UNIT – 1

Factors Affecting Human Resource Management – Environmental Factors: External and Internal Factors

Human resource management is a subsystem of an organization as a system. However, when a subsystem is taken for analysis, it is treated as a system because it has the features of a system. A system works in the context of its environment. Environment of a system consists of all those factors which lie outside the system but affects working of the system.

In the case of human resource management, there are two categories of environmental factors-external and internal. External factors are all those factors which lie outside an organization and affect its working, including human resource management. Internal factors are all those factors which lie within the organization and affect human resource management.

Both types of factors are:

1. External Factors:
External factors affecting human resource management are economic, socio-cultural, technological, political-legal, and professional association. These factors have different types of influences on human resource management.

I. Economic Factors:

Economic factors are those factors which give shape and form to the development of economic activities and include factors like nature of economic system, general economic conditions, various economic policies, and various factors of production including human resources.

Out of these, factors that influence human resource management practices are population and workforce, workforce market conditions, national income, and inflationary pressures.

Influence of these factors on human resource management practices are as follows:

i. Population and Workforce:

Population and workforce influence human resource management because these form the basis for an organizations' external supply of human resources. While considering population and workforce as a means for supply of external human resources, organizations should differentiate between workforce and population because only a part of the population is eligible to work.

Further, eligible workforce can be divided into two groups- the workforce reserve (those not working for economic gain, for example, homemakers, students, etc., and those who constitute workforce. Out of this workforce, organizations can choose their employees.

ii. Workforce Market Condition:

Workforce market condition shows demand and supply of workforce. It influences human resource management practices relating to recruitment and selection. Exchanges between employers and potential employees occur in the workforce market. Since workforce market includes all types of workforce, only relevant workforce market is taken into account for searching potential employees.

Three factors usually define the relevant workforce market- (a) occupation — qualifications and skills required, (b) geography — potential employees are willing to relocate or commute, and (c) other employers that compete with similar products and services.

iii. National Income:

National income, particularly measured in terms of per capita income, affects wage/salary structure at the macro level. Each employer has to align wage/salary structure with that operating at the macro level. This is the reason for difference between wage/salary structure of economically advanced countries and developing countries.

iv. Inflationary Pressures:

Besides the national income, inflationary pressures in a country also affect the payment to be made to employees. In most of the countries, payment to employees is linked to cost of living either directly or indirectly. As a result, when a country faces inflationary pressures, its cost of living index goes up forcing employers to pay more to employees.

II. Socio-Cultural Factors:

Socio-cultural factors are quite comprehensive and affect various aspects of organizational operations, including human resource management. From human resource management point of view, attitudes, beliefs, desires, expectations, and customs of the society at a given point of time are important.

These factors determine- (i) expectations of the society from organizations, (ii) views towards social status of jobs, (iii) views towards achievement of work, (iv) views towards authority structure, responsibility, and organizational positions, (v) workforce mobility, and (vi) role of unions in managing human resources. In the light of various socio- cultural factors, organizations can do better if they follow human resource management practices in accordance with the needs of these factors.

The socio-cultural factors affect human resource management practices in the following ways:

a. Socio-cultural factors have direct impact on organizational culture. If the organizational culture is not in accordance with socio-cultural characteristics, it will not be effective even if organizations offer higher monetary benefits. Since human resource management practices are one of the prime constituents of organizational culture, these practices have to be aligned to social expectations. In this context, the role of human resource professionals is very important.

b. Socio-cultural factors determine what kind of role is to be, played by unions in managing human resources. If the society views that unions are the champions of employee cause, their bargaining position increases and their role in managing human resources becomes more important. In alternative situation, the role of unions in managing human resources decreases.

III. Technological Factors:

Technological factors consist of sum total of knowledge providing ways to do things. These include inventions and techniques which affect the ways of doing things, that is, designing, producing, and distributing products and services. Technology affects an organization in two ways- (i) defining nature of jobs and (ii) affecting human resource management practices.

(i) Defining Nature of Jobs:

Technology is a major source of productivity increase. Various jobs in an organization being performed by individuals are determined by the technology being used for conversion process. Thus, technology determines the type of skills to be possessed by job performers.

As the level of technology improves in an organization, skill requirement also increases. For example, in knowledge-based companies like in information technology, skill requirement is quite different as compared to industrial companies. For knowledge-based companies, knowledge workers are required.

Technology not only affects the internal operations of organizations but it also affects how human resource professionals work. By linking computers, fax machines, copiers, printers, and the likes, information related to human resources can be disseminated more quickly.

(ii) Affecting Human Resource Management Practices:

Technology has changed human resource management practices in the following areas:

a. In recruitment and selection, the total process has been reduced to such an extent that the entire process can be completed within a very short time. By posting jobs on the Internet, required information is assimilated quickly; applications from prospective candidates can be received quickly; even interviews can be conducted through telephone; result of selection process can be communicated electronically.

b. In training and development, technology is dramatically changing how HR professionals are training and developing employees. The Internet has provided opportunities to deliver specific information to employees on demand; visual display terminal (VDT) is being used to make training programmes more effective.

c. In communication, technology has paved the way for open door policy, a policy which is must in the present business environment. Open door policy implies that anyone can communicate with anyone in the organization without being limited because of hierarchical pressures.

d. In the surveillance of employee behaviour, technology is playing crucial role. Instead of monitoring employee behaviour physically, this can be done through technology whether the employees are located at a single place or dispersed across the globe. In fact, many multinational companies adopt this mode of monitoring the behaviour of their employees.

e. In today’s environment, a major concern before HR professionals is to maintain proper work-life balance for employees. Organizational jobs have become demanding. This feature takes lot of employee time. If time taken in commuting to and from office is added to this, employees have no time to their personal life.

IV. Political-Legal Factors:

Political-legal factors include political system, role of government in business, various government policies related to business operations, laws formulated by governments, both central and state levels.

Political-legal factors affect human resource management practices in the following ways:

i. Governments prescribe policies from time to time related to management of human resources. These policies have to be adhered by all the organizations which are covered by these policies.

ii. There cannot be discrimination among employees on the basis of sex, caste, religion, or place of origin.

iii. In certain sectors, at least prescribed percentage of total employees must be selected from personnel belonging to backward classes, scheduled castes/tribes, and physically handicapped.

iv. Employee remuneration, safety, working conditions, and industrial relations systems must conform to various legal prescriptions. In India, there are various Acts passed by Parliament and State legislatures, relevant to management of human resources. Organizations have to adopt their human resource management practices according to prescriptions of these Acts as these Acts leave very little discretion for adopting different human resource management practices.

Professional Association:

For every major profession, there is a professional association. A professional association consists of organizations and individuals whose membership is based on common professional, scientific, or technical aims. The representative body of professionals is needed to regulate and develop the professional activities.

2. Internal Factors:

Internal factors (also known as organizational factors) lie within the organization and affect human resource management practices. In an organization, human resource management works within the overall perspective provided by the organization.

Overall perspective for the functioning of human resource management is provided by numerous organizational factors, the more relevant being the following- organization’s strategy, organizational culture, trade unions, and organization’s financial position.

Besides the above organizational factors, organization’s technology also affects human resource management practices by defining nature of jobs. Now let us see how the above internal factors affect human resource management practices.

I. Organization’s Strategy:

Human resource management issues are not independent issues but these are derived; these are derived from organization’s strategy. Every organization sets its strategy either explicitly or implicitly. Strategy is a way in which an organization, reacting to its environment, deploys its principal resources and marshals its main efforts in pursuit of its purpose.

Human resource is one of the principal resources of any organization. Therefore, it must be deployed and utilized keeping in view the requirements of the strategy. Its implication is that HR strategy should be chalked out in the light of organization strategy.

How strategy affects human resource management practices can be seen by analyzing how strategy works in an organization. Strategy operates at three levels- corporate level, business level, and functional level. At the corporate level, strategic decision involves deciding ‘what business should we be in’.

II. Organizational Culture:

Organizational culture is another factor that shapes human resource management practices. Organizational culture is the set of assumptions, beliefs, values, and norms that are shared by an organization’s members. There are two types of elements which define the culture of an organization- abstract elements and material elements. Abstract elements are internally- oriented and include values, beliefs, attitudes, and feelings.

Human resource management practices differ in these two cultures on the following dimensions:

i. In high-performing culture, HR practices are intricately linked to the strategic management of the organization. In low-performing culture, there is lack of such a linkage.

ii. In high-performing culture, human resource is treated as a strategic resource. In low-performing culture, human resource is treated just like any other organizational resource.

iii. In high-performing culture, human resource function establishes business partnership with line managers who have a direct interest and involvement in delivering human resource.

Human resource functionaries become integral part of strategic business units and customize human resource solutions to provide fast and efficient service. In low-performing culture, human resource functionaries and line managers have independent status and way of working.

iv. In high performing culture, the focus is on growing new managers internally by promotion from within. Therefore, training and development activities have very high importance in HRM. In low-performing culture, training and development is not accorded high importance.

v. In high-performing culture, performance management is based on the person rather than the job. Assessment is done frequently and relies on multi-rater feedback. In low-performing culture, performance management is based on job result. Assessment is done after a fixed interval of time and assesses immediate superior plays significant role in assessment.

III. Trade Unions:

Though a trade union in an organization is a separate entity, it has been treated as an internal factor because organization's employees (particularly operatives) are members of the trade union. Trade union affects recruitment of employees, their development, compensation, maintenance, and industrial relations.

Generally, agreement between management and labour is reached through collective bargaining. Outcome of the collective bargaining depends on the relative bargaining position of the management and labour. If trade union is in relatively better bargaining position, outcome of the collective bargaining goes in its favour.

IV. Organization's Financial Position:

While the above factors are enduring in shaping human resource management practices, organization's financial position affects human resource management practices, particularly those having substantial financial implications. The ability to pay the wages and salaries, funds for retraining human resources, etc., are affected by an organization's financial position and its cash flow.

Generally, highly profitable periods bring higher bonus while unprofitable periods may not result in any bonus (except the statutory bonus). Though many organizations tend to profess that employees are their most important asset, they manage their human resources as if employees are the most important expense.

Organizational Restructuring

Restructuring is the act of changing the business model of an organization to transform it for the better. These changes can be legal, operational processes, ownership, etc. The cause of such a shift in the company can be either external or internal.

A change as enormous as such can have various implications for the company. In most cases, it can result in either downsizing or upsizing employees, changes in staffing requirements, etc. This is because a restructure can take place for many different reasons.

Reasons for Organizational Restructuring

1. Changing business environment

The business world is and always will be a dynamic environment. It never settles on one point and keeps on changing as time flies. In certain times, some industries may suffer a massive blow due to external factors.

2. New methods of operation

As time goes by, there will always be the entry of new methods into operations. These can be telecommunication, new and improved working systems, better employee policies, rise of remote working culture, technological advancements, etc.

3. Buyout

A buyout is wherein a party acquires the rights of a controlling interest in the business for a sum of money. In such a case, restructuring occurs in the business proceedings.

It is because the buyer may want to rebrand the company and start-over again. In these cases, legal and organizational structure changes are necessary, which gives rise to the restructuring process.

4. A different direction

"Change is the law of life and those who look only to the past or present are certain to miss the future." – John F. Kennedy

Often, a difference in direction may be the answer to poor business performance. Understanding this, most entrepreneurs change their business model in the hope of better profitability.

While some may change their products/services, others may choose a different space altogether. Both of these shifts require a rethink of the current business. In such a scenario, the need for proper organizational restructuring is imperative.

Types of Organizational Restructuring

1. Mergers and Acquisitions

This restructuring takes place in case of a merger or acquisition. A merger is a situation wherein two companies combine to do business. An acquisition is wherein a company absorbs another by buying the entire stake in the business.

2. Legal Restructuring

A restructuring as such takes place when the changes in a company pertain to legal norms. These can be changes in ownership, legal business paperwork, agreements, etc.

3. Financials

Financial restructuring arises when there is a change in the capital structure of the business. These can be changes in debt structuring, equity, etc.

4. Repositioning

This change pertains to a transition to a new business model. An example of this can be when an IT firm selling software products changes to being a service provider.

5. Cost-Reduction

A cost-reduction restructuring takes place to cut costs in the administrative and operations section. These can be automating procedures, downsizing, etc.

6. Turnaround

Turnaround is the restructuring of a huge part of the company. It involves changes in the operations side, administrative, products, or services.

7. Divestment

Divestment is a restructuring procedure wherein a company sells an underperforming part of the business in the market.

8. Spin-Off

It is a restructuring process that employers use to attain a higher valuation of a part of the company. It involves making a particular business unit to be a company in itself while retaining ownership.

1. Understanding your current workforce

Restructuring can be harsh for a workforce at times. The sudden layoffs are never easy, and the negativity may affect the job satisfaction of the remaining employees as well. Therefore, you must be careful in this aspect to handle your workforce well.

Before deciding which employees to retain and which to let go, you must first get your strategies right. A restructuring may mean the entry of new tasks and duties for your employees. So, you must base your decision on the new job roles.

2. Organizational structure

An organization structure defines the job roles, scope, responsibilities of the employees. It is extremely important to have a definitive structure to have a clear understanding of everyone's work.

You must have this structure laid out before the restructuring process to have a clear idea of which employees you want.

3. Redesigning the jobs

After you have carefully laid out the org chart, you must redesign the roles and responsibilities as per the new strategy. You can also compare the new job roles to old ones to understand similarities and differences in them.

Once you understand this, you'll have a better idea of the best fit of the employees to the job role. In some cases, new positions may arise as well. Here, you can consider having employee training and development to upgrade the workforce instead of acquiring a new work staff.

4. Redeployment and Downsizing

After you have made all the above decisions, you must finalize which employees must stay and which do not. While taking this decision, you must be careful as massive layoffs will stir up emotions and disrupt an environment.

5. Strategies for the new work staff

"Let's form proactive synergy restructuring teams." – Scott Adams

Finally, after deciding on the organizational structure, job roles, and workforce, comes the part of effective workplace communication. A restructuring process is a tough one, especially on the employees.

Therefore, you must make the current work staff understand a few crucial details. These are why they are with you, what you expect from them and how to get things done right. You can hold a seminar on the new direction that your company is going and clearly put forward the new strategies.

Corporate Strategy & Human Resource Management

This process starts with an understanding of organization's purpose and mission and culminates with the HR managers serving as a strategic partner to the operating divisions of the organization. Under this view HR managers job is to help the line managers at all level to achieve their strategic goals. This view also has important implication in training of HR managers and designing of HRM courses. An organization must choose HR practices that fit its strategy and mission, and so there cannot be any universal best practices.

There are competitors who are targeting the same customer base or trying to sell the same products and each of them seeks the best possible returns for its shareholders. To attain the above objective firms require employing and retaining the best available human resources.

MAJOR STRATEGIES

The corporate strategy should be closely tied to HRM policies within the firm and only then higher level of corporate performance can be achieved. Three strategies which a firm competing in a single market generally follows are: (1) Growth Strategy (2) Retrenchment Strategy and (3) Stability Strategy.

GROWTH STRATEGY:

Whenever a company is able to identify a niche factor and is successfully and aggressively expanding within that particular market segment, it is said to be pursuing a growth strategy.

A key challenge for HR manager with firms using a growth strategy is recruiting and training the large number of qualified employees to help operate growing operations. So, the top management team would consult with the HRM team to ensure that it had the capability to attract and train the large number of new employees.

RETRENCHMENT OR TURNAROUND STRATEGY:

Sometimes, firms are forced to adopt, at least in the short run, a strategy usually referred to as a retrenchment or a turnaround strategy, which occurs when an organization finds that its current operations are not effective. Management may close operations, shut down factories, terminate employees, and take other measures to scale back current operations and reduce their workforces. **STABILITY STRATEGY:**

A third single market strategy that might be adopted by some firms is a stability strategy. A company adapting this strategy plans to stay in its current business and intends to manage them at same pace at which they are already being managed.

DIVERSIFICATION STRATEGY:

In addition to strategy focusing on one specific market, diversification is another widely used approach to corporate strategy. A corporation that uses this strategy usually makes the decision to own and operate several different businesses. Diversification can be i) Related and ii) Unrelated.

• The various business owned by a corporation are usually related to one another in some way; this strategy is known as related diversification. Because the markets for each business are similar, the firm can develop relatively uniform procedures for selection, compensation, training and so forth.

OTHER COMPETITIVE STRATEGIES:

DIFFERENTIATION STRATEGY:

A company that uses differentiation strategy attempts to develop an image or reputation for its product or service that sets it apart from its competitors. The differentiating factor may be real or objective, such as product reliability or design, or it may be more perceptual or subjective, such as fashion and appearance. Regardless of its basis, however a firm can differentiate its services or products can charge higher prices and thereby having a greater profit margin.

COST LEADERSHIP STRATEGY:

This is a strategy which focuses on minimizing the cost as much as possible. This strategy allows the firm to charge lowest possible prices for its products, thereby presumably generating overall level of revenue due to very high sales volume and having huge market share. Low costs are achieved through production, distribution, or product design efficiencies.

FOCUS STRATEGY:

When an organization uses the focus strategy, it tries to target a specific segment of the marketplace for its products or services. This focus may be towards a specific geographic area, a specific segment of the consuming population based on ethnicity or gender, or some other factors that segments the market.

Approaches to HRM: & Different Kinds Of Approaches

An HRM approach is the main strategy used to fulfill its goals with a competitive advantage effectively. There are many different ways this strategy is used for the welfare of an organization. The role of HR is very important for making adequate strategies for fulfilling the goals of the company.

1. Strategic HRM

Strategic HRM can be defined as the strategy to develop proper planning to hire & manage employees for fulfilling the long-term goals of the company. It includes the road map for developing employees to make sure their various prospects get combined for required results.

2. Management Approach

Management approach can be called techniques using which company is controlled. The human resource department usually adopts them as a part of their working style. All the managers of the company have to follow this approach for managing their staff appropriately.

3. Commodity Approach

Another major technique that the HR department uses is the commodity approach, where employees' efforts are maintained. It needs to be understood that workers are the real commodity of an organization.

4. Human Resource Approach

There are all the main areas of HR touched down using this approach. It consists of everything ranging from compensation, recruitment, learning & development, and succession planning among others. However, the HR department should perform all these activities with dignity and respect for all employees.

