measures how the trainees think they can do things differently, how confidently they feel in that aspect and what the source of their motivation is. As a result, you can assess how the training has imparted skills and knowledge to them, their self-confidence and determination.

The first step in line is to identify what you want to evaluate. This will streamline the process of measuring how much the trainees have learned. Ensure that there are enough learning objectives in your training, that they are defined in a measurable way.

Behavior (Level 3):

This is a really important level which helps you comprehend how well people make of their training. In other words, how much they apply the training they have received. Another benefit of this level is that it explores which parts the trainees may need assistance. However, for the behavior to change, the conditions have to be favorable.

Let's elaborate this part in more detail. Imagine a classroom where you are giving a training to your colleagues. You would assess them afterwards, right? In one scenario, it is quite possible that they show little change, helping you reach a conclusion that the people learned almost nothing. This renders your training ineffective.

Behavioral change

In another scenario, it is also likely that the colleagues of yours learned a lot. It might be the case that they learned but the company or organizational culture hinders behavioral change. With the

help of existing processes, you may assess there is little to no room to apply new knowledge.

Prof.LAKSHMI SN

What happens as a result? People don't feel comfortable when they are in a position to use the new knowledge or see few chances to do so. In some cases, people may not even find sufficient time to put the new skills to work.

Required drivers

If you are facing such negative factors and developmental blocks, Kirkpatrick model presents a solution. Focus on developing processes that boost, encourage and reward positive behavioral changes. Such processes, as per New Kirkpatrick Model, are known as "required drivers". Simply put, if a colleague or trainee uses the newly learned skill effectively, highlight them and appreciate them for it.

- It is to be noted that efficiently measuring behavior is a long process that demands patience. Our recommendation is to do it three months after the training. You want to do it as early as possible but not too early since the trainee's need to have had the opportunity to apply their learning as well.

Conducting observations and interviews are two of the most effective ways to measure behavior. However, since they are quite resource demanding only about 15% of those we speak with are doing it. Using a digital tool that automates the evaluation can reduce the workload and release the resources to work with e.g. continuous improvement of the training portfolio

Results (Level 4):

This part is usually regarded as the primary goal of the program. At this level, you determine the overall success of the training based on a number of critical business objectives. These include decreased spending, greater ROI (return on investments), better quality of products and more work efficiency in employees etc.

It is important to note that the level 4 is definitely the most time consuming and costly process. One of the trickiest challenges is to predict which advantages, outcomes and results are associated with the training. Then you also have to think of an effective way to evaluate the outcomes in the longer run.

CAREER DEVELOPMENT

Career development refers to a set of programmes designed to match an individual's needs, abilities, and career goals with current and future opportunities in the organization. Since career development focuses on future opportunities, it has essentially a long-term orientation.

Career Development – Objectives

HRM

- To attract and retain effective persons in an organization.
- To utilize human resources optimally.
- To improve morale and motivation level of employees.
- To reduce employee turnover.

Prof. LAKSHMI SN

- To practice a balanced 'promotion from within' policy.
- To make employees adaptable to changes.
- To increase employees' loyalty and commitment to the organizations.
- To maintain harmonious industrial relations.
- To inculcate equitable employment practices providing equal career progression opportunities to women and minorities.

COMPENSATION MANAGEMENT

Compensation management is the discipline for determining employees' appropriate pay and benefits. A critical element in talent management and employee retention, it uses financial and nonmonetary benefits to attract recruits, reduce turnover, spur performance and boost employee engagement.

DIRECT COMPENSATION

Direct compensation refers to **monetary benefits offered and provided to employees in return of the services they provide to the organization**. The monetary benefits include basic salary, house rent allowance, conveyance, leave travel allowance, medical reimbursements, special allowances, bonus, Pf/Gratuity, etc.

INDIRECT COMPENSATION

Indirect compensation refers to **the various forms of non-monetary pay offered to employees**, that can include everything from common contractual features to useful, attractive benefits.

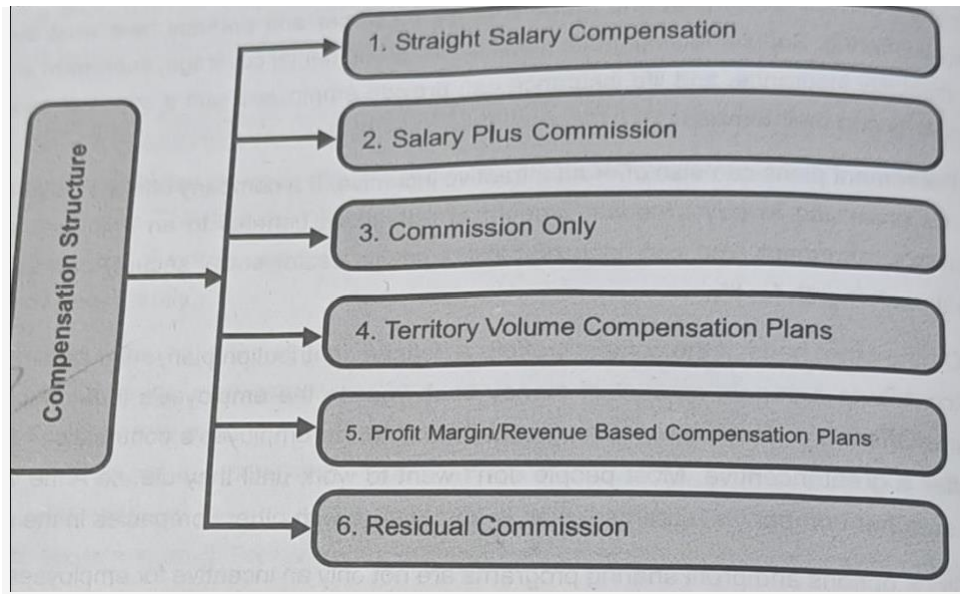
Direct Compensation Components

- Base salary
- Premium payments (overtime, shift differentials, longevity pay.)
- Contingent programs (incentive plans or achievement award, merit pay)

Indirect Compensation Components

- Protection programs (Social Security, Worker's Compensation, Unemployment Compensation, pensionplans, health, dental, vision, life, accidental death and long term disability insurance.)
- Paid Leave (vacations, holidays, jury duty, sick leave, military leave.)

