MBA

Semester – II

19MBAP203 HUMANRESOURCEMANAGEMENT

4H – 3C

InstructionHours/weekL:4T:0P:0

Marks:Internal:40 External:60 Total:100

End Semester Exam: 3 Hours

COURSE OBJECTIVES:

To make the students

- 1. To acquire knowledge in human resource management, HR audit, and HR analytics.
- 2. To gain knowledge of HR planning, Selection, Recruitment, job analysis and its interrelations.
- 3. To understand the concepts and practical implications of performance management, Training methods and careerplanning.
- 4. To know about compensation and reward management and its practice inindustry.
- 5. To be familiar with Employee relations and its application for the development of Human resources.

COURSEOUTCOMES:

Learners should be ableto

- 1. Assess the job analysis for a profile and understand its linkage with HRplanning
- 2. Evaluate the training needs and draft a trainingprogramme.
- 3. Understand the compensation and reward system applicable to the industry based and understand its linkage with performancemanagement
- 4. Understand and apply the appropriate employee relationsmeasures.
- 5. Understand the HR functions and latest developments in the field of HR and effectively communicate ideas, explain procedures and interpret results and solutions in written and oral forms to differentaudiences.

UNIT I HRM and latest trends in HR

Human resource management - introduction to Human Resource Management- Functions and importance of HRM – Globalization and challenges to HR manager – Diversity management – Strategic Human resource

management - HR audit accounting - HR analytics

UNIT II HRP, Selection, Recruitment and Job Analysis

Human Resource Planning and Staffing - Human resource planning and forecasting - Job Analysis -Recruitment - Employee testing and selection - Interviewing for selection - Employee Socialisation -Employee termination and Exit interviews. Job analysis and Design - Process of Job Analysis - Job description, Job specification, Job rotation, Job enrichment- Job enlargement - Job enhancement -Recruitment and selection: Sources of recruitment, Recruitment process - Process of selection - Induction and Placement.

UNIT III Training, Performance Management and career development.

Training Need assessment - Designing Training Programs – Methods and Techniques of Training and Development – training evaluation – Management development programs -Talent Management – techniques of performance appraisal – Orientation – Socialization – Process of socialization – Strategies. Training – Training process - Performance appraisal-Process – Traditional and Modern Methods - 360° - 720° feedback – Ethics of performance appraisal - challenges to performance appraisal – career and development planning- mentoring – coaching – successionplanning

UNIT IV Compensation and Reward

Compensation and Reward Management Factors influencing pay rates – Components of compensation – Types of incentives and rewards – Employee benefits and services - Executive compensation – Employee social security – Employee engagement

UNIT V Employee Relations.

Employee Relations - Managing employee relations – Grievance Management - organizational discipline – dispute settlement – Collective bargaining – Employee Health and Safety – IHRM and Managing Expatriates - Quality of Work life – Concepts – Methods to improve quality of work life

SUGGESTED READINGS:

- 1. Dessler, G. and Bijju Varkkey (2017). *Human Resource Management*, 15th edition, Pearson Education, NewDelhi.
- Aswathappa, K. (2017). Human Resource Management, 6^{8h} edition, McGraw Hill Education, NewDelhi.
- 3. David A. Decenzo, Stephen P. Robbins, Susan L. Verhulst (2015), *Human Resource Management*, 11th edition, Wiley, NewDelhi.
- 4. George W Bohlander and Scott., Snell., (2016). *Principles of Human Resource Management*, 16th edition, Cengage India, NewDelhi.
- 5. Scott Snell, George Bohlander, Veena Vohra (2010), *Human Resources Management: A South Asian Perspective*, 1st edition, Cengage India, NewDelhi.

KARPAGAM ACADEMY OF HIGHER EDUCATION, COIMBATORE Class: I MBA Course Name: Human Resource Management

Course Code: 19MBAP203

Course Name: Human Resource ManagementUnit 1-HRM and latest trends in HRMBATCH: 2019-21

UNIT I HRM and latest trends in HR

Human resource management - introduction to Human Resource Management-Functions and

 $importance \ of \ HRM-Globalization \ and \ challenges \ to \ HR \ manager - Diversity \ management - \\$

Strategic Human resource management – HR audit accounting - HR analytics

HUMAN RESOURCE MANAGEMENT

Meaning and Definition

Human Resource Management is the process of recruitment, selection of employee, providing proper orientation and induction, providing proper training and the developing skills, assessment of employee (performance of appraisal), providing proper compensation and benefits, motivating, maintaining proper relations with labor and with trade unions, maintaining employee''s safety, welfare and health by complying with labor laws of concern state or country.

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

The National Institute of Personal Management (NIPM) of India has defined human resources – personal management as "that part of management which is concerned with people at work and with their relationship within an enterprise. Its aim is to bring together and develop into an effective organization of the men and women who make up enterprise and having regard for the well – being of the individuals and of working groups, to enable them to make their best

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contribution to its success".

Features of HRM

The features of human resource management can be highlighted as follows:

1. It is an inherent part of management:

Human resource management is inherent in the process of management. This function is performed by all the managers throughout the organisation rather that by the personnel department only. If a manager is to get the best of his people, he must undertake the basic responsibility of selecting people who will work under him.

2. It is a pervasive function:

Human Resource Management is a pervasive function of management. It is performed by all managers at various levels in the organisation. It is not a responsibility that a manager can leave completely to someone else. However, he may secure advice and help in managing people from experts who have special competence in personnel management and industrial relations.

3. It is basic to all functional areas:

Human Resource Management permeates all the functional area of management such as production management, financial management, and marketing management. That is every manager from top to bottom, working in any department has to perform the personnel functions.

4. It is people centered:

Human Resource Management is people centered and is relevant in all types of organisations. It is concerned with all categories of personnel from top to the bottom of the organisation. The broad classification of personnel in an industrial enterprise may be as follows: (i) Blue-collar workers (i.e.

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those working on machines and engaged in loading,unloading etc.) and white-collar workers (i.e. clerical employees), (ii) Managerial and nonmanagerial personnel, (iii) Professionals (such as Chartered Accountant, Company Secretary,Lawyer, etc.) and non-professional personnel.

5. It involves Personnel Activities or Functions:

Human Resource Management involves several functions concerned with the management of people at work. It includes manpower planning, employment, placement, training, appraisal and compensation of employees. For the performance of these activities efficiently, a separate department known as Personnel Department is created in most of the organisations.

6. It is a continuous process:

Human Resource Management is not a "one shot" function. It must be performed continuously if the organizational objectives are to be achieved smoothly.

7. It is based on Human Relations:

Human Resource Management is concerned with the motivation of human resources in the organization. The human beings can, t be dealt with like physical factors of production. Every person has different needs, perceptions and expectations. The managers should give due attention to these factors. They require human relations skills to deal with the people at work. Human relations skills are also required in training performance appraisal, transfer and promotion of subordinates.

Objectives of HRM

The primary objective of HRM is to ensure the availability of competent and willing workforce to an organization. The specific objectives include the following:

• Human capital: assisting the organization in obtaining the right number and types of employees to fulfil its strategic and operational goals.

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- Developing organizational climate: helping to create a climate in which employees are encouraged to develop and utilize their skills to the fullest and to employ the skills and abilities of the workforce efficiently
- Helping to maintain performance standards and increase productivity through effective job design; providing adequate orientation, training and development; providing performance-related feedback; and ensuring effective two-way communication.
- Helping to establish and maintain a harmonious employer/employee relationship
- Helping to create and maintain a safe and healthy work environment
- Developing programs to meet the economic, psychological, and social needs of the employees and helping the organization to retain the productive employees
- Ensuring that the organization is in compliance with provincial/territorial and federal laws affecting the workplace (such as human rights, employment equity, occupational health and safety, employment standards, and labour relations legislation) to help the organization to reach its goals.
- To provide organization with well-trained and well-motivated employees
- To increase the employees satisfaction and self-actualization
- To develop and maintain the quality of work life
- To communicate HR policies to all employees.

Functions of HRM

The main functions of human resource management are classified into two categories: (a) Managerial Functions and (b) Operative Functions

(a) Managerial Functions: Following are the managerial functions of Human Resource Management

1. Planning

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The planning function of human resource department pertains to the steps taken in determining in advance personnel requirements, personnel programmes, policies etc. After determining how many and what type of people are required, a personnel manager has to devise ways

and means to motivate them.

2. Organisation

Under organisation, the human resource manager has to organise the operative functions by designing structure of relationship among jobs, personnel and physical factors in such away so as to have maximum contribution towards organisational objectives. In this way a personnel manager performs following functions: (a) preparation of task force; (b) allocation of work to individuals; (c) integration of the efforts of the task force; (d) coordination of work of individual with

that of the department.

3. Directing

Directing is concerned with initiation of organised action and stimulating the people

to work. The personnel manager directs the activities of people of the organisation to get its function performed properly. A personnel manager guides and motivates the staff of the organisation to follow the path laid down in advance.

4. Controlling

It provides basic data for establishing standards, makes job analysis and

performance appraisal, etc. All these techniques assist in effective control of the qualities, time and efforts of workers.

(**b**) **Operative Functions:** The following are the Operative Functions of Human Resource Management:

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1. Procurement of Personnel

It is concerned with the obtaining of the proper kind and number of personnel necessary to accomplish organisation goals. It deals specifically with such subjects as the determination of manpower requirements, their recruitment, selecting, placement and orientation, etc.

2. Development of Personnel

Development has to do with the increase through training, skill that is necessary for proper job performance. In this process various techniques of training are used to develop the employees. Framing a sound promotion policy, determination of the basis of promotion and making performance appraisal are the elements of personnel development function.

3. Compensation to Personnel

Compensation means determination of adequate and equitable remuneration of personnel for their contribution to organisation objectives. To determine the monetary compensation for various jobs is one of the most difficult and important function of the personnel management. A number of decisions are taken into the function, viz., job-evaluation, remuneration, policy, inventive and premium plans, bonus policy and co-partnership, etc. It also assists the organisation for adopting the suitable wages and salaries, policy and payment of wages and salaries in right time.

4. Maintaining Good Industrial Relation

Human Resource Management covers a wide field. It is intended to reduce strifies, promote industrial peace, provide fair deal to workers and establish industrial democracy. It the personnel manager is unable to make harmonious relations between management and labour industrial unrest will take place and millions of man-days will be lost. If labour management relations are not good the moral and physical condition of the employee will suffer, and it will be a loss to an

organisation vis-a-visa nation. Hence, the personnel manager must create harmonious relations with the help of sufficient communication system and co-partnership.

5. Record Keeping

In record-keeping the personnel manager collects and maintains information concerned with the staff of the organisation. It is essential for every organisation because it assists the management in decision making such as in promotions.

6. Personnel Planning and Evaluation

Under this system different type of activities are evaluated such as evaluation of performance, personnel policy of an organisation and its practices, personnel.

Importance of HRM

Human Resource Management has a place of great importance. According to Peter F. Drucker,—The proper or improper use of the different factors of production depends on the wishes of the human resources. Hence, besides other resources human resources need more development. Human resources can increase cooperation but it needs proper and efficient management to guide it.

Importance of personnel management is in reality the importance of labour functions of personnel department which are indispensable to the management activity itself. Because of the following reasons human resource management holds a place of importance.

- It helps management in the preparation adoption and continuing evolution of personnel programmes and policies.
- It supplies skilled workers through scientific selection process.
- It ensures maximum benefit out of the expenditure on training and development and appreciates the human assets.
- It prepares workers according to the changing needs of industry and environment.

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- It motivates workers and upgrades them so as to enable them to accomplish the organisation goals.
- Through innovation and experimentation in the fields of personnel, it helps in reducing casts and helps in increasing productivity.
- It contributes a lot in restoring the industrial harmony and healthy employer-employee relations.
- It establishes mechanism for the administration of personnel services that are delegated to the personnel department.

GLOBALISATION & HRM

Introduction to Globalization

Background to Globalization:

International Business evolved from the age of World War I (1919) & World War II(1939). The economies of several counties were down. Exports & imports were restricted due to unhealthy relations. Then the world war countries found the need of international cooperation in global trade. This lead to the formation of IMF(International Monetary Fund) & World Bank. The attempt of these advanced countries ended with the GATT(general Agreement of Trade & Tariffs) & gradually GATT was replaced by WTO(World Trade Organisation) in 1995.Hence the efforts of IMF, World Bank & WTO lead to the globalization of business during 1990s.

Phase 1 – From export-import to International Marketing: Earlier organisations used to only export or import their products across nations. Later these organisations began their promotion in the countries where their products were in demand thus starting international marketing.

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Phase 2 – From International Marketing to International Business: Since the demand of the products started increasing in the neighboring countries, it was becoming difficult for the producers to export at a larger rate hence they decided to manufacture their products in the countries where there is high demand. Eg: Uni lever established its subsidiary in India i.e HUL/HLL. Now HUL produces its product in India and markets them not only in India but to Bangladesh, Sri Lanka, Nepal etc. Thus began the International Business

Globalization:

- Doing business in more than one country
- Operating and expanding the business throughout the world
- Establishing manufacturing and distribution facilities in any part of the world
- o Global organizational structures, organizational culture & strategies
- Advantages & Disadvantages of Globalization

Advantages:

- Cheaper Products for Consumer: Mass production leads to availability of products at low price.
- Consumers get the product they want at more competitive prices.
- Consumers to get much wider variety of products to choose from.
- Globalization leads to Outsourcing in some cases which can increase of job in other countries. Eg: Moving call centers to India.

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- The international barrier gets reduced between counties which fosters the relation among nations.
- Better qualities of products are available due to standard norms set for production across the globe.
- Helps prevent market saturation in a specific market i.e it reduces too much competition in one place. For e.g too much call centers were existing in UK market which moved to India
- Standardization of product: The same products can be seen in some many places e.g coke and McDonalds
- Companies get access to much wider markets which give a scope of further development of organisations
- Increased Standard of living due to the availability of goods & services across the globe
- Increased flow of skill and non skilled jobs and workers which enables better employment conditions across the countries. Eg: Large numbers of Indian citizens work in the Middle East country which helps both the countries.

Disadvantages of globalization:

- Companies face much greater competition. This can put smaller companies, at a disadvantage as they do not have resources to compete at global scale.
- > It can increase spread of communicable diseases.
- Economic depression in one country can trigger adverse reaction across the globe.
- Widening of Gap between rich and poor countries

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Exploitation of workers: Paying the workers in less economic developed countries a fraction of what would be paid to the parent citizen workers

Impact of Globalization in India:

Indian consumers are availing cheaper products due to globalization. There was one stage where only Ambassador Cars were available at high prices but now plenty of automobile companies are existing supply at low prices.

Indian consumers have more choices to choose from. In consumer durable industries at one point , only Videocon, Onida & BPL ruled the market, but now these companies are no more capturing a big market share. Consumer has plenty to choose from variety of companies such as Samsung, Sony, HP etc.

- Indian consumers have an access to better quality of products due to global standardization. MNC"s such as Mc Donald"s, Coke etc maintain the same standard in India which is maintained throughout the world.
- Indian consumers now have a better standard of living due to the easy access of products across the globe. Online marketing, E Business & Mobile banking has helped Indian Consumers to establish a global living standard.
- Due to globalization the concept of outsourcing is made possible. The employment in India has improved to a great extent due to the emergence of call centers, BPO''s & KPO''s.
- Any Indian company can dream now to become a Indian MNC due to globalization. In finger tips the world market is available to them. Companies get access to much wider markets which give a scope of further development of organisations
- Increased flow of skill and non skilled jobs and workers which enables better employment conditions across the countries. Eg: Large numbers of Indian citizens work in the Middle East country which helps both the countries.

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Global Mind Set:

The process of globalization forces companies and individuals to develop global mindset.

A Mindset is the way we, whether an individual or an organisation observes, accepts and makes sense of the world around us.A global mindset will comprise of the following aspects:

- ➢ Intellectual global mindset:
- > Understanding of how to build and manage global alliances, partnerships and value networks
- > Ability to manage the tension between corporate requirements and local challenge
- Ability to handle complex cross-culture issue
- > Understanding of global business and industry
- Understanding cultural similarities
- Understanding other cultures and histories
- > Psychological global mindset:
- Respect for cultural differences
- Willingness to adapt, learn and cope with other cultures
- Willingness to accept good ideas no matter where they come from
- Acknowledgement of validity of different views
- Openness to cultural diversity
- Ability to suspend judgment about those from other cultures
- Positive attitude toward those from other cultures and regions

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- > Ability to adjust behaviour in a different cultural and regions
- Willingness to work across time and distance
- Desire to learn about other cultures and other parts of the world
- Social global mindset:
- > Ability to generate positive energy in people from a different part of the world
- > Ability to excite people from a different part of the world
- > Abilty to connect with people from other parts of the world
- Collaborative

Impact of Globalization on HRM

Globalization symbolizes free flow of technology and human resources across national boundaries presenting an ever-changing and competitive business environment. Globalization is a process that is drawing people together from all nations of the world into a single community linked by the vast network of communication technologies. This aspect of globalization has also affected the HRM in the business world of today. HR managers today not need to rely in a small limited market to find the right employees needed to meet the global challenge, but today they can recruit the employees from around the world. The future success of any organizations relies on the ability to manage a diverse body of talent that can bring innovative ideas, perspectives and views to their work. Thus, a HR manager needs to be mindful and may employ a "Think Global, Act Local" approach in most circumstances. Many local HR managers have to undergo cultural-based Human Resource Management training to further their abilities to motivate a group of professional that are highly qualified but culturally diverse. . Furthermore, the HR professional must assure the local professionals that these foreign talents are not a threat to their career advancement. In many ways, the

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effectiveness of workplace diversity management is dependent on the skilful balancing act of the HR manager.