5. Proactive Approach

The HR managers should identify the challenges and problems before they start. As per this approach, it is better to perform prevention than cure the issue. It helped companies to save tons of valuable time and money without too much effort.

6. Reactive Approach

This one is opposite to the proactive approach where the high authorities have to perform according to the problems. There is a huge chance of missing opportunities and compounded problems when all the efforts will be made under the reactive approach.

7. System Approach

In the system approach, the authorities combine the cluster of interrelated elements for achieving a common goal. There are tons of things or components in a company having strong relationships with each other but never used together.

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.

Difference Between Personnel Management and Human Resource Management

The main difference between Personnel Management and Human Resource Management lies in their scope and orientation. While the scope of personnel management is limited and has an inverted approach, wherein workers are viewed as tool. Here the behavior of the worker can be manipulated as per the core competencies of the organization and are replaced when they are worn-out.

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.

Organizational Systems

Organizational systems refer to the structure of a company. This includes the definition of all business divisions and sectors, the communication flow, and reporting hierarchy.

In addition, this system is put in place to define how each role in the business functions. Employees also get a clear guideline of who they should report to and what are their specific roles.

Types of Organizational Systems

Every company has a different type of organizational system. These structures are developed depending on work processes, departments and role division. The size of the company and leadership style may also affect the type of system that is adopted by a company.

Here are the common types of organizational systems.

Distinction Between Open-Ended and Close-Ended Systems

An organizational system can either be open-ended or close-ended. But what's the difference between the two?

Open-ended systems interact with other systems or environments; therefore, they are more flexible than closed systems which are rigid. It views an organization as an entity that takes inputs from the external environment, such as shareholders and the market, through the free passing of information.

On the other hand, close-ended systems operate with little or no influence from the environment. Employees who work in such a system don't communicate with other departments about their projects and don't receive any input from outside.

Closed-ended systems can easily cause the organization and employees to stagnate because they do not observe and adopt what is happening beyond their design. This can cause the organization to miss out on disruptive technologies, talents, and ideas that could help grow the business.

Functional

A functional organizational system is the most common and traditional form of structure. Also known as the bureaucratic organizational structure, it's adopted mainly by larger corporations.

In this system, all the employees who work on specific functions are put together to form a department. These specialized divisions include sales, marketing, finance, and human resources and operations.

There are many advantages to this structure:

- Employees become specialized.
- There's a clear path for promotion and growth.
- The chain of command is clear, and everyone knows their role.
- Personnel can share ideas and become more efficient.

However, the system also has its own downsides:

- Communication limitation between different departments.
- Employees are more isolated within their departments due to little horizontal communication.
- Employees could develop tunnel vision due to focusing on one department.
- Except for the top management, there's little space for the whole company to interact.
- The functional organizational system is slow to adapt to change.

Divisional

The divisional organizational system divides the business into teams based on the staff's projects. This can be public relations, legal, research, or business development.

What are some of the advantages of this organizational system?

- The employees become intensively familiar with their team's work.
- Employees can be accountable because results are easily identifiable.
- In divisions, the staff can develop their unique culture and tailor it to the customers.
- The structure reduces the bureaucracy and hierarchy problems to allow quick decision-making.

Here are the disadvantages:

- Each division is unaware of what the other is doing.
- Little to no communication between divisions, which can affect business efficiency.
- The divisions are costly to set up.
- The business will need more employees to work on the functional departments.
- Inter-divisional conflicts and rivalries might arise between division managers.

Matrix

The matrix organizational system is a combination of functional and divisional structures.

This system is commonly adopted by companies that are starting a new marketing campaign or creating and launching new products.

A matrix system comes with the following benefits:

- There's a clear objective such as launching a new product or service.
- A matrix system brings together employees from different departments to exchange ideas and encourage cross-collaboration.
- Communication in the organization is more integrated than in other systems.
- The system eliminates most miscommunication issues from the functional and divisional structures.

Here are some of the downsides of this system:

- Setting up and executing the matrix structure is too complex.
- Employees report to two bosses because hierarchy runs horizontally and vertically.
- Conflicting directives from the functional managers and project managers can cause confusion among staff.
- The rate of conflicts increases due to many employees.
- This structure requires a lot of planning and strong systems of communication.

Flat

Just like its name, flat organization systems flatten most of the hierarchy, giving employees more autonomy.

Commonly used by startups and tech companies, this system gets rid of decentralized management and middle-level managers. Therefore, employees work as their own bosses and can communicate directly with their colleagues and boss about the projects and new ideas.

There are many advantages to this system:

- It's a perfect system for self-starters because employees have more freedom.
- The company doesn't need to spend more money hiring managers.
- Better communication across the teams compared to a top-down structure.
- The system encourages employee input and innovation.

However, the flat system also has some disadvantages. Here are some of them:

- This system is difficult to maintain. As the company grows, it requires a solid form of structured communication.
- Employees can get overwhelmed by too many tasks.
- There's little room for growth and promotion.

The Importance of Social Engagement at Workplace

Many of us likely think of the workplace as a place to focus solely on work. However, this proves far from true, as: **"Up to 80% of businesses use social collaboration tools for enhancing business processes."**

Socialization in the workplace embodies multiple components necessary for growth and success; personal development, learning and skills mastery, and clear, positive communication all factor into employee engagement in the socialization process.

The main benefits of the socialization process in the workplace:

- **Increased efficiency and a more adept work team.** When the team becomes united and establishes good contact and communication between employees, the company succeeds. Focusing on the efficiency of communications enables employees to work together with a good understanding and move towards specific goals.
- **Honesty.** An essential factor in resolving problems, disputes, and uncertainties. Colleagues that develop informal relationships with each other feel free to communicate with each more openly while entirely formal relationships can hinder openness between employees.
- **Inspiring collaboration.** As a result of successful socialization, employees make more contacts that promote higher impact work performance. Closer cooperation, socialization, and communication establish natural collaboration.
- **A healthier lifestyle.** Socializing increases positive emotions and the joy of working. Studies show that employees who socialize more lead to better morality within the workplace, which, as a result, leads to better health for those coworkers. Relationships and friendships make work environments more enjoyable while still maintaining productivity.
- Networking. Nowadays, success at work depends on the ability to network effectively with a large amount of information and available resources.Obtaining information and contacts proves invaluable for future work and other processes.

HR Policies

Human Resource (HR) policies are meant to provide frameworks for an organization, within which consistent decisions can be made, and through which equity in the way people are treated can be promoted. The implementation of strong HR policies can help an organization demonstrate, both internally and externally, that it meets the requirements for diversity, ethics, and training required in today's workplace, and meets its commitments regarding regulation and corporate governance of employees.

1. At-Will Employment Policy

This policy reiterates that both an employer and employee can terminate the employment relationship at any time and for any reason, providing said reason is lawful. You should aim to prominently display this statement in the beginning of your employee handbook.

2. Anti-Harassment and Non-Discrimination Policy

These policies prohibit harassment and discrimination from taking place in the workplace. These are always governed by federal, state, and local provisions, so it is important to review the applicable laws and account for all the appropriate protections when stipulating this policy.

3. Sexual Harassment Policy

Especially in the modern workplace, sexual harassment is a high-profile concern. Informing and educating employees through an up-to-date sexual harassment policy is critical, and some regions may even require that your organization have one in place.

4. Employment Classifications Policy

It is an HR best practice to clearly define employment classifications. This can include full-time, part-time, exempt, or non-exempt. These can dictate their eligibility for benefits and overtime pay, so it should be a principle policy to clearly stipulate all employee classifications.

5. Leave and Time-Off Benefits Policy

These policies should address your organization’s rules and procedures regarding holidays, vacation, sick, and all other types of time off benefits. It should also cover leave required by law, such as voting leave, family leave, and domestic violence leave.

6. Meal and Break Periods Policy

A clear policy on meal and break periods ensures employees are well-informed on the frequency and duration of said breaks, as well as any additional rules or restrictions relating to them. Regional laws may stipulate specifications relating to lactation breaks, rest periods, and meal periods, so ensure your policies align with those.

7. Timekeeping and Pay Policy

A timekeeping policy keeps employees informed of the appropriate method for recording their time worked, as well as the importance of accurately recording their time. Policies on pay periods communicate the frequency of paydays to employees, the methods available for receiving payment, and any special procedures that may take place should a payday fall on a holiday or when the employee is absent from work.

8. Safety and Health Policy

These policies describe the safety and emergency procedures of the workplace and require employees to report any work-related injuries immediately. There are several regulations under the Occupational Health and Safety Act that require employers to have specific policies in place if certain workplace hazards exist.

9. Employee Conduct, Attendance, and Punctuality Policy

Attendance policies clearly communicate when employees must be ready to work, stipulating their scheduled start time each day and providing procedures for informing their supervisors of unscheduled absences or late arrivals.

Trending HR Policies

1. Weapons in the Workplace Policy (or Zero Tolerance for Workplace Violence)

Employers have an obligation to protect employees from all forms of workplace violence, including physical violence, harassment, intimidation, and even disruption. Addressing weapons and violence policies can be combined into your general harassment or safety policies or can be communicated on their own.

Some questions to address in a weapons in the workplace policy include:

- What conduct are you aiming to prohibit?
- What items are considered weapons?
- What disciplinary measures do you want in place?

Your weapons in the workplace policy should comply with regional laws, including posting requirements and privacy laws, should list specific examples of prohibited violent conduct, and should explain responsibilities under your workplace violence-prevention plan.

2. Remote Workers Policy

Many modern workplaces are allowing more and more of their employees to work remotely from home, or some other location outside the main office. However, not all jobs and employees are well-suited for remote work, so it is important to clarify your organization’s position on remote work itself.

Questions to address in a remote worker policy include:

- Who is eligible for remote work?
- Are there any limitations on remote work?
- How will you monitor remote workers?

Your remote workers’ policy should comply with any regional laws, should have a specific time and pay policy for remote workers, and should stipulate your right to end the ability to work remotely at any time.

3. Bring Your Own Device (BYOD) Policy

As more employees begin to use their own devices for business, including phones, laptops, and tablets, privacy and security matters need to be taken into consideration. There are also concerns of any personal devices being lost or stolen. A policy relating to the use of personal devices should be a part of any modern workplace.

Questions to address in a BYOD policy include:

- What personal devices will you allow employees to use?
- How will you monitor personal devices?
- What limitations or security features will you require?

Your personal device policy should comply with any applicable regional laws, establish a procedure for end of employment, and include any applicable risks or liabilities associated with the use of personal devices for business matters.

4. Social Media Policy

A social media policy can be what protects your company's reputation, both online and beyond. Despite its relatively modern nature, you should still draft this policy to withstand scrutiny from your regional labor relations board.

Questions to address in a social media policy for the workplace include:

- Do you need a policy for both business and personal social media use?
- What guidelines need to be established?
- How will you control social media use at work?

Your social media policy should also list the specific confidential information that should never be shared on social media and explain the disciplinary measures for social media policy violations.

5. Drug and Alcohol Policy

Due to the expanding laws legalizing marijuana use, drug and alcohol policies are becoming more and more relevant to the modern workplace. Aim to keep in mind any regional laws relating to specific substances when drafting this policy.

Questions to address in a drug and alcohol in the workplace policy include:

- What substances will be prohibited?
- What testing procedures do you want in place?
- What are your disciplinary measures for policy violations?

6. Updated Confidentiality Policy

Broader policies that require employees to keep all information confidential are no longer effective. Due to the changing nature of how information gets shared, it is important to be specific in your confidentiality policies, excluding any items that a labor board may not deem private, such as wages and working conditions.

Questions to address in a confidentiality policy include:

- What are your organization needs to remain confidential?
- What confidentiality parameters do you want to set?
- What are the consequences of violating this policy?

Your confidentiality policy should provide specific examples of the confidential material in question, list employee obligations (e.g., not discussing confidential information over unsecured networks), and comply with any applicable regional laws.

Integrating Business Strategy with Human Resource Strategy

However, human resources must shape this direction. Therefore, as organizations become strategic, the same strategic decisions on managing people become necessary. Strategic decisions are decisions that determine the overall direction of the organization. *Therefore, the corporate strategy should set the agenda for human resource strategy in the following key areas:*

#Mission:

This concerns setting the future of the organization. What will the organization be like, serving which purposes and to what extent? This will provide some indicators on the quantity and quality of staff that will be required to effectively transform the functioning of the organization to that level.

#Organisational culture:

Organisational culture could mean different things to different people because it depends on individual interpretation. We do not see the world around us in the same way and hence our interpretations of reality are different. An organization’s culture develops itself over a long time. Handy (1993) describes an organization culture as deep-seated beliefs, values, norms, attitudes about the way work should be organized, the authority exercised, people be managed, the degree of informalisation, obedience by subordinates, punctuality, adherence to rules and regulations etc.

#Human resourcing:

The process of human resource acquisition will depend on business strategy. For example, if new production lines are to be installed in three years' time, there is no doubt that new skills will be required. Plans have to be made including training and recruitment so that there is the qualified staff of the right size to manage the new production line.

#Commitment:

As we noted in the first chapter, commitment to the organization cannot start at the bottom of the ladder. Employees have to see, feel, and believe that the top management is committed to making the organization the best place for them to work.

#Productivity:

Productivity is an indicator of how best resources are utilized in the organization**.** Business strategy has to set out performance targets, standards, and measurements. This will form the basis for developing strategies for acquiring the right skills, numbers and performance management as well as reward systems.

#Employee relations:

The relationship between the employee and the management as well as the relationships between employees themselves also depends on business strategy. For example, if a business's future is not promising, it will certainly affect working relationships. Strategies have to be developed in order to avoid grievance and disputes that could become very costly to the organization.

Organizational Development

As opposed to Human Resources, the conception of organizational development was founded on a need for a systematic means of applying behavioral science to help organizations improve individuals and processes. The goal of organizational development is to assist individuals in functioning better, within an organizational context.

Traditionally, organizational development sought to:

- Improve organizational effectiveness, while still adhering to the company's culture and values
- Maximize employee potential, help them amplify their contributions, and leverage their accomplishments to further organizational success

- Assess the existing processes involving people within an organization, then conduct interventions to try and create positive and productive improvement
- Align individual behaviors with the company's strategy, structures, objectives, processes, etc.
- Help promote organizational values throughout the workplace and amongst the workforces.

UNIT – 2

Human Resource Planning Integrated With Strategic Planning

All businesses, no matter how small, have three categories of resources available to them: the **technology** they use to create a product or service; the **finance** they use to operate and grow the business, and the **people** whose talents they use to accomplish the company's goals.

The purpose of strategic planning is out figure out what a company wants to do and why it is in business. For example, an organization might decide that it wants to diversify into new markets because it has gone as far as it can go in its current markets. The strategic options here include:

- Developing **new products** to sell to its existing customers.
- Selling the **same products** to a completely new group of customers, such as people in a different country.
- Buying a company that operates **a different business model** that may or may not complement the company's business model.

The process of strategic planning would involve investigating all of these options and deciding which one represents the company's vision of the future. From there, the company's leadership team would start drilling down into the specific strategies that can enable the company to meet its big-picture goals.

What Is the Strategic Planning Process

Businesses typically look three to five years ahead when formulating a strategic plan, and the process results in a document that articulates the company's vision, mission, big-picture goals and the broad strategies it will use to reach those goals. This planning document is intended to guide leadership in its decision-making.

Technology resources: This includes all the equipment, processes and infrastructure the business uses to create the products and services that it brings to market.

Financial resources: Finance comprises all the liquid resources the company can use to carry out its business operations – namely cash in hand, short-term and long-term bank deposits, liquid financial investments like stocks and bonds, and approved bank loans.

Human resources: This resource comprises the people whose talents, skills and personal characteristics the business can use to accomplish its strategic goals. While technology and money are important assets, human resources are the most important, because technology and money need people to manage them.

As you can see, human resources are an integral part of any strategic plan. If the business does not have the right skills and talent in place to achieve its goals, then the strategic plan will fail due to a lack of knowledge and manpower.

What Is Human Resource Strategic Planning

The purpose of human resource planning is look into the future and decide what skills, knowledge and competencies the business is going to need in one, three or five years' time to meet its strategic goals.

Whatever the mission of the business, one of the major objectives of human resource planning is to dig into the talent pipeline and answer the following questions:

- How can the business attract the right type of people in the right numbers?
- What kind of training and development can it offer to its current employees, to close any knowledge gaps?
- How can it balance projected labor demand with supply so there is no labor surplus or understaffing?
- Who are its key people, and how can it incentivize them to stay?

Answering these questions ensures the business has the right people in the right numbers in the right job roles to ensure the company's profitability.

Relationship Between Human Resource Planning and Business Strategy

Strategic planning and human resources planning basically have a symbiotic relationship, in that each function is dependent on the other. Here are some examples of how the relationship works in practice:

Impact assessments

When leaders start developing a strategic plan, they will liaise with different department heads to see how the proposed business strategies might affect them. The human resources planning team will figure out the financial impact of the initiative based on the recruiting, training and retention strategies that may be necessary to support the plan. If the initiative involves downsizing,

Executing the plan

As soon as a strategic initiative receives the green light, the human resources team must ready the company's employees for the changes that are about to ensue. This might include changing people's job descriptions, moving people between job units, policy making, motivation strategies, developing training programs, and pinpointing and eliminating labor shortages through recruitment and outsourcing.

Feedback and monitoring

Once the strategic initiative is implemented, HR will monitor the changes that are being made to the workforce to establish whether the policies are **sufficient**, **affordable** and **sustainable**. Because the strategic plan is a long-term plan, it is crucial for the business to keep monitoring its talent pipeline, and keep updating its demand forecast, to ensure that the business always has the right people in place to meet its objectives.

steps in the human resource planning process

Step 1: Assess your current human resource capacity

Start by looking at your current human resources state of play. This will involve analyzing the HR strength of your organization across factors including employee numbers, skills, qualifications, experience, age, contracts, performance ratings, titles, and compensations.

During this phase, it's a good idea to gather insight from your managers who can provide real-world feedback on the human resource issues they face, as well as areas in which they think changes are necessary.

Step 2: Forecast future HR requirements

You will then need to look at the future HR needs of your organization and how human resources will be applied to meet these organizational goals. HR managers will typically look at the market or sectoral trends, new technologies that could automate certain processes, as well as industry analysis in order to gauge future requirements.