STRUCTURE OF COMPENSATION



COMPENSATION STRUCTURE

Various Compensation Structures are given bellow:

1. Straight Salary Compensation

Straight salary refers to the basic salaries and wage given to the worker. In most companies, the base pay is determined by the worker's job title and job role. The company sets a minimum and maximum range that can increase, decrease or remain the same, depending on the worker's performance.

Salespeople are usually paid on a straight salary compensation, in which there is no opportunity to earn incentives.

2. Salary Plus Commission

This is one of the most reliable types of compensation plans. An employee who agrees to this type of compensation will receive a base salary along with an additional bonus if performance hits or exceeds earning goals.

In most companies, the bonus is usually tied to a budget or other target that has little significance to the employee.

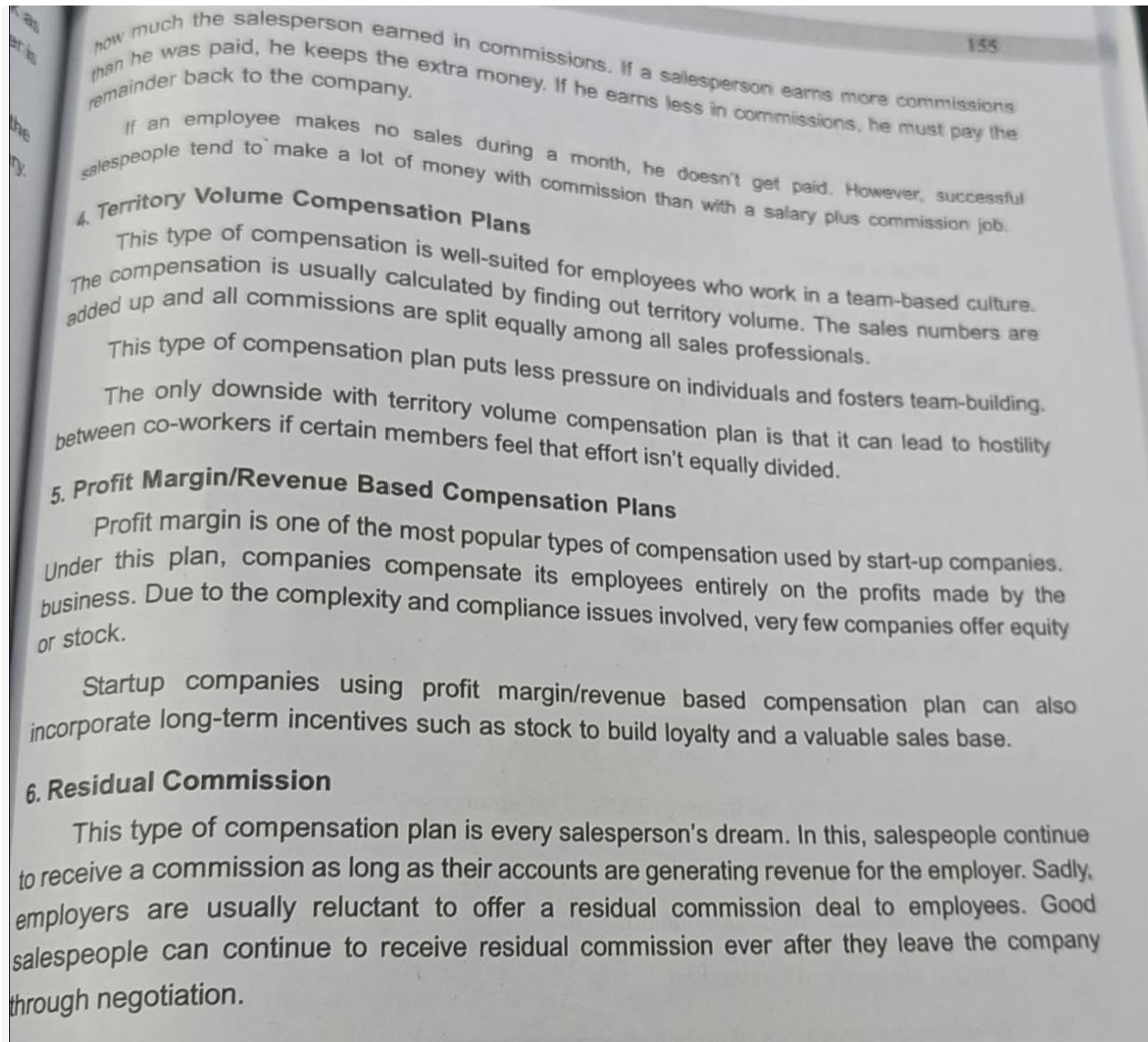
Employees earning salary plus commission will have higher income tax rates than a self-employed agent.

Employees are guaranteed to receive at least base salary to pay the bills, even during a time period when their sales are low.

3. Commission Only

This is a primary method for compensating independent sales agents. It is a highly attractive model, especially to start-ups who are seeking to penetrate a specific territory.

In commission only jobs, companies offer a safety net in the form of "draw against commission." The company pays its salespeople a set amount known as a "pre-determined draw" at the beginning of each pay period. At the end of the pay period, this prepayment is drawn from



HUMAN RESOURCE MANAGEMENT

UNIT 4 PERFORMANCE APPRAISAL

Performance appraisal: Meaning and Definition, Objectives and Methods of Performance

Appraisal ,Uses and Limitations of Performance Appraisal, Process of Performance Appraisal. **Promotion:** Meaning and Definition of Promotion, Purpose of Promotion, Basis of promotion-**Transfer:** Meaning of Transfer, Reasons for Transfer, Types of Transfer, **Right Sizing of Work Force,** Need for Right Sizing

PERFORMANCE APPRAISAL

Meaning:

The term performance appraisal refers to the regular review of an employee's job performance and overall contribution to a company. Also known as an annual review, performance review or evaluation, or employee appraisal, a performance appraisal evaluates an employee's skills, achievements, and growth, or lack thereof.