Global HRM refers to Human Resource Management practices that deal with managing a diversity of workforce from all around the world.

The impact of globalization on HRM is as follows:

- Managing Cultural Diversity: Managing different employees from different cultures in the same organisation is a complex activity. Employees from each country think differently, perceptions are different towards work culture, the languages change, vocabulary differs and even non verbal communications are quite different from each region. This makes the task of the human resource department challenging due to globalization.
- Managing Expatriates: Preparing the home country employees to work in a different country is a herculean task. The beliefs, value system, culture, attitude are diverse in nature. Recruiting, retaining and motivating expatriates have a major impact on the business. Understanding expatriate"s need is a prime concern for the human resource team.
- Difference in the Employment Laws: The employment laws or the labour laws differ from one country to another. The understanding of not only the monetary benefits becomes essential but also the non monetary benefits such as leaves, flexi timings are important to be included in the human resource policy.
- Managing Outsourcing of employees: Outsourced employees to manage business are the big impact of globalization. Managing the BPO, KPO employees working with a different culture, different language, working in completely opposite shifts is a new shift in the area of human

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resources. Managing the expectation of these employees is a challenge for today"s HR and this challenge is a result of globalization.

- Managing virtual employees: Majority of the information technology based organisations have employees working "on-site" at a client"s location which is completely new to them. The virtual employees have to be managed, retained and motivated in a different way unlike the "off-shore" employees. This practice of managing the virtual employees is a result of organisations going global.
- Corporate Social Responsibility: Corporate houses actively participating in the practice of doing for the betterment of the society has emerged from the western countries. It is one of the ways make the presence felt in the host countries. Employees are encouraged to participate in such activities which help to reduce stress working with MNC"s.
- Coping with flexible working hours: The practice of flexible working hours has emerged as one of the retention initiative of workforce specially women employees who can maintain the work life balance. This practice of flexible working hours is result of working beyond normal time zones. Organisations which have a global presence need the attention of employees at various time zones which is not possible for all employees doing a continuous shift. Hence this practice emerged from globalization and has a positive impact on the HRM practice.
- Evolution of more part-time and temporary work (especially among women, the elderly and students): The concept of part time employment, contract jobs have emerged from the practice of MNC"s since hundred percent of workforce on permanent payroll is quite a expensive matter to these organisations. Majority of large MNC"s in the information technology sector has their employees under contract employment.
- Coping up with emerging technologies & quality measures: Every employee in today"s leading organisation is being trained with the latest technologies especially with the ERP

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concept like SAP or Peoplesoft. This step has been taken by MNC^{**}s to equip the employees with latest technology enabling the employees to cope up with the changing technology. Certifications like Six Sigma are availed to employees to manage the business on an international platform.

Changing perspective from subordinates to business partners: The shift has been observed in today"s MNC that culture of subordinates is getting extinct. Employees have been treated as business partners" i.e every employee is responsible towards the growth of the organisation and considered as a partner in the company. This impact is the result of globalization.

Diversity Management

Diversity management refers to organizational actions that aim to promote greater inclusion of employees from different backgrounds into an organization"s structure through specific policies and programs. Organizations are adopting diversity management strategies as a response to the growing diversity of the workforce around the world.

Advancements in technology now allow companies to hire and manage employees from around the world and in different time zones. Companies are designing specific programs and policies to enhance employee inclusion, promotion, and retention of employees who are from different backgrounds and cultures. The programs and policies are designed to create a welcoming environment for groups that lacked access to employment and more lucrative jobs in the past.

The concept of diversity started in North America in the mid-1980s, spreading to other parts of the world afterward. The then United States President, Ronald Reagan, originally vowed to dismantle the equality and affirmative action laws that were viewed as legal constraints. Equality and affirmative

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action employees presented the argument that diversity management should be seen as a competitive advantage to US companies rather than as legal constraints. The discussion attracted research into the concept of diversity and benefits of diversity management. The globalization of the world economy and the spread of multinational corporations brought a new twist into the concept, in that diversity management does not solely refer to the heterogeneity of the workforce in one country but to workforce composition across countries.

Types of Diversity Management

The following are the two types of diversity management:

Intranational diversity management

Intranational diversity management refers to managing a workforce that comprises citizens or immigrants in a single national context. The diversity programs focus on providing employment opportunities to minority groups or recent immigrants. For example, a French company may implement policies and programs with the aim of improving sensitivity and providing employment to minority ethnic groups in the country.

Cross-national diversity management

Cross-national, or international, diversity management refers to managing a workforce that comprises citizens from different countries. It may also involve immigrants from different countries who are seeking employment. An example is a US-based company with branches in Canada, Korea, and China. The company will establish diversity programs and policies that apply in its US headquarters as well as in its overseas offices. The main challenge of cross-national diversity management is that

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the parent company must consider the legislative and cultural laws in the host countries it operates in, depending on where the employees live.

Characteristics of Diversity Management

Voluntary

Unlike legislation that is implemented through sanctions, diversity management is a voluntary organizational action. It is self-initiated by organizations with a workforce from different ethnicities, religions, nationalities, and demographics. There is no legislation to coerce or government incentives to encourage organizations to implement diversity management programs and policies.

Provides tangible benefits

Unlike in the past when diversity management was viewed as a legal constraint, companies use the diversity strategy to tap into the potential of all employees and give the company a competitive advantage in its industry. It allows each employee, regardless of his/her color, religion, ethnicity, or origin to bring their talents and skills to the organization. A diverse workforce enables the organization to better serve clients from all over the world since diverse employees can understand their needs better.

Broad definition

While legislation and affirmative action target a specific group, diversity management uses a broad definition since the metrics for diversity are unlimited. The broad definition makes diversity programs more inclusive and having less potential for rejection by the members of the majority group or privileged sections of the society.

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Best Practices of Diversity Management

Organizations can implement these best practices to maintain a competitive business advantage and also capitalize on the potential of its diverse workforce. The following are the best practices that an organization can implement:

Commitment from top management

Workforce diversity can succeed if it is adopted by a shared vision with the company"s top management. The senior executives of an organization are responsible for policy formulation, and they can promote or kill workplace diversity depending on the policies they make. When the senior management fails to show commitment to implementing the diversity strategies, the diversity plan becomes severely limited.

Identify new talent pools

In an organization where more people are leaving the workforce than are being hired, management must immediately employ fresh talents. Most companies prefer the traditional new-employee sources like competitor organizations and graduate schools to recruit the best talent. Companies should look beyond the traditional new-hire sources and explore other talent pools, such as veterans exiting the military, minority groups, and talents from other regions or countries. Hiring individuals with diverse skills and knowledge can help companies to deliver better quality services to a global client base.

Provides a safe avenue for dialogue on diversity-related issues

Organizations should organize resource groups where employees from similar backgrounds can connect and communicate their concerns in a safe environment. People from minority groups often feel isolated from organizations and may, therefore, increase employee turnover. Creating avenues for

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mentorship, networking, and socializing helps to increase employee engagement and performance levels. Successful staff members can demonstrate how they found success within the organization and mentor new staff members.

Make diversity part of the company's objectives

An organization that practices workforce diversity should not shy away from letting the world know that the organization embraces diversity and works with people from all backgrounds. The organization can start by encouraging and supporting its staff who volunteer in different causes such as a disability walk or HIV/AIDs awareness forum. It can sponsor fund drives to raise funds to support vulnerable and underrepresented populations. The organization can also offer internships and scholarships to minority groups.

Distinguish between diversity and affirmative action

Various governments around the world have implemented affirmative action programs to provide opportunities for women and other minority groups. While such affirmative actions complement diversity, organizations should make a distinction between affirmative action and diversity. Diversity is proactive rather than reactive, and it requires a change in the organization. People from diverse cultures, backgrounds, and beliefs bring a range of work styles, thoughts, and perspectives that an organization can use to improve efficiency and encourage creativity in product development.

Strategic Management

Strategic management is the process of formulating, implementing and evaluating business strategies to achieve organisational objectives. Cunningham" has defined strategic management as a manner by which organisations plan to deal with the various aspects of management like problem perception,

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divergent thinking, substantial resources, decisions making, innovations, taking risks and facing uncertainty.

Meaning of strategic HRM:

Human Resource Management

The best way to understand strategic human resources management is by comparing it to human resource management. Human resource management (HRM) focuses on recruiting and hiring the best employees and providing them with the compensation, benefits, training, and development they need to be successful within an organization. However, strategic human resource management takes these responsibilities one step further by aligning them with the goals of other departments and overall organizational goals. HR departments that practice strategic management also ensure that all of their objectives are aligned with the mission, vision, values, and goals of the organization of which they are a part.

Strategic Human Resource Management

Strategic human resource management is the practice of attracting, developing, rewarding, and retaining employees for the benefit of both the employees as individuals and the organization as a whole. HR departments that practice strategic human resource management do not work independently within a silo; they interact with other departments within an organization in order to understand their goals and then create strategies that align with those objectives, as well as those of the organization. As a result, the goals of a human resource department reflect and support the goals of the rest of the organization. Strategic HRM is seen as a partner in organizational success, as

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opposed to a necessity for legal compliance or compensation. Strategic HRM utilizes the talent and opportunity within the human resources department to make other departments stronger and more effective.

Benefits of strategic management:

The strategic HR framework aims to leverage and / or align HR practices to build critical capabilities that enable an organisation to achieve its goals. Strategic management offers both financial and non-financial benefits to an organization which practices it.

Fred R. David" has listed the following benefits that strategic management brings for an organization:

- 1. Allows identification, prioritization and exploitation of opportunities.
- 2. Provides an objective view of management problems.
- 3. Represents a framework for improved co-ordination and control of activities.
- 4. Minimizes the effects of adverse conditions and changes.

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5. Allows major decisions to better support established objectives.

6. Allows more effective allocation of time and resources to identified opportunities.

7. Allows fewer resources and lesser time to be devoted to correcting erroneous or adhoc decisions.

8. Creates a framework for internal communication among personnel.

9. Helps to integrate the behaviors of individuals into a total effort.

10. Provides a basis for the clarification of individual responsibilities.

11. Gives encouragement to forward thinking.

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12. Provides a co-operative, integrated and enthusiastic approach to tackling problems and opportunities.

- 13. Encourages a favourable attitude towards change.
- 14. Gives a degree of discipline and formality to the management of a business.

Role of HRM in strategic management:

We have already mentioned that strategic business plan is formulated to achieve competitive advantage. From this specific strategy for each functional area viz., marketing, finance, production operations and human resources need to be drawn in alignment with strategic business plan to carry out the organisational plan.

In other words, the formulation of organisational strategy is integrative with the formulation of functional strategies. Here, human resource strategy assumes more importance because it provides human resources for other functional areas also.

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Lengnick Hall and Lengnick- Hall in this respect argue in "Strategic Human Resource Management" that reciprocal interdependence between an organisation"s business strategy and human resource strategy underlines the proposed approaches to the strategic management of human resources.

This suggests that we must recognize that human resources integrally affect the overall strategy of an organisation. With this in mind, we are now discussing the integrative role played by human resources in the strategic management of an organisation.

Human resource planning is a process that identifies current and future human resources needs for an organization to achieve its goals. Human resource planning should serve as a link between human resource management and the overall strategic plan of an organization. Ageing workers population in most western countries and growing demands for qualified workers in developing economies have underscored the importance of effective human resources planning.

As defined by Bulla and Scott, human resource planning is 'the process for ensuring that the human resource requirements of an organization are identified and plans are made for satisfying those requirements'.[1] Reilly defined workforce planning as: 'A process in which an organization attempts to estimate the demand for labour and evaluate the size, nature and sources of supply which will be required to meet the demand.'[2] Human resource planning includes creating an

employer brand, retention strategy, absence management strategy, flexibility strategy, talent management strategy, recruitment and selection strategy.

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The planning processes of most best practice organizations not only define what will be accomplished within a given time-frame, but also the numbers and types of human resources that will be needed to achieve the defined business goals (e.g., number of human resources; the required competencies; when the resources will be needed; etc.).

Competency-based management supports the integration of human resources planning with business planning by allowing organizations to assess the current human resource capacity based on their competencies against the capacity needed to achieve the vision, mission and business goals of the organization. Targeted human resource strategies, plans and programs to address gaps (e.g., hiring / staffing; learning; career development; succession management; etc.) are then designed, developed and implemented to close the gaps.

These strategies and programs are monitored and evaluated on a regular basis to ensure that they are moving the organizations in the desired direction, including closing employee competency gaps, and corrections are made as needed. This Strategic HR Planning and evaluation cycle is depicted in the diagram below. Human resource planning is the ongoing process of systematic planning to achieve the best use of an organisation's most valuable asset – its human resources. The objective of human resource (HR) planning is to ensure the best fit between employees and jobs, while avoiding workforce shortages or spares. The three key elements of the HR planning process are forecasting labour demand, analysing present labour supply, and balancing projected labour demand and supply.

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Implementation stages

1. Assessing the current HR capacity

Develop a skills catalog for your employees so that you have a clear understanding of what your staff currently holds. This employee catalog should include everything from volunteer activities to certifications, of all degrees not just topics pertaining to their

particular position. These catalogs can be assessed to deem whether or not an employee is ready to add more responsibility, or to forecast the employee's future development plans.

2. Forecasting HR requirements

This step includes projecting what the HR needs for the future will be based on the strategic goals of the organization. Keep in mind you will need to also accommodate for external challenges that can affect your organization.

Some questions to ask during this stage include:

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- o Which jobs will need to be filled in the upcoming period?
- o What skill sets will people need?
- o How many staff will be required to meet the strategic goals of our organization?
- o Is the economy affecting our work and ability to appeal to new employees?
- o How is our community evolving or expected to change in the upcoming period?
- 3. Gap analysis

• During this step you will observe where your organization is currently, and where you want to be in the future. You will identify things such as, the employee count, and the skills evaluation and compare it to what will be needed to achieve your future goal. During this phase you should also review your current HR practices and identify what you are doing that is useful and what you can add, that will help you achieve your goal.

Questions to answer in this stage include:

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KARPAGAM ACADEMY OF HIGHER EDUCATION, COIMBATORE		
Class: I MBA	Course Name: Human Resource Management	
Course Code: 19MBAP203	Unit 1-HRM and latest trends in HRM	BATCH: 2019-21

- o What new jobs will we need?
- o What new skills will we need?
- o Do our present employees have the necessary skills?
- o Are employees currently aligned to their strengths?
- o Are current HR practices adequate to meet our future goal?
- 4. Developing HR strategies to support the strategies of the organization.

There are 5 HR strategies that you can follow to meet your organizational goals.

Restructuring strategies

This includes reducing staff, regrouping tasks to create well-designed jobs, and reorganizing work groups to perform more efficiently.

4 Training and development strategies

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This includes providing the current staff with training and development opportunities

to encompass new roles in the organization

4 Recruitment strategies

This includes recruiting new hires that already have the skills the organization will need in the future.

Outsourcing strategies

This includes outreaching to external individuals or organizations to complete certain tasks.

Collaboration strategies

This includes collaborating with other organizations to learn from how others do things, allow employees to gain skills and knowledge not previously available in their own organization.

How Does HRM Influence Organizational Performance?

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• Effective HRM systems increase an organization"s ability to meet its goals, enhance its ability to grow and manage change, and increase employee engagement, effort, and performance.

• Managing HR helps organizations with strategic risk, operational risk, financial risk, and compliance risk.

The most effective HRM systems are based on solid research, identifying and implementing best practices, and aligning the HRM system with organizational goals and environmental realities.

HR audit accounting

HR auditing

Concept of Human Resource Audit

The word "audit" comes from the Latin verb audire, which means, to listen. Listening implies an attempt to know the state of the affairs as they exist and as they are expected/ promised to exist. Auditing as a formal process is rooted in this feature of listening. Consequently, it is a diagnostic tool to gauge not only the current status of things but also the gaps between the current status and the desired status in the area that is being audited.

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Auditing has been a routine exercise in the area of finance, especially because it is a statutory obligation. However, in case of Human Resource, there is no legal binding to adopt auditing. Some of the companies nevertheless prefer to have Human Resource audits.