Of course, there are a number of factors affecting human resource planning such as natural employee attrition, layoffs, likely vacancies, retirements, promotions, and end of contract terms. Above all of this, you will need to understand the goals of the organization: are you entering a new market, launching new products or services, expanding into new areas.

Step 3: Identify HR gaps

An effective human resource plan walks the fine line between supply and demand. By assessing the current HR capacity and projecting future requirements you should have a clear picture of any gaps that exist. Using your HR forecast you can better judge if there will be a skills gap

Step 4: Integrate the plan with your organization's overall strategy

After you've assessed your current human resources capacity, projected future HR demands, and identified the gaps, the final step is to integrate your human resources plan with your organizational strategy. On a practical level, you will need a dedicated budget for human resources recruiting, training or redundancies, and you will also need management buy-in across the business.

What is the importance of human resource planning

- The HR department is prepared for changing requirements
- Your organization is not caught off-guard in the shifting workforce market
- Adapt faster to the introduction of automation or advanced technologies
- Gain competitive advantage through the rapid rollout of new products or into new markets
- Better anticipate the need for critical skills during growth phases
- Be proactive by honing the skills of the current workforce in order to move into new areas

What are the different types of Human Resource planning

Employee recruiting

One of the most important responsibilities of HR is to identify, attract, and hire new employees. To make sure the recruiting process runs smoothly, HR must dedicate sufficient time and energy to planning it effectively.

Development training

By helping employees develop their skills, knowledge, and abilities, an organization can improve its overall effectiveness. Human resource planning in terms of development should focus on how it can improve the current and future workforce.

Retention Planning

Retaining employees is not an easy task but it's HR's duty to build a strategy that can prevent employees from quitting. This strategy or plan should have the goal of finding the best methods to keep employees content and satisfied in their current role.

Forecasting Techniques in Human Resource Planning

- Analyze Work Operations
- Conduct a Detailed Job Analysis
- Conduct Online Surveys
- Use Society of Human Resource Calculators
- Read Department of Commerce Reports
- Document Forecasting Process
- Follow Forecasting Process Consistently
- Trend Analysis
- Ratio Analysis
- Scatter Plot

Human Resource Management Tools and Techniques

- Organizational Charts
- Responsibility Assignments Matrix
- Text
- Networking
- Organizational Theory
- Expert Judgement
- SWOT Analysis
- Programmatic Job Advertising Tools
- Talent Management Systems
- Pre-employment Assessment Tools

Integration Function of HRM

The integration function of HRM is the process of reconciling organizational goals. Integration Function of HRM combines all the activities related to managing employees within a company. So that they can work willingly and effectively for the best results.

However, integration involves motivating employees through financial or non-financial incentives. Develop a company culture that ensures work-life balance, management with no fear of harsh criticism, and flexibility for holidays and paid time off.

What Are the Main Functions of Human Resource Management

An HR manager performs various functions to ensure the best working atmosphere. Typically HR management functions can be classified into the following three categories:

1. Managerial Functions
2. Operative Functions
3. Strategic & Advisory Functions

Let’s see how these functions help in an organization-

1. Managerial Functions

These are the core activities within an organization that helps in planning, organizing, directing, and controlling personnel.

However, managerial functions are broadly divided into 4 functions-

Planning

This function of HRM is meant to identify the number and type of employees/skills. Research is an important part of this function. Moreover, it helps the management to collect, analyze, and recognize the present plus future requirements of human resources.

Organizing

So once planning is done, a Human Resource Manager must design and develop an organizational structure. Moreover, a proper organizational structure outlines how certain activities should be performed to carry out the final goal of the company. These activities can include rules, roles, and responsibilities. HR manager allocates tasks to everyone depending on their skill and experience.

Directing

Now your execution plan is ready. But how smoothly you can implement this plan largely depends on the motivation of people. The direction function involves activating employees at different levels. Also, the personnel department ensures people’s stimulation. Therefore, they can work spontaneously to accomplish the company goal.

Controlling

This managerial function completes the cycle and leads back to planning. Now your employees are performing in an organized way to acquire a common goal. The HR department should observe their performance and compare the results with the standard. So, management can understand what is happening in their business.

2. Operative Functions

The operative function refers to those organizations tasks that a company entrusts to the personnel department. These activities include- employment, development, compensation, integration, and maintenance of personnel of the organization.

operative integration function of HRM:

Recruitment and Selection

Recruitment of candidates is the prior function of selection. HR managers perform this task for all the departments of any company. It forms a pool of prospective candidates for the company. So, the management can easily select the right candidate from this pool.

Job Analysis and Design

Job analysis is the process of describing the job in detail. It narrates the employee requirements like qualifications, required skills, work experience to do that job, salary range, etc. On the other hand, job design involves outlining & organizing tasks and distributing duties into a single unit of work.

Performance Appraisal

HR professionals should check their employee's performance on a regular basis. So they can provide feedback and essential support to employees regarding their performance and related status. It also helps to evaluate the potential present in a person for further growth and development.

Training and Development

This function of HRM allows employees to enhance their workplace skills. An effective training program can boost their confidence and strengthen the skills they need to improve. HR managers should arrange this kind of program for both new and exciting employees. However, it largely depends upon the requirements of the project.

Compensation

This function defines the pay scale and other allowance for different types of jobs. It includes wage & salary administration, incentives, bonuses, fringe benefits, and others. As an HR manager, it's one of your core responsibilities to establish and maintain a fair pay system within the company.

Employee Welfare

Loyal employees contribute the most to accomplish the company goal. So, each employee should be treated with respect. Ensure a positive working ambiance to comfort your employees inside office premises. Besides, executing a reward scheme for the employees is an effective way to appraise your workforce.

Maintenance

Skilled employees are the assets of a company. Employee turnover hence is not a good thing for a company's growth. Management should try to keep their best performing employees stick to the company for a long duration.

Labor Relations

This function refers to the interaction of the HR department with the employees who represent a trade union body. Employees come together and form a union. So they can make their points in decisions like wage, benefits, work conditions, etc.

Personnel Research

HR managers carry out this function to collect employees' opinions about wages, promotions, workplace facilities, working conditions, welfare activities, leadership, and so forth. It gives a clear view of many important factors. Such as level of employee satisfaction, reasons for employee turnover, and others.

Personnel Record

The HR department manages the records of the employees working in that company. It keeps a full record of their personal details. Such as employment history, training, achievements, transfer, promotion, etc. Under this function, managers also store data relating to the behavior of employees like absenteeism and labor turnover. Also, maintain personnel programs and policies of the organization.

3. Strategic & Advisory Functions

The personnel manager is qualified in managing employees. S/he has specialized education and training in this area. So, they can provide expert opinions on matters relating to human resources.

HR Managers offer:

Advice to Top Management

The HR manager guides the top management in the planning and execution of personnel programs, policies, procedures. He also gives advice in terms of maintaining good human relations and high employee morale.

Advice to Departmental Heads

The personnel manager offers advice to the leads from the different departments on diverse topics. Such as team planning, time management, recruitment and selection, placement, employee turnover, training, performance appraisal, etc.

Integration of the HRM Function & the Strategic Business Planning Process

The integration level of the human resource function determines the success of company strategic management. It means that HR professionals need to be integrated into this process along with the team for strategic planning.

A newer concept comes in the late twentieth century, after understanding the secret of success which is the relation of Strategic goals and HRM. It is named strategic human resource management (SHRM).

SHRM improves the performance of the team and fosters innovativeness and comfort. This helps to develop HR policies that largely contribute to the achievement of company goals and vision. In turn, organizations can observe positive changes in team performance.

Top 8 HR Trends for 2023

- Setting the Hybrid Work Model for Collaboration. ...
- “Human” Leadership. ...
- Working in the Metaverse. ...
- Change Management. ...
- People Analytics. ...
- The Transition From Employee Well-being To Healthy Organization. ...
- DEI in the Spotlight. ...
- Generative AI To Enhance HR Processes.

Designing and Managing a Human Resource Information System

Technology has noticeably changed HR management; most organizations provide universal access to HR services through technology and web-based applications. These changes often result from the need to cut costs and expand or improve services. Research shows that organizations that successfully adopt sophisticated HR technology tools outperform those that do not. But the simple automation of HR processes can no longer guarantee a competitive advantage.

Business Case

A formal business case is needed to gain support from the decision-makers who can authorize funds for a new or upgraded HRIS. The business case should closely align HR goals with the organization's business strategy and specify the anticipated impact on the organization's bottom line.

Because HR is not generally viewed as a profit center, the business case should focus on reducing administrative and processing costs, increasing efficiencies, and improving value-added knowledge from analytics while supporting the organization's principal business needs. To corroborate the value of a new HRIS, quantify the cost of providing the current level of services as well as future anticipated benefits against the new system's bottom-line impact.

When developing a business case, determine the quantity and quality of the department's services to enable an assessment of how a new HRIS will improve existing manual processes and deliver services more efficiently.

When developing a business case for a new HRIS, address the following:

- **Outline precise business problems.** For example, lack of integrated systems results in poor data integrity and time spent reconciling information from incompatible systems.
- **Clearly state the objective and the anticipated results.** For example, purchase, install and implement a state-of-the-art system that will upgrade HR's quality of service through efficiency and better information.
- **Specify any current HRIS issues.** For example, the department has outgrown the current HRIS, which does not run the latest software and is incompatible with other systems.
- **List all other available options or alternatives.** For example, remain with the current HRIS, upgrade individual systems, or outsource some or all HR services.
- **Provide clear goals and objectives.** For example, use assessments of delivery value analysis to determine necessary functions and results.
- **Include a summary of the current cost for HR service delivery.**
- **Determine the expected rate of ROI upon implementation.**

From the list of immediate needs, determine what will bring the most value to end users and the organization. In addition, assess which functions will be enhanced by improved automation and integration, information, and analytics and establish the tangible and intangible savings and costs.

A first step is to evaluate the value of the changes the new HRIS will enable. Employers should think in terms of cost reduction and automating and improving inefficient, superfluous and labor-intensive HR services. Examples include:

- Cost reduction via automation:
    - Time entry and attendance tracking.
    - Benefits administration.
    - Recruiting.
    - Training.
    - Payroll.
    - Performance management.
- Improvements through integration:
    - Benefits administration.

  - Compensation management.
  - Ability to track training, licenses, certifications and education.
  - Report generation and processing.
  - Performance management.
  - Centralization and efficiency of the flow, capture and use of HR data.
- Speed in delivery of services.
- New or updated delivery of services:
  - Benefits confirmation statements.
  - Electronic payroll advices.
  - Companywide standardization of policies and procedures.
  - Use of interactive voice response (IVR) and Internet.
  - Employee self-service.
- Improved reporting and analytics such as:
  - Turnover of high-potential employees.
  - Refined compensation modeling.
  - Standardized, automated and scheduled reporting
- Ability to accommodate remote users.

Determining Needs

An HRIS can be as simple as a small, internally developed employee database or as complex as a fully integrated multimillion-dollar enterprise resource planning (ERP) system offering economies of scale to larger companies. Depending on the organization's business operations, consolidating workflows and capturing data in a single application may be more critical than implementing a global solution that would support multiple languages or provide all employees with remote access.

Employers must have a firm understanding of the organization's culture, its ability to accept large-scale changes—whether it is expanding its operations globally or undergoing mergers and acquisitions—and, most significantly, its short- and long-term goals.

Each HRIS user will have slightly different information needs and can be split into two groups—employees and nonemployees. The employee category includes:

- Managers who rely on the HRIS and its data for decision-making.
- Analysts and power users who evaluate potential choices and opportunities.
- Technicians who are responsible for providing a usable, up-to-date system for all users.
- Those who use the system on a self-service basis to access and/or update personal information.

The nonemployee group includes:

- Potential employees (applicants).
- Suppliers.
- Business partners.

Planning

The planning phase is crucial in the design of any software implementation project. A comprehensive planning process will provide both the necessary framework within which the implementation team can proceed and the decision-making parameters for unforeseen difficulties.

The initial planning process should include discussions of the following:

- **Project scope.** Clearly defining which pieces of the system must be completely operational to satisfy various end users' needs is imperative to any successful implementation. Agreeing to requests for additional work, or scope creep, raises costs and could cause significant implementation delays.
- **Management support.** Sufficient management support is essential to identify initiatives and priorities, attain high-level support, allocate resources and funding, remove obstacles, gain consensus, and meet timelines. Depending on the organization's size, the executive sponsor may be an individual or a cross-sectional management group.
- **Project duration.** The project's size and complexity and available resources will determine completion and go-live dates. Firm, realistic deadlines will help keep staff motivated and reduce scope creep.
- **Project manager.** Depending on the project's size, complexity and duration, the organization should select a person to oversee all aspects of the project. Selection options for this role include:
    - Hiring an outside consultant, who many have a strong technical background but will have limited knowledge of the organization's mission, strategy processes and needs, which could increase costs.
    - Hiring a full-time certified project manager, which could reduce costs if the organization has enough projects to justify a full-time position.
    - Temporarily transferring someone involved in the project into a project management role.
- **Steering committee and project charter.** Project managers often receive assistance with the planning and implementation process from a steering committee comprising key stakeholders. Steering committees often include the following positions:
    - Project manager.
    - Project sponsor from senior management.
    - Lead employee from each technical area (e.g., systems analyst, database administrator).
    - HR functional experts.
- A charter outlines the overall goals of the project in one document. The project charter accomplishes the following:
    - Builds the case for the implementation.
    - Illustrates the project's connection to organizational goals and strategies.
    - Identifies project scope.
    - Outlines roles and responsibilities.

    - Identifies additional available expertise.
    - Describes the decision-making process.
    - Identifies deliverables.
    - Outlines a change enablement and communication plan.
- **Implementation team.** Functional team members often include HR professionals with some technological expertise. Technical team members include HRIS specialists, systems analysts, database administrators, and other software and hardware specialists. It is strongly recommended that a member of the IT department be involved because ultimately IT will be expected to offer front-line support.
- **Outside consultants.** Organizations that have never undergone a major software implementation or that lack the necessary in-house skill sets may consider hiring an outside consultant.
- **Process mapping.** The implementation team should compile a list of HR processes, and then develop a model of each process. The model should incorporate a flow chart and a dataflow model (i.e., detailing data elements, processes and outputs to go with each step of the process). This map should also identify any integrations with other systems or dependencies on other systems or functions.
- **Data migration and configuration.** The implementation team should also determine which data should be migrated and how that migration will take place.
- **Documentation.** Throughout implementation, the project team should record each action and decision. Items to document include:
    - A log of outstanding issues and risks.
    - All decisions, who made them and when they made them.
    - New or modified procedures or processes.
    - System training manuals.
    - Technical requirements.
    - Business case presentations.
    - Table set-ups.
- Change management. The implementation team conducts an impact assessment to identify affected stakeholders. Next, a communication, education and training plan addressing each affected audience should be developed to ease the transition to the new system and to facilitate acceptance among users.

Design Considerations

Once an organization has decided to implement technology in its overall HR strategy, it must determine whether to use a single platform, an integrated technology solution to support multiple HR functions or multiple smaller systems—sometimes known as best-of-breed (BoB) solutions, each supporting a different HR function.

INTEGRATED SOLUTIONS

With this strategy, a single vendor helps the organization develop one platform that incorporates multiple HR functions. Often these platforms are part of an enterprise-wide information system architecture that includes a variety of business functions such as a general ledger, customer relationship management and logistics.

BEST-OF-BREED SOLUTIONS

Organizations that implement a BoB strategy pick the best applications for each HR functional area, working with one or more vendors. For example, the organization might use a recruiting solution from one vendor, a time-and-attendance program from a second, and a payroll system from a third. The organization must also consider how the technology will be delivered. Options include:

- **On-premise or purchase and install.** The organization will purchase and install hardware and software on internal machines that internal IT staff support.
- **Hosted or application service provider.** The organization purchases applications that are located at the vendor's site and supported by external IT staff.
- **Software as a service (SaaS).** The organization subscribes to software that is developed and deployed remotely and accessed via a Web browser. Vendors offer many organizations access to the same package (known as multitenancy) and maintain the software for each organization.

Both hosted and SaaS approaches can be effective for organizations that lack the resources or technical expertise to implement a large, integrated system. Many vendors are beginning to market SaaS applications to small and midsize businesses that want to expand their HR services.

One of the most significant changes in the practice of HR management has been the "democratization" of HR data, expanding access to employees, managers, health insurers, workers' compensation carriers, senior executives, job applicants and regulatory agencies. These diverse users have unique needs that various solutions are designed to meet.

An HR portal provides a single, targeted and often customized access point for each employee (and increasingly, each job applicant). The HR portal allows an individual to access the necessary resources and data for his or her circumstances and position, enabling each to design an interface that displays the most relevant data. Most HR portals are also Web-enabled, so employees can access HR services anywhere and anytime on a variety of mobile devices.

Another tool accessible via the HR portal is a manager self-service (MSS) application, which enables supervisors to conduct many HR transactions online and generate real-time reports. Organizations can determine the number and complexity of HR tasks in the MSS.

Most software packages are robust and flexible. However, if customization is necessary, organizations must ensure that the ROI justifies any additional costs. A customized package may match the organization's processes more closely, but extreme customization may cause problems when the vendor upgrades software affecting compatibility or support issues.

Installing the appropriate security features in the HRIS should be one of the top priorities to properly handle:

- Disclosure of sensitive electronically stored information such as payroll and benefits data among employees.
- Loss of sensitive personnel data outside the organization (such as Social Security numbers), resulting in data breaches or identity theft.
- Unauthorized updates of key data such as salaries and stock options (quantity and dates).
- Sharing of personnel or applicant review—comments to unauthorized employees.
- Sharing of data with external organizations and service providers.

Employers should have protocols developed to respond to security breaches or the unintended exposure of sensitive information. In addition, as identity theft becomes more prevalent, management should be prepared to assist employees who report identity theft to ensure their information is updated and secured.

Vendor Selection

Although developing technology in-house is possible, using external vendors is generally more cost-effective and often provides a more comprehensive HR solution. However, the wide selection of vendors and variety of products can be daunting.

When an organization purchases a new HRIS system, it is entering a new business partnership, so choosing the right vendor is as important as choosing the necessary software.