Definition of Performance Appraisal

Performance appraisal is a process for evaluating and documenting how well an employee is carrying out his or her job. It is part of a company's performance management system. Performance appraisals are based on the employee's progress against goals set once a year with his or her manager.

THE OBJECTIVE OF PERFORMANCE APPRAISAL

Objectives of Performance Appraisal

Performance Appraisal can be done with following objectives in mind:

1. To maintain records in order to determine compensation packages, wage structure, salaries raises, etc.
2. To identify the strengths and weaknesses of employees to place right men on right job.
3. To maintain and assess the potential present in a person for further growth and development.
4. To provide a feedback to employees regarding their performance and related status.
5. To provide a feedback to employees regarding their performance and related status.
6. It serves as a basis for influencing working habits of the employees.
7. To review and retain the promotional and other training programmes.

The objective behind the performance appraisal is given below:

- Performance appraisal motivates the employees of the company which leads to better performance and also the quality of work.
- It produces a feeling of competition in the employees, like if one employee gets an appraisal for his better services, then the other employee also motivates himself to do better work for getting appraisal next time.
- It basically benefits the company per se, because of the better quality of work by the employee leads to higher manufacturing, etc. and it brings profits to the company.
- Performance appraisal also helps to identify the real strength of the employees in the company which is quite necessary.
- It also works as a tool for enhancing mutual understanding between the employer and employee.

USES OF PERFORMANCE APPRAISAL

- **Human Resource Planning**
- **Recruitment and Selection**
- **Training and Development**
- **Career Planning and Development**
- **Compensation Programs**

- **Internal Employee Relations**
- **Assessment of Employee Potential:**

In many organisations, an appraisal system assists in achieving numerous goals. However, in few firms performance appraisal is used in measuring and improving individual as well as organisational performance.

1. **Human Resource Planning:** It is important to record data/information of employees in a firm so that it is easy to identify the potentials of who deserves to be promoted or have any area to improve. Performance appraisal also helps in revealing if there is insufficient number of workers. An appraisal system should be designed and planned after considering the strengths and weaknesses of the HRM of the organisation.
2. **Recruitment and Selection:** Through the process of performance analysis, organisations can determine the performance potential on an applicant. Studies show that successful employees display specific behavioral traits while performing tasks. The data processed through performance evaluation help in setting standards for behavioral interviews. In the process of selection, the employee rating can also be used as a variable against which test scores are compared.
3. **Training and Development:** Training and development is crucial for any employee as it acts as way to communicating what is expected and how. Performance appraisal helps in drawing attention to these specific needs of training.
4. **Career Planning and Development:** Career planning can be described as a never-ending cycle in which an individual sets profession goals and means to achieve them throughout his or her lifetime. However, career development is a more formal approach used by organisations.
5. **Compensation Programs:** Performance appraisal evaluations help in making decisions dealing with wage or salary regulations. It is believed that organisations should reward employees with increase in pay when excellent performance is achieved. In order to increase performance, an organisation should implement well planned and designed performance appraisal systems and award the efficient workers.
6. **Internal Employee Relations:** Performance appraisal evaluation can provide crucial information used in making decision about the internal employee relations i.e promotion, demotion, transfers and dismisses etc.
7. **Assessment of Employee Potential:** Some organizations attempt to assess an employee's potential as they appraise his or her job performance. Although past behaviors may be a good predictor of future behaviors in some jobs, an employee's past performance may not accurately indicate future performance in other jobs.

LIMITATIONS OF PERFORMANCE APPRAISAL

- **1. Bias of Appraiser:**
- **2. Ambiguity in Standards**
- **3. Insufficient Evidence:**
- **4. Several Qualities Remain Without Appraisal:**
- **5. Leniency or Strictness Tenancy:**
- **6. Average Rating Problem:**
- **7. Influence of Man's Job:**

➤ **8. Similarity Error:**

1. Bias of Appraiser:

The presence of 'Halo Effect' in evaluation of employees is the biggest weakness of this method. A high rate is given to favoured employees whereas unfriendly employees are rated low.

2. Ambiguity in Standards:

If the standards are not clear, the supervisors may follow different standards for different employees.

3. Insufficient Evidence:

An employee who can impress the boss may get a positive evaluation though his impression in his own department may be very poor. In such cases, the performance appraisal will be superfluous.

4. Several Qualities Remain Without Appraisal:

Through performance appraisal, only few qualities of employees can be measured. All individuals differ from each other in terms of background, values and behaviour.

5. Leniency or Strictness Tenancy:

Every evaluator has his own valuation procedure which is regarded as his own standard for evaluation. For example, some teachers are strict in evaluation of answer books whereas others are lenient. The lenient tendency is known as 'Positive Leniency Error' whereas strict tendency is called as 'Negative Leniency Error'. The rating may be high or low depending upon the nature of evaluators.

6. Average Rating Problem:

In order to give very low or very high rating, the top managers are required to give reasons to justify the rating. The most common error committed in performance appraisal is to give average rating to all employees. Moreover, low rating antagonizes the subordinates.

7. Influence of Man's Job:

There is a tendency to give a high rating to highly paid jobs. So a senior employee may get a higher rating than a junior employee.

8. Similarity Error:

The evaluator tries to look those qualities in subordinates which he himself possesses. Those who show the similar characteristics are rated high.

METHODS OR TECHNIQUES OF PERFORMANCE APPRAISAL

Traditional Methods of Performance Appraisal

Confidential Report: This is a conventional method of performance appraisal and is generally used by government organizations. This report has been prepared by the immediate superior of an employee which indicates strengths and weaknesses, achievements, failure, etc. of the employees over a specific period of time and is known as the Annual Confidential Report (ACR). This report does not contain any development suggestions for the employees.

Essay Method:

In this method, the supervisor writes a short essay regarding an employee's performance based on overall impressions. This report helps to get details information regarding employee's performance but the main drawback is biasness due to a high level of subjectivity.