Like any audit, the Human Resource Audit is also a systematic formal process, which is designed to examine the strategies, policies, procedures, documentation, structure, systems and practices with respect to the organization's human resource management. It systematically and scientifically assesses the strengths, limitations, and developmental needs of the existing human resources from the larger point of view of enhancing organisational performance.

The human resource audit is based on the premise that human resource processes are dynamic and must continually be redirected and revitalized to remain responsive to the ever changing needs. Human Resource Audits are not routine practices aimed at problem solving. Instead of directly solving problems, HR audits, like financial audits, help in providing insights into possible causes for current and future problems.

The findings of these audits aid decision making in the organisation and are usually internal documents that need not necessarily be shared with the public. Moreover, unlike Financial Audits that are routine, regulated and standardised, Human Resource Audits are non-routine and may be designed to cater to the unique needs of the organisation at a particular point in time. These are in fact, studies

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of an unusual nature. The manner in which the Audit is conducted could vary from self-directed surveys to interventions by outside consultants.

Definition:

The American Accounting Association"s Committee on Human Resource Accounting (1973) has defined Human Resource Accounting as

"the process of identifying and measuring data about human resources and communicating this information to interested parties".

HRA, thus, not only involves measurement of all the costs/ investments associated with the recruitment, placement, training and development of employees, but also the quantification of the economic value of the people in an organisation.

Flamholtz (1971) too has offered a similar definition for HRA. They define HRA as "the measurement and reporting of the cost and value of people in organizational resources".

Human Resource Audit means the systematic verification of job analysis and design, recruitment and selection, orientation and placement, training and development, performance appraisal and job evaluation, employee and executive remuneration, motivation and morale, participative management, communication, welfare and social security, safety and health, industrial relations, trade unionism, and disputes and their resolution. HR audit is very much useful to achieve the organizational goal and also is a vital tool which helps to assess the effectiveness of HR functions of an organization.

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An HR audit also goes beyond looking at the hiring process into areas like employee retention, budgeting, training, employee compensation, management/employee relations and virtually any process or practice within the company that affects its people.

A periodic Human Resource audit can qualify its effectiveness within an organization. Human Resource audits may accomplish a variety of objectives, such as ensuring legal compliance; helping maintain or improve a competitive advantage; establishing efficient documentation and technology practices; and identifying strengths and weaknesses in training, communications and other employment practices.

Human Resource auditing is something that many companies do annually, just as they audit their financial information. This gives them an accounting of their workforce and the efficiency with which the organization as an entity deals with its people, from recruiting to firing. Human Resource auditing can be likened to a person going to the doctor for a general check-up to stay well. The process allows a company to get a general idea of where it stands so it can better correct any potential problems and plan for the future.

When it comes to physical health, prevention of problems is far better than waiting until a problem arises and trying to cure it. The same holds true for human resources auditing. Preventing problems is

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much easier than trying to fix them after the fact. Good Human Resource planning and auditing can help prevent those problems, and save companies money and difficulties.

Human Resource Accounting benefits the company ascertain how much Investment it has made on its Employees and how much return it can expect from this Investment.

Need and Purpose of Human Resource Auditing

The commonly understood audits are the established and regular accounting audits carried out in accordance with specific statutory regulations. However, in the case of human resource audits, there is no legal obligation, but enlightened managements have voluntarily accepted its usefulness depending upon the circumstances. The following circumstances may be cited as examples:

- 1. felt concern by top management,
- 2. compulsions of the external forces necessitating a situational audit,
- 3. business changing significantly influenced by international business decisions affecting human resource management, and
- 4. An urge on the part of human resource management professionals towards advancement of the practices and systems.

It is necessary to take a look at these and other questions. Human Resource audit is highly useful for the purpose

- 1. Does the organisation regularly forecast the supply of and demand for employees in various categories?
- 2. Do job analyses exist for all positions in the organisation?

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- 3. Are all potential sources of recruitment identified and evaluated?
- 4. Are measurable selection criteria developed and used while filling up jobs?
- 5. Do effective training and development programmes exist?
- 6. Is there a performance evaluation system that helps assess past and potential performance?
- 7. Is the remuneration programme designed to motivate employees?
- 8. Is the plant unionised?
- 9. Does a grievance procedure exist?
- 10. Does the organisation have high quality of work life?
- 11. Does the HRM practice contribute to organisational effectiveness?
- 12. Does the management underestimate the capacity of HRM to contribute to organizational effectiveness?

Approaches to Human Resources Audit

The following approaches are adopted for purpose of evaluation:

- 1. Comparative approach
- 2. Outside authority approach
- 3. Statistical approach
- 4. Compliance approach
- 5. Management by objectives (MBO) approach

Comparative approach

In this, the auditors identify Competitor Company as the model. The results of their organization are compared with that Company/ industry.

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Outside authority approach

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

Statistical approach

In this, Statistical measures are performance is developed considering the company"s existing information.

Compliance approach

In this, auditors review past actions to calculate whether those activities comply with legal requirements and industry policies and procedures.

Management by objectives (MBO) approach

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

Sample Human Resource Audit question

- 1. How effective is the selection process in ensuring that people are placed in appropriate positions? Explain.
- 2. How effective is the appraisal process in accurately assessing performance? Explain.
- 3. How effective are rewards (financial and non-financial) in driving performance? Explain.
- 4. How effective are the training, development, and career planning activities in driving performance? Explain.

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- 5. How effective is the appraisal process in differentiating performance levels for justifying reward allocation decisions? Explain.
- 6. How effective is the appraisal process in identifying developmental needs of individuals to guide training, development, and career planning? Explain.
- 7. How effective are the training, development, and career planning activities in preparing people for selection and placement into new positions in the organization? Explain.
- 8. Overall, how effectively are the five components integrated and mutually supportive? Explain.

HR accounting

Human Resource Accounting is the activity of knowing the cost invested for employees towards their recruitment, training them, payment of salaries & other benefits paid and in return knowing their contribution to organisation towards it's profitability.

The American Accounting Association's Committee on Human Resource Accounting (1973) has defined Human Resource Accounting as "the process of identifying and measuring data about human resources and communicating this information to interested parties". HRA, thus, not only involves measurement of all the costs/ investments associated with the recruitment, placement, training and development of employees, but also the quantification of the economic value of the people in an organisation.

Flamholtz (1971) too has offered a similar definition for HRA. They define HRA as "the measurement and reporting of the cost and value of people in organizational resources".

CONCEPT OF HUMAN RESOURCE ACCOUNTING

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Human Resource Accounting (HRA) is a new branch of accounting. It is based on the traditional concept that all expenditure of human capital formation is treated as a charge against the revenue of the period as it does not create any physical asset. But now a day this concept has changed and the cost incurred on any asset (as human resources) should be capitalised as it yields benefits measurable in monetary terms.

Human Resource Accounting means accounting for people as the organisational resources. It is the measurement of the cost and value of people to organisations. It involves measuring costs incurred by private firms and public sectors to recruit, select, hire, train and develop employees and judge their economic value to the organisation.

According to Likert (1971), HRA serves the following purposes in an organisation:

It furnishes cost/value information for making management decisions about acquiring, allocating, developing, and maintaining human resources in order to attain cost-effectiveness;

It allows management personnel to monitor effectively the use of human resources;

It provides a sound and effective basis of human asset control, that is, whether the asset is appreciated, depleted or conserved;

It helps in the development of management principles by classifying the financial consequences of various practices.

Objectives of HR Accounting

The objective of HRA is not merely the recognition of the value of all resources used by the organisation, but it also includes the management of human resource which will ultimately enhance

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the quantity and quality of goods and services. The main objectives of HR Accounting system are as follows:

To furnish cost value information for making proper and effective management decisions about acquiring, allocating, developing and maintaining human resources in order to achieve cost effective organisational objectives.

To monitor effectively the use of human resources by the management.

To have an analysis of the human assets i.e. whether such assets are conserved, depleted or appreciated.

To aid in the development of management principles. and proper decision making for the future by classifying financial consequences of various practices.

In all, it facilitates valuation of human resources recording the valuation in the books of account and disclosure of the information in the financial statement.

It helps the organisation in decision making in the following areas:

Direct Recruitment vs. promotion, transfer vs. retention, retrenchment vs. retention, impact on budgetary controls of human relations and organisational behaviour, decision on reallocation of plants closing down existing units and developing overseas subsidiaries etc.

Methods of accounting

Standard Cost

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The standard cost method of human resource accounting involves determining the total cost of recruiting and hiring each employee, as well as the cost of any training or development. According to the standard cost method, the economic value of an employee is the total of these expenditures, and the annual economic value of the entire workforce is equal to the total amount of money spent on recruiting, hiring, training and developing all employees during the year.

Replacement Cost

The replacement cost method of HR accounting values an employee in terms of the amount it would cost the company to replace him. This method holds that the economic worth of a worker is equal to the estimated cost of recruiting, hiring and training a replacement, or of finding an employee with a similar set of skills and talents.

Opportunity Cost

The opportunity cost method of human resource accounting, also referred to as the competitive bidding model, assigns value to an employee based on what each department would be willing to pay him. This method envisions a fictitious situation in which a company suddenly finds labor and talent scarce and individual divisions or departments within the company must bid on existing employees.

Economic Value

The economic value model of human resource accounting involves estimating the total inflow of cash that will be produced by an employee over the course of his service to the company. Subtract the total cost of hiring, training, developing and paying an employee from the estimate of the cash he will generate for the company, and you have arrived at his net worth according to the economic value method of HR accounting.

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Benefits of HRA

There are certain benefits for accounting of human resources, which are explained as follows:

1. The system of HRA discloses the value of human resources, which helps in proper interpretation of return on capital employed.

2. Managerial decision-making can be improved with the help of HRA.

3. The implementation of human resource accounting clearly identifies human resources as valu¬able assets, which helps in preventing misuse of human resources by the superiors as well as the management.

4. It helps in efficient utilization of human resources and understanding the evil effects of labour unrest on the quality of human resources.

5. This system can increase productivity because the human talent, devotion, and skills are consid-ered valuable assets, which can boost the morale of the employees.

6. It can assist the management for implementing best methods of wages and salary administration.

Limitations of HRA

HRA is yet to gain momentum in India due to certain difficulties:

1. The valuation methods have certain disadvantages as well as advantages; therefore, there is always a bone of contention among the firms that which method is an ideal one.

2. There are no standardized procedures developed so far. So, firms are providing only as additional information.

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3. Under conventional accounting, certain standards are accepted commonly, which is not possible under this method.

4. All the methods of accounting for human assets are based on certain assumptions, which can go wrong at any time. For example, it is assumed that all workers continue to work with the same organization till retirement, which is far from possible.

5. It is believed that human resources do not suffer depreciation, and in fact they always appreciate, which can also prove otherwise in certain firms.

6. The lifespan of human resources cannot be estimated. So, the valuation seems to be unrealistic.

HR Analytics

Human Resource analytics (HR analytics) is about analyzing an organizations" people problems. For example, can you answer the following questions about your organization?

How high is your annual employee turnover?

How much of your employee turnover consists of regretted loss?

Do you know which employees will be the most likely to leave your company within a year?

You can only answer these questions when you use HR data. Most HR professionals can easily answer the first question. However, answering the second question is harder.

To answer the second question, you"d need to combine two different data sources. To answer the third one, you"d need to analyze your HR data.

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HR departments have long been collecting vast amounts of HR data. Unfortunately, this data often remains unused. As soon as organizations start to analyze their people problems by using this data, they are engaged in HR analytics.

The scientific definition of HR analytics

What is the scientific definition of HR analytics? HR analytics is the systematic identification and quantification of the people drivers of business outcomes (Heuvel & Bondarouk, 2016).

How HR analytics helps Human Resource Management

Like marketing analytics has changed the field of marketing, HR analytics is changing HR. It enables HR to:

- 1. Make better decisions using data
- 2. Create a business case for HR interventions
- 3. Test the effectiveness of these interventions
- 4. Move from an operational partner to a tactical, or even strategic partner
- 5. Today, the majority of HR departments focus on reporting employee data. This doesn't suffice in today's data-driven economy.

Just keeping records is often insufficient to add strategic value. In the words of Carly Fiorina: "The goal is to turn data into information and information into insight". This also applies to HR.

Doing this enables HR to become more involved in decision-making on a strategic level. The picture below shows how this works in practice.

A few examples

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To get started with HR analytics, you need to combine data from different HR systems. Say you want to measure the impact of employee engagement on financial performance. To measure this relationship, you need to combine your annual engagement survey with your performance data. This way you can calculate the impact of engagement on the financial performance of different stores and departments.

Key HR areas will change based on the insights gained from HR analytics. Functions like recruitment, performance management, and learning & development will change.

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Key HR areas will change based on the insights gained from HR analytics. Functions like recruitment, performance management, and learning & development will change.

Advantages And Challenges Of HR Analytics

The demand for HR analytics is getting higher day by day as it helps companies to make right decisions about their employees and regular business processes. Traditionally, the HR department works good on managing number of employees, training sessions, salary, attendance, and annual appraisals, etc. With the advent of technology and massive saving of data, the role of HR has extended and the effective use of HR data is influencing overall business strategies. It can be utilized to stimulate growth, especially during tough economic situations. It brings together the information of all the people worked in an organization and utilizes their data to address some specific issues related to hiring, retention, productivity and fraud etc.

Benefits of HR Analytics

Almost every organization collects employees" data in one or other form and utilizes it for planning and transforming business structure. They know very well that effective use of data will help them to leg up on the competition. Most of the organizations know the power of HR analytics and utilize it to solve problems related to the workforce. They use dashboards as an effective tool to collect and monitor employees" related data that affect company"s performance.

Key benefits of using HR analytics in an organization include:

- > HR analytics help in managing overall HR works in a better way.
- > It enables the HR department to display its benefits and role to achieve corporate goals.

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- It helps in improving the overall performance of an organisation through quality decisions especially in talent hiring.
- It forecasts about workforce requirements and needed skill-set for improving the overall performance of a business.
- > Provide information of various competitive platforms for the organization.
- > Optimization of talent through planning.
- > Help in finding the lacking areas that become the key reason for attrition.
- ➢ Help in maintaining high-value employees.
- > Finding and hiring well qualified staff for a specific position.
- Defining the Key performance Indicators (KPIs) to evaluate the success and finding the ways so that companies can achieve business objectives quickly.
- ➢ Get to know about the factors which make employees satisfied and happy.

Key Challenges in HR Analytics

HR analytics does not limited to collecting data related to employees" performance, but it aims to implementation of a number of new ways to utilize gathered data. However, there are few challenges that may stop them from utilizing the real power of HR analytics. They may possibly face difficulties to capture the valuable data for a particular purpose. Many organisations are not clear about what type of data needs to be captured to make most accurate decisions. Some of the challenges include:

Data and data variety: Different services of HR use different tools sourced from different vendors that work in isolation. If analytics need to be implemented, the major challenge is to pool these silo systems or connect them to communicate to each other which puts off even the determined ones.

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Training and Mindset: Marketing, Operations, and Data Management and other departments is supported by HR, it is registered in the minds that HR is a supporting department. Due to this thinking limitation and lack of analytical training opportunities towards analytics do not encourage HR analytics in organizations.

Biases and fears: Rising expectations of data driven approaches, leading to conflicting approaches and fears that data-driven decisions might reduce the human essence in problem solving, it might reduce personal preferences.

However, its a fact that organizations using data analytics take more valuable decisions to benefit themselves, maximizing profits ensuring long-term success.

Objectives of HR Analytics

- > Predict attrition especially amongst high performers.
- Forecast the right fitment for aspiring employee
- Predict how compensation values will pan out.
- Establish linkages between Employee engagement score and C-Sat scores(Work in progress)

Critical areas for HR Predictive analytics

1. Turnover modeling.

Predicting future turnover in business units in specific functions, geographies by looking at factors such as commute time, time since last role change, and performance over time.

2. Targeted retention.

Find out high risk of churn in the future and focus retention activities on critical few people

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3. Risk Management.

Profiling of candidates with higher risk of leaving prematurely or those performing below standard.

4. Talent Forecasting.

To predict which new hires, based on their profile, are likely to be high fliers and then moving them in to fast track programs

Trend wise Analytics – HR analytics capabilities

The three levels of HR analytics and reporting

Level 1: Descriptive analysis

•Reporting of basic metrics, their frequencies & percentages by various cuts followed by key highlights. These can be monthly, quarterly, half yearly tracking reports

• Tool: SAS/REPORT

• Techniques: frequencies, means, percentages etc.

Level 2: Operational metrics

•Derivation of some HR operational metrics which will help us in tracking the efficiency of HR functions

• Tool: SAS

• Techniques: means, variance, control limits, ratios, percentages etc.