HRIS software packages vary greatly in scope and functionality; therefore, organizations should select a vendor that will take time to gain a better understanding of the organization's processes and functional needs.

Any reputable developer or reseller should provide references from current clients of similar size with comparable business processes. Employers should ask vendors' references questions such as:

- How has the system improved HR functions?
- What modules are you using?
- Has the system met your expectations? If not, what is it missing?
- Are end users satisfied with the system?
- Has the system been expanded or upgraded since the original purchase? If so, how did the upgrade affect customizations and other features?
- How has the vendor responded to any problems?
- What do you like best about the system? What do you like least?
- Has the system provided the expected ROI? Why or why not?
- What was the implementation experience like? Did the vendor deliver on budget and on schedule?

The purchase agreement should include not only the system deliverables but also anticipated long-term support, service levels expected, and training for all users, including the basics of entering data, running reports and troubleshooting typical problems.

Before contacting potential vendors, management should set internal ground rules, such as whether to share its budget and a list of other vendors under consideration and how to handle communications with the vendor.

After identifying potential vendors, the organization should develop a concise, detailed request for proposal (RFP) to gather information about what each vendor would offer. The RFP should provide an objective measure of the organization's requirements and budget to induce vendors to respond. At a minimum, an RFP should include:

- Information on the company, users, objectives, technology infrastructure and any other background information necessary for the vendor to understand the organization and its needs.
- A way to objectively compare software functionalities and technicalities, such as a list of mandatory requirements in a questionnaire for the vendor. Generally, it is a good idea to identify "must have" requirements as well as "nice to have" functionalities that would enhance the experience but not be deal breakers in the vendor selection process.
- A request for pricing based on specified terms (e.g., by module or number of named users).
- The software selection process, due dates, contact names and other essential project details.

After reviewing the proposals, the organization should select two or three of the most suitable vendors—based on proposed solutions and pricing—for demonstrations. Employers should prepare for each demonstration, ensuring that key individuals are in the audience, giving vendors a demo "script" that outlines which functions are required and a "score card" that enables attendees to note their likes and dislikes about each demo.

Organizations should take time to confirm the vendor's claims and perform reference checks. Once this due diligence is complete and HR has settled on a vendor, obtain senior executive approval and negotiate the pricing, terms and conditions in a well-vetted contract.

Implementation

Once the organization has selected a vendor and finalized the contract, it should conduct more due diligence to ensure a successful implementation. Understanding the HRIS end users' needs, technical possibilities, software parameters, and the implementation process will increase the probability of rolling out a system that meets HR and organizational needs.

After implementation, the organization and vendor should conduct system testing, often concurrently with data migration and configuration, to verify data integrity. Are the data stored in the correct location? Can users query the data? Are the data available to individuals with appropriate security clearance? Technical software team members should test each module for proper functionality, and functional HR team members should verify that the module is working properly and maintaining data integrity.

Some organizations opt to change over to the new system immediately, turning off the old system. Adjustments are made as needed when problems are identified during testing and initial use. The potential downside to this approach is the organization-wide learning curve as users adjust to the new software.

Evaluation

To help support and validate the new system's value, organizations should identify the lessons learned from the implementation and share them with management. What worked? What did not work? Which areas need improvement? Finally, create and adhere to a schedule of measurement or identification of milestones and related reporting during the planning process and assign a dollar value to each critical step to evaluate budgets.

UNIT -3

Human Resource Flow Model

Human resource flow describes the way employees ‘flow’ throughout the organisation. This model explains employees’ journey from the beginning when entering the company to the end when exiting the organisation.
Put simply, human resource flow describes the employee’s life cycle in the organisation. The steps included in this model are:

- **Inflow -** Recruitment and selection process
- **Throughflow -** Onboarding, career development, promotion, redeployment
- **Outflow -** Resignation, retirement, dismissal and redundancy
  Human resource flow model
- This model is important for businesses as it helps **identify current or former employees’ experience in the organisation,** as employees can give feedback to HR regarding their experiences. The feedback also **helps HR improve steps included in the human renounce flow model** so that future or current employees gain a better experience. The improvements in the model attract new talent, assist employees in performing better and help organisations reach their set goals and objectives.

5 Elements of Human Resource Flow

There are five elements of human resource flow or the so-called 'employees’ journey' within an organisation. These elements are used by Human resources (HR) to develop the best experience for employees in the organisation and for the company to get the most benefit of the employees during their employment.

Five elements of human resource flow

These elements also assist HR in planning strategic changes and in responding to the external environment.

If the company is expanding, it may need to recruit more workers. On the other hand, if the company has developed technological improvements and now require fewer employees, HR may have to cut down on the workforce and make redundancies.

The five elements of human resource flow are:

- **Recruitment and selection -** This is the first element of the human resources flow model. This element suggests that HR should aim to implement recruitment and selection process methods that will result in choosing the best candidates. To accomplish this, HR should consider designing detailed and well-written job descriptions as well as providing a smooth application experience for candidates.
- **Onboarding -** When talent is selected, it is important for HR to make sure that the new employees understand the organisation and what is expected of them, which is why the onboarding process is needed.
- **Career development and promotion -** In the human resource flow model, the employees' training, development and promotion process should be clearly mapped out. This element is important in keeping employees motivated and encouraging them to learn and develop in their careers.
- **Redeployment -** Unlike other elements, redeployment does not always happen in the human resource flow model. This element means that HR managers move employees to a new location or a new job role within the organisation.
- **Redundancy, retirement or transition to a different career path-** This is the final element of the human resource flow principle. This element explains different ways of how employees will exit the organisation.

Recruitment and selection process

It is always important to revisit what the recruitment and selection processes are. There are several changes in the work environment and hiring processes, but the ultimatum is to have a healthy and productive workforce.

The recruitment process deals with identifying and developing the ideal candidates for different positions within an organization. Matching an individual's skills and knowledge with the company's needs and job duties is necessary. The process also encompasses finding a candidate compatible with the organization's values and mission.

Through an interview, both the candidate and the interviewer can get to know one another better. It also allows them to evaluate if the candidate is a good fit for the position. The selection process can have a massive impact on a company's budget. It can be very costly for a company to make the proper selection, but it must go back to the drawing board if it makes the wrong one. Aside from the salary, the costs associated with making the incorrect selection can include training and development, licenses, and other related expenses.

Building a successful candidate pool

To build a successful candidate pool, continuously review and pull from various sources. Managers can also adjust the job descriptions as needed.

The selection and recruitment of employees can be a unifying factor between employers and employees. It can be done through various methods, such as internal recruiting and employee referrals.

Some effective recruitment and selection strategies

A competent recruitment and selection process involves identifying, evaluating, and interviewing the appropriate candidates for different positions an organization needs. It can help businesses find the ideal candidate who fits the job-related requirements and aligns with their core values. Here are a few ways to get the process right.

1. Provide what the candidates look for

With the rise of remote working, people can decide on their work environment and have greater choices available. This means that it’s crucial that managers step up the game when it comes to hiring the right people for the company.

One of the most important factors employers should consider in recruitment and hiring is having a personal experience with potential employees. This requires the HR managers to connect emotionally with the candidates and provide them with a tailored package.

2. Right strategy to interact with the candidates

In today’s job market, employers must make their candidates feel valued and excited about the company. They should treat them respectfully and ensure that the interview happens on time. In addition to being punctual, other factors, such as ensuring that the interviewees are comfortable and the nature of questions asked, must be considered.

3. Frame precise job descriptions

Job descriptions should already be in place and should be concise and clear. They should be clear and make the position interesting, so potential employees are not surprised when they are hired. Also, keep the job requirements specific to meet the company’s needs.

4. Utilize employee referrals

One of the most effective ways to expand a company’s workforce is through referrals from its existing employees. This allows them to connect with like-minded individuals and develop a deeper understanding of their work. However, some studies caution that hiring family members can potentially be problematic in the future.

5. Ensure professional support

Hiring the right people for a position is not something managers or owners can do independently. A seasoned HR professional must help identify the ideal candidates and find the perfect fit. This can be done through their networking and assessment of potential employees.

Final Thoughts

One of the most important factors that businesses should consider while hiring is the availability of the right people. A smooth HR process and a personalized approach can go a long way in helping companies attract a desirable talent pool. With the proper strategies, the recruitment process can become a breeze, and companies can function efficiently. We hope the points outlined in this article help you improve your talent recruitment process.

Employee Selection

Employee selection is the process of identifying, assessing, and hiring a candidate for an open position. It's commonly referred to as candidate selection or simply called hiring.

While employee selection is an essential task of any HR department, the process often looks very different from one company to the next. The variation occurs because every organization has different requirements for a candidate.

All of this means that it's vital for your organization to be flexible in its approach to hiring. Standards are essential to maintain equity, but you should tailor methods to the unique role you're hoping to fill.

Types of Employee Selection Methods

With so many ways to navigate hiring, the list of selection methods to choose from is limitless. As we've discussed, different methods will work better for different roles. But it's equally important to consider how you are identifying candidates in the first place.

Here, we'll break down the most common ways to categorize selection techniques so that you can determine the best approach for your agency.

External or Internal Recruitment

External recruiting is what people typically associate with hiring. The process starts when hiring managers post jobs on forums or job boards to attract the attention of people outside the agency.

Alternatively, companies can post jobs internally. With internal recruiting, the goal is to fill positions with staff already working for your organization.

There are benefits to both of these approaches for employee selection, and it's common for companies to seek candidates both internally and externally for open roles. When hiring externally, you have the opportunity to bring in fresh perspectives. With internal recruiting, candidates are already familiar with the company's structure, culture, and mission. For unique environments or leadership roles, this can be a huge asset.

Boomerang Hires

Boomerang recruitment refers to hiring people who previously worked for your agency but left on good terms. Those people are already familiar with how your business runs, and you have prior positive experiences with them.

That established rapport can be a great way to fill open positions quickly. Boomerang hiring is common for seasonal or temporary roles, such as interim directors.

Direct vs. Social Recruiting Channels

You can post jobs in many places, including direct and social sources. Some examples of direct channels include online job boards and newspapers. On the other hand, social recruiting utilizes social media networks to advertise open jobs at your organization.

Neither approach is wrong, but it’s essential to consider your target audience when deciding where to advertise an available position.

Apprenticeships and Internships

If you need to fill entry-level jobs, it may be wise to consider listing the openings as apprenticeships or internships. Recruiting this way means that most applicants will be genuinely interested in the work you’re doing.

Plus, internships are a common requirement for students. By tapping into this population, you’ll have access to enthusiastic learners just getting started in your field. Their desire to learn and grow in the industry can be a substantial asset to your company.

Former Applicants

Another way to recruit for an open position is to reach out to people who previously have applied for jobs at your organization.

In the ideal scenario, former applicants will have been shortlisted candidates for the previous position. These contacts can be an excellent place to start since you already have their applications and resumes on file and know their qualifications and skillsets.

Referral Network

Your company can also encourage or reward current staff for reaching out to their networks on behalf of the company.

Your employees know better than anyone what it takes to be successful at your agency, so they are in a powerful place to recommend candidates who they believe would be a good fit.

General Mental Ability Assessments

Experts say that assessing general mental ability, also referred to as cognitive ability, is the top way to predict how someone will perform on the job. A highly effective selection technique, general mental ability tests are a simple way to anticipate performance at all job levels and across industries.

These types of assessments measure a person's ability to learn. They also can assess someone's strengths in different kinds of reasoning, from numerical or logical to abstract or verbal.

Situational Judgement Tests

A good assessment for managerial roles or positions that demand considerable problem-solving, situational judgment testing allows you to learn how a candidate would respond to specific circumstances or challenges.

Reference Checks

Many job listings require references as part of the application, and for a good reason. References are the only opportunity for your agency to talk with a third party about the candidate.

Since that person has professional or personal experience with the applicant, reference checks provide an essential window into how working with the candidate may be in reality.

Sample Work Assignments

By giving the applicant a sample work assignment, your company can combine two assessment techniques. You'll see how the candidate approaches problems and communicates while testing their level of relevant, job-related knowledge.

In addition, you get to see how they react to the assignment itself. A candidate who approaches the challenge with eagerness is likely to have the same positive attitude when dealing with actual work assignments.

Interviews

The classic job interview remains one of the most informative employee selection methods—so long as you use effective interview techniques.

For interviewers, you will want to plan your questions ahead of time to get the most out of the meeting.

Instead of discussing generic topics like the standard "tell me about yourself," try asking specific questions directly related to the job.

One good way to approach an interview is to have a panel of interviewers who ask questions and score the applicant individually. When the meeting concludes, the panel can compare their scores. The panel style format helps eliminate bias in the interview process while allowing for various viewpoints.

Job Trials

Hiring is a long-term investment in a new employee and a commitment to that individual's professional growth. You want to make sure you're choosing the right candidate. Job trials are a great way to ensure you're betting on the right applicant.

In some industries, such as restaurants, job trials are standard practice. They allow employers to see someone in action before hiring them.

Background Checks

Commonly one of the last steps taken before making a job offer, conducting background checks is another way to receive third-party information about a candidate. Your agency can learn about a person's criminal history, driving record, past employment, and more in a background check.

Assessment Centre

An assessment centre is a selection process where individuals are assessed using a wide range of selection practices and exercises. Assessment centre, sometimes referred to as assessment day, is an HR function used to evaluate employees for hiring purposes.

Assessment centres are most commonly used for senior management positions. Although, with the increase in the number of job applicants for a single role, assessment centres have become a more common method of selection.

Usage of Assessment Centres

The HR department uses assessment centres to evaluate job applicants. It includes conducting several activities and tasks to find out the competency of applicants. All of this helps in selecting the right candidate for the job.

The HR uses assessment centres for the following purposes-

- **Succession Planning-** Assessment centres act as a great way for succession planning. Succession planning done through assessment centres minimizes the scope for any mistakes and helps in finding the right candidate.
- **Identification of Potential-** Assessment centres bring out the talent available in the company and helps in the identification of people for a job position.
- **Selection-** Assessment centres are majorly used for selection purposes. It helps in the identification of people with adequate skills. It helps in getting the right person for the right job.

- **Candidate Development-** Assessment centres help in the development of candidates to a large extent. The tasks and activities at assessment centres help in the skill development of the candidates.
- **Training Needs-** Assessment centres helps in the identification of areas where the candidate can develop further. It helps in assessing the training and development needs of the candidate.

Methods of Assessment Centres

Methods of assessment centres are as follows-

Role Play

It's a method where the candidate is given a work situation and has to deal with it. The employer evaluates the candidate based on their competency and their ability to cope up with the situation.

This method is effective for certain evaluation skills such as communication, assertiveness, etc.

In Basket Exercise

It is a method of assessment centre where an applicant is evaluated based on their ability to perform the job-related tasks.

Under this method, the applicants are supposed to perform some job-related tasks in a given time.

Competency-Based Interview

It is a method where the interviewer asks the interviewee a predetermined set of questions. Each set of questions focuses on a particular skill. As a result, these interviews are more systematic and provide some meaningful insights about the other person.

Case Study

In this method, candidates are given a case study along with some documents to analyze it. The candidates are supposed to go through the case study and form conclusions. After forming conclusions, they are supposed to give a brief report.

Group Discussion

Under this method, a group of candidates gets the opportunity to discuss a topic in detail. Group discussion aims at evaluating the following skills of candidates–

- Communication skills
- Leadership skills
- Confidence
- Industry awareness
- Logical arguments

Benefits of Assessment Centres

- It helps in selecting the right person for the job, and the selection procedure is fair.
- Allows the candidates to showcase their wide range of skills that they couldn't show otherwise.
- Provides the candidate with a better understanding of their job role.
- It helps in screening multiple candidates at the same time.
- Allows the interviewer to assess existing performance and predict future performance at the same time.
- It helps in differentiating candidates who seem similar on paper.

Human Resource Development

Successful leaders make a point of developing their assets. And it goes without saying that your employees are your strongest assets.

Herein comes the role of **human resource development (HRD)**, which is the framework set by an organization with different means of developing its employees.

HR professionals focus on three primary aspects of human resource development in the HR life cycle:

1. **Training and development** – improving knowledge and skills necessary for a future role or responsibilities
2. **Organization development** – improving organizational effectiveness and well-being through macro and micro changes
3. **Career development** – improving individual career planning and management through mentorship

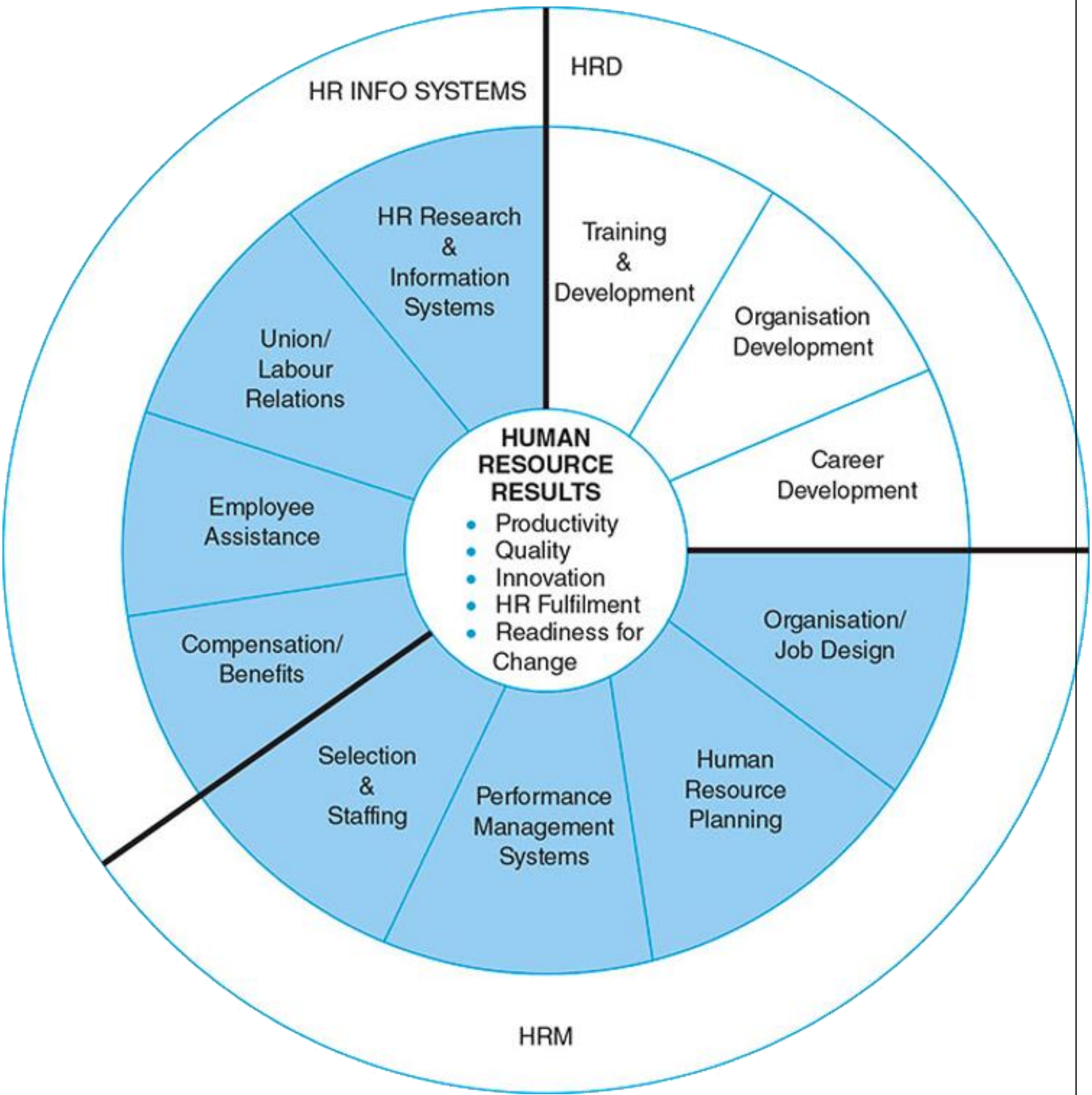
Human resource development guarantees that your employee is competent enough to perform his/her current job. Moreover, it packs your employees with the necessary knowledge and strengths needed for career growth.