Ranking Method:

Supervisors evaluate the performance of subordinates and present it through ranking. The ranking method provides a comparative analysis of job performance between two competitive groups.

Paired Comparison Method:

This is a conventional method of performance appraisal which is basically the modification to the straight ranking method. After the comparison or evaluation, the employee gets a rank on the basis of status.

Forced Distribution Method:

In this appraisal technique, the evaluator distributes his rating in the form of a normal frequency distribution. The main purpose of this appraisal system is to eliminate biases of central tendency. This method is easy to apply.

Graphic Rating Scales:

Generally, evaluators use a specially developed form for every employee to measure their performance. The form contains many characteristics relating to the personality and performance of employees. In this method, the supervisor evaluates their subordinate's performance according to numerical scale and put ratings. GRS tends to be one of the most frequently used forms of a performance appraisal method.

Checklist Method: This is one of the conventional methods of appraisal where a checklist is used to determine or evaluate the characteristics and performance of the employees.

Modern Methods of Performance Appraisal

Assessment Centre Method:

This performance appraisal technique was introduced by the German Army. This method enables employees to get a clear picture of how others observe their performance. This performance appraisal system not only assesses the current performance of an individual employee but also predicts his future job performance. Employee's stress resistance capability, communication skills, interpersonal skills, mental alertness, confidence, etc. are evaluated in this method.

Human Resource Accounting Method:

It measures personal management activities and the use of people in the organization. It helps to find out the relative worth of human resources assets. In the HRA method, the performance of the employees is judged in terms of cost incurred and contributions made by the employees. Cost is measured in terms of human resources planning, recruitment, and selection, training, and development, etc. On the other hand, employee's contributions are measured in terms of the money value of labor productivity, value-added by human resources.

Behaviorally Anchored Rating Scale (BARS):

Behaviorally anchored rating scales (BARSs) attempt to measure employee behavior rather than his specific characteristics. This performance appraisal tool generally contains a set of specific behaviors that represent gradations of performance and are used as common reference points, called "anchors," for rating employees on various job dimensions. Developing a BARS assessment tool is mostly time-consuming and expensive.

Management by Objectives (MBO):

Management by objectives (MBO) is a strategic performance appraisal tool that aims to improve organizational performance where goals or objectives are clearly defined and agreed upon by both management and employees. Here, management and employees are aligned with the set goals. In this method, employees' performances are evaluated annually based on specified goals.

MBO method is particularly applicable for non-routine jobs. This method was expressed by Peter Drucker in the 1950s.

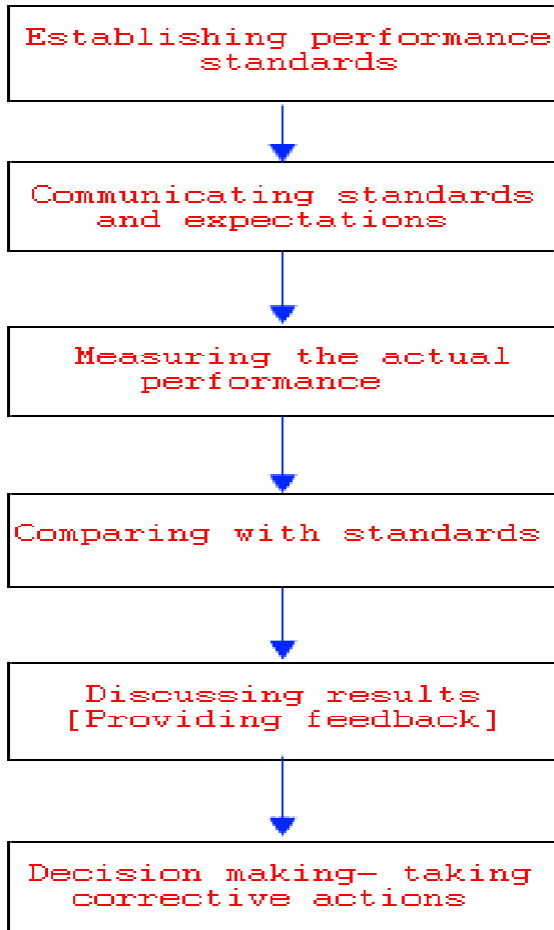
Psychological Appraisal Method:

Through this performance appraisal tool, organizations determine the hidden potential of employees. This method generally focuses on analyzing employee's future performance rather than their past work. These appraisals are used to analyze seven major components of an employee's performance which are interpersonal skills, leadership skills, cognitive abilities, emotional quotient, intellectual traits, personality traits, and other related skills.

360 Degree Appraisal Method:

This performance appraisal tool is often called 360-degree feedback that collects information from the employee's supervisor, colleagues, and subordinates regarding an individual's work-related behavior. This is a multisource feedback or group review system.

PROCESS OF PERFORMANCE APPRAISAL



1. Establishing performance standards

The first step in the process of performance appraisal is the setting up of the standards which will be used to as the base to compare the actual performance of the employees.

This step requires setting the criteria to judge the performance of the employees as successful or unsuccessful and the degrees of their contribution to the organizational goals and objectives. The standards set should be clear, easily understandable and in measurable terms.

In case the performance of the employee cannot be measured, great care should be taken to describe the standards.

2. Communicating the standards

Once set, it is the responsibility of the management to communicate the standards to all the employees of the organization. The employees should be informed and the standards should be clearly explained to the employees. This will help them to understand their roles and to know what exactly is expected from them. The standards should also be communicated to the appraisers or the evaluators and if required, the standards can also be modified at this stage itself according to the relevant feedback from the employees or the evaluators.

3. Measuring the actual performance

The most difficult part of the Performance appraisal process is measuring the actual performance of the employees that is the work done by the employees during the specified period of time. It is a continuous process which involves monitoring the performance throughout the year. This stage requires the careful selection of the appropriate techniques of measurement, taking care that personal bias does not affect the outcome of the process and providing assistance rather than interfering in an employees work.