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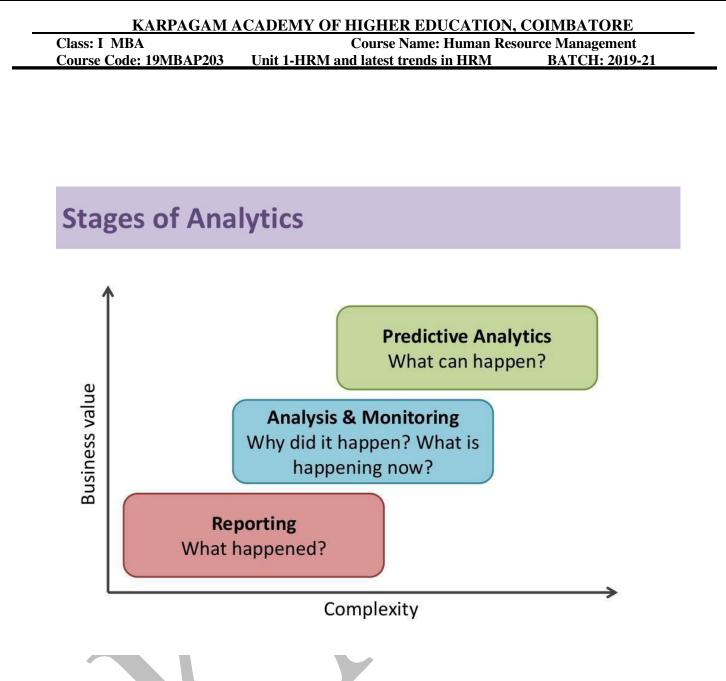
Level 3 : Predictive analysis

- •Predictive analysis based on historical HR data. Attrition forecasting, performance management, compensation analysis, survey analytics, new hire strategies etc.,
- Tool: SAS BASE, SAS E-miner, Excel
- Techniques: Regression analysis, Time series analysis, cluster analysis etc.

Stages of HR Analytics

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Critical areas for HR Predictive analytics

Turnover modeling. Predicting future turnover in business units in specific functions, geographies by looking at factors such as commute time, time since last role change, and performance over time. One can accelerate hiring efforts accordingly, reducing lead time time and panic hiring, which can lead to lower cost, higher quality hiring.

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Recruitment advertising /HR Branding effectiveness: HR Branding efforts based on Response modeling for advertising jobs.

HR – Predictive analytics

- 1. Targeted retention.
 - a. Find out high risk of churn in the future and focus retention activities on critical few people .
- 2. Risk Management:
 - a. profiling of candidates with higher risk of leaving prematurely or those performing below standard.
- 3. Talent Forecasting.
 - a. To predict which new hires, based on their profile, are likely to be high fliers and then moving them in to fast track programs

Tools and software used

Typical tools / software:

- Microsoft Excel (max used)
- BI reporting tools
- ERP reporting tools, dashboards
- Statistical software like SAS, SPSS etc

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Class: I MBA	Course Name: Human Resource Management
Course Code: 19MBAP203	Unit 1-HRM and latest trends in HRMBATCH: 2019-21

KARPAGAM ACADEMY OF HIGHER EDUCATION
DEPARTMENT ON MANAGEMENT
COURSE NAME - HUMAN RESOURCE MANAGEMENT
COURSE CODE – 19MBAP203

	UNIT 1								
s.no	Questions	Option A	Option B	Option C	Option D	Answer			
1	In business, there are several types of business organisation, what are these?	Private	Public and voluntary	Voluntary and private	Public, Private and Voluntary	Public, Private and Voluntary			
2	The development function of human resources has three dimensions. Which of the following does not fall under the development function of human resources?	Employee training	Management development	Career development	Identifying ways to motivate employees	Identifying ways to motivate employees			
3	In which year did the term HRM emerge?	1970	1990	1980	1999	1970			
4	An HR manager in a large multinational firm is involved in establishing an intentional structure of roles for people and assigning responsibilities. What is the managerial function that the HR manager is performing?	Organizing	Staffing	Directing	Controlling	Organizing			

5	helps the organization in the achievement of long-term and short- term goals through optimum utilization of human resources .It involves the development of HR objectives & their alignment with the organizational objectives.	Employee relations management	strategic HRM	Compensation management	Human relations management	strategic HRM
6	Human Resource Management differs from Personnel Management both in and	Definitions and functions	Scope and orientation	Functions and objectives	None of the above	Scope and orientation
7	Organizations need to evolve HR policies as they ensure_and in treating people.	Constancy and similarity	Intention and safety	Consistency and uniformity	None of the above	Consistency and uniformity
8	Which of the following is not an objective of the Human Resource Management Function?	Societal objectives	Political objectives	Personal Objectives	Organisational Objectives	Political objectives
9	A business, whether national or international, contains the following activities or functions:	Operations, Human Resource Management, Accounting	Production, Human Resource Management, Accounting, Marketing, and Research and Development.	Production, Human Resources, Finance, Sales and Marketing, Research and Development.	Operations, Human Resource Management, Accounting, Sales, Research and Development.	Operations, Human Resource Management, Accounting
10	Elements of HRM as a business function include all but which one of the following?	Motivating the workforce	Management of rewards	Training and development	Overseeing quality management	Overseeing quality management
11	In strategic human resource management, HR strategies are generally aligned with	business strategy	marketing strategies	finance strategy	economic strategy	Business strategy

12	Which of the following is closely associated with strategic human resource management?	efficient utilization of human resources	attracting the best human resources	providing the best possible training	All of the above	All of the above
13	Strategic human resource management achieves competitive advantage through	People	Pattern	Technology	Process	People
14	Strategic human resource management mould the human resource in such a way to attain	Profit	Organizational goal	Individual goal	Market share	Organizational goal
15	SHRM first evolved in the year	1964	1974	1984	1994	1984
16	A control technique that helps in measuring the cost and value of people for an organization and helps management to value its human resources is	Human resource accounting	Employee control systems	Organizational control system	Value based accounting	Human resource accounting
17	Which of the following conditions is essential for an effective HR audit?	Top management's commitment	clarity in HR audit objectives	regularity and continuity	All of the above	All of the above
18	When the cost incurred on recruiting, training and developing the employees is considered for determining the value of employees, it is called	the replacement cost approach	the historical cost approach	the opportunity cost approach	none of the above	the historical cost approach
19	The opportunity cost approach in human resource accounting was introduced by	Hekimian and Jones	Rensis Likert	Eric G. Flamholtz	William C. Pyle	Hekimian and Jones
20	The aggregate payment approach in human resource accounting was developed by	Myers and Flowers	Hermanson	S. K. Chakraborty	none of the above	S. K. Chakraborty
21	Which of the following statements is not true about an HR audit?	It establishes a benchmark for measuring the performance	It is done by internal employees or external	It gathers data about people, processes, structures and	It is a statutory requirement for an organization.	It is a statutory requirement for an

		of the HR department.	consultants.	policies.		organization.
22	Which of the following pieces of information is normally not considered for HR audit?	job description and job specification statements	hiring policies, practices and procedures	details about exit and other interviews	None of the above	None of the above
23	The HR audit needs to be done atlevels of the organization.	Two	Three	Four	Five	Three
24	The HR audit needs to be done atlevels of the organization.	Internal	External	Self-directed	Task-force	Internal
25	The company plan for how it will balance its internal strength and weakness with external opportunities and threats in order to maintain competitive advantage is known as	Environmental scanning	HR strategy	Policies and procedures	Strategy	Strategy
26	The HR manager of company involved in heavy downsize due to economic downturn. The HR involved in restructuring the business due to downsize activities. This role of HR is an example of	Executing strategy	Environmental scanning	Operational activities	Formulating strategy	Executing strategy
27	The tendency of firms to extend their sales or manufacturing to new markets abroad is known as	Domestication	Globalization	Cultural diversity	Product diversification	Globalization
28	The globalization in markets has vastly increased	Employee turnover	Quality of products and service	Prices of products and services	International competition	International competition
29	The goal of HRM is to	Align people practices to organizational strategy	Manage people and work	Look after payrolls	Provide training and compensation	Align people practices to organizational strategy
30	Diversity management is	Another term for	Targeted at the four designated	A voluntarily- initiated	Broader scope and more inclusive	A voluntarily- initiated

31 32 33	Diversity initiates Organizations that have been most successful in managing diversity tend to share all of the following except Diversity training programs	employment equity Never involve overcoming resistance to prejudice No visible minority employees Tries to educate	groups Usually do not involve overcoming resistance to change Diversity training programs Tries to educate employees about	employment initiative Should be undertaken quickly Activities to celebrate diversity Tries to educate	scope than employment eqity Involve a complex change process Top management commitment Are designed to provide awareness	employment initiative Involve a complex change process No visible minority employees Tries to educate
		employees about specific gender and cultural differences and are designed to provide awareness of diversity issues	specific ender and cultural differences	employees on cultural differences	on diversity issues	employees about specific gender and cultural differences and are designed to provide awareness of diversity issues
34	To avoid the fear of alienation, firms have established	Policies and procedures	Diversity training programs	Diversity audits	Support groups	Support groups
35	Diversity management programs include	Broad recruitment practices	Diversity practices	Diversity audits and a mentoring program	Diversity audit	Diversity audits and a mentoring program
36	Diversity management will not receive high priority unless	Employees are held accountable	Formal assessments are completed	New hires are held accountable	Supervisors are held accountable	Supervisors are held accountable

37	A HR manger performs a managerial function through the following activities	Procurement	Development	Organizing	Performance appraisal	Organizing
38	The operative function performed by a HR manager is	Planning	Organizing	Controlling	Procurement	Procurement
39	A HR manager establishes advisory function through	Planning	Maintenance	Advising to top manager	Motivating employees	Advising to top manager
40	Which of following is traditional role of HR mangers in 1990's	Coaching and mentoring	Labor union management	Environmental scanning	Hiring and firing	Hiring and firing
41	In early days personnel administration was linked with	Union- management relationship	Improving personnel	Laws and regulations	Played very subservient role in organization	Played very subservient role in organization
42	The second phase of personnel management arrived in 1930 with	Minimum wage legalization	Health and safety legalization	Decrease in union activities	Decrease in scientific management moment	Minimum wage legalization
43	The objective of HR accounting is	Provide a report on daily HR activities	Monitor effective use of the human resources	Monitor the effective use of finance	Monitor the quality of service delivered	Monitor effective use of the human resources
44	The advantage of HR accounting includes all except	Information for manpower planning	Proper utilization of human resources	For designing better training and development programs	Provides information for business intelligence	Provides information for business intelligence
45	The HR manager of a manufacturing firm was given the task of providing information on market statistics of personnel availability,pay rates etc.what role of an HR executive is the manager performing?	The Executive	service provider	The consultant	The facilitator	The service provider

46	HR audit is closely linked with	Matching HR activities with HR outcomes	Measuring the value of expenses involved	Predicting data for future requirement	Managing people across the globe	Matching HR activities with HR outcomes
47	Management pracrices in early 1800 and 1990 emphasized	Higher wages	Empowerment	Work conditions	Task simplification and performance based pay	Task simplification and performance based pay
48	The process of analyzing manufacturing processes, reducing production costs and compensating employees based on their performance is found in	Human relation movement	Scientific management	Human resource movement	None of the above	Scientific management
49	Which of following emphasis on Fredrick Taylor theory on HRM	Compensation tied to performance	Work conditions	Job rotation	Empowerment of employees	Compensation tied to performance
50	Use of data, facts, analytics and evaluated research for making decision is known	Evidence based HRM	High performance work system	HR metrics	HR intelligence	Evidence based HRM
51	Planning function of management process involves	Developing employees	Evaluating performance	Establishing departments	Establishing goals	Establishing goals
52	A HR manager directs staff activities in related areas, he is performing	Staff function	Coordinator function	Line function	Facilitator	Line function
53	Handling labour relation is a	Managerial function	Operative function	Advisory function	Line function	Operative function
54	In an organization, research efforts that are made to evaluate the current structure of human resources management are classified as	Human resource assessment	Human resource audit	Human resource research	Human resource rating	Human resource audit

55	HR analytics provides information	Current human	Future human	Quantified	Depreciating value	Quantified
	about	resource value	resource	data about	of human resources	data about
			requirements	people		people
56	Predictive HR analytics is	Prediction of	Prediction of	Prediction of	All of the above	All of the
		compensation	attrition rate	future trends		above
57	External and internal audit of a	Economic	Political trends	Competitive	All of the above	All of the
	company includes	trends		trends		above
58	The HRM function can be carried out	Reactive and	Proactive and	Operational	Technical and	Operational
	at two levels	strategic	strategic	and strategic	strategic	and strategic
59	External influences on HRM include	Demographic	Legislative	Personnel	Economic changes	Personnel
	the following except	changes	changes	changes		changes
60	Aside from HR manager who else can	Employees	Line	Top level	All of the above	All of the
	involve in health and safety of an		management	_		above
	employee		-			

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UNIT II HRP, Selection, Recruitment and Job Analysis

Human Resource Planning and Staffing - Human resource planning and forecasting – Job

Analysis -Recruitment - Employee testing and selection - Interviewing for selection -

Employee Socialisation – Employee termination and Exit interviews. Job analysis and Design – Process of Job Analysis - Job description, Job specification, Job rotation, Job enrichment- Job enlargement – Job enhancement - Recruitment and selection: Sources of recruitment, Recruitment process – Process of selection - Induction and Placement.

Human Resource Planning and staffing

Human Resource Planning

Human Resource Planning is concerned with the planning the future manpower requirements are the organisation. Human Resource manager ensures that the company has the right type of people in the right number at the right time and place, who are trained and motivated to do the right kind of work at the right time. Obviously, human resource planning primarily makes appropriate projections for future manpower needs of the organisation envisages plan for developing the manpower to suit the changing needs of the organisation from time to time, and foresees how to monitor and evaluate the future performance. It also includes the replacement plans and managerial succession plans. Human Resource planning is the process by which a management determines how an organisation should move from its current manpower position to its desired manpower position. Through planning a management strives to have the right number and the right kinds of people at the right places, at the right time, to do things which result in both the organisation and the individual receiving the maximum long-range benefit.

Definitions of Human Resource Planning

According to Wikstrom, Human Resource Planning consists of a series of activities, viz.,

(a) Forecasting future manpower requirements, either in terms of mathematical projections of trends in the economic environment and developments in industry, or in terms of judgemental estimates based upon the specific future plans of a company;

(b) Making an inventory of present manpower resources and assessing the extent to which these resources are employed optimally;

(c) Anticipating manpower problems by projecting present resources into the future and comparing them with the forecast of requirements to determine their adequacy, both quantitatively and qualitatively; and

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(d) Planning the necessary programmes of requirements, selection, training, development, utilisation, transfer, promotion, motivation and compensation to ensure that future manpower requirements are properly met.

Coleman has defined Human Resource Planning as "the process of determining manpower requirements and the means for meeting those requirements in order to carry out the integrated plan of the organisation".

Human resource planning is a double-edged weapon. If used properly, it leads to the maximum utilisation of human resources, reduces excessive labour turnover and high absenteeism; improves productivity and aids in achieving the objectives of an organisation. Faultily used, it leads to disruption in the flow of work, lower production, less job satisfaction, high cost of production and constant headaches for the management personnel. Therefore, for the success of an enterprise, human resource planning is a very important function, which can be neglected only at its own peril.

Objectives of HR Planning

The major objectives of Human Resource Planning in an organisation are to:

(i) ensure optimum use of human resources currently employed;

- (ii) Avoid balances in the distribution and allocation of human resources;
- (iii) assess or forecast future skill requirements of the organisation's overall objectives;
- (iv) Provide control measure to ensure availability of necessary resources when required;
- (v) Control the cost aspect of human resources;
- (vi) Formulate transfer and promotion policies.

Steps in Human Resource Planning

Human resource planning refers to a process by which companies ensure that they have the right number and kinds of people at the right place, at the right time; capable of performing diverse jobs professionally. Planning the use of human resources is an important function in every organisation. A rational estimate to various categories of personnel in the organisation is an important aspect of human resource planning. HRP involves the following steps:

1. Analysis of Organisational Plans and Objectives

Human resource planning is a part of overallplan of organisation. Plans concerning technology, production, marketing, finance, expansion anddiversification give an idea about the volume of future work activity. Each plan can further be analysed into sub-plans and detailed programmes. It is also necessary to decide the time horizonfor which human resource plans are to be prepared. The future organisation structure and job design should be made clear and changes in the organisation structure should be examined so as to anticipate its manpower requirements.

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2. Forecasting Demand for Human Resources

Human resource planning starts with the estimation of the number and type of personnel required at different levels and in different departments. The main steps involved in HRP process are (a) to determine and to identify present and prospective needs of human resource, (b) to discover and recruit the required number of persons. (c) to select the right number and type from the available people. (d) to hire and place in the positions for which they are qualified, (e) to provide information to the selected people about the nature of work assigned to them, (f) to Promote or to transfer as per the needs and the performance of employees, (g) to denote if the employees are disinterested or their performance is not up to the mark, (h) to terminate if they are not needed or their performance is below standard and shows no hopes of improvement. It is the most crucial and critical area of HRD. This HRD manager must pay attention to place right man to the right job through recruitment selection Training and Placement of employees. This calls for the adoption of a systematic procedure to complete recruitment and selection.