Recent changes in the concept of human resource development

In the past, the entire focus of any human resource department was to pick and maintain the right person for the job. Development programs and policies were one-size-fits-all approaches to keeping the workforce's hard skills up to speed. However, this has changed recently.

Now the aim is to match the individual needs with those of the organization and provide internal support so both can accomplish their goals. This entails creating a growth culture with programs and policies that promote up-skilling and development.

What are the 7 elements of human resource development?



In an HR department, there are seven key human resource development functions:

1. Manpower planning, recruitment, and retention

Strategic staffing is the foundation for building a qualified workforce. Manpower planning, recruitment, and retention are top among human resource management concerns and critical to long-term business success.

While HR departments should aim to recruit and retain the best possible candidates, it's important to remember they may not be the candidate with the most experience.

2. Succession planning and talent management

Development programs can also help future-proof your organization's productivity through succession planning. This talent management strategy involves identifying critical roles across an organization and training employees to take on these positions in the future.

3. Policy and procedures

HRD requires identifying the needs of your business and developing suitable policies and procedures to meet them. This is achievable through a cycle of creating, launching, monitoring and improving initiatives for development.

4. Performance management system

A performance management system aims primarily to ensure your workforce's alignment with your company's strategic goals. Such systems combine methodologies and technologies that measure and develop employees' performance.

They are effective tools for continuously monitoring and improving development plans, as well as other aspects of performance management.

5. Compensation and benefits program

Compensation and benefits refer to two distinct concepts. Compensation refers to the cash return employees receive in the form of salaries or wages. Benefits, or fringe benefits, are the various forms of non-cash rewards.

HR teams can use both to provide professional development opportunities through funding for classes, procurement of learning platforms, or the creation of internal training.

6. Employer brand communication and employee engagement

Employer branding is the process of creating a company profile or brand that attracts future employees. Human resource development enables you to let your employees do the branding for you.

Interestingly, you can't create a powerful employer brand without investing in your current employees. We recommend that you establish a healthy culture of inclusion, trust, engagement, and diversity. This way, your employees can do the branding for you.

Formal human resource development examples

- Tuition assistance
- Work-related college courses
- Personalized development plan
- Organizational training sessions
- Internal training with consultants or qualified staff members

Informal human resource development examples

- Mentoring by managers or more experienced employees
- Managerial coaching
- Cross-training with highly trained employees

4 priority topics for formal internal training

Internal training is one of the most important tools offered by organizations. Recently, some formal training topics have gained more significance, including:

1. Sexual harassment and discrimination prevention

There's an ever-increasing body of legal imperatives related to sexual harassment and discrimination in the workplace.

In turn, this has caused a sharp increase in the popularity of training for the prevention of such cases.

2. Risk management and safety

The Occupational Safety and Health Administration (OSHA) requires every organization to provide its employees, even temporary ones, with safety orientation training.

This ensures the rights and safety of every employee.

3. Supervisor training

Supervisor training provides important development opportunities for both senior and new staff.

It allows your qualified employees to polish their knowledge while delivering the training to the new ones.

4. Equal employment opportunity and diversity training

A solid program to motivate diversity and ensure equal opportunities in the workplace can help your business reach its strategic goals.

In fact, the US Equal Employment Opportunity Committee (EEOC) offers strong training courses in this field that you can benefit from.

5 benefits of human resource development

Human resource development is a major contributor to the well-being of any organization. It can be key to a stronger workforce, better relations, higher productivity, and profitability.

1. Attracting only the best

A company's human resource development plan can be a major attraction to the best employees in the market. Generally speaking, career-oriented employees are always in search of new opportunities to develop and sharpen their skills.

2. Increasing loyalty and satisfaction

The goal isn't only to attract but also to retain talents. Job markets are incredibly dynamic. Therefore, you need to keep an edge to keep your ideal employees. This can be done by investing in them through human resource development opportunities.

3. Prepare for the future

Human resource development helps prepare employees for future posts. It allows them to develop new attitudes, skills, and knowledge to take on leadership positions.

4. Raising the bar

Constant training and development can boost the performance level for the entire organization. In other words, a well-trained workforce excels and thus raises the business itself.

That's mainly because human resource development fosters commitment and alters their attitude towards change with their new enhanced capabilities.

5. Fostering healthy relations

Investing in your human resources can be a great way to foster healthy relationships in the workplace. In short, creating an encouraging and ongoing learning environment increases a sense of respect and trust between you and your employees.

5 tips for effective HRD

Here's a comprehensive guide for effectively applying human resource development for the utmost results.

1. Consistent check-ins

To foster an ongoing learning environment, we recommend that you arrange consistent sessions with a facilitator or a consultant for internal training, coaching, or simple check-ins on progress and goals.

For informal development, weekly meetings can easily be coordinated between the mentor and employee. When planning a formal or internal training cadence, aim for weekly meetings over a set number of weeks with milestones employees can plan around.

2. Baby steps

We recommend that you give your employees a reasonable amount of information to process. Don't overwhelm them with new ideas and skills or you'll increase their overall workload, risking burnout and limited retention or engagement with the training.

3. Constant feedback

Feedback is a two-way process, meaning, it should be constantly given and received.

Mentors and supervisors need to give employees consistent feedback to help them implement their newly acquired knowledge. They should similarly ask for feedback from employees.

4. People are different

When performing a development plan, you should bear in mind that people learn differently. For instance, some employees may be able to grasp concepts through spoken information or visual aids. However, others need a more hands-on approach to fully understand ideas.

5. Show appreciation

Your employees need to feel appreciated. Thus, we recommend that you use simple gestures of recognition and appreciation such as certificates, badges, or even verbal reaffirmation.

This way, you both encourage progressing employees and entice the rest to work harder. Doing so creates a strong workforce of life-long learners.

Features of HRD

- HRD aims at the continuous development of employees throughout their careers in the organization.
- It involves a systematic approach to identify the training and development needs of employees.
- HRD is a process that involves both the employee and the organization working together to achieve mutual goals.
- It includes a variety of methods such as training, mentoring, coaching, job rotation, and career development.

Objectives of HRD

- To improve the productivity and performance of employees
- To enhance the skills, knowledge, and abilities of employees to meet the changing demands of the organization
- To provide opportunities for career development and growth for employees
- To create a positive work environment that fosters continuous learning and development
- To align the goals of employees with the objectives of the organization

Types of HRD

- **Training and Development:** It involves imparting knowledge and skills to employees through various methods such as classroom training, e-learning, on-the-job training, etc.
- **Career Development:** It involves providing opportunities for employees to advance in their careers through promotions, job rotations, and other career development programs.
- **Performance Management:** It involves setting goals and objectives for employees and providing regular feedback to help them improve their performance.
- **Succession Planning:** It involves identifying and developing future leaders of the organization.

Functions of HRD

-
    - **Assessment of Training Needs:** This involves identifying the skills and knowledge gaps of employees and designing training programs to address them.
    - **Design and Delivery of Training Programs:** This involves developing and delivering training programs that meet the needs of employees and the organization.
    - **Evaluation of Training Programs:** This involves measuring the effectiveness of training programs in terms of improving the skills, knowledge, and abilities of employees.
    - **Career Planning and Development:** This involves providing employees with opportunities for career growth and development.
    - **Performance Management:** This involves setting performance goals, providing regular feedback, and conducting performance appraisals. Importance of HRD
- HRD helps to improve the skills, knowledge, and abilities of employees, which leads to improved performance and productivity.

- It helps to create a positive work environment that fosters continuous learning and development.
- HRD helps to align the goals of employees with the objectives of the organization.
- It helps to retain talented employees by providing them with opportunities for career development and growth.
- HRD helps to build a skilled and competent workforce that is capable of meeting the changing demands of the organization.

In conclusion, HRD plays a crucial role in the success of any organization. It involves a systematic approach to identify the training and development needs of employees and provide them with the necessary skills, knowledge, and abilities to improve their performance and productivity.

Key areas that learning and development strategies can improve

1. Attracting and retaining top talent

In a joint study by Amazon and Workplace Intelligence, 89% of employees surveyed are motivated to improve their skills in 2023. Gen Z and Millennial talent, in particular, are interested in joining companies that provide training and upskilling.

2. Employee engagement

Employee satisfaction increases when employees get the chance to progress their knowledge. It’s natural for people to become more engaged when they learn something new. In a Udemy study, 80% of employees indicated that learning and development opportunities would help them to feel more engaged at work.

3. Employer branding

An employer brand represents the company’s image to the candidates and employees. One of the best things you can do to boost your image is to show that you are invested in your employees’ development through L&D.

4. Workplace culture

In a study by MIT Sloan, almost 30% of employees indicated corporate culture as the most important reason for staying with their employers. Additionally, nearly 30% of those employees mentioned learning and development as essential to their desired workplace culture.

Types of learning and development

1. Onboarding and new employee training

Onboarding aims to integrate a new employee into the company. It starts right after the job offer or on the first day of work and can last up to a few weeks or months when the employee is fully integrated into the position and the organization.

Onboarding covers the following items:

- Setting expectations about employees' roles and responsibilities
- Completion of necessary paperwork (forms, benefits)
- A brief discussion of the organization: history, background, goals
- Touring the office or work premises
- Introduction of the members and employees of the organization
- Discussion about learning and growth opportunities

2. Technical skill development

Technical skills training refers to learning specific skills necessary to perform tasks or using job-related tools. It could be learning SEO or web analytics for marketing professionals. Or using ATS or CRM for recruiters.

3. Soft skills development

Soft skills focus on developing traits that enable employees to communicate effectively and collaborate with their coworkers. Examples of soft skills are:

- Communication
- Conflict resolution
- Time management
- Teamwork
- Leadership

Soft skills are essential in building a respectful and collaborative work environment. And they can be developed through teambuilding exercises, coaching, mentoring, and online classes.

4. Diversity, equity, inclusion, and belonging training

Conducting DEIB (diversity, equity, inclusion, and belonging) training can help address workplace biases and discrimination. These programs foster psychological safety for employees, so everyone feels safe and empowered and feels they belong to the organization.

DEIB training covers:

- Addressing unconscious bias
- Building an inclusive work environment
- Equity literacy
- Trust building
- Hiring diverse candidates

XPO Logistics launched employee resource groups for particular demographic and psychographic groups across its organization which has continued to yield good results.

5. Managerial training

Untrained managers pose a considerable danger to the organization. They won't be able to manage conflicts among their teams, provide effective coaching or motivate their direct reports. It could escalate to productivity and profitability loss. If you want to have productive teams, you need to train your managers.

Managerial training encompasses:

- Managing conflict
- Coaching
- Performance management
- Promoting teamwork
- Delegation

Managerial training can be delivered via in-house training or by hiring external consultants. You can also consider mentorship, where senior managers can train newly-hired or promoted supervisors for the first six months to a year. This is a better option since senior managers know the company's culture, processes, and challenges.

Steps to develop a learning and development strategy

While every organization has different professional development needs, the following steps will help you build a strong foundation for developing an effective learning and development strategy:

1. Align with business strategy

HR plays a strategic role in the organization by ensuring that learning and development strategies are aligned with targeted business outcomes.

For your training programs to work, your L&D strategies should consider the following:

- Your employees' skills and determine which are most vital to support the implementation of the company's various business priorities
- Your unique proposition as a business and your competitive advantage
- Your customers – what they need and how it changes over time
- Business changes – competition, growth, and decline of your business and how technology impacts your business

- Agility – how your company stays resilient and adapts to changes dictated by economic and technological developments

2. Define and design with business leaders

HR should involve business leaders in defining, prioritizing, and designing the L&D initiatives.

In the LinkedIn Workplace Learning Report, L&D presence at C-Suite tables grew globally from 24% in March 2020 to 63% in March 2021. Leaders are becoming more aware of the importance of learning and development in the workplace.

3. Determine employee capabilities and identify skills gaps

The next step is to align the business strategy with the current employee capabilities and determine where there are skills gaps.

First, determine the essential competencies for various functions and responsibilities in alignment with the business goals. For example, a key competency for a cloud computing workforce could be further developing networking and programming expertise.

4. Design learning journeys

Focus on employee learning journeys to ensure continuous learning. The learning journey aims to help individuals develop the required skills and transfer knowledge of performing job-related tasks. They usually include immersive learning environments like gamification, virtual and augmented reality, and scenario-based training.

5. Implementation of L&D initiatives

The successful implementation of your learning and development initiatives starts with planning. Your plan should include the purpose of your training and the proposed deliverables. Provide a SWOT analysis to determine the most fitting learning program.

State your proposed budget, detailing all the associated costs of running the program. Speak with your company's finance department to understand the most impactful figures to include and how to best present them in your plan.

6. Track performance

Tracking employee performance helps your company guarantee that the learning and development projects provided are engaging and help achieve company goals. Here are three common L&D metrics to analyze the effectiveness of your training programs:

- **Training completion rate:** The percentage of employees that enrolled and completed the course. Knowing this metric offers a glimpse of how effective the training program was, the complexity of the subject matter, the trainers facilitating the training, and the available resources.

- **Assessment pass rate:** Measures how many employees passed the training. A high passing rate could indicate the course was too easy, while a low rate could mean the program was too difficult. Understanding this KPI can help you adjust your training based on your employees' existing skills and their current competency level.
- **Training dropout rate:** Measures how many employees did not complete the course due to learner lack of motivation, insufficient support from instructors or the time allotted to complete the course is not enough. Knowing the problems can help course developers to decide what needs improvement.

7. Analyze effectiveness and make changes

Assess the overall impact of training programs beyond the L&D metrics by evaluating them on a company wide-level. Analyze the effectiveness and make changes based on the outcomes:

- How effectively were the learning strategies supporting the company's goals and priorities?
- How effectively were the learning and development programs equipping employees with the needed knowledge, skills, and expertise to become more competitive? Was there an improvement in the performance? Were the skills gaps addressed?
- To what extent do learning and development impact the whole company i.e. was there an increase in employee motivation, morale, engagement, and retention? Was the company culture strengthened or enhanced? Were business processes become more efficient?
- Were the L & D investments and resources used effectively?

UNIT -4

Performance Management Process:

Performance management is one of the most important processes your company can implement.

It helps train employees, develop their talent, improve their relationship with their manager, and take on more responsibility within the company.

When that effect is multiplied by the entirety of your workforce, it creates a lasting impact on your company.

A high performance management **process** won't reduce your turnover rate to zero, but it will help achieve goals, improve collaboration, and keep employees engaged. Here's what it looks like.

The **performance management process** is an ongoing series of meetings and check-ins between a manager and employee that plans, monitors, and reviews the employee's objectives, long-term goals, and overall impact on the company.

Coaching: The coaching stage of performance management sets the tone for your company and the success of your employees. Coaching involves training, outlining standards and goals, two-way feedback, and collaboration to help employees get better. More on this later.

Corrective Action: If an employee isn't meeting the standards and expectations of the position after coaching from their manager, the next stage of performance management is corrective action.

Corrective action calls on the manager and employee to work together to find the reasons for poor performance and develop a plan to improve the situation.

Termination: If coaching and corrective action fail to improve an employee's performance, the final stage of the performance management process is discharging the employee.

key elements of performance management

Every company may have unique aspects to its performance management process, but as Jo Rosser points out, in general, every company with a good one keeps these core traits in mind:

Consistency: Coaching approaches and tactics may vary, but the performance management process should be the same for everyone. Inconsistencies will only add confusion and frustration.

Accuracy: When recording key outcomes throughout the performance management process, accuracy is essential. If need be, you want your documented record of events to be an unimpeachable account, not an inferred one. A tool like Conversations® keeps all those details in one place.

Futureproof: Futureproofing your performance management process doesn't mean peering around every possible corner, but rather, prioritizing agility. So as circumstances change, you can too.

Employee engagement: Performance management is at its best when it is a two-way street with employees and managers working together. Engaged employees at all levels will improve the process itself by helping companies strengthen their coaching and avoid corrective action and termination.

Ease of use: Part of keeping employees engaged in the performance management process is making it an easy system for them to use. Hurdles or cumbersome steps in this process won't help the employee or the company.

A performance management process is just that – a process. It's not a checklist or a passive responsibility; it requires active participation on behalf of employees and managers.

The result is aligned teams, inspired employees, and a culture that nurtures personal growth and development, i.e., an effort that is well worth it.

Evolution Of Performance Management

The following section provides a detailed performance management timeline. It will help you understand how performance management evolved over time and the various instances that led to those changes.