4. Comparing actual performance with desired performance-The actual performance is compared with the desired or the standard performance. The comparison tells the deviations in the performance of the employees from the standards set. The result can show the actual performance being more than the desired performance or, the actual performance being less than the desired performance depicting a negative deviation in the organizational performance. It includes recalling, evaluating and analysis of data related to the employees' performance. 5. Discussing results [Feedback]

The result of the appraisal is communicated and discussed with the employees on one-to-one basis. The focus of this discussion is on communication and listening. The results, the problems and the possible solutions are discussed with the aim of problem solving and reaching consensus. Performance feedback task should be handled very carefully as it may lead to emotional outburst if it is not handled properly. Sometimes employees should be prepared before giving them feedback as it may be received positively or negatively depending upon the nature and attitude of employees.

PROMOTION

MEANING

Promotion is vertical movement of an employee within the organization. In other words, promotion refers to the upward movement of an employee from one job to another higher one, with increase in salary, status and responsibilities. Promotion may be temporary or permanent, depending upon the needs of the organization.

There can be '**dry promotion**' also where an employee is assigned to a higher level job without increase in pay. An example of 'dry promotion' is a University Professor made Head of the Department with no increase in salary.

PURPOSES OF PROMOTION

The following are the purposes or objectives of promotion:

1. To recognize an employee's skill and knowledge and utilize it to improve the organizational effectiveness.
2. To reward and motivate employees to higher productivity.
3. To develop competitive spirit and inculcate the zeal in the employees to acquire skill, knowledge etc.
4. To promote employees satisfaction and boost their morale.
5. To build loyalty among the employees toward organization.
6. To promote good human relations.

BASIS OF PROMOTION

Organizations undertake different bases of promotion. It depends upon the nature, size and management of the organizations. Some organizations (Public Sector Undertakings) decide promotions solely on the basis of seniority while others (Private Corporate) finalize promotions on the basis of merit. There are also organizations those who decide promotions on the basis of seniority-cum-merit or merit-cum-seniority.

Basis # 1. Seniority:

Seniority of an employee refers to the relative length of service in an organization. When seniority is considered as the basis of promotion, the rule is to promote the employee having the longest length of service, irrespective of the employee is competent to occupy a higher post or not.

The reason behind seniority as the basis of promotions is that there is a positive correlation between the length of service in the same job and the amount of knowledge and the level of skill acquired by an employee in an organization

Basis # 2. Competence/Merit:

In this case an employee is promoted on the basis of excellent and superior performance in the current job. This is known through performance appraisal done by the organization. Merit indicates an employee's knowledge, skills, abilities and efficiency measured from the employee's educational qualifications, experience, job performance and training records. To get promotion on the basis of merit requires hard work and sincerity on the part of the employee. In non-unionized organizations promotions are made on the basis of merit. In unionized organizations merit is the basis of promotion for non-productive employees. Seniority should be considered as the basis of promotion, when there are more than one employees of equal merit.

Basis # 3. Seniority-Cum-Merit/Merit-Cum-Seniority:

Managements mostly prefer merit as the basis of promotion as they are interested in enriching organizational effectiveness by enriching its human resources. But trade unions favour seniority as the sole basis for promotion in order to satisfy the interests of majority of their members. Both seniority and merit as the bases of promotions have their advantages and disadvantages.

Hence it is necessary for the organizations to give due weightage to both seniority and merit while promoting their employees. **A combination of both seniority and merit can be considered as the basis of promotions, there by satisfying the management for organizational effectiveness and the employees and trade unions for respecting the length of service.**

TYPES OF PROMOTION:

Promotion given to employees in an organization can be classified into three types:

1. Horizontal promotion:

When an employee is shifted in the same category, it is called 'horizontal promotion'. A junior clerk promoted to senior clerk is such an example. It is important to note that such promotion may take place when an employee shifts within the same department, from one department to other or from one plant to another plant.

2. Vertical Promotion:

This is the kind of promotion when an employee is promoted from a lower category to lower category involving increase in salary, status, authority and responsibility. Generally, promotion means 'vertical promotion'.

3. Dry Promotion:

When promotion is made without increase in salary, it is called 'dry promotion'. For example, a lower level manager is promoted to senior level manager without increase in salary or pay. Such promotion is made either there is resource/fund crunch in the organization or some employees hanker more for status or authority than money.

DEMOTION(ONLY MEANING)

A demotion refers to a permanent reassignment to a lower position than the employee had worked previously. The position will generally have a lower level of responsibility or required skill, and a lower pay grade than the previous position.

TRANSFER

MEANING

A transfer is a horizontal or lateral movement of an employee from one job, section, department, shift, plant or position to another at the same or another place where his salary, status and responsibility are the same.

REASONS FOR TRANSFER

The following list defines some of the most common reasons for requesting a transfer.

1. Advancement opportunities

Some facilities perform better than others. In other cases, some facilities are larger, holding more staff and levels of management. It's not uncommon to see a lateral transfer request to a location with better opportunities. The same is true for an internal transfer. For example, at a retail chain, moving into management requires experience in all roles. Individuals who seek management opportunities request transfers into different departments, learning the unique needs and tasks of each area.

2. Life changes

Significant life changes often force requests for transfers if the individual wishes to continue working for the same entity. For example, if you find yourself in a situation that involves moving

to another city or state, you might request a transfer to a location near that area. In this case, you keep the same job with the same duties but perform them in a different place.

3. Job security

Job transfers often expose individuals to new situations and opportunities to learn new skills. Experiencing how a different part of a company or a different facility works increases your overall knowledge of the company. This often leads to greater opportunities for advancement and greater overall job security.

4. Better fit

After time passes, some employees feel uncomfortable or unhappy in their current surroundings. This is often true even if they enjoy their duties. Reasons can include almost anything from difficulties with coworkers to poor management. In this case, a request for transfer is viable.

5. New challenges

Some employees find that their work becomes redundant or doesn't push them enough. If there are no other interesting options in your department, you can request a transfer. Moving laterally to a different department may pose new challenges that make work more exciting and push you harder to succeed.