3. Forecasting Supply of Human Resources

One of the important areas of human resources planning is to deal with allocation of persons to different departments depending upon the workload and requirements of the departments. While allocating manpower to different departments, care has to be taken to consider appointments based on promotions and transfers. Allocation of human resource should be so planned that available manpower is put to full use to ensure smooth functioning of all departments.

4. Estimating Manpower Gaps

Net human resource requirements or manpower gaps can be identified by comparing demand and supply forecasts. Such comparison will reveal either deficitor surplus of human resources in future. Deficits suggest the number of persons to be recruitedfrom outside whereas surplus implies redundant to be redeployed or terminated. Similarly, gapsmay occur in terms of knowledge, skills and aptitudes. Employees deficient in qualifications can be trained whereas employees with higher skills may be given more enriched jobs.

5. Matching Demand and Supply

It is one of the objectives of human resource planning to assess the demand for and supply of human resources and match both to know shortages and surpluses on both the side in kind and in number. This will enable the human resource department to knowoverstaffing or understaffing. Once the manpower gaps are identified, plans are prepared to bridge these gaps. Plans to meet the surplus manpower may be redeployment in other departments and retrenchment in consultation, with the trade unions. People may be persuaded to quit through

voluntarily retirement. Deficit can be met through recruitment, selection, transfer, promotion, andtraining plans. Realistic plans for the procurement and development of manpower should be

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madeafter considering the macro and micro environment which affect the manpower objectives of theorganisation.

Importance of Human Resource Planning

HRP is the subsystem in the total organizational planning. Organizational planning includes managerial activities that set the company's objective for the future and determines the appropriatemeans for achieving those objectives. The importance of HRP is elaborated on the basis of the keyroles that it is playing in the organization.

1. Future Personnel Needs

Human resource planning is significant because it helps to determine thefuture personnel needs of the organization. If an organization is facing the problem of either surplus or deficiency in staff strength, then it is the result of the absence of effecting HR planning. All public sector enterprises find themselves overstaffed now as they never had any planning for personnel requirement and went of recruitment spree till late 1980's. The problem of excess staff has become such a prominent problem that many private sector units are resorting to VRS 'voluntary retirement scheme'. The excess of labour problem would have been there if the organization had good HRP system. Effective HRP system will also enable the organization to have good succession planning.

2. Part of Strategic Planning

HRP has become an integral part of strategic planning of strategicplanning. HRP provides inputs in strategy formulation process in terms of deciding whether theorganization has got the right kind of human resources to carry out the given strategy. HRP is alsonecessary during the implementation stage in the form of deciding to make resource allocationdecisions related to organization structure, process and human resources. In some organizations HRP play as significant role as strategic planning and HR issues are perceived as inherent in businessmanagement.

3. Creating Highly Talented Personnel

Even though India has a great pool of educated unemployed, it is the discretion of HR manager that will enable the company to recruit the right person with right skills to the organization. Even the existing staff hope the job so frequently that organization face frequent shortage of manpower. Manpower planning in the form of skill development is required to help the organization in dealing with this problem of skilled manpower shortage

4. International Strategies

An international expansion strategy of an organization is facilitated to a

great extent by HR planning. The HR department's ability to fill key jobs with foreign nationals andreassignment of employees from within or across national borders is a major challenge that is beingfaced by international business. With the growing trend towards global operation, the need for HRPwill as well will be the need to integrate HRP more closely with the organizations strategic plans.Without effective HRP and subsequent attention to employee recruitment, selection,

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placement, development, and career planning, the growing competition for foreign executives may lead to expensive and strategically descriptive turnover among key decision makers.

5. Foundation for Personnel Functions

HRP provides essential information for designing and implementing personnel functions, such as recruitment, selection, training and development, personnel movement like transfers, promotions and layoffs.

6. Increasing Investments in Human Resources

Organizations are making increasing investments human resource development compelling the increased need for HRP. Organizations are realizing that human assets can increase in value more than the physical assets. An employee who gradually develops his/ her skills and abilities become a valuable asset for the organization. Organizations can make investments in its personnel either through direct training or job assignment and the rupee value of such a trained, flexible, motivated productive workforce is difficult to determine. Top officials have started acknowledging that quality of work force is responsible for both short term and long term performance of the organization.

7. Resistance to Change

Employees are always reluctant whenever they hear about change and evenabout job rotation. Organizations cannot shift one employee from one department to another withoutany specific planning. Even for carrying out job rotation (shifting one employee from one department to another) there is a need to plan well ahead and match the skills required and existing skills of the employees.

8. Succession Planning

Human Resource Planning prepares people for future challenges. The 'stars'are picked up, trained, assessed and assisted continuously so that when the time comes such trained employees can quickly take the responsibilities and position of their boss or seniors as and whensituation arrives.

9. Other Benefits

- (a) HRP helps in judging the effectiveness of manpower policies and programmes of anagement.
- (b) It develops awareness on effective utilization of human resources for the overall development of organization.
- (c) It facilitates selection and training of employees with adequate knowledge, experience and aptitudes so as to carry on and achieve the organizational objectives HRP encourages the company to review and modify its human resource policies and practices and to examine the way of utilizing the human resources for better utilization.

Factors affecting HRP

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HRP is influenced by several factors. The most important of the factors that affect human resource planning are:

1. Type and Strategy of the Organization

Type of the organization determines the production processes involve, number and type of staff needed and the supervisory and managerial personnel required. If the organization has a plan for organic growth then organization need to hire additional employees. On the other hand if the organization is going for mergers and acquisition, then organization need to plan for layoffs.

2. Organizational Growth Cycles and Planning

All organizations pass through different stages of growth from the day of its inception. The stage of growth in which an organization is determines the nature and extends of HRP. Small organizations in the earlier stages of growth may not have well defined personnel planning. But as the organization enters the growth stage they feel the need to plan its human resource. At this stage organization gives emphasis upon employee development. But as the organization reaches the mature stage it experience less flexibility and variability resulting in low growth rate. HR planning becomes more formalized and less flexible and less innovative and problem like retirement and possible retrenchment dominate planning. During the declining stage of the organization HRP takes a different focus like planning to do the layoff, retrenchment and retirement.

3. Environmental Uncertainties

Political, social and economic changes affect all organizations and the fluctuations that are happening in these environments affect organizations drastically. Personnel planners deal with such environmental uncertainties by carefully formulating recruitment, selection, training and development policies and programmes.

4. Time Horizons

HR plans can be short term or long term. Short term plans spans from six monthsto one year, while long term plans spread over three to twenty years. The extent of time perioddepends upon the degree of uncertainty that is prevailing in an organizations environment.

5. Type and Quality of information

The quality and accuracy of information depend upon the clarity with which the organizational decision makers have defined their strategy, structure, budgets, production schedule and so on.

6. Nature of Jobs Being Filled

Personnel planners need to be really careful with respect to thenature of the jobs being filled in the organization. Employees belonging to lower level who need very limited skills can be recruited hastily but, while hiring employees for higher posts, selection and recruitment need to be carried out with high discretion

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7. Outsourcing

Many of the organizations have surplus labour and hence instead of hiring more people they go for outsourcing. Outsourcing determines HRP.

Problems & Issues of Human Resource Planning

Human resources planning involves projecting how many people will be needed to fill positions in an organization. This planning occurs in a changing environment. Organizations study their short-term and long-term needs to hire new employees. Uncertain economic conditions, such as overseas competition, and changes in technology are examples of why an organization might adjust its hiring needs.

Mismatch between Applicants and Skills

An organization may find it difficult to fill the positions called for by HR planners. This might be because there is more demand in the organization than there is in available talent in the job market. Another reason is that the organization's recruiting strategies aren't attracting the right talent. Not being able to fill positions that are critical to achieving operational goals leaves the organization in a weak business position. That's why forecasting human resources needs should be followed up with effective recruitment, replacement and retention of employees.

Environmental Issues

Environmental issues can occur inside an organization. Demographic changes affect the internal work climate. Differences in work values between generations, such as Baby Boomers and Generations X and Y, mean that employees want different things to be satisfied with their work. Programs must address these different needs in one culture. Also, technological changes require workers to continuously add new technical skills. If employees' current skills aren't needed, they may become redundant. HR planning involves planning for organizational learning, or developing staff skills, to keep pace with changes in the business market.

Recruitment and Selection

Organizations get better staffing results when they can count on HR departments and line managers to do their own jobs effectively. For example, HR personnel depend on line managers to use web-based tools to perform recruiting and selection (or hiring) functions with limited assistance. The HR department posts the steps in the hiring process, policies and procedures, and documents on the company intranet. Although HR personnel may consult about questions, line managers must be able to follow guidelines for recruitment and hiring without exposing the organization to liability. **Training and Development**

Training and Development

Line managers must do more than recruitment and hiring. They must perform other jobs that used to be associated with personnel departments. They must address their own employees' training and development needs. Line managers must find all of the resources inside and outside the organization to ensure employees develop the required skills. This takes place in the context of

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keeping employees motivated to perform. Effective communication between line managers and HR personnel planners can result in effective identification of training and development needs exceeding current resources.

Barriers to Human Resource Planning

1) HR practitioners are perceived as experts in handling personnel matters, but are not experts in managing business. The personnel plan conceived and formulated by the HR practitioners when enmeshed with organizational plan, might make the overall strategic plan of the organization in effective.

2) HR information often is incompatible with other information used in strategy formulation. Strategic planning efforts have long been oriented towards financial forecasting, often to the exclusion of other types of information. Financial forecasting takes precedence over HRP.

3) Conflict may exist between short term and long term HR needs. For example, there can be a conflict between the pressure to get the work done on time and long term needs, such as preparing people for assuming greater responsibilities. Many managers are of the belief that HR needs can be met immediately because skills are available on the market as long as wages and salaries are competitive. Therefore, long times plans are not required, short planning are only needed.

4) There is conflict between quantitative and qualitative approaches to HRP. Some people

view HRP as a number game designed to track the flow of people across the department. Others take a qualitative approach and focus on individual employee concerns such as promotion and career development. Best result can be achieved if there is a balance between the quantitative and qualitative approaches.

6) Non-involvement of operating managers renders HRP ineffective. HRP is not strictly an

HR department function. Successful planning needs a co-ordinated effort on the part of operating managers and HR personnel.

Human Resource Planning and Forecasting

Labour forecasting is key to an organization's ability to achieve its operational, production, and strategic goals.

Forecasting Human Resource Supply

The objective of identifying future Human Resource supply requirements is to determine the number of employees in each job and their knowledge, skills, abilities, and other characteristics .In addition, forecasting Human Resource supply is essential in determining the characteristics of hiring sources within the predetermined planning horizon in order to establish whether future Human Resource supply is sufficient to match future Human Resource demands. For this, an organization

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needs to evaluate both their internal and external labour force. This step is dependent on an accurate assessment of the current workforce situation. Forecasting Human Resource supply involves an understanding of internal and external potential Human Resource supplies.

Forecasting External Human Resource Supply

There are multiple levels at which external Human Resource supply can be predicted. Information that will help to develop an understanding of external Human Resource supply includes:

- Supply and demand of jobs or skills
- Educational attainment levels within a region
- Compensation patterns based on experience, education, or occupation
- Immigration and emigration patterns within an area
- Forecasts of economic growth or decline
- Competition for talent
- Industry or occupational expected growth levels.

Forecasting Internal Human Resource Supply

By reviewing the data in the Human Resource audits, projections can be made for future Human Resource supply. The internal labour force may be affected by temporary absences such as leaves, permanent absences or turnover etc.

Turnover refers to the termination of an individual's employment with an organization.

Total turnover is the total number of employees leaving an organization divided by the total

number of employees in an organization. Turnover can be classified into two sub groups—voluntary and involuntary. Voluntary turnover is defined as employee-initiated turnover, mainly in the formof quits or resignations. In this instance, the decision to terminate employment with the firm is made by the employee, without management enticement. Involuntary turnover is defined as employer initiated turnover, mainly in the form of dismissals or layoffs.

Trend Analysis

Trend analysis is considered one of the simplest methods of forecasting future Human Resource supply. It assumes that past trends and ratios in employee movement are stable and indicative of future trends and ratios in employee movement. The information collected in the Human Resource audit is used to identify labour patterns—hiring patterns, retirement patterns, productivity patterns, and turnover patterns. By examining the trends of the past, the Human Resource department can predict the effect of the same activity on the future of the organization, because it is assumed that these patterns will remain stable.

Skills/Competency Models

Competency models focus on matching the right skills or competencies needed for each job with the skills available within the organization. The competency models focus on identifying the skills/competency supply within the organization, and helping focus future recruitment, selection,

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retention, and training activity in core areas of key competencies needed for the organization to succeed.

A competency is a set of behaviours that encompass skills, knowledge, abilities, and personal attributes, that taken together, are critical to successful work accomplishment. The competency model is a future-oriented model that first reviews competencies that are aligned with an organization's mission, vision, and strategy, and then aims to identify an ideal workforce in terms of those competencies.

Replacement Charts

A replacement chart is used to estimate vacancies in higher level jobs and identify how potential Human Resource supply can fill these vacancies via internal movements from lower levels jobs. A comprehensive replacement chart will include information regarding possible replacements for vertical or horizontal movement. Generally, a replacement chart includes information about employees' performance, readiness to fill the position, and education.

Staffing Tables

A staffing table provides a clear graphical view of all organizational jobs and the current number of employees at each job. It presents a simple visual understanding of an organization's staffing level within each department and the organization as a whole, in an effort to help understand the combination of employees that make up an organization's internal workforce. This information is useful in evaluating staffing levels by department, branch, the types of staff at each level and the combination of staff in all categories.

Forecasting Human Resource Demand Analysis

Demand analysis identifies the future human resource requirements needed to maintain the organization's mission and goals. The end result of a demand analysis is the identification of the required number of employees in an organization and the necessary functions that the employee must perform to meet organizational objectives. Due to the high number of factors that influence demand, demand is often more difficult to predict than supply.

Factors that need to be considered when forecasting demand include the following:

- 1. Environmental scanning, including economic, legislative, and competitive pressures
- 2. The organization's future strategic goals and plans
- 3. Expected demand for products or services, including expected sales (across the organization or at the business unit level)
- 4. Estimated productivity measures of workforce (can be stable, increase, or decrease)
- 5. Organizational design or job design, including technological advancements and administrative changes

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6. Projected budgets or financial resource availability

7. New products/processes/ventures that the organization will be launching in the future.

Quantitative Techniques for Forecasting Human Resource Demand

The following are the different techniques available for human resource planning.

Trend Analysis

Trend analysis used to forecast internal Human Resource supply, past trends and

ratios can also be used to forecast Human Resource demand. Trend analysis predicts the demand for labour based on projections of past relationship patterns over a number of years. As one of the simpler methods of forecasting Human Resource demand, trend analysis assumes that an organization's past employment needs are indicative of future needs when linked with an operational index.

Ratio Analysis

Ratio analysis estimates future Human Resource demand based on ratios between assumed casual factors and the number of employees needed. Ratio analysis is very similar to trend analysis, but the primary difference is that there is no requirement for significant historical data collection. This allows organizations that do not have easy access to multiple years' worth of data to use current ratios to help estimate future demand

Regression Analysis

Regression analysis is a method of estimating Human Resource demand, but allows for adjustment of seasonal fluctuation, long-term trends, and random movement when forecasting. This provides statistical projections using mathematical formulas to determine the correlation between multiple measureable output factors (independent variables) and an organization's employment level (dependent variable). A regression analysis is useful in predicting the strength and direction of a linear relationship between two variables, but in situations of a non-linear relationship, estimates would not be valid. When there is one independent variable, there is one regression. When there are multiple independent variables, there are multiple regressions.

A correlation depicts a value between _1 and 1. The closer the value is to 0, the less predictive of the relationship between the two variables. The closer the value is to either -1 or 1, the more predictive the relationship between two variables. The positive or negative sign in front of the correlation number indicates the nature or direction of the relationship.

Qualitative Techniques for Forecasting Human Resource Demand Delphi Method

Delphi method process involves a panel of experts using their judgements to make estimates of short-term future demands. Experts use a variety of factors to make their judgements, including economical, demographical, technological, legal, and social conditions outside of the organization, as well as production, sales, turnover, experiences, and education levels of the workforce within the

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organization. This method involves a number of stages . During the process, experts are not permitted to engage in direct face-to-face contact or communication. This is in an effort to prevent groupthink, influence of others, or confrontation of experts, which can influence the results.