First Phase: 1908 – 1914

Rise Of Taylorism And Scientific Management Principles

In 1908, Frederick Winslow Taylor applied his 'Scientific management' principles to find out how the work potential of individuals affected their productivity.

F. W. Taylor's scientific management principles can be summarized as follows [1]

1. Replace rule-of-thumb work methods with methods based on a scientific study of the tasks.
2. Scientifically select, train, and develop each worker rather than passively leaving them to train themselves.
3. Cooperate with the workers to ensure that the scientifically developed methods are being followed.
4. Divide work nearly equally between managers and workers, so that the managers apply scientific management principles to planning

Henry Ford who introduced mass production of cars, was highly influenced by F. W. Taylor's scientific principles and adopted Taylorism from 1909 to 1913[2]. Taylorism meant dividing vehicle production into uncomplicated repetitive steps there would be no need for skilled workers, men could learn to do any job quickly

Also Read: Why Adobe Ditched Its Annual Performance Reviews

Second Phase: 1914 – 1920

Taylorism's Popularity In The USSR

In 1914, F.W. Taylor introduced a performance appraisal process that focused more on current worker productivity and ways to improve it over time. His appraisals focused more on the individual's personality and traits like knowledge, punctuality, loyalty etc. instead of accomplishment of workplace goals and service quality.

Ford was a heroic figure for many in the Soviet Union during the 1920s for his contribution to assembly-line production and his rationalization of labor practices. So, when Taylorism was introduced into the Soviet Union in 1920, it was enthusiastically accepted by many in the USSR. It was also accepted by popular Bolsheviks like Trotsky and Vladimir Ilich Lenin himself. While, Lenin did not totally approve of Taylorism in the beginning (1913), by 1918 his views had dramatically changed[(3).]

Third Phase: 1930 – 1960

Growing Popularity Of WD Scott's Performance Appraisal Process

Walter D Scott of WD Scott & Co. of Sydney (which is one of the largest consultancy firms in Australia) introduced the concept of rating the abilities of his staff as early as World War I (1914 – 1918). He introduced his 'man to man comparison' scale influenced by Taylor. WD Scott's documented performance appraisal system wasn't widely recognized until the 1930s.

By the mid- 1950's this formal performance appraisal process was commonly used by many companies. It helped managers measure the performance of their workers based on personality traits which had nothing to do with their productivity at the workplace.

Fourth Phase: 1960 – 1970

Annual Confidential Reports Become A Part Of Performance Appraisals

In the early 1960's, performance appraisals were based on 'Annual Confidential Reports' which provided significant information about employee performance. These reports were also known as 'Employee Service Records'. The contents of these reports would be kept confidential from employees. This approach was mostly used by Government organizations.

These ACRs acted as a vital source of employee information and any negative remarks about employees in the report would negatively affect their career growth.

During the 1970's, employees were communicated the negative remarks from these reports so that they could take corrective measures for it. Gradually, the performance appraisals based on inherited personality traits transformed into evaluations based on goals & objectives. They focused more on what an individual employee can achieve in the future with the correct action plan. Even though this is a old system of performance appraisals, it is still used in public sector organizations of many middle-income countries like India, Sri Lanka and Swaziland.

Fifth Phase: 1980 – 2000

360 Degree Feedback Became Ubiquitous

Multi-person rating became popular during 1980's & 1990's as 360 degree feedback. It wasn't accepted by some organizations because it consumed a lot of their budget. It is during this time that performance appraisals started focusing on motivating employees and improving their performance. Organizations began measuring various new traits like team-work, communication, conflict-reduction, efficiency etc.

Esso Research and Engineering Company was the first one to use 360 degree feedback back in 1950's. 360 degree feedback grew in popularity after the invention of typewriters because it was difficult to achieve complete anonymity with hand-written feedback forms.

In the 2000's, the performance appraisal process became more development driven, open and flexible instead of being restricted to employees. The process would require the employee and manager to mutually decide in the beginning of the year, their goals and objectives for the year ahead. This was a phase where the structure of performance management started changing. Annual performance reviews were the most effective way of measuring performance.

Counselling

Being able to imagine and feel emotions with in-depth understanding is what makes human beings different from all other creatures on the planet. We react according to the situations and various scenarios have different ways to treat us. Considering a particular situation, our thoughts or feelings can have an emotional effect on ourselves. Its sad how in the old days, psychological traumas were left unaddressed. It was the invention of new technologies and awareness that taught people to start addressing emotional issues too. counselling is a talking therapy that encourages people to address the issue they are facing with an eventual goal to overcome the problem.

Counselling: Definition and Format

A counselor is a professionally trained expert who helps people overcome their issues after a systematic chain of sessions. The types of counselling vary, depending on the needs of the clients.

counselling is a talking therapy that allows people to discuss their problems with trained professionals in a peaceful and safe ambiance. The exact meaning of counselling might vary among individuals. But in general, it is the process where you talk about your issues in detail either intending to overcome the same or to explore your thoughts comprehensively.

The role of a counselor doesn't limit to suggesting you do this or that. Rather they support you to speak about your problems in detail to identify the primary cause behind them. Furthermore, they develop an action plan to help you cope up with the issue or win over it.

There are different formats through which the counselling sessions can take place, The client is free to choose a format that suits and fits his needs the best. Below are the popular counselling formats that people mostly favor:

- **In-Person**: Face-to-face counselling sessions take place in the counselor's chamber where you meet them in person after scheduling an appointment to discuss your problems. It is one of the most popular counselling formats.

- **Group Counselling**: Professionals provide group counselling sessions where you can join to address the issues. Joining such a group will help you find people with similar problems and you will be able to develop a strong network of support as well. However, if you wish to focus on your problem, in-person sessions are better.

- **Telephonic Sessions**: A great alternative to in-person counselling sessions are telephonic rounds that can be scheduled from the comfort of your home. Telephonic counselling rounds are best for busy individuals who might find it difficult to get into the chambers. In this flexible process, you can discuss the problems with the counselor in a secure environment from your room.

- **Online Counselling:** If you wish not to meet your counselor face to face and protect your anonymity, you have the option to email the counselor. In this process, you have the scope to think well and decide which of the problems you want to discuss with him. The online counselling trend is becoming much more popular these days.

Counselling Process

When a person seeks counselling, he or she suffers from something serious be it mental issues, emotional problems, or family problems. The process isn't rushed but rather involves a systematic evaluation that includes a detailed process.

The counselling process involves a step-by-step approach and the counselor conducts it in a way to make sure that his client is comfortable with the process. Lets have a look at the five crucial stages of a counselling process.

1: Building a Warm Relationship

When you are hitting up a counselor to discuss your problems, you ought to suffer from any serious issue concerning academics, relationships, career, or anything else. The first thing your expert does is to make yourself comfortable around him/her. He focuses on developing a warm relation and mutual trust first to make sure you do not hesitate while speaking about the problems you are facing.

2: Analysis

Now comes the second part, which is assessment. In this stage, the professional encourages you to speak in detail about your problems to grab the roots of the problem. He observes every minute detail from how you are speaking to your reactions to certain questions that might come from his end. Once he assesses the problem, the goal is fixed.

3: Setting the Goal

After a thorough evaluation of your problems, now comes the significant section of goal setting. Considering the issues you are facing the counselor sets a goal. That can be either you overcoming the problem or reconciling with it.

4: Plan of Action

The counselor plans an action for you to practice to see the results. Suppose someone has public speaking fear, The expert might ask him to practice speaking in front of the mirror. This is just an instance. Once you go through the plan for the desired tenure, he assesses your improvement.

5: Overcoming the Problem

As I mentioned in the previous point after you follow the plan of action the consequent results are taken into consideration. If things seem to go in the right direction and you start feeling relaxed, yes! You have achieved your goal.

Counselling Skills

Being a professional counselor requires some core skills to be able to handle client queries and drive the best results for them. The vital skills that a professional counselor must have are as follows:

- **Effective Listening:** A counselor must be a patient listener who not only listens to the clients queries but can handle them intricately. Without hearing the issues minutely, it is impossible to get ahead with the next counselling steps.
- **A Good Communicator:** A counselor is someone who listens to his clients, analyses the problems, and develops a plan of action to achieve a target. It is indeed critical to be a very good communicator to help the person feel comfortable around him and make sure the client is not hesitating while speaking in front of him about his problems.

- **Analysis:** A successful counselor is someone who is not only a good listener but a good analyzer too, who uses his skills and expertise to reach the root of the problem and analyze it. Without analysis, the entire process is in vain as no goals can be set and the client will not be able to undergo any plan of action.

Types of Counselling

The counselling types are numerous and here we will be discussing a few of them.

Mental Health Counselling

A mental health counselor is responsible for providing the people with support who are going through any emotional distress like fear of something, anxiety, depression, or frustration. There are different causes when people need mental health counselling that may include, extensive grief, supreme anger issues, addiction to something, family issues, eating disorders, and so on.

Career Counselling

A little different from the traditional counselling processes, career counselling means providing aspirants with career guidance and showing them the right path towards a bright career according to their areas of interest and skills. The career counselling curriculum is designed to guide people in selecting, changing, or leaving a career and can be availed at any stage of life.

Rehabilitation Counselling

The rehabilitation counselling process helps people with disabilities fulfill their goals and lead an independent life with complete participation in the community. This is a systematic method to help people with emotional, physical, cognitive, and mental disabilities accomplish their life goals and live a cherishable life.

Relationship Counselling

Also known as couples therapy, people seek such counselling when something serious affects their love life. People choose to go for relationship counselling for various reasons including the desire to have a stronger relationship with the partner or spouse, issues emerging from disagreement, unhealthy abuses, something hectic that affected their lives, etc.

The list of counselling types isn't limited to these and the numbers are vast. I think I could make the definition and types of counselling clear to you folks. See you again on the next blog with something more interesting.

Coaching

Coaching means to improve performance often short term in a specific skills area. The goals are basically set by the coach; let it be intermediate goals or sub-goals to achieve. Direct feedback is present in coaching.

In case of mentoring it is generally related to recognition and nurturing of potentialities of the whole person. The goals and process both are decided by the learner himself. It is associated with long term relationships.

Coaching is not training, mentoring and Counseling Coaching is not training. While training and coaching both promote learning, they do so in different ways:

- **Training** is about teaching specific skills or knowledge – **Coaching** is about facilitating someone else's thinking and helping them learn on the job.
- **Training** usually takes place off-site or in dedicated classes – **Coaching** takes place in the office and (when carried out by a manager) can be integrated into day-to-day workplace conversations.
- **Training** is more typically carried out in groups – **Coaching** is usually a one-to-one process, tailored to the individual's needs.
- **Training** is usually delivered by an external consultant or dedicated internal trainer – **Coaching** can be delivered by an external consultant or by a manager.

Coaching Is Not Mentoring

There are some superficial similarities between coaching and mentoring, as they are both typically one-to-one conversations aimed at facilitating professional development, but there are also significant differences:

- A **Mentor** is usually a more senior person, who shares experience and advises a junior person working in the same field – A **Coach** is not necessarily senior to the person being coached, and not typically give advice or pass on experience; instead s/he uses questions and feedback to facilitate the other person's thinking and practical learning.

- A **Mentor** is not typically the line manager of the person being mentored, but someone who is available for advice and guidance when needed – **Coaching** is frequently delivered by line managers with their teams.

Coaching Is Not Counselling

There may be a superficial similarity in that both of these activities are one-to-one conversation, but their tone and purpose are very different:

- **Counselling** and therapy deal with personal problems while **Coaching** addresses workplace performance.
- **Counselling** begins with a problem while **Coaching** can begin with a goal or aspiration.
- **Counselling** is sought by people having difficulties while **Coaching** is used by high achievers as much as beginners or people who are stuck.
- Many (but not all) forms of **counselling** focus on the past and the origins of problems while **Coaching** focuses on the future and developing a workable solution.

Objectives of Coaching

- Helping him to realise his potential as a manager.
- Helping him to understand himself – his strengths and his weaknesses.
- Providing him an opportunity to acquire more insight into his behaviour, and analyse the dynamics of such behaviour.
- Helping him to have better understanding of the environment.
- Increasing his personal and inter-personal effectiveness through effective feedback.
- Encouraging him to set goals for further improvement.
- Encouraging him to generate alternatives for dealing with his problems and
- prepare an action plan.
- Helping him to review in a non-threatening way his progress in achieving various objectives.
- Providing empathetic atmosphere for sharing and discussing his tensions, conflicts, concerns and problems.

Process of Coaching

Process of Coaching has the following steps:

- Setting developmental goals that are reasonable, attainable, and derived from a careful analysis of the areas where an employee needs to improve. These goals should take into account both short-term and long-term career objectives.
- Identifying resources and strategies that will help the employees achieve developmental goals.
- Implementing strategies that will allow the employee to achieve the developmental goals.
- Collecting and evaluating data to assess the extent to which each of the developmental goals has been achieved.
- Providing feedback to the employee and then revising developmental goals as needed.

Skills for Coaching

Coaching focuses on helping another person learn in ways that let him or her keep growing afterward. It is based on asking rather than telling, on provoking thought rather than giving directions and on holding a person accountable for his/her goals.

The necessary key skills for coaching are as follows:

1. **Goal-setting**
2. **Looking**
3. **Listening**
4. **Empathizing**
5. **Questioning**
6. **Giving Feedback**
7. **Intuiting**
8. **Checking**

Compensation and Reward Management – Top 11 Objectives

The basic objectives of appropriate and sound compensation and reward system in any organisation are given here:

1. It aims to develop skills and personality of employees by which they can earn better and attractive compensation;

2. It aims to pay fair and justify remuneration on the basis of their efforts, skills and competencies;

3. To obtain able and efficient employees and retain high performing employees;

4. It aims to improve the quality of services as rendered by employees;

5. To communicate the employees for their worthwhile and needful role in organisation;

6. It aims to increase the level of efficiency and productivity of employees on the basis of motivational grounds;

7. It aims to develop and enhance cooperation and collaboration among employees;

8. It aims to motivate employees towards higher work performance;

9. It aims to make better employer employee relations;

10. It aims to provide employees social recognition and status;

11. It aims to reinforce desirable and applicable employee behaviour.

Compensation and Reward Management – 2 Major Areas: Financial and Non-Financial Methods

Broadly, there are two major areas of compensation and rewards as given here:

1. Financial Methods:

Financial compensation and rewards can be classified into two broad categories i.e.,:

i. Direct, and

ii. Indirect.

i. Direct Methods:

The direct compensation methods refer to monetary payment to employee on the basis of their tenure of job and its negotiations with employers. The financial payment to employees may be in the form of wages, salaries, allowances, commission, monetary incentives, bonus, overtime payments and profit sharing.

ii. Indirect Methods:

Within the indirect methods, the employees do not receive actual cash or financial payment, rather, they receive the tangible value of the reward which are based on financial grounds, but they provide indirect benefits and opportunities to employees. These rewards are received by employees on the basis of completion of their particular tenure of work.

2. Non-Financial Methods:
The non-financial components in the compensation package is also an important aspect. The methods are integrated with some motivational viewpoints by which the mental and social needs can be satisfied. The methods constitute some intrinsic rewards based on human nature, praise, morale, recognition, motives and informal interactions. The methods are develop the human and psychological recognition that employees get when they feel that others have recognised their skills and contribution.

These are as given here:

i. These may be fulfilled the self actualisation needs of employees;

ii. Employees can get better opportunities for personal and career advancement;

iii. Organisations are making better efforts to retain employees;

iv. They create and provide informal relations with employees;

v. They create and develop praise and recognition of employees;

vi. They create and develop the morale and enthusiasm among employees;

vii. They may develop the feelings of reliability and loyalty among employees;

viii. They may be able to recognise the individual and group work performance.

Compensation and Reward Management – 2 Major Determinants: Internal and External Determinants

The compensation and rewards as received by employee is proportional to the effort exerted by them. Besides, several other internal and external factors determine the financial as well as non-financial compensation for them.

Broadly, there are two major determinant factors as given here:

1. Internal Determinants:

The internal determinants are as given here:

i. Nature of Work – If the work is so hard, complicated and having some risk factors, incentive level may be high as compared to others.

ii. Compensation Policy – The policy of compensation determine the organisation's ability to employees. Within the policy framework the systems, methods compensation may be determined. Every organisation must have policy that make the relationship with the job and skills levels.

iii. Employee's Relative Worth – As per the notions of merit and performance of employee, the compensation and reward level may be determined. Mostly, there are several cases to make a worthwhile link of employee pay to their performance.

iv. Promotional Policy – The level and composition and rewards are also determine by the promotional policies. The experience employee may get their promotion to a new job with new task and then they may be recognised with new pay scale and incentive systems etc.

v. Technical Knowledge – In any organisation, the employees who have the technical skill and knowledgeable experience can provide a high level of compensation and rewards. As such, the technical knowledge of employees are an important aspects in this regard.

vi. Employer's Ability to Pay – An employer's ability to pay employee and provide them benefits are also an important determinant of pay levels. It is based and influenced by some factors as profitability, budgetary situation, financial position and competition faced by employers etc.

2. External Determinants:

The external determinants are as given here:

i. Area Wage Rates:

The wages, salary and other incentive levels are influenced by the prevailing rates as offered by other organisation. It must be noted that an organisation ensure that the pay levels do not rise to high or drop too low in comparison with other organisation operating in the same area or region. **ii. Economic Conditions:**

The economic condition of any organisation, denoted the capacity to pay. It is a consequence of better profitability and relative productivity of the organisation may determine the demand of skilled workforce, operational system, new technology, better and more remunerative level as well as more work facilities to employees.

iii. Scope of Products' Market:

The scope and potentialities of the product of organisation are also a focus point to make a determinant aspect towards remuneration plan and its procedures. The products market may create and develop the profitability and wide range of earning level of the organisation. It duly effects to the determinants of pay levels.

iv. Government's Laws and Policies:

Different government laws and policies also effects the level and structure of remuneration and compensation by providing guidelines. Few legislations like Minimum Wages Act 1948 & Payment of Wages Act 1936 that determine minimum wage rates for certain categories of employees. Different allowances and fringe benefits are also affect by the legislation.

v. Competition:

The competitive environment within the enterprises and industries also affect the level and pattern of pay rates. The compensation may create the remuneration level with at par and develops the strengthen part in determining the pay scales.

vi. Role of Employees' Organisation:

The role of employees' organisation effect the level and structure of payment. The negotiations with employees' unions tend to establish the wage patterns for a specified region.

vii. Labour Market Conditions:

The forces of demand and supply for qualified people within an area influence wage and salary rates. When demand for human resources is high and supply is limited, wages and salaries are higher in order to attract and retain qualified employees. Employees with skills that are rare and valuable are in a strong bargaining position and command high compensation.