TYPES OF TRANSFERS

The following list defines the different types of transfers.

1. Shift transfer

Shift transfers often occur in organizations with 24-hour schedules or shifts. Employees ask for transfers to different shifts as needed by their personal schedules or other reasons.

2. Versatility transfer

Versatility transfers or rotations occur when management initiates cross-training for employees. They send their employees to various departments, exposing them to new skills.

3. Replacement transfer

Replacement transfers occur to alleviate workloads from a current employee by either splitting the work or replacing the previous employee altogether.

4. Remedial transfer

Remedial transfers occur when management moves an employee to a new department that better fits their skills. This type of transfer is often executed instead of terminating the employee.

5. Production transfer

Production transfers often occur when a department lacks a sufficient amount of employees. For example, if one department has a surplus of skilled employees, some are transferred to fill in open positions in the department that's lacking.

RIGHT SIZING

Rightsizing is the process of restructuring a company so it can make a profit more efficiently and meet updated business objectives. Organizations will usually rightsize their business by reducing their workforce, reorganizing upper management, cutting costs, and changing job roles.

NEED OR IMPORTANCE OR BENEFITS FOR RIGHT SIZING

1. Maximize Profits

The benefit of rightsizing is that it helps your business become more profitable by cutting out anything that's not helping your business grow. It gives you a clear view of how your business is performing. This can help you to identify any problem areas and address them.

2. Get Rid of Redundancies

Often, businesses have redundant procedures in place because they're working with the same old software or equipment. Rightsizing helps you eliminate procedural redundancies as well as staff redundancies. Find out if you have multiple people performing the same task or unnecessary steps in a process that could be eliminated.

3. Get Better at Hiring Decisions

When it comes to making the perfect hiring decision, you have to have an idea of what you're looking for, and then you have to find people who fit that mold.

Rightsizing is all about getting rid of the people who aren't a good fit for your company. It helps you simplify the decision process by questions like:

- Do we really need this person?
- Does this person have the skills we need?
- If yes, can we afford them?

4. Helps You Remain Competitive

When you rightsize, you are focusing on your core competencies and reducing the stress on your team. This allows you to remain competitive in the market.

The basic idea behind rightsizing is that many businesses compete on all fronts. But what they don't realize is that they can only do so many things well, and there is always competition in every field.

5. Helps You Increase Productivity and Revitalize The Workforce

Rightsizing is the process of removing people from a company who aren't doing their job. It can either be because they don't have the skill set to do it effectively or are unwilling to put in the work. By removing unproductive employees and simultaneously finding more productive ones, you can free yourself from what is holding your company back.

.....

HUMAN RESOURCE MANAGEMENT

UNIT-05: EMPLOYEE ENGAGEMENT AND PSYCHOLOGICAL CONTRACT

Employee Engagement (EE): Meaning and Types of EE, Drivers of Engagement - Measurement of EE Benefits of EE. **Psychological contract:** Meaning and features

Employee Engagement (EE)

MEANING

What Is 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.

THE BENEFITS OF EMPLOYEE ENGAGEMENT

Increases Productivity

Engaged employees

Improves Retention Rates

Increases Revenue

Happy Employees, Happier Customers

Makes them Loyal

Lowers Absenteeism

Better Quality of work

Positive vibes

Employees work Harder

Employees are Innovative

Below mentioned are some evidence-backed points that show why employee engagement is crucial for the organization's success.

Increases Productivity

Engaged employees = Increased Productivity.

A study by Gallup revealed that connected teams are 21% more productive. Like all other companies, making employees productive must be your end goal too. So, engaging employees can be your first step to creating a productive workforce.

Engaged employees like what they do and find their work meaningful. An engaged workforce will work harder, faster, and with much more enthusiasm. Moreover, Gallup's report for the American workplace shows some exciting results. Satisfied employees are 40% more productive than dissatisfied employees. And, engaged employees are 44% more effective than happy employees.

Improves Retention Rates

According to a **2021 study**, 73 percent of employees would consider leaving their jobs even if they weren't looking for a job at the moment. Some reasons are lack of recognition, **internal office conflicts**, lack of pay raise.

Employees join a company with expectations and desires. And when you fail to provide those, they start looking for better options. Therefore, engaging employees helps reduce the cost of **turnover and improves retention**.

Increases Revenue

Engaging your employees will increase your revenue. **Aon's 2013 global engagement report** shows interesting results. It revealed that every 5 percentage point increase in engagement level leads to a 3 percent increase in revenue.

When employees feel engaged, they naturally go the extra mile to achieve. They finish their work faster and their capacity to finish tasks also increases. Higher engagement levels increases a company's revenue. Exactly two and a half times more than a company with lower engagement levels.

Happy Employees, Happier Customers

In the words of the great Richard Branson,

Clients do not come first. Employees come first. If you take care of your employees, they will take care of the clients.

To improve your customer service, increase your engagement level. Engaged employees take less leaves, are more attentive and friendly. All the things required for building good customer relationships. Such employees also great advocates and always put the company's best face forward.

Lowers Absenteeism

A couple of absences are appropriate- sickness, unforeseen events. But repeated absences can be a result of dissatisfaction and disengagement. Increased absences hamper the productivity and performance of the employee. This in turn affects the company's bottom line.

Providing your employees with a good **work-life balance** is integral to lower absenteeism. Good vacation policies, **wellness programs** are great strategies to **reduce employee absenteeism**.

Makes them Loyal

A long term benefit of keeping employees engaged is that it makes them loyal.

Kyle LaMalfa, Loyalty Expert and Allegiance Best Practices Manager, says that employee engagement is the most important component of loyalty. As per the definition, engaged employees are emotionally attached to the organisation. And when they will be emotionally attached, they'll naturally be loyal. Well, just engaging them won't make them loyal to you. Appreciation, autonomy, decentralized power distribution are some ways to earn their loyalty.

Better Quality of work

Employees who feel engaged always put in their best while doing something. These employees are much more motivated than others. They do each task with the same amount of dedication and precision.