Human Resource planning group, which then summarizes the results. The aggregated results are sent back to the experts, who are given an opportunity to adjust their forecasts based on the information provided in the summaries. These steps are repeated until the expert opinions converge. Each feedback loop provides an opportunity for experts to understand their position relative to others and the reactions of others to the summaries provided. One of the problems of the Delphi method is that it is subjective in nature, and thus may be difficult for those who prefer quantitative approaches to fully commit to .Moreover, the organization should be explicit with experts not to discuss their estimates with others, something that can happen when experts have strong working relationships or work in close proximity to others.

Nominal Group Technique

The nominal group technique (NGT) was first developed by Delbecq and VandeVen as an alternative to individual brainstorming of ideas. This process involves multiple experts (usually line and department managers) meeting face to face to discuss independently formulated positions of an organizational issue, with the ultimate aim of securing an accurate assessment of a given situation.

It can be used to help forecast Human Resource demand for an organization or can be used to solve other organizational issues.

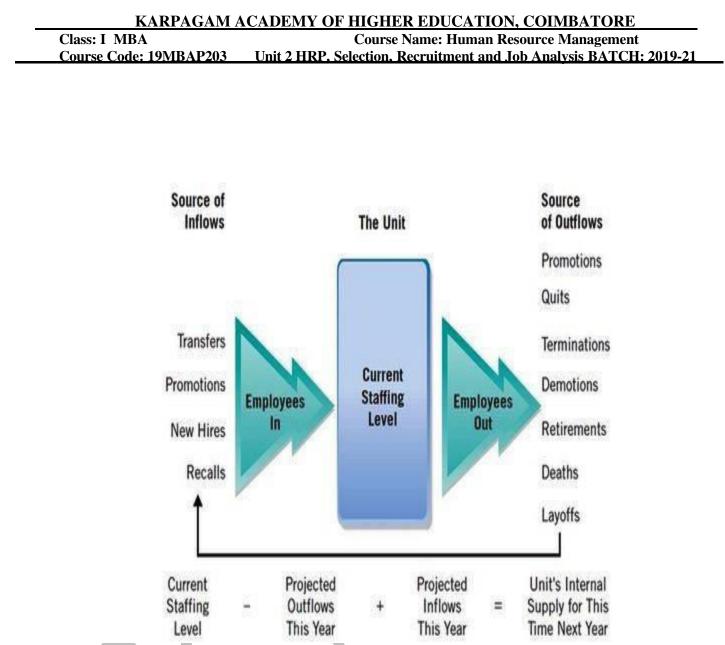
Succession analysis

Once a company has forecast the demand for labour, it needs an indication of the firm's labour supply. Determining the internal labour supply calls for a detailed analysis of how many people are currently in various job categories or have specific skills within the organization. The planner then modifies this analysis to reflect changes expected in the near future as a result of retirements, promotions, transfers, voluntary turnover, and terminations.

Demand forecasting helps in determining the number and type of personnel/human resources required in future. The next step in human resource planning is forecasting supply of human resources. The purpose of supply forecasting is to determine the size and quality of present and potential human resources available from within and outside the organisation to meet the future demand of human resources. Supply forecast is the estimate of the number and kind of potential personnel that could be available to the organisation.

Estimating Internal Labor Supply for a Given Unit

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Job analysis

According to Michael L. Jucius, "Job analysis refers to the process of studying the operations, duties and organizational aspects of jobs in order to derive specifications or as they called by some, job descriptions."

According to DeCenzo and P. Robbins, "A job analysis is a systematic exploration of the activities within a job. It is a basic technical procedure, one that is used to define the duties, responsibilities, and accountabilities of a job."

Job Analysis is a method by which pertinent information is obtained about a job. It is a detailed and systematic study of information relating to the operation and responsibilities of a specific job. Job analysis as can be defined as the process of determining, by observation and study, and reporting pertinent information relating to the nature of a specific job. It is the determination of the

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tasks which comprise the job and of the skills, knowledge, abilities and responsibilities required of the worker for a successful performance and which differentiate one job from all others. Job analysis provides the following information:

1. Job Identification

Its title, including its code number

2. Significant Characteristics of a Job

It location, physical setting, supervision, union jurisdiction, hazards and discomforts;

3. What the Typical Worker Does

Specific operation and tasks that make up an assignment, their relative timing and importance, their simplicity, routine or complexity, the responsibility or safety of others for property, funds, confidence and trust;

3. Which Materials and Equipment a Worker Uses

Metals, plastics, grains, yarns, milling machines, punch presses and micrometers

5. How a Job is Performed

Nature of operation - lifting, handling, cleaning, washing, feeding, removing, drilling,

driving, setting-up and many others;

6. Required Personal Attributes

Experience, training, apprenticeship, physical strength, co-ordination or dexterity, physical demands, mental capabilities, aptitudes, social skills;

Recruitment

Recruitment means search of the prospective employee to suit the job requirements as represented by job specification. It is the process of attracting people to apply for jobs in an organisation.

According to Edwin B. Flippo: "Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation."

Factors affecting Recruitment

The factors affecting recruitment can be classified as internal and external factors.

The internal factors are:

- Wage and salary policies;
- The age composition of existing working force;
- Promotion and retirement policies;
- Turnover rates;
- The nature of operations involved the kind of personnel required;
- The level and seasonality of operations in question;
- Future expansion and reduction programmes;
- Recruiting policy of the organisation;

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- Human resource planning strategy of the company;
- Size of the organisation and the number of employees employed;
- Cost involved in recruiting employees, and finally;
- Growth and expansion plans of the organisation.

The external factors are:

- Supply and demand of specific skills in the labour market
- Company's image perception of the job seekers about the company.
- External cultural factors: Obviously, the culture may exert considerable check on recruitment. For example, women may not be recruited in certain jobs in industry.
- Economic factors: such as a tight or loose labour market, the reputation of the enterprise in the community as a good pay master or otherwise and such allied issues which determine the quality and quantity of manpower submitting itself for recruitment.
- Political and legal factors also exert restraints in respect of nature and hours of work for women and children, and allied employment practices in the enterprise, reservation of Job for SC, ST and so on.

Employee testing and Selection

Human resource selection is the process of preferring qualified individuals who are available to fill positions in an organization. Selection involves both picks up the fits and rejects the unfits. Therefore, sometimes, it is called a negative process.

According to Thomas Stone, "Selection is the process of differentiating between applicants in order to identify (and hire) those with a greater likelihood of success in a job".

Professionally developed and properly validated employment tests can help a company's hiring process by increasing the likelihood of hiring candidates who will perform well on the job. Pre-employment testing can help ensure alignment between the employee selection process and desired business outcomes such as lower turnover, increased sales, and higher customer satisfaction. The benefits a company may realize by implementing an effective employee testing solution include:

- 1. Higher productivity
- 2. Increased employee retention
- 3. Reduction in costs associated with turnover (e.g., hiring and training costs)
- 4. Increasing the defensibility of the hiring process by using objective data

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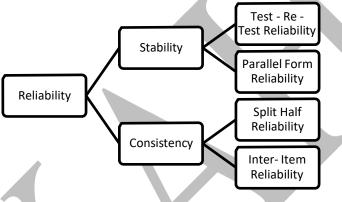
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BASIC TESTING CONCEPTS

RELIABILITY

The degree to which interviews, tests, and other selection procedures yield comparable data over time and alternative measures.

When the results of an assessment are reliable, we can be confident that repeated or equivalent assessments will provide consistent results. This puts us in a better position to make generalised statements. No results, however, can be completely reliable. There is always some random variation that may affect the assessment.



VALIDITY

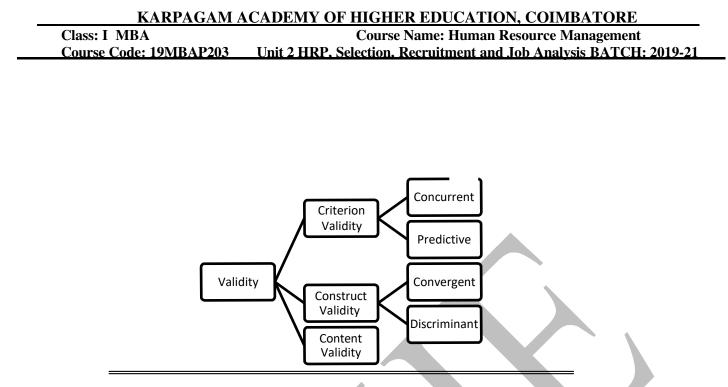
The degree to which a test or selection procedure measures a person's attributes

The validity of an assessment tool is the extent to which it measures what it was designed to measure, without contamination from other characteristics. For example, a test of reading comprehension should not require mathematical ability.

There are several different types of validity:

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HOW TO VALIDATE A TEST

There are 5 steps to check the validity of the test.

- 1. Step 1: Analyze the job
- 2. Step 2: Choose the tests
- 3. Step 3: Administer the test
- 4. Step 4: Relate Test Scores and Criteria
- 5. Step 5: Cross-Validate and Revalidate

Various testing tools Types of Tests:

The history of tests, as cited by Saiyadain, can be traced back to the efforts of Francies Galton who developed a variety of tests of sensory determination to measure person's intellect as far back as 1883. Since then, there is no looking back with regard to the use of selection tests. As a result, a large number of general aptitude tests and specific skill tests for the purpose of selecting employees are available today.

For example, the Indian Statistical Institute, Kolkata has developed selection tests for selecting management trainees and other officers for several organisations including Indian Air lines, Hindustan Steel Limited, Hindustan Aeronautics Ltd., Indian Telephone Industries, TELCO, BHEL, Bharat Aluminium Company Ltd., etc. Similarly, specific tests have also been developed for the selection of weavers and card punch operators.

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All the tests so far developed for the selection of employees can broadly be divided into two categories:

(i) Ability Tests and

. (ii) Personality Tests

Types of Psychological Tests

One reason for not reviewing these is such a review is the province of books on industrial psychology. Yet, for the convenience of the readers, a brief description of these follows:

Ability Tests:

Though a number of ability tests have been developed so far for the use of employee selection, important among these are the following:

1. Aptitude Tests:

Aptitude tests measure ability and skills of the testee. These tests measure and indicate how well a person would be able to perform after training and not what he/she has done[^]. Thus, aptitude tests are used to predict the future ability/performance of a person.

There are two objectives of the aptitude tests. One to advise youth or jobseekers regarding field of activities in which they are likely to succeed. This is called 'vocational guidance'. Second, to select best persons for jobs where, they may succeed. This test is called 'vocational selection'.

Specific aptitude tests have been designed to measure special abilities to perform a job. Examples of such tests are Mechanical Aptitude Test, Clerical Aptitude Test, Artistic Aptitude Test, Musical Aptitude Test, Management Aptitude Test, Differential Aptitude Test, etc.

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2. Achievement Tests:

Achievement tests measure a person's potential in a given area/job. In other words, these tests measure what a person can do based on skill or knowledge already acquired by him/her. Achievement tests are usually used for admission to specific courses in the academic institutions.

In these tests, grades in previous examinations are often used as indicators of achieve ment and potential for learning. Indian industries have now started conducting these tests to judge for themselves the level of proficiency attained rather than believing their scores in academic examina tions. Achievement tests are also known by the names, proficiency tests, performance, occupational or trade tests.

Achievement tests resemble those of aptitude tests. However, the difference lies in the usage of results. The line of difference between achievement and aptitude is very thin in the sense of past achievement and performance. This difference between the two can be exemplified with an example.

When we ask a person, or say, a student to study the paper human resource management, then what he learns is 'achievement'. But if we test the student to see if he would profit from certain training to the subject, it is 'aptitude'.

3. Intelligence Tests:

Intelligence tests measure general ability for intellectual performance. The core concept underlying in intelligence test is mental age. It is presumed that with physical age, intelligence also grows. Exceptions to this may be there. So to say, if a five year old child does the test, for six years or above his/her mental age would be determined accordingly.

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Mental age is generally indexed in terms of Intelligence Quotient (IQ) and calculated by using the following formula:

 $IQ = Mental Age/Actual Age \times 100$

It means that the intelligence quotient is a ratio of mental age to actual age multiplying by 100(to remove decimal).

IQ levels may vary because of culture and exposure

Intelligence testing in industry is based on the assumption that if the organisation can get bright, alert employees quick at learning, it can train them faster than those who are fewer well- endowed.

4. Judgment Tests:

These tests are designed to know the ability to apply knowledge in solving a problem.

Personality Tests:

Personality tests are also called personality inventories. These tests measure predispositions, motivations and lasting interests of the people.

Personality tests are subsumed under four broad categories as given below:

1. Interest Tests:

These tests are designed to discover a person's area of interest, and to identify the kind of work that will satisfy him. Interest is a prerequisite to successfully perform some task. These tests owe their origin to the vocational efforts. The most widely used interest test is Kuder Reference Record. It consists of three forms.

The first form measures vocational interest such as mechanical, computational, artistic, literary, musical and clerical interest. Interests in personal areas such as group activities, avoiding conflicts etc., are measured by the second form of interest tests. The third form of interest test measures preference reactions to particular occupations like accountant, salesman, farmer, etc. The best known among these three forms of interest test is the Kuder Preference Record i.e. vocational test.

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2. Personality Tests:

These tests are also known as 'personality inventories'. These tests are designed to measure the dimensions of personality i.e., personality traits such as interpersonal competence, dominance-submission, extroversions-introversions, self-confidence, ability to lead and ambition. The most well known names of personality tests are the Minnesota Multiphasic Personality Inventory (MMPI), FIRO, and California Personality Inventory.

As reported by Morgan and King, the MMPI measures the following ten personality dimensions:

Personality Tests

Under the MMPI, as many as 495 items need to be answered as 'True', 'false' and 'Cannot Say'.

The following are the examples of some representative items:

- (a) I am easily awakened by noise.
- (b) I get all the support I should.
- (c) I do not bother for my look.
- (d) I do not experience day-dream.
- (e) My teachers made me obey elders even when they may advise wrong.

3. Projective tests:

These tests are based on pictures or incomplete items. The testee is asked to narrate or project his own interpretation on these. The way the testee responds reflects his /her own values, motives, attitude, apprehensions, personality, etc. These tests are called projective because they induce the testee to put himself/herself into the situation to project or narrate the test situation.

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The most widely used tests of this type are the Rorschach Blot Test (RBT) and the Thematic Apperception Test (TAT). The RBT consists of an ink blot and the testee is asked to describe what he/she sees in it. In case of TAT which is considered as the most well-known structured projective test, the testee is shown pictures and, then, is asked to make-up a story based on the pictures.

4. Attitude Tests:

These tests are designed to know the testee's tendencies towards favouring or otherwise to people, situations, actions, and a host of such other things. Attitudes are known from the responses of the testees / respondents because emotional overtones involved make it difficult to directly observe or measure attitude of the testee. Test of social desirability, authoritarianism, study of values, Machiavellianism and employees morale are the well-known examples of attitude tests.

Other Tests:

There are some other tests also used for personnel selection. These are briefly discussed here under:

Graphology:

The origin of graphology is traced back to the eleventh century when the Chinese drew attention to the relationship between handwriting and personality. It has been said that an individual's handwriting can suggest the degree of energy, inhibitions, and spontaneity to be found in the writer, disclosing idiosyncrasies and elements of balance and control from which many personality characteristics can be inferred.

For example, big letters and emphasis on capital letters indicate a tendency towards domination and competitiveness. A slant to the right, moderate pressure and good legibility show leadership potential. Although the validity of handwriting analysis is not fool-proof, some companies use graphology tests to supplement their usual selection procedure.

Polygraph Tests:

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This test is designed to confirm the accuracy of information given on the application blank. Hence, it is considered as a form of employment test. Polygraph is a lie detector. Polygraph tests are found useful for the organisations that are highly vulnerable to theft or swindling. Examples of such organisations are departmental stores, banks, jewellery shops, etc.

Physiognomy Tests:

These tests suggest a definite correlation between facial features and physiological functions and behaviour. According to these tests, structures of features are reflective of personality traits and characteristics. For example, thin lips indicate determination; broad jaws signify tenacity, and so on and so forth.

Similarly, physignes indicate the following three kinds of temperament:

- 1. An overly-fat person enjoys eating and also loves good life.
- 2. As regards muscular built, it reflects toughness.

3. Whereas a slight built indicates an introverted, shy, and oversensitive person.

Advantage of Testing:

Irrespective of the nature of tests, companies can derive the following benefits from a well planned test:

1. Predicts Future Performance:

A well designed test can predict the future performance of an individual. Thus, test can be used for hiring personnel, transfer or promotion of the personnel for higher positions.

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2. Diagnoses the situation and behaviour:

Knowing why people behave the way one does requires understanding the particular variables/situation that cause behaviour. Here again, well planned tests help understand the situation. For example, though decline in productivity could be caused by a host of factors, tests can help understand such decline due to human factors.