Compensation and Reward Management – Strategy and Key Issues

Organizations need to have a clearly defined strategy for business as well as for compensating talent. These two decisions in turn should be linked. In the search for competitive advantage for the business, it is ultimately the employees who help to deliver on this advantage. Hence mechanisms for rewarding employees should support the business strategy.

This alignment notion is based on the contingency approach, which specifies that when variations occur in the strategy of an organization, these should be accompanied by variations in the human resources strategies including the compensation strategy in order to influence and shape performance appropriately. Decisions such as whether to lead the industry or lag the industry when compensating talent are also linked to the business strategy as well as the value propositions it can offer as an employer.

In order to cope with turbulent business environments, organizations try to decipher challenges such as changing customer needs, competitors' actions, changing labour market conditions, changing laws and globalization. Their compensation elements and strategies should support the organization in navigating the business environment and dealing with the challenges mentioned as well as prepare it for the future.

Several factors and key issues are considered while aligning the compensation system with the business strategy in order to reward talent:

1. Culture and shared values are naturally included while the manager is deciding what criteria will be considered during the appraisal process. These values may include ethical behaviour, innovation, collaborative behaviour, and transparent communication, openness to change, learning orientation and commitment, amongst others.

Aligning performance behaviours with culture and shared values is helpful when assessing efforts and outcomes during the performance evaluation process. Further, the organization culture also highlights how the organization should create its compensation strategy. In the case of an organization with a culture of employee orientation, it may provide a friendly work environment and work-life balance opportunities.

2. The organizational strategy should be taken into account while developing a performance appraisal system. Clear and widely communicated organizational strategies help the talent pool to align their efforts in the direction of the desired outcomes thus creating synergistic collaboration possible.

The appraisal process when linked to the business strategy and outcomes enables the assessment of how successful the executive has been in moving forward with the articulated business strategy for that year. Midyear reviews allow for the company to reassess the performance behaviours of the talent pool and alter them if required.

3. Due to the increased emphasis over the years on contribution to the bottom line, increase in profit, return on capital, growth in earnings and market share, executive compensation has become increasingly tied to business performance and outcomes. Flexibility to pay more to talent that achieves targets can be created by the use of incentive plans, as part of variable pay.

4. Goals that are measurable and possess criterion validity enable the creation of an effective and progressive performance appraisal mechanism. Creating goals that reflect financial as well as non-financial measures gives rise to comprehensive performance evaluation measures. The mix of quantitative and qualitative measures should reflect the focus of desired behaviours. Incentive plans linked to achieving specific targets should be supported by clear quantitative measures whereas qualitative measures though subjective can provide useful information about the context of performance.

5. Compensation and reward strategies should be linked to the business objectives, but should also be compliant with the regulatory framework in which the business operates. These strategies should be a good fit with the culture of the organization and its internal environment in terms of justness, fairness and transparency.

6. Additionally, the compensation strategy should also be competitive with reference to the external environment comprising the competitors. Benchmarking practices, conducting compensation surveys enable an organization to assess their compensation strategy for key talent in comparison to its competitor. While compensating employees, organizations pay attention to factors that provide them with a competitive advantage and make them the employer of choice.

7. Compensation and reward strategies are also influenced by how work is designed internally and whether compensation and reward schemes should be based on individual and/or team performance, on experience and/or continuous learning, on improved skills, on changes in cost of living, on personal needs (housing, transportation, health services), and/ or on each business unit's performance.

A major challenge in rewarding talent is to design the next generation reward systems to better satisfy individual needs and preferences. This can be done by offering more choice to the employees. While younger employees may prefer more cash in hand on order to build assets or help finance their education, older employees may look for health and pension benefits.

Similarly, families with dual-career couples may prefer flexible work schedules to look after their children, child care facilities, or insurance and health benefits to look after ageing parents. Organizations believe that allowing their talent pool to choose their own reward or benefit elements adds value and is also a great way to retain employees since competitors may find it difficult to replicate such flexible systems. It is, however, extremely critical for organizations to counsel and communicate the pros and cons of each benefit so that employees make wise choices leading to an increase in the system's effectiveness.

8. The team that designs the compensation and reward system is generally reflective of the organizational culture and can be representative of all concerned stakeholders or then could be inclusive of external experts too. Managing the performance of talent and

compensating talent appropriately requires the inputs of several stakeholders. However, this decision may also be influenced by the organizational culture and management style.

These factors help to evolve the compensating and rewarding patterns and strategy of an organization. While one organization may have an explicitly stated strategy and policy to reward talent, another may have an unstructured approach to it. In order to attract, engage and retain talent however, a clearly articulated reward strategy is beneficial.

Reward Management:

Reward management is the introduction of policies and strategies that rewards every employee within the business fairly and consistently across the board. Rewarding employees for outstanding work makes them feel valued and can prove to be a powerful motivational tool that boosts productivity. The most successful reward management programmes provide employees with opportunities to elevate themselves and allow businesses to recognise good workers.

Reward management is a strategic approach to incentivising your workforce to improve performance, engagement and morale:

- It rewards employees according to a business's values and that they are prepared, or are able, to fund
- It rewards employees for the value they create and contributes to employee wellbeing
- Rewards the things that convey the right message about what is important in terms of behaviours and outcomes within a business
- It helps to contribute to a strong, positive company culture
- It strengthens your EVP (employee value proposition) – your EVP is what sets you apart from other employers (your competitors) and helps you attract top talent to your organisation
- It can help motivate employees and confirm their commitment to the business and engagement within it
- Help to retain top talented individuals to your business
- It increases productivity
- It helps you to build a strong reputation – this can be a key way to engage employees, contribute to a positive reputation and have a significant influence on your clients.

What do we mean by 'reward'

The easiest way to separate rewards is to split them into two categories: intrinsic and extrinsic. Intrinsic awards are encompassed by things such as awards, praise, and public recognition, which give a sense of achievement but are not monetised. Whilst extrinsic rewards are physically given and can involve value such as a bonus or paid holiday, for example.

Within that, they can be further divided into three sub-categories: benefits, perks, and rewards.

Benefits

Benefits tend to be built into the employee's salary; these include pensions that they can claim after reaching a certain age. Newer elements such as paid leave to adopt a pet are being introduced by some organisations, as are non-financial rewards including flexible working.

Perks

Traditionally perks are seen as little "treats" that can make working life more enjoyable. These range from donut and coffee hump day to dress-down Fridays. Previously thought of as "fringe" perks, they are now gaining in popularity in businesses and starting to count for more with employees.

Rewards

Rewards give you a chance to promote productivity in such a way that meshes with your business's values and culture. Instead of providing financial rewards or perhaps an additional day's holiday for excellent work, think about offering other incentives that advance teamwork, or consideration for others within the workplace, as well as those incentives that encourage quantity and quality of work.

Creating an employee reward scheme

First, you should start by asking yourself two questions: where do we want our reward practices to be in a few years' time? and how do we intend to get there? By being able to determine what your reward process will look like several years down the line, it also shows you the way in which the vision will be realised.

Other aspects to consider:

- Multiple reward systems – if you select a single method of reward, it may not work well for all employees. Different methods appeal to different people. This is particularly apparent at a generational level, and it also limits the opportunities for employees to achieve.
- Design advice – an important consideration when creating a competitive reward scheme is to understand how other reward schemes within your industry look and how they work. This can be particularly important when attracting and recruiting top talent and making sure they join your business rather than your that of your competitors. **The components of a reward management system**
- Set reward objectives and criteria with goal setting

- Review your current reward policies and practices by highlighting key reward issues and problems that need addressing
- Measure reward effectiveness – decide what to measure (data, where from, how gathered), specify measures with reference to reward goals and success criteria, collect and analyse data
- Evaluate reward outcomes – this provides you with a defined process for continuing evaluation
- Develop future reward directions and practices – this gives you a clear understanding of what needs to be achieved and why, which provides the basis for future review and evaluation processes
- Implement new or improved reward management scheme

Employee reward ideas

- Saying "thank you" – whilst this strictly isn't part of an established reward scheme, the power of a simple thank you should never be underestimated. It can mean the world to an employee and create a real sense of respect that many companies lack.
- Celebrating success via email – an email sent company-wide, perhaps in a newsletter style, is great for highlighting employee achievements. These can connect different departments that are not usually aware of the other's work and promote a sense of community within the workplace.
- Employee of the month – this can work particularly well if the employee of the month is voted for by other employees. This presents a positive reward in front of the workforce and is a fantastic way to emphasise achievement and good work.
- Company awards – you might decide to host an annual or bi-annual awards evening based on employee votes, which can be a fun way for individuals to gain recognition. It is a widely known fact that employees who are recognised for their work by their employers and their colleagues are the most productive and happiest.
- Long service – long service awards can reward loyalty to the business and show appreciation for an employee's dedication. The reward does not necessarily need to be expensive, perhaps a meal in a pleasant restaurant

Evaluating reward effectiveness

Unfortunately, there is no silver bullet set of metrics that every business can apply to improve its reward management practices. Evaluating reward effectiveness typically involves researching and gathering information and evidence on your existing reward policies.

UNIT – 5

STRATEGY FOR EFFECTIVE EMPLOYEE RELATIONS

Employee relations, simply defined, is the relationship between employees and employers. Every company knows they need an effective employee relations strategy, but few do much about it and many are not sure how to go about forming a strategy.

Employee relations are influenced by many factors, all of which affect the strategic balance between employers and employees. Building a strong employee relations strategy involves creating an environment that delivers what people want. Employees want to feel good about what they do and where they work. Companies want to feel good about productivity, performance and developing future leaders.

ADOPT A CONDUCIVE WORKPLACE CULTURE

Employees want to feel good about what they do and where they do it. Decide with your team what values represent your company and then promote them transparently. Articulate them to every person in the organization; they will drive expected behaviors.

INVOLVE YOUR TEAM MEMBERS

Employees should feel important to your company. Let them willingly accept new responsibilities and challenges. But, make sure they enjoy whatever they do. Encourage employees to share their work with each other. This way people tend to talk with each other more, discuss things among themselves and thus the comfort level increases.

INSIST UPON PROPER COMMUNICATION

Employees need to know what's going on.Encourage effective communication among team members. They can't work in a vacuum and they need an avenue for articulating needs, wishes, complaints and goals. Poor communication leads to confusion and misunderstandings. The communication has to be precise and relevant. Be very specific about expectations. Be straightforward.

RECOGNITION

Praise the individual for exceptional results and provide suitable rewards. Encourage everyone to perform well to live up to the expectations of the management team.Put measures in place so people can be recognized and applauded when they live up to those values.

REGULAR TEAM MEETINGS

Let everyone come together on a common platform and discuss whatever issues on their mind. The meetings must not be too formal. Leaders should start and end the meeting with a positive tone, provide updates and get the group involved.

EVENTS

Celebrate birthdays, holiday parties, and other occasions at the workplace. These small initiatives actually go a long way in strengthening the bond among the employees. Allow them to decorate the office, their work stations and make all the necessary arrangements themselves.

Strong and effective employee relations generally lead to a better performing organization. Employees want a culture where they are comfortable with each other, share a good rapport and work in close coordination towards a common objective. A healthy relation among employees promotes a positive workplace and employees feel happy and satisfied at work.

The Role of HR in Employee Relationship Management (ERM)

Employee Relationship Management or ERM is the process of managing relationships in an organization. These relationships can be between the organization and employees as well as coworkers working at the same level.

For employees to be productive, they need to have a working environment that allows them to be creative. When employees have an easy-going relationship with others at work, it will show in their performance and productivity. There will be more communication, collaboration, and cooperation.

Role of HR in Employee Relationship Management

Human resource management can play an important role in building strong employee relationships. They can conduct activities that allow employees to work with each other as well as managers.

I have divided the ways how hr professionals can improve relationships in the workplace into two sections-

Between Coworkers

Peer relationships, if cultivated properly, can significantly improve your company's culture. A good relationship builds camaraderie and boosts morale. When teams work together, employees can learn new skills, motivate each other and collaborate. Such a healthy environment encourages employees to perform and achieve their goals.

Here's how you can improve peer relationships-

1. Build Cross-Functional Teams (CFT)

Cross-functional teams span across organizational boundaries. CFTs allow employees from different departments to combine their skills and work towards a common goal.

Building such teams can allow people from diverse departments who have never worked together to get to know each other. Moreover, when people with different skills work on a project together, problem-solving becomes efficient. When you club together people who are experts in different domains, new and innovative ideas will emerge.

2. Encourage Social Interactions

The best way to get people to interact with each other is through food. At Vantage Circle, we celebrate all major company milestones with mandatory team lunches.

If you think about it, it's extraordinary that employees come to work every day, work at the same space but rarely talk to each other. At large corporations, people usually keep to themselves. Even during lunch breaks, they eat at their respective desks, scrolling through their phones, watching videos, etc.

3. Conduct Team Building Activities

The benefits of conducting team building activities are endless. It makes communication among employees more frequent, improves problem-solving and decision-making skills. Team building activities like a spirit week celebration can also effectively add a pinch of fun and laughter in the workplace.

4. Equip them with Communication Tools

For relationships to form and sustain, employees need to communicate with each other. Lack of communication can cause misunderstandings and as a result, give rise to conflicts.

With the influence and immediacy of technology in the present age, the need to always stay connected is paramount. Workplaces too need to equip themselves similarly.

Between the Manager and the Employee

Employees often hesitate before sharing information with their managers because they're always worried about how it's going to reflect on their performance review. But managers who can merge the gap between them and their employees without being too friendly or too authoritative will build lasting relationships with their employees.

1) Hold 1:1 Meetings

Different from a feedback or appraisal meeting, a 1-1 meeting is a face-to-face interaction between the manager and the employee. These meetings are pre-decided and held with every individual in the organization. In these meetings, the employee can discuss anything- new ideas, issues, concerns- with the manager.

Managers play a crucial role when it comes to conducting these meetings. Once you have made time in your calendar to hold a 1-1 with an employee, how your relationship progresses from there depends a lot on you.

2) Conduct Surveys to Understand how Employees Feel

Working in this industry, we often hear executives and CEOs complaining about how their employees aren't engaged, their turnover is too high and so on. But instead of trying to find out why the employees aren't satisfied, companies try to load them with meaningless, etc.

You might be providing employees with great insurance plans but maybe what they really want is a work from home policy. The only way to know this is by conducting surveys.

3) Transparency and Involvement Must go Hand-in-Hand

One of the worst things you can do as a manager is keeping your employees in the dark. Just like your partner, your employees will never have a trusting relationship with you if they feel you are hiding things from them. Therefore, always be clear and transparent with your actions and the decisions you make. Let everyone know what's going on in the company, what changes have been adopted, how much the company makes and so on.

Employee Relation

The definition of employee relations refers to an organization's efforts to create and maintain a positive relationship with its employees.By maintaining positive, constructive employee relations, organizations hope to keep employees loyal and more engaged in their work.

Typically, an organization's human resources department manages employee relations efforts; however, some organizations may have a dedicated employee relations manager role. Typical responsibilities of an employee relations manager include acting as a liaison or intermediary between employees and managers, and either creating or advising on the creation of policies around employee issues like fair compensation, useful benefits, proper work-life balance, reasonable working hours, and others. When it comes to employee relations, an HR department has two primary functions. First, HR helps prevent and resolve problems or disputes between employees and management. Second, they assist in creating and enforcing policies that are fair and consistent for everyone in the workplace.

Why is employee relations important

By maintaining positive, constructive employee relations, organizations hope to keep employees loyal and more engaged in their work.

To maintain positive employee relations, an organization must first view employees as stakeholders and contributors in the company rather than simply as paid laborers. This perspective encourages those in management and executive roles to seek employee feedback, to value their input more highly, and to consider the employee experience when making decisions that affect the entire company.

Examples of employee relations issues are:

- **Workplace Conflicts -** Disagreements and disputes between employees happen all the time. Often, these are the results of ineffective communication. An HR department or employee relations manager will never please everyone, but if frequent conflicts come up, low morale is building and the issues will only get worse unless resolved.
- **Workplace Bullying -** When a simple conflict escalates into bullying, you've got a big problem. The consequences of letting this take place on the job are low employee performance, increased absenteeism, and bad brand reputation (not to mention legal action). Take bullying reports seriously and launch investigations when necessary.
- **Workplace Safety -** If accidents are happening in the workplace, an employer may be held responsible for any injuries, medical leave, and lost wages. On top of that, the company will suffer from the high cost of lowered production. Promoting and immediately addressing workplace safety issues is a top employee relations concern.
- **Hour Issues -** When employees constantly complain that their hours are not getting counted correctly (or if managers suspect dishonest hour tracking from employees), it's time to get into the details of what is going on. Federal wage and hour violations break the law and need to be taken seriously.
- **Pay Raise Requests -** Declining or ignoring pay raise requests is just asking for disgruntled employees and high turnover rates. Even if you do offer fair wages, fully consider each request to see if there is room to offer a raise (or other perks instead).

Employee Relations strategy?

An employee relations strategy is a way to create balance between employers and employees by creating an environment conducive to each's needs. Employers want productivity and performance; employees want acknowledgment and appreciation. A good employee relations strategy will help both get what they want.

Your strategy should include at least the following KPIs:

1. Number of recognitions
2. Number of complaints
3. Complaint response time
4. Quarterly benefits and compensation data compared to competitors
5. Employee satisfaction
6. Employer performance

STEPS IN THE CHANGE MANAGEMENT PROCESS

1. Prepare the Organization for Change

For an organization to successfully pursue and implement change, it must be prepared both logistically and culturally. Before delving into logistics, cultural preparation must first take place to achieve the best business outcome.

2. Craft a Vision and Plan for Change

Once the organization is ready to embrace change, managers must develop a thorough and realistic plan for bringing it about.