Since they enjoy their job, they're much more efficient in their work. They constantly come up with new ideas, learn from mentors, work in teams. Furthermore, they work to up skill by taking courses, attending seminars and such.

[Learn more: 5 Employee Engagement Statistics For Those In A Manager's Role](#)

Employees Work Harder

These employees work harder than others. They are better focused at work and feel connected to their work environment. Moreover, research by Dale Carnegie also shows that engaged employees outperform others by 202%.

When employees don't feel connected, it's unlikely they would wish to put in efforts. Connected or engaged employees clock in for long hours, get their work done on time.

Positive Vibes

Highly engaged employees bring spirit and energy to the workplace. Their motivation and drive to succeed don't take long to catch up with others. Such employees motivate others to achieve their tasks. Such employees are a lot more active in taking up lessons and participate in activities. These employees are poles apart from actively **disengaged employees**. Actively disengaged employees work actively to deteriorate the **work environment**. But engaged employees work towards building the company's culture.

Employees are Innovative

These zealous employees are at their best when engaged. They continuously come up with new, dynamic ideas which can help build the company's image. Since they are so **involved with their work**, they always find new ways to make work enjoyable.

In fact **78% of employees** whose companies encourage them to be innovative and creative are more loyal to their organization. It gives them the autonomy to make decisions and be creative with their work.

Drives Employee Advocacy

A major benefit of employee engagement is that they naturally become company advocates. They feel a sense of pride in being a part of the organization. Therefore, they actively promote the brand. They talk about the products and brands to their family and friends.

Moreover, a person is more likely to buy a product or take up a course when their friends tell them about it. And with the influence of social media on the present generation, now is the perfect time to **make employees your advocates**. Give them the reason to feel pride for associating with your company.

Employees Offer Positive Suggestions

These are employees who are genuinely concerned about the organization. They take active participation in company meetings to understand more about the company. They involve themselves with the company. In addition to that, they offer suggestions to advance the company's growth.

Cost saving

We all know that hiring new employees costs time and money. A study by Deloitte says, "the cost of losing an employee can range from tens of thousands of dollars to 1.5-2x their annual salary."

This works in two ways. When employees leave a company, the cost of hiring and training a new employee is high. Another situation is when an existing employee does his work halfheartedly but still takes the fat paycheck.

Intrinsically Motivated

Engagement levels increase when employees are **intrinsically motivated**.

Some employees don't work for a hefty paycheck. They do it because they enjoy their work. Their work fulfills them internally. It aligns with their beliefs and aspirations. Therefore, engaged employees are mostly intrinsically motivated. They share an emotional connection with their work.

TYPES OF EMPLOYEE ENGAGEMENT



Prof. LAKSHMI SN

1. **Actively Disengaged Employees:** This is the first category of employees, who are unhappy and resentful and spreads unhappiness in the organization. Such employees are bad for the organization since they are always provoking and convincing the other employees to leave their jobs and move out of the organization. However, these employees last longer in the firm and remove the prospective employees whom they perceive will attain higher position or move to the next job level in the near future. They do so, to get ahead in their jobs by removing the potential candidates.
2. **Engaged Employees:** The engaged employees are those who work with full passion and are emotionally attached to the organization. They are innovative and provide new ideas to move the organization forward. Such employees are optimistic and spread positivity among the co-workers. They personalize the goals and objectives and always work for the betterment of the organization.
3. **Not Engaged Employees:** This is the category in which majority of the employees in the organization fall. These are the ones who seek directions from their superior and do only that work which has been asked for. Such employees do put in their time, but not passion and energy into their work. They like to receive only one instruction at a time and lacks innovativeness. These employees can hold either a negative or positive attitude towards the organization

DRIVERS OF EMPLOYEE ENGAGEMENT



1. Employee wellness

Employee wellness is one of the essential drivers; employees with high welfare focus better, perform better, and achieve their professional and personal goals. These are the employees that don't get distracted at work. Workplace culture plays a vital role in improving employee well-being. It is up to an organization to provide a conducive environment for its employees.

2. Empower your employees

How well do you think you will perform in an organization where you are constantly told what needs to be done. Not too well, yes, I thought as much! Learn to empower your employees instead of constantly nagging them. You might think micromanagement will help, however, it is the worst thing you can do to your employees. Employee empowerment drives better levels of engagement, give your employees a chance to make their own decisions. This increases ownership and accountability amongst the employees.

3. Workplace culture

Workplace culture plays an important role in facilitating employee engagement at work and this is proven. An average American spends up to sixty hours at work and somehow your work culture starts defining who you are. Culture defines the tone of the organization. If you have a sorted organizational culture, you feel at peace showing up to work. Imagine a chaotic organization, with no proper regulations or policies and now imagine yourself working there. I bet, most people will stop me right here!

4. Career growth

Organizations need to understand employees have personal and professional goals and both are in tandem with each other. If your employees don't see clear career growth in your organization, they will likely not stick around. Higher attrition rate means losing on valuable resources and money! And when employees see others quitting their morale automatically goes down. Hence to retain employees make sure their engagement levels are high.

5. Brand alignment

When employees are in tandem with the organization's vision and goals, they feel in sync with their role. When employees are engaged they don't mind putting in a few extra hours to keep the ball rolling. They feel they are an integral part of the organization and take ownership of the tasks assigned.

6. Rewards

Humans are wired to get excited when there is a reward offered. This is the essence of human behavior but this can be used to your advantage at the workplace and is a way of simply thanking your employees for the amazing work they have been doing for you for the longest possible time.

This concept is known as gamification at work. This motivates the employees to stick around and even work hard.

7. Social relationships at work

Learn to cultivate social relationships at work. Your workplace need not be high school, where you need someone to constantly monitor you or punish you if things are not done in a particular manner. You don't want people ganging up and others feeling left out. Cultivate a social environment at work, where people meet and greet their co-workers as they would do in the world outside the four walls of the organization.