3. Offers Benefits of Economy of Scale:

Conducting tests on the whole serves cost effective as it offers the benefits of economy of scale. This is because tests when administered to a group save on both time and cost.

4. Uncover what not covered by Other Devices:

One important advantage of conducting tests is that they uncover qualifications and talents of the testee that cannot be detected by application blanks and interviews.

5. Serve as Unbiased Tools:

Based on reliability and validity norms, tests do also serve as unbiased tools of selection process.

6. Quantify the Test Results:

Above all, tests being quantifiable yield themselves to scientific and statistical analyses. Thus, tests also save basis for research in personnel issues and matters. Valid job-related tests will also pay off in increasing ability to identify in advance those employees who will perform most effectively in the organisation.

Developing a Test Programme:

Developing a test programme is never simple. It requires careful planning, experiment, technical knowledge, etc. Services of experts in psychology and psychometrics and use of statistical techniques are also requisitioned.

The main steps generally involved in developing a sound test programme are following:

(1) Deciding the objectives of testing programme:

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Developing a test programme starts with deciding the objectives it has to achieve. The objectives of the test programme may be hiring, promoting and counseling of people. Initially, test programme may be designed for a few jobs and then may be gradually expanded to cover all jobs in the organisation.

(ii) Analysing Jobs:

Jobs are duly analysed to identify as to which human traits and skills are necessary for effective performance of jobs.

(iii) Choosing tests to measure characteristics:

Several tests i.e. 'Battery of Tests' are chosen to measure different characteristics. The tests may be chosen keeping in view such factors as reliability, validity, ease of administration, level of difficulty, and the cost involved in different tests. The choice of the tests is generally based on certain parameters like experience, previous research and guesswork.

(iv) Administering the tests:

Once the tests are chosen, then these are administered on the applicants under consideration to measure the predetermined skills and traits.

(v) Establishing criteria of job success:

Success criteria are laid down in terms of output in quantity and quality, attendance record, rate of accidents, rate of promotion, professional achievement, etc.

(vi) Analysing the results of tests:

At last, the test scores secured by the applicant are carefully analysed in the light of success criteria. Based on this, the final decision is taken either to select the applicant for further processing or rejection.

Limitations of Tests:

Tests suffer from certain limitations also.

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Hence, while applying tests for selection of candidates the following guidelines should be observed:

(i) Tests should be used as supplements rather than as substitute for any method of selection.

(ii) Tests are better at predicting failure than success. They often determine which applicants will not or cannot perform a job satisfactorily instead who can or will perform in effective and efficient manner.

(iii) Tests are not precise measures of one's skills and traits but only samples of one's total behaviour. So to say, tests with highest scores do not necessarily mean better choices for a job than those with lower scores.

(iv) Tests should be validated in the organisation in which these are administered. Here, validity means the degree to which a test actually measures what it is meant to measure.

(v) In order to make the test scores comparable, tests should be administered under standard conditions to all applicants tested for a particular job".

(vi) Tests should be designed, administered, interpreted and evaluated only by trained and competent persons.

(vii) The candidates should be provided with samples of tests or answering queries so as to warm up them before the test is administered.

An interview is a procedure designed to get information from a person and to assess his potential for the job he is being considered on the basis of oral responses by the applicant to oral inquiries by the interviewer. Interviewer does a formal in-depth conversation with the applicant, to evaluate his suitability. It is one of the most important tools in the selection process. This tool is used when interviewing skilled, technical, professional and even managerial employees. It involves two way exchange of information. The interviewer learns about the applicant and the candidate learns about the employer.

Principles of Interviewing

To make it effective, an interview should be properly planned and conducted on ertain principles; Edwin B. Flippo has described certain rules and principles of good interviewing to this end: Provide proper surroundings. The physical setting for the interview should be both private and

Provide proper surroundings. The physical setting for the interview should be both private and comfortable.

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- The mental setting should be one of rapport. The interviewer must be aware of non-verbal behaviour.
- Plan for the interview by thoroughly reviewing job specifications and job descriptions.
- Determine the specific objectives and the method of the interviewing.
- Inform yourself as much as possible concerning the known information about the interviewee.
- The interviewer should possess and demonstrate a basic liking and respect for people.
- Questions should be asked in a manner that encourages the interviewee to talk.
- Put the applicant at ease.
- Make a decision only when all the data and information are available. Avoid decisions that are based on first impressions.
- Conclude the interview tactfully, making sure that the candidate leaves feeling neither too elated nor frustrated.
- Maintain some written record of the interview during or immediately after it.
- Listen attentively and, if possible, protectively.
- Questions must be stated clearly to avoid confusion and ambiguity. Maintain a balance between open and overtly structured questions.
- 'Body language' must not be ignored.
- The interviewer should make some overt sign to indicate the end of the interview.

Types of Interview

Every employer has a preferred style of obtaining the information they need for their hiring decision. These are some basic types of interview styles you may encounter. Some employers may choose to utilize a combination of different styles, but as long as you've prepared well for your interview, you'll be able to adapt to the situation they present.

Structured Interview

A structured interview is typically formal and organized and may include several interviewers, commonly referred to as a panel interview. An interviewer who has a more structured style will usually begin with what is known as an "icebreaker" question. The icebreaker is used to relax you before the more serious questions are asked. A discussion about the weather might be used or perhaps a question about the traffic on your way to the office.

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Next, the interviewer may talk for a few minutes about the company and the position. During this time, the interviewer may describe the day-to-day work responsibilities and the general company philosophy. He or she may then ask you a series of questions regarding your past educational, co-curricular, and work experiences.

Finally, the interviewer may ask if you have questions for him or her. You should always have several questions prepared. This type of interview is structured and formal.

Unstructured Interview

The unstructured interview is what the name implies. The only structure to the interview is the one that you provide. Basically, the interviewer is interested in hearing from you, so you may be asked a variety of different open ended questions.

You will find an unstructured interview to be more conversational and less formal in tone than a structured interview. You may be asked questions about your hobbies, what you do on the weekends, or other casual questions designed to put you at ease. Many students prefer this laid back style of interviewing, but you must be cautious. Sometimes employers intentionally adopt this casual demeanor so that you feel comfortable enough to let down your guard and potentially reveal something that you normally would not. If you find yourself in an unstructured interview, be friendly but maintain your professionalism. Remember that you are there to showcase your best assets and to convince the employer that you are the most qualified candidate for the job. Casual conversation is acceptable, and it can set a positive tone for the interview, but be sure to bring the conversation around to your skills and qualifications.

Stress Interview

This style is used primarily by interviewers who are hiring for positions where there is a high level of daily stress in the work environment (i.e., sales, stockbroker, etc.).

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The same questions that are asked during a structured or unstructured interview may be asked for a stress interview. However, there may be a difference in the behavior or demeanor of the interviewer. The interviewer during a stress interview may appear distracted, contrary, or indifferent to you. The idea behind this type of interview is to assess your reaction to the pressure of indifference, rejection, and overall stress. To be successful in the stress interview, it is recommended that you focus on the question that is asked and not the manner in which it is asked.

Another hallmark of a stress interview is the "strange question." For instance, some interviewers like to ask questions such as, "How many ping pong balls can fit in a 757 jet?" To answer a question like this, break it down into smaller, more manageable components. Verbally convey your decision making process. The interviewer will be less focused on whether or not you came to the "right" answer and more focused on your ability to problem-solve and think logically.

Sometimes in a stress interview, the interviewer will put candidates in an uncomfortable situation. For instance, candidates may be given a test that takes two hours to complete, and are told to complete it in thirty minutes. Remember to stay calm throughout a stress interview, because that is what the employer is looking for -a candidate who has the ability to remain cool, calm and collected.

Behavioral Interview

Behavioral interviewing is a widely used method of job interviewing. This approach is based on the belief that past performance is the best predictor of future behavior. Therefore, behavioral interview questions are designed to probe your previous experiences in order to determine how you might behave in similar situations in the future. In this type of interview, you will not be asked hypothetical questions about how you would handle a situation if confronted with it in the future. Instead you will be asked how you did handle a specific situation when you encountered it in the past. Keep in mind that employers are not interested in what you should have done, or what you will do next time...they want to know what you actually did. Behavioral interview questions generally start with any one of the following phrases:

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- 1. Tell me about a time when you...
- 2. Describe a circumstance when you were faced with a problem related to...
- 3. Tell me how you approached a situation where...
- 4. Share with me an instance in which you demonstrated...

This type of question requires you to tell stories from your past. These stories will be evaluated for evidence of your intellectual competence, leadership, teamwork, personal skills, adjustment and flexibility, motivation, communication skills, administrative skills, and technical abilities.

To prepare for a behavioral interview, you must first identify the skills and strengths that the employer is seeking. Next, reflect on your past experiences (educational, employment, extracurricular, personal) in order to identify situations in which you clearly demonstrated the identified skills. During the interview, you must be able to recount these circumstances articulately and in a manner which showcases your strengths. A thorough answer should describe the Situation, the Tasks with which you were charged, the Action you took, and the Result of your action. We refer to this as the STAR Method of responding to behavioral interview questions.

Problem Solving or Case Interview

Employers utilize this style of questioning to test a candidate's analytical ability and communication skills. In a problem solving or case interview, you will be presented with a real or simulated problem to consider and solve. You are not necessarily expected to arrive at the "correct answer." What the interviewer is most concerned with is your thought process, so be sure to "think out loud" when responding to this type of question. An effective answer is one which demonstrates your ability to break a problem down into manageable pieces and to think clearly under pressure.

Panel Interview

Employers often like to gather the opinions of several members of their staff prior to deciding which candidate to hire. To accomplish this, panel interviews are often used where one candidate may be interviewed by a few people at once. In a panel interview, take note of each interviewer's name, and refer to them by their names. When giving your answers, focus on the person who asked you the question, but make eye contact with the other members in the group from time to time. Panel

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interviews can vary in style and tone, but generally they will be more formal and include behavioral based questions.

Employee socialization

Definition

Employee socialization is the process by which new employees understand the company's policies, the internal culture, how the company hierarchy works and the ways to function effectively in the organization. Developing programs and policies that integrate new employees into the company helps the company maintain a consistent corporate culture.

Examples

A primary example of employee socialization is new hire orientation. This a time when new employees develop working relationships with each other, and should be a time when the company encourages new and existing staff members to become acquainted as well. Other forms of corporate-sponsored socialization include holiday parties, family nights at sporting events, social gatherings such as a company bowling night and a company summer picnic.

Significance

Employee socialization not only helps new employees understand corporate culture, it also encourages the development of teamwork between new hires and current staff members. Allowing employees to become more familiar on a social as well as professional level can develop strong bonds that improve productivity and help to reduce employee turnover.

3 Distinct Stages in the Employee Socialization Process

For the new employees, Decenzo and Robbins (1999) identified that the socialization process involves three distinct stages as follows:

1. **Pre-Arrival Stage:**

At this stage, an individual employee comes to an organization with certain values, attitudes and expectations. At the selection stage only, an prospective employee needs to be enabled to understand to what extent his perceived mapping gets along with the organizational culture and systems.

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It is the duty of the persons involved in the selection process to facilitate this. Nowadays because of the availability of information about organizations through different media, including Websites and Internet, an enthusiastic individual may also have some preconceived ideas about the organization.

Therefore, it is better to first understand from the individual what he understands about the organization and then help him to synchronize this information with the reality. This helps the individual to take the right decision.

2. Encounter Stage:

At this stage, perceptions earlier generated by an individual, are reaffirmed through a well-planned induction programme. Any dichotomy between the employees' perceptions and organizational perceptions needs to be properly identified and removed through increased socialization process.

3.Metamorphosis Stage:

At this final stage of socialization, employees understand the organization and identify themselves with it. Employees develop a sense of belongingness and become contributors to achieving organizational goals and objectives.

However, as explained earlier, socialization is a continuous process, as organizations are now required to go for restructuring and reengineering every now and then, keeping pace with the changing environment.

At this final stage of socialization, employees understand the organization and identify themselves with it. Employees develop a sense of belongingness and become contributors to achieving organizational goals and objectives.

Employee termination and Exit interview

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Termination is a serious employment action that when initiated by the employer is generally the culmination of a series of progressive disciplinary actions. The employer has generally signaled loud and clear that the employee is in danger of employment termination.

Termination occurs when an employer or an employee end an employee's employment with a particular employer. Termination can be voluntary or involuntary depending on the circumstances. When termination is initiated by the employer, it is usually involuntary although, under some circumstances, the employee and the employer may mutually agree to end their employment relationship

What's Involved in a Voluntary Termination?

In a voluntary termination, an employee resigns from his or her job. Resignations occur for a variety of reasons that may include: a new job, a spouse or partner's acceptance of a new job in a distant location, returning to school, an opportunity to take on a managerial role, and retirement.

Voluntary termination can also occur for less positive reasons. The employee doesn't get along with her boss. She sees no opportunity to continue growth and progress in her current company. The job responsibilities in her current job changed and now, she is no longer doing something that she loves every day. She has to work every day with a coworker who bullies her in subtle ways that are not outwardly noticeable.

And, sometimes, it's the appeal of the shiny new job as in the grass is greener, or she just wants to do something new. It's hard to evaluate the motivations of employees who lave their jobs.

With valued employees, employers expend efforts on employee retention in their aim to limit preventable turnover. This is a significant objective of employers as the cost of employee turnover is expensive and ever rising.

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What Happens in an Involuntary Termination?

In an involuntary termination, an employer fires the employee or removes the employee from his or her job. An involuntary termination is usually the result of an employer's dissatisfaction with an employee's performance or an economic downturn. Involuntary termination can also occur in the form of a layoff if the business is unprofitable or overstaffed.

Reasons for involuntary termination of an employee range from poor performance to attendance problems to violent behavior. Occasionally, an employee is a poor fit for the job's responsibilities or fails to mesh with the company's culture.

Involuntary termination, such as a layoff, can occur because an employer lacks the financial resources to continue an employment relationship. Other events that can trigger an involuntary termination may include mergers and acquisitions, a company relocation, and job redundancy.

With performance problems, the employer most often has tried less final solutions such as coaching from the employee's supervisor to help the employee improve. Escalating progressive discipline in the case of performance issues such as absenteeism is also the norm. In a final effort to help an employee improve his or her performance, many employers rely on a Performance Improvement Plan (PIP).

used appropriately, the PIP is the employer's last-ditch attempt to communicate the needed performance improvements to the employee. But the PIP, and any escalating disciplinary measures, also provide documentation that demonstrates that the employer made an effort to salvage the employment relationship.

Additional Factors in Employment Termination

Several additional factors are relevant to involuntary employment termination.

Employment at Will: In states that recognize employment at will, an employee may be fired for any reason, at any time, with or without cause. Employers do not even have to give a reason for why the employee is terminated from his or her job.

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To defend against potential charges of discrimination, however, employers are advised to keep documentation even if no case is presented at the termination meeting. Increasingly, employment law courts are finding results for the employee if no paper trail exists to support the employment termination.

Employment at will also means that the employee can terminate his or her employment at any time for any reason without cause.

Termination for Cause: In other instances of employment termination, the employment is terminated for a reason which is given to the employee and stated in the termination letter. Termination for cause can occur in such situations as:

- 1. Violation of the company code of conduct or ethics policy,
- 2. Failure to follow company policy,
- 3. Violence or threatened violence,
- 4. Extreme insubordination to a manager or supervisor,
- 5. Harassment of other employees or customers, or
- 6. Watching pornography online.

Mutual Termination

Occasionally, an employer and employee recognize that they are not a good fit for whatever reason. They mutually agree to part ways in a manner that makes neither party culpable for the termination. This approach to termination is called agreeing on an exit strategy. No pain. The unwanted employee, the unwanted job: gone.

Employee termination is the release of an employee against his or her will. Termination may be, at will, for cause, or for lack of work. The process is unavoidably painful: it imposes a certain degree of pain on the terminated employee, and the vast majority of people do not enjoy inflicting pain. Terminations, however, are a necessary part of business life and must be carried out promptly when the need for such actions becomes obvious in order to preserve the health of the enterprise.

TERMINATION-AT-WILL

An employment-at-will doctrine emerged in the United States in the mid-nineteenth century and came to be applied in both state and federal courts throughout the late 1800s and early 1900s. A concise

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interpretations of the doctrine was rendered by the California Supreme Court in 1910: "Precisely as may the employee cease labor at his whim or pleasure, and, whatever be his reason, good, bad, or indifferent, leave no one a legal right to complain; so, upon the other hand, may the employer discharge, and whatever be his reason, good, bad, or indifferent, no one has suffered a legal wrong."

Employees have retained their rights to be employed at will, but employers' rights to terminate workers at will have been modified over time based on the circumstances of the termination. The federal Wagner Act of 1935 made it illegal for companies to fire employees because they were engaged in union activity. Subsequent laws and court decisions during the mid-twentieth century reflected increasing concern about "wrongful discharge," implying that circumstances do exist in which it is legally wrong for a company to fire a worker. During the 1960s and 1970s, particularly, Congress enacted a number of new laws to protect workers from wrongful discharge in all types of cases, including those related to bias, whistle blowing, and other factors.