The plan should detail:

- **Strategic goals:** What goals does this change help the organization work toward?
- **Key performance indicators:** How will success be measured? What metrics need to be moved? What's the baseline for how things currently stand?
- **Project stakeholders and team:** Who will oversee the task of implementing change? Who needs to sign off at each critical stage? Who will be responsible for implementation?
- **Project scope:** What discrete steps and actions will the project include? What falls outside of the project scope?

While it's important to have a structured approach, the plan should also account for any unknowns or roadblocks that could arise during the implementation process and would require agility and flexibility to overcome.

3. Implement the Changes

After the plan has been created, all that remains is to follow the steps outlined within it to implement the required change. Whether that involves changes to the company's structure, strategy, systems, processes, employee behaviors, or other aspects will depend on the specifics of the initiative.

During the implementation process, change managers must be focused on empowering their employees to take the necessary steps to achieve the goals of the initiative and celebrate any short-term wins.

4. Embed Changes Within Company Culture and Practices

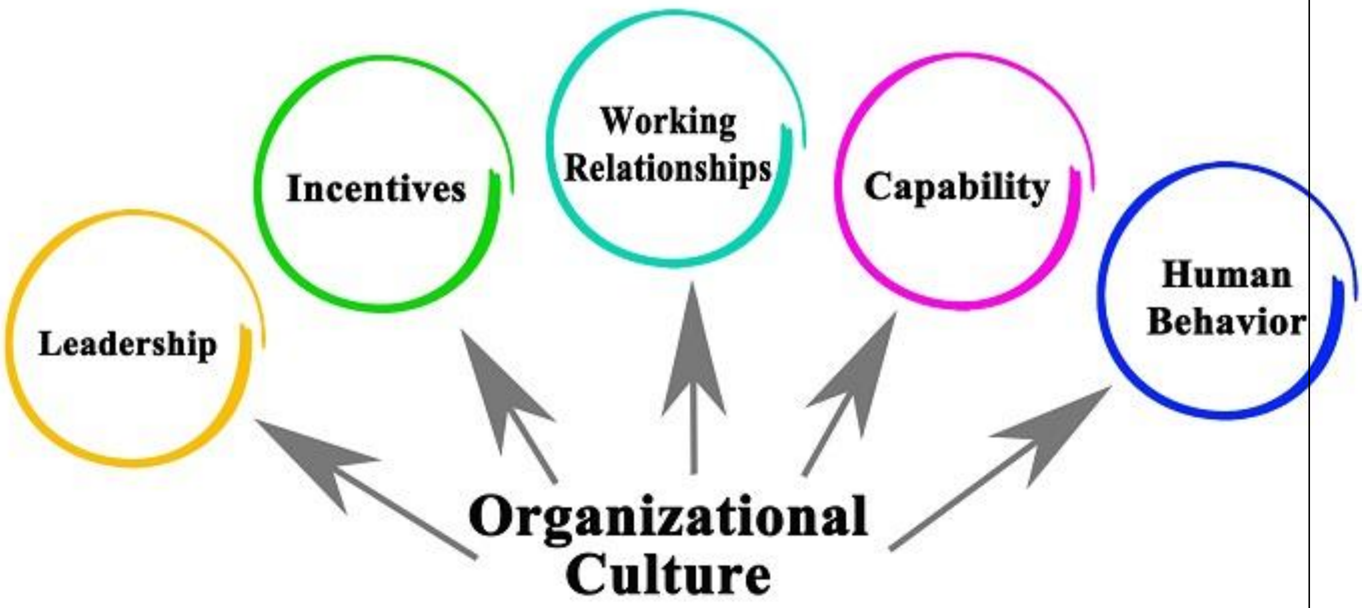
Once the change initiative has been completed, change managers must prevent a reversion to the prior state or status quo. This is particularly important for organizational change related to business processes such as workflows, culture, and strategy formulation. Without an adequate plan, employees may backslide into the "old way" of doing things, particularly during the transitory period.

5. Review Progress and Analyze Results

Just because a change initiative is complete doesn't mean it was successful. Conducting analysis and review, or a "project post mortem," can help business leaders understand whether a change initiative was a success, failure, or mixed result. It can also offer valuable insights and lessons that can be leveraged in future change efforts.

Organizational Culture and HR Practices

Basic HRM exercises like recruitment, selection, and training affect the performance and stability of an organization. These exercises have the ability to influence employee behavior and build values that develop the organizational culture.



Change in behavior defines how one acts or conducts oneself in any situation. Therefore, if HR exercises could positively affect the behavior, improving positive thinking about organizational initiatives towards the employees, it would lead to positive results for the business. Cultural values are part of the external factors that influence HR exercises. Cultural values command employee behavior.

Management Styles

An organization experiences different management styles that may change or remain steady with time.

There are different management styles that we come across while observing the management patterns of different private and public sector companies.

Let us take a look at the following management styles −

Collegial Style

In the collegial style, resources and rewards are uniformly distributed. The management control over the employees is restricted, resulting into employee empowerment. Individual duty is the basis of organizational performance.

Meritocratic Style

In the meritocratic style, employees are bothered about productivity and cohesion. The management puts stress on performance. In short, this management style believes in the fact that power should be distributed on the merit basis.

Elite Style

In the elite management style, the organizational hierarchy is highly improvised. Power, resources, and rewards are focused at the top levels of the hierarchy. Employees have no say in the decisions made by the senior management.

Leadership Style

The leadership style of management has a lot in common with the elite style of management, but rather than a faction of leaders at the top level, it has leaders at different levels of the hierarchy. For example: the army.

Advantages of Employee Involvement in Decision Making

The solid foundation of any successful company is its people. Employees represent a source of knowledge and ideas, but oftentimes that resource remains untapped. Involving employees in the decision-making process not only empowers them to contribute to the success of an organization, but also saves the company time and money in increased productivity and reduced outsourcing.

A Stake at the Table

When employees are involved in making decisions, they gain a professional and personal stake in the organization and its overall success. This commitment leads to increased productivity as employees are actively participating in various aspects of the company and wish to see their efforts succeed overall.

Empowerment Improves Morale

Actively engaging workers in the decision-making process increases overall company morale. Many companies have a distinct separation of power between management and workers; however, active employee involvement lowers that gap, opening the lines of communication between supervisors and employees.

Taps into Internal Resources

Using employees in the decision-making process, rather than outsourcing, saves money, time and offers the company long-term reliable assistance from those who know the corporation well. Hiring an outside consulting firm is expensive and can take up valuable resources in fees and the time spent updating outside consultants in various aspects of the company.

Improves Workplace Relationships

Participation in the decision-making process gives each employee the opportunity to voice their opinions, and to share their knowledge with others. While this improves the relationship between manager and employee, it also encourages a strong sense of teamwork among workers.

Negotiations in Employee Relations

Negotiations are not easy exercises in employee relations. There are very few good negotiators, and even fewer persons enjoy negotiations. Perhaps I should issue a correction: fewer men enjoy negotiations. Women are not only better than men, that is my experience and conclusion, but women also seem to enjoy negotiations!

As a school boy, I had watched a negotiation with interest, and amusement. A man who came to my cousin's home carried a bundle of sarees. He was carrying sarees procured from Kolkata. Fifty years ago, Bengali sarees were not easily available in Mumbai. The salesman, in his forties, had obviously sold earlier a few sarees to my cousin's wife [let us call her 'A'], so they were not strangers to each other.

As he entered the house – in a chawl in Mumbai the doors are always open – 'A' gave him a smile but said firmly that she had no intention to buy a saree. The salesman sat down on the floor and requested for a glass of water – a simple trick to evoke sympathy. As he started opening his bundle, 'A' repeated her words with greater resolve. The salesman ignored it and said that he understood that she would not be interested in buying, yet urged her to take a dekko at the new stock of Bengali sarees, and that it was okay if she did not buy a saree. Final result? You guessed it right: 'A' bought two sarees and got some discount too.

Negotiations in Employee Relations are Different in Character

The parties engaged in the negotiation with extreme positions. We see such negotiations every day. And then we tend to adopt the same style in the employee relations arena. I have watched unions demanding wage increase exceeding Rs. 10000 in the era in which their wages were Rs 4000 pm. And the negotiators in the Management team on the other extreme offered Rs 100 pm as wage increase.

A saree salesman can walk away if he does not get the price or the lady can refuse to buy at the price offered, but the negotiations between management and union are different in character. While negotiating with a union we have to appreciate that the employer and employee are bound by an employment contract – they can't do without each other. It is more like a 'negotiation' between husband and wife, or two relatives, who must place greater value relationship than resolving dispute their way.

Use 5 Ws and H, Develop Answers Jointly

It is precisely for this reason that the two sides will do well to agree on the process of negotiations. My way of thinking about it is to use the five Ws and one H model. Why, When, Where, What, Who and How. How about setting the ground rules developing answers jointly to these 5Ws and one H?

A lot of clarity comes when we think of WHY we are getting in this negotiation – what is the goal, what is it that we wish to achieve through the negotiation. Setting a deadline for concluding the negotiation helps. The most critical, however, is HOW to negotiate. Nowhere this point is more incisively thought and effectively deployed than the ASAL Union. [Automotive Stampings & Assemblies Ltd.] I have blogged about their strategy earlier too. To put it concisely, ASAL union told the management that they would earn their wage increase by suo moto proposing and increasing productivity. It worked! Mind you ASAL had huge accumulated losses and yet they could afford a reasonable wage rise. The union had done its homework on 'Why' and 'How' so well.

Nobody can wish away those inept leaders on both the sides of the table, but ask those who have handled tough negotiations, it is possible to change the situation.

Building Relationship Is Not Same as Influencing

The first step is to believe that building relationship is a full time job. Building relationship is different from 'influencing' employees. The former is continuous, the latter is occasional. Those who build relationship recognise that it is done 24 by 7, and through role modelling, not through lecturing and training in interpersonal relationship. They also realise that trusting plays a huge role in developing relationship.

Hope or Fear

In a training program I asked employees how long they took to add their wife's name, after their marriage, as a joint holder to the bank account. There was an uncomfortable silence. Nobody will admit, but it is often seen, that in an arranged marriage, there are many who 'watch' wife for a good time before adding her as a joint holder. They effectively keep their wife on 'probation period.'

When men begin intimate relationship from the position of fear and suspicion, you can guess how they would be acting in developing any relationship. The first lesson is that we must come in any relationship, whether it is with life partner or with union, from the position of hope and trust not from fear and suspicion.

Upward Communication is More Important than Downward Communication

We see that all organisations begin an exercise of communicating business scenario and its dictates to employees when negotiations are on the anvil. It is always accepted with a pinch of salt. In any negotiation the critical factor is not whether you are understood by the other party. The critical factor is whether you have made efforts to understand the other party. That is the fifth habit of Steven Covey's famous book – 'Seek first to understand and then to be understood.'

When managers lecture on business imperatives they disregard this rule. Moreover, the simplistic belief is that 'if I present my case well, and they understand it then the negotiations will be very easy.' Hidden under this well-meaning approach is the belief in being in 'control.' It rarely works that way.

The Essence

Recognising that some relationships, like those with employees, are long term relations is the first key point. Such relationships differ in character from the relationship between a salesman and buyer. Second key point is to recognise that employees copy the leadership style of their bosses or leaders in the organisation, so being a role model is a great influencer. Third key point is that we must build relationship with employees and their union from a position of trust and hope, and not from a position of suspicion and fear. And lastly, listening is more important than downward communication.

People think that relationships are built by people so they use birthdays other events to develop a personal bond. There is nothing wrong about this, but placing sole emphasis on such tricks does not work. Employees look for systems and processes which could be established for regular dialogue and upward communication. They find greater worth in it.

Trade Union in HRM, Objectives, Types, Functions, and Role: A Trade Union is an amalgamation of workers, labor as well as employees to accomplish their demands for getting better working conditions at the premises of a business firm. They are also known as Labor Union in the United States. It is an organization of employees to fulfill all the needs of different levels of employees to achieve objectives in their fields such as wages or salary and working conditions in a business firm.

This union is established to tackle various problems of laborers and the nature of problems varies such as unfair rules for working, unlimited working hours, and various concerns about the pay. Workers Union is the representation of all the employees who are working under an employer. Through the union, all the communications between the employee's demand and the employer take place.

Trade Union in HRM, Objectives, Types, Functions, and Role

In this article, we are going to discuss various objectives, types, functions, and roles of trade union in HRM.

Objectives of Trade Union in HRM

Trade Union is set up to fulfill and achieve some of the objectives related to the workforce and the management of an organization. Here, we have jotted down some of the objectives that main engender behind this establishment. Let us have a look.

1. Wages and salaries:

The major point of concentration of the trade union is wages and salaries. After all, these matters are related to the policies of employment ad thus, it becomes the stress point from the Trade Union's point of view. But there are different arises while implementing such policies as it varies from employer to employer. Trade Union plays an important role in bargaining the pay scales where there is less organized structure.

2. Working conditions:

With an aim to safeguard the health of workers, they demand the management to provide all the necessary facilities such as lighting and ventilation, sanitation, rooms for rest, safety equipment while handling something disastrous, refreshment and drinking water, minimum hours for working, leave and rest, job satisfaction, benefits of social security and other related welfare measures.

3. Discipline

The only aim of the trade union is not to conduct negotiations in terms of items and working conditions but also to protect the interest of the workforce from the clutches of management and prevent them from becoming the victim of the management's unnecessary actions and other policies.

The victimization is in various forms such as penal transfers, suspensions, dismissals and so on. In all such circumstances, the workers who are left out can take assistance from the Trade Union.

4. Personnel Policies:

There are various implementations of the policies related to the workers and it is implemented by the management in a very wrong way that is not acceptable by the workforce. These actions can be taken in various aspects of HRM such as recruitment, selection, promotions, training, transfers and so on.

5. Welfare

As mentioned earlier, these unions are meant for the proper welfare of the workers. Trade union works as a guide, gives consultation to the authority and cooperates to overcome various problems related to the personnel policies.

6. Employee-employer relation

To maintain peace in the industry, it is indispensable to maintain a harmonious relationship between the employee and employer which is a Sine Quo Non. Trade Union always makes an effort to accomplish the goals of an organization by establishing a better relationship between these two.

Functions of Trade Union in HRM

Innumerous functions are performed by the Trade Union in order to accomplish the objectives as it is indispensable. These functions are segregated into three categories which are given as follows:

1. Militant Functions

All the activities as performed by Trade Union lead to the betterment and improvement in the status of the members in relation to employment. These functions are entirely attached with the assurance of adequate wages or salaries, better conditions for work and employment and take better medical treatments and so on. When the union is not able to sort out the issues with the help of bargaining and negotiation, then they shift to another approach and put a fight against the management in the form of tricks, strike, boycott, lockouts, gherao and so on.

2. Fraternal Functions

The next function is performed for providing help to the workers when it is required to make improvements in their efficiency. It also encourages the labour spirit and motivates friendly relations between the industry and scatter education as well as a culture among the employees. They also take some measures to build up confidence among employees and it leads to improving the morale of the employees. If it is needed, then legal help is also offered to the members and also undertake the publications and magazines of trade unions.

3. Social Functions:

Apart from the economical functions of the Trade Union such as organizing unions and improving terms and conditions, the union started providing a wide array of welfare services to the workers as well as to the community. These functions are sub-categorized under three heads below.

1. **Welfare activities**: It improves the quality of work-life which includes mutual fund, cooperative societies for housing, cooperative stores, cultural programs, banking and medical facilities and also provide proper training to women in various crafts.

2. **Education**: Educate the workers related to all the aspects which comprise of improving the civic life, environment awareness, enhance their knowledge related to working and also teach them their responsibilities and participation of worker in the management.
3. **Redressing their grievances**: Few Trade Union also assisting the governmental authorities to implement various working education scheme.

4. Political functions:

This function is associated with getting the affiliation from the political party an assisting them in enrolling more and more members, in return the political parties helping the trade union during the time of strikes and lockouts.

Types and Classification of Trade Union in HRM

Several types of a trade union are there that serves different sort of workers. Here, we have jotted down the trade unions into three categories as given below.

1. Classification on the basis of Ideology

According to the ideology, a labour union is segregated into three parts which are named as revolutionary unions, reformist or welfare unions and uplift unions which are as discussed below.

1. **Revolutionary Unions**: This type of union is related to believe in the transformation of the social as well as economic order and create some new one. Moreover, it may lead to change the authority and power.
2. **Reformist or Welfare Unions**: It is associated with the change and reforms in the field of working conditions within the current framework of the socio-economic and socio-political European model.
3. **Uplift Unions**: Beyond the area of working conditions, it is attached with the extensive reforms such as making changes in the taxation system, eliminate the poverty and so on.

2. Classification on the basis of trade

Few unions have some memberships as well as jurisdictions on the basis of their trades that they indicate. Craft Union is the narrow membership and includes the workers who are certified in certain trade or craft such as pipe fitting, clerical work, carpentry and so on. But these unions are less common in India and Sri Lanka and common in another western world.

At the next extreme, there is a general union that represents workers from all sort of industries and companies.

3. Classification on the basis of an agreement

Another type of trade union is classified on the basis of agreement and based on the level to which the condition of employment is the membership. Some heads are given below that considered under this kind of trade union.

1. **Closed Shop**: The closed shop refers to the agreement between the management and the union that recruitment of the workers is done by the trade union. An employee becomes part of the shop when they enjoy the trade union.
2. **Union Shop**: It includes a fixed period of time under which a worker must join the trade union after employment and it is a kind of agreement which is known as a union shop.

3. **Preferential Shop:** It is related to giving the preference to a member. This agreement is associated with giving more preference to the worker while filling up the vacancies which are called as Preferential Shop.
4. **Maintenance Shop:** In this type of shop, there is no such compulsory membership in the union, not before and after the recruitment. But, if the worker wants to become a member of a trade union, then it is mandatory in such cases to remain the member during the employment tenure of the employee. This is also known as a membership shop.
5. **Agency Shop:** It is a kind of payment union. However, it is a sort of agreement between the management and the union, if a non-union member wants to become a member of the trade union, then they have to pay a definite sum of money to the union trade as a member’s subscription in order to continue employment with the employer.
6. **Open Shop:** In such an agreement between the union and the management, it is not compulsory or mandatory to become a member of trade union either before or after recruitment.