8. Data and more data

As with any business, data is essential; you will need a way to take the pulse of your organization and know at what level your employees are engaged or otherwise. One of the best ways is to deploy the employee Net Promoter Score survey. Typically the scores are ranked as follows:

- People who rate you between 9-10 are your **Promoters**, they are highly engaged and are willing to promote your organization.
- People who rate you between 7-8 are your **Passives**. They aren't at their maximum engagement but are most likely to be productive.
- People who rate you between 1-6 are your **Detractors**. They are highly disengaged and are likely to complain about the company.

MEASUREMENT OF EMPLOYEE ENGAGEMENT

1) Establish clear employee engagement goals

Employee engagement goals are benchmarks for distinguishing an engaged employee from a disengaged one. It's what your engagement metrics are trying to find out. While your metrics can be both numeric and qualitative, they should always serve to show how close you are to reaching your engagement benchmarks.

Here are some examples of employee engagement benchmarks:

1. Employees feel that their opinions matter at work.
2. Employees see professional growth and career development opportunities at their current job.
3. Average employee Net Promoter Score is 9 or above.
4. Employee absenteeism is low.
5. There is a high level of employee engagement and retention for period [x].
6. Staff regularly open your employee newsletter and show interest in company news.

2) Take advantage of email

Don't underestimate old-fashioned email when it comes to measuring employee engagement. In fact, internal email is the easiest and fastest way to gather hard data.

Remember, email is already the most popular internal communications to drive employee engagement. Its accessibility and ease of use means that teams big and small rely on it daily.

Open Rate: This lets you know how many people are actually curious about your company news and events. High open rates are a good sign that your employees are feeling engaged. But you can also compare past and current email campaigns to check where engagement was higher.

Click-through Rate: Greater click-through rate is a good indicator that your employees are aware of, and interested in key company information. It allows you to see if your employee engagement ideas are actually working. Not to mention, you can see which content is most relevant and engaging. That way, you can model future content rollout on previously successful emails.

Location: Knowing which department or company branch has the majority of opens and clicks lets you see what teams are most engaged. By tracking this metric, you can check what's working and what's not before adjusting your strategy accordingly.

3) Use pulse surveys

When it comes to measuring employee engagement, employee pulse surveys are great for getting quick, consistent, and actionable insights.

Pulse surveys are short, focused surveys oriented around a specific question. They get their name from a 'pulse' check, which provides an overview of employee wellbeing fast.

Due to their short length, pulse surveys get more responses and have even been proven to drive employee engagement itself.

The key is asking simple but meaningful employee engagement questions. As a rule of thumb, we recommend zeroing in on three types of questions:

- Satisfaction questions: Does your team inspire you to do your best work?
- Opportunity questions: Are there enough opportunities for growth in your current team?
- Alignment questions: Do you feel like your leadership team considers your perspective on major decisions?

4) Calculate your eNPS

Number crunchers love eNPS (employee Net Promoter Score). Unlike more qualitative employee engagement metrics, eNPS is great for getting a precise, numeric engagement score.

eNPS is calculated based on the difference between your most engaged and least engaged employee. Put simply, it tells you how likely your employees are to brag about your company to others.

5) Set up one-on-one virtual meets

One-on-ones allow for more detailed and meaningful employee feedback while letting you gauge non-verbal cues. It's also one of the most simple and straightforward best practices for employee engagement.

In a virtual setting, making employees feel seen and heard is the key to creating a safe feedback environment. It will also lead to more meaningful answers.

6) Set up a focus group

Used widely in market research, focus groups allow you to gauge employee likes, dislikes, and attitudes through a representative sample. This is especially useful for larger businesses where one-on-ones may be harder to arrange.

7) Check employee retention

As we saw earlier, engaged employees are much more likely to stay with their company longer. They're also less likely to be easily persuaded by alternative job offers.

Knowing how to measure employee satisfaction through retention is key, but it's not as straightforward as other metrics.

8) Look at employee productivity

We already saw that higher productivity is a key outcome of an engaged workforce. For the same reason, we can use productivity to measure employee engagement. Employee productivity is about how effectively employee inputs turn into business outputs.

9) Check your employee absenteeism rate

When an employee takes a few days off every month, it's not necessarily a sign for concern. But if you notice that absenteeism is becoming a trend among staff, it's a red flag for employee engagement.

Prof.Lakshmi SN

Page 9

Analyze this metric by looking at the rate and amount of absent employees over a given period. High absenteeism rates likely suggest high employee disengagement.

10) Use an exit survey

In an exit survey, engagement feedback is collected from employees who are already leaving your company. Ones that are less likely to feel like they're risking their job if they speak negatively about their experience. This makes exit surveys a treasure trove of honest insights.

PSYCHOLOGICAL CONTRACTS

Psychological contracts are defined by **the relationship between an employer and an employee where there are unwritten mutual expectations for each side.** A psychological contract is rather defined as a philosophy, not a formula or devised plan.

FEATURES OF A PSYCHOLOGICAL CONTRACT

Features of Psychological Contract

- It is based on a **belief** system
 - Psychological contract consists of a promissory-based obligations. Hence, only obligations arising from implicit promises are considered a part of psychological contract.
- It is **implicit** in nature
 - Expectations contained in a psychological contract 'are not written into any formal agreement between the employer and employee, yet they operate powerfully as determinants of behaviour.

- It is based on ***perceived agreement***
 - Unlike legal contracts, where ‘agreement is an essential ingredient’, agreement or mutuality is not a requisite condition for psychological contract.
 - That means each party to the relationship may hold different beliefs regarding the existence and terms of a psychological contract because it is subjective in nature.
 - It considers the ***parties*** to the exchange.
 - The parties include: employee and organisation.
-

- It is ***subjective*** in nature
 - First, it is inherently subjective in nature in the sense that an employee cannot fully understand the intentions and meanings of the behaviour of the organisation, nor can the organisation fully understand the employee.
 - Second, even when items that form part of the exchange appear objective, they remain open to subjective interpretation by the two parties.
-

- It is essentially about an **exchange**
 - It refers to perceived exchange agreement between two parties. In other words, things offered by the employee are conditional on what the organisation does in return.