The practical consequences of this legal evolution have been that employment-at-will remains theoretically in force but is hemmed in—principally by many employee rights related to discrimination—to such an extent that legal advisors to business almost never unambiguously and forthrightly recommend using the right. This is understandable. Every employee belongs to several of the so-called "protected classes" in that they have an age, a gender, and are members of a race. It is always at least possible for an employee discharged at will to claim that the real motive behind the firing was motivated by bias. To avoid unnecessary lawsuits, many employers use workarounds although these are not exactly publicized.

Nevertheless at-will employment continues to be the rule in most businesses in the mid-2000s, the policy usually published by the company in its employment documents. The majority of employees understand this right as reciprocal to their own right to quit at any time. The small business employer's right is also indirectly maintained by the fact that those inclined to sue prefer to sue deep pockets, but the small business owner must be prepared to handle complaints, investigated by state or local agencies. The practice of at-will termination also implies significant discipline on the part of the small business manager who cannot simultaneous rely on the at-will policy and also give an explanation to the terminated employee which amounts to a list of other reasons than simply the employer's naked will.

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TERMINATION FOR BEHAVIOR

Employees may be dismissed for cause, one of which is employee behavior. Common behaviors that lead to terminations include: absenteeism and tardiness; unsatisfactory performance; lack of qualifications or ability; changed job requirements; and gross misconduct; misconduct might involve drug abuse, theft, or other breaches of company or public policy. The term "behavior-related" distinguishes this type of termination from "trait-related" dismissals; traits are immutable characteristics of the employee, such as color of skin or physical disability. Trait-related terminations may be legal if the employer can prove that the trait keeps the employee from performing a job satisfactorily. However, those cases are uncommon.

Employers may terminate workers based on any type of behavior they deem unacceptable, although laws and court interpretations of these laws have protected some types of behavior when the employer's retaliatory action is deemed: 1) a violation of public policy; 2) a violation of an implied contract between the employer and the employee; or 3) an act of bad faith. An act of bad faith is vaguely defined: it is simply a recognition of an employer's duty to treat employees fairly. For example, it might be considered illegal for a company to fire a worker because he refused to engage in an activity a reasonable person would consider excessively dangerous or hazardous.

One illustration of a public policy violation would be a company that fired a worker because she refused to engage in an unlawful act, such as falsifying public financial documents or giving false testimony in court. Another example would be firing an employee who exercised a statutory right, e.g., voting in an election or worshiping at a church. A third type of infraction in this category would be dismissal of an employee for reasons stemming from his exercising a right to perform an important public obligation.

Violations of implied contracts occur when a company dismisses a worker despite the existence of an insinuated promise. For example, if an employer conveys to a worker that he will receive long-term employment in an effort to get the employee to take a job, it could be liable if it fired the worker without what the courts deem "just cause" or "due process." Implied contracts often emanate from

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interviews, policy manuals, or long-term patterns of behavior by the employer in a relationship with an employee.

Even when an employer acts in good faith and does not violate the public trust or an implied contract, it can be legally liable for dismissing a worker for other reasons. Specifically, a business may be found liable if it cannot prove that: 1) its decision to dismiss an employee is not founded on bias against a protected minority; or 2) the firing does not produce inequitable results. Suppose, for instance, that a company decided to fire all managers who did not have a college degree. Doing so, however, resulted in the dismissal of a disproportionate number of legally protected minorities from its work force. The company could be held liable if it could not show that having a college degree was necessary effectively to execute the duties of the position.

Steps in a Behavior-Related Termination

Because of the legal risks inherent in dismissing employees, most companies terminate workers for behavior-related causes only after administering a progressive disciplinary and counseling process. Besides legal reasons, studies show that most companies try to correct behavior out of a perceived moral obligation to the employee. Furthermore, many employers benefit economically from correcting employee behavior, rather than terminating workers, because of the high costs of employee turnover.

Correctional efforts do not always succeed, however. In instances when termination does prove necessary, business experts cite several basic steps that employers can take to ease the blow for the targeted employee, minimize damage to workplace morale and community standing, and shield themselves from legal liability. These steps include:

Develop clear, written policies for termination and follow them unswervingly. These policies should be readily accessible to employees in an employee handbook. The termination guidelines should include definitions of poor performance and gross misconduct, detailed descriptions of the review

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procedures that may lead to termination, and policies regarding severance, future employment references, and the return of company property.

Document reasons for termination over time, in quantifiable terms where possible.

Conduct the termination meeting with the employee in a professional manner. The company representative conducting the meeting should be trained in dealing with the wide array of emotions—anger, denial, shock, etc.—that typically appear during such times.

Give credit for positive contributions. Many experts contend that the shock of termination can be eased somewhat if they hear positive feedback about some aspect of their work performance. "Even in a termination based on performance, prompted by the fact that acquired skills were not adequate for a particular situation, the person's assets and liabilities can still be acknowledged," wrote Richard Bayer in Business Horizons. "A termination-for-performance should not be an occasion for abuse."

Prepare an information package for the terminated employee that outlines all elements of any severance package, including benefits and assistance options. Depending on laws and company policies, the company may provide severance pay, unemployment compensation, compensation for earned vacation days, career and placement counseling, ongoing health insurance, or other post-termination benefits.

Craft considerate severance payout policies. The method of severance payout can be a major factor in easing (or increasing) an ex-employee's bitterness about termination. For example, Bayer notes that paying out severance in lump sums near the end of the calendar year will inflate the worker's W2 for the year and increase his/her tax burden. Small businesses can spare ex-employees this financial hit by absorbing the modest extra payroll expense of making regular severance payments.

Preserve an environment that enables the terminated employee to leave with dignity. "We should have no trouble arguing for compassionate termination policies that reduce stress on families, mitigate financial hardships, and decrease the chances that discharged employees will suffer debilitating emotional crises," wrote Bayer, who also cites the business advantages of dignified

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dismissals: "Employees who have witnessed termination with dignity will be more inclined to like the firm and support its goals and mission."

Exit Interview

In human resource terms, an exit interview is a survey that is conducted with an employee when he or she leaves the company. The information from each survey is used to provide feedback on why employees are leaving, what they liked about their employment and what areas of the company need improvement. Exit interviews are most effective when the data is compiled and tracked over time.

How are Exit Interviews conducted?

The exit interview may be conducted through a variety of methods. Some of the methods include: inperson, over the telephone, on paper, and through the Internet such as with Nobscot's WebExit.

Pros and Cons of each method of Exit Interviewing

In-Person Exit Interviews

With in-person exit interviews an HR representative meets individually with each terminating employee.

Pros

- 1. Can provide information regarding benefits and retrieve company property during the interview
- 2. Gives a personal touch to each employee
- 3. Can probe for more information on each question

Cons

- 1. Employees may be afraid to share sensitive or negative information during an in-person interview
- 2. For larger companies, it may be too time consuming to interview every employee
- 3. It's difficult to track information received verbally during an interview

Telephone Exit Interviews

Telephone Exit Interviews are conducted over the telephone by an HR Representative or an outside third party consultant.

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- 1. Pros
- 2. Can probe for more information on each question
- 3. Can enter data into a tracking system while conducting the interview
- 4. Easier to schedule than in-person interviews

Cons

- 1. Time consuming if done in-house by an HR Representative
- 2. Expensive if done with an outside consultant
- 3. Employees often reluctant to verbally share sensitive or negative information

Paper and Pencil Exit Interviews

Paper and Pencil Exit Interviews are usually conducted by a form that is given to the employee on their last day or mailed to the employee's home.

Pros

Takes less time to provide a form compared with conducting an in person or phone interview

Employees can share information on paper that they may be reluctant to say in person

Cons

- 1. Return rates for exit interview forms average just 30-35%
- 2. Difficult and time consuming to compile and track the data from paper and pencil forms
- 3. Online Exit Interview Management Systems

Pros

- 1. Employee self-service so easy for HR to administer
- 2. Employees comfortable sharing information by computer so more honest responses
- 3. Information automatically compiles and tracked
- 4. Reports available at a click of a button
- 5. Participation rates (for WebExit customers) double that for paper and pencil exit interviews
- 6. Exit Interviews Conducted By Over 90% Of Companies

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According to a study by the Society of Human Resource Management, over 90% of companies conduct exit interviews. Exit interviewing is one of the most widely used methods of gathering employee feedback.

Exit Interviews Versus Employee Satisfaction Surveys

One of the benefits of exit interviews over employee satisfaction surveys is that they are conducted when an employee is leaving. This diminishes the urgency in which a company must act on the feedback provided in the exit interview. With employee surveys, itâ \in TMs imperative to act on the results of the employee satisfaction surveys as quickly as possible. Once you provide employees the opportunity to tell you where the problems are, they expect immediate action on those problems. With exit interviews, you have a greater opportunity to review the data and look for trends over time. Employers can take action on problem areas as they see fit without causing further concern among employees.

Post Employment Exit Interviews

One of the newest fads is conducting the exit interview after the employee has been gone from the company for 3 or 6 months. The theory behind this strategy is that employee will have a better perspective on things once he or she has had a chance to reflect on his or her employment. Therefore, the employee is expected to provide more valuable information in an exit interview if it is held six months after employment. In research that Nobscot has conducted, this theory has yet to hold up. The majority of companies that have tried these kinds of Post-Employment exit interviews found that the results were similar to those conducted immediately upon termination. Additionally, itâ€TMs difficult and time consuming to reach employees this far after employment has discontinued.

Generally, you can expect to get the most valuable information by exit interviewing a few days before or after an employee leaves the company. The employees employment experiences are fresh in his or her mind and the employee is usually happy to express their final thoughts before leaving the company.

Job design

According to Michael Armstrong, "Job Design is the process of deciding on the contents of a job in terms of its duties and responsibilities, on the methods to be used in carrying out the job, in terms of

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techniques, systems and procedures, and on the relationships that should exist between the job holder and his superior subordinates and colleagues."

Job design is the process of

- a) Deciding the contents of the job.
- b) Deciding methods & processes to carry out the job.

c) Making optimize use of job/work-time so that job/work-time should not be wasted as time is money and time cannot be earned, but can be saved by making efficient use of it.

- d) Avoiding manual task if can be handled by machines or automated.
- e) Synchronization of work, and no conflict with other jobs
- f) Deciding the relationship which exists in the organization.

Job design gives framework to job analysis as it tries to figure out what qualities, skills and other requirements are needed to perform the given job by a job holder.

Job analysis

According to Michael L. Jucius, "Job analysis refers to the process of studying the operations, duties and organizational aspects of jobs in order to derive specifications or as they called by some, job descriptions."

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According to DeCenzo and P. Robbins, "A job analysis is a systematic exploration of the activities within a job. It is a basic technical procedure, one that is used to define the duties, responsibilities, and accountabilities of a job."

Job Analysis is a method by which pertinent information is obtained about a job. It is a detailed and systematic study of information relating to the operation and responsibilities of a specific job. Job analysis as can be defined as the process of determining, by observation and study, and reporting pertinent information relating to the nature of a specific job. It is the determination of the tasks which comprise the job and of the skills, knowledge, abilities and responsibilities required of the worker for a successful performance and which differentiate one job from all others.

Job analysis provides the following information:

1. Job Identification

Its title, including its code number

2. Significant Characteristics of a Job

It location, physical setting, supervision, union jurisdiction, hazards and discomforts;

3. What the Typical Worker Does

Specific operation and tasks that make up an assignment, their relative timing and importance, their simplicity, routine or complexity, the responsibility or safety of others for property, funds, confidence and trust;

3. Which Materials and Equipment a Worker Uses

Metals, plastics, grains, yarns, milling machines, punch presses and micrometers

5. How a Job is Performed

Nature of operation - lifting, handling, cleaning, washing, feeding, removing, drilling,

driving, setting-up and many others;

6. Required Personal Attributes

Experience, training, apprenticeship, physical strength, co-ordination or dexterity, physical demands, mental capabilities, aptitudes, social skills;

Methods of Job Analysis

Four methods or approaches are utilised in analysing jobs. They are:

1. Personal Observation: The materials and equipment used, the working conditions and probable hazards, and an understanding of what the work involves are the facts which should be known by an analyst.

2. Sending out of Questionnaires: Properly drafted questionnaires are sent out to job-holders for completion and are returned to supervisors.

3. Maintenance of Long Records: The employee maintains a daily record of duties he performs, marking the time at which each task is started and finished.

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4. Critical Incidents: In this method, job holders are asked to describe incidents concerning the job on the basis of their past experience. The incidents so collected are analyzed and classified according to the job areas they describe

5. Personal Interviews: Personal interviews may be held by the analyst with the employees, and answers to relevant questions may be recorded. But the method is time-consuming and costly.

6.Technical Conference Method: This method utilizes supervisors with extensive knowledge of the job. Here, specific characteristics of a job are obtained from the "experts."

7. Functional Job Analysis: Functional job analysis (FJA) is employee- oriented analytical approach of job analysis. This approach attempts to describe the whole person on the job.

Purposes and Uses of Job Analysis

The information provided by job analysis is useful in almost every phase of employee relations. Its purposes and uses can be understood from the following points:

1. Organisation and Manpower Planning: It is helpful in organisational planning for it defines labour needs in concrete terms and coordinates the activities of the work force, and clearly divides duties and responsibilities.

2. Recruitment and Selection: By indicating the specific requirements of each job (i.e., the skills and knowledge), it provides a realistic basis for hiring, training, placement, transfer and promotion of personnel.

3. Wage and Salary Administration: By indicating the qualifications required for doing specified jobs and the risks and hazards involved in its performance, it helps in salary and wage administration. Job analysis is used as a foundation for job evaluation.

4. Job Re-engineering: Job analysis provides information which enables us to change jobs in order to permit their being manned by personnel with specific characteristics and qualifications.

5. Employee Training and Management Development: Job analysis provides the necessary information to the management of training and development programmes.

6. Performance Appraisal: It helps in establishing clear-cut standards which may be compared with the actual contribution of each individual.

7. Health and Safety: It provides an opportunity for indentifying hazardous conditions and unhealthy environmental factors so that corrective measures may be taken to minimise and avoid the possibility of accidents.

Following are the important steps in the process of job analysis:

1. Determine the Use of the Job Analysis Information: Start by identifying the use to which the information will be put, since this will determine the type of data you collect and the technique you use to collect them.

2. Collection of Background Information: According to Terry, "The make-up of a job, its relation to other jobs, and its requirements for competent performance are essential information needed for a

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job evaluation. This information can be had by reviewing available background information such as organization charts and the existing job descriptions.

3. Selection of Jobs for Analysis: Job analysis is a costly and time consuming process. Hence, it is necessary to select a representative sample of jobs for the purposes of analysis. Priorities of various jobs can also be determined.

4. Collection of Job Analysis Data: Job data on features of the job, required employee qualification and requirements, should be collected either from the employees who actually perform a job; or from other employees who watch the workers, or from the outside persons.

5. Processing the Information: Once job analysis information has been collected, the next step is to place it in a form that will make it useful to those charged with the various personnel functions. Several issues arise with respect to this. First, how much detail is needed? Second, can the job analysis information be expressed in quantitative terms? These must be considered properly.

6. Preparing Job Descriptions and Job Classifications: Job information which has been collected must be processed to prepare the job description form. It is a statement showing full details of the activities of the job. Separate job description forms may be used for various activities in the job and may be compiled later on. The job analysis is made with the help of these description forms. These forms may be used as reference for the future.

7. Developing Job Specifications: Job specifications are also prepared on the basis of information collected. It is a statement of minimum acceptable qualities of the person to be placed on the job. It specifies the standard by which the qualities of the person are measured.

Sources of Information for Job Analysis

According to George R. Terry, "the make-up of a job, its relation to other jobs, and its

requirements for competent performance are essential information needed for a job analysis".

Information on a job may be obtained from three principal sources:

(a) From the employees who actually perform a job;

(b) From other employees such as supervisors and foremen who watch the workers doing a job and thereby acquire knowledge about it; and

(c) From outside observers specially appointed to watch employees performing a job. Such outside persons are called the trade job analysts.

Job Description

Job description is a written record of the duties, responsibilities and requirements of a particular job. It is concerned with the job itself and not with the work. It is a statement describing the job in such terms as its title, location, duties, working conditions and hazards. In other words, it tells us what is to be done and how it is to be done and why. It is a standard of function, in that it defines the appropriate and authorised contents of a job.

A job description contains the following:

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1. Job identification, which includes the job title, alternative title, department, division, plant and code number of the job. The job title identifies and designates the job properly.

2. Job Summary serves two important purposes. First it provides a short definition which is useful as additional identification information when a job title is not adequate. Second, it serves as a summary to orient the reader.

3. Job duties give us a comprehensive listing or the duties together with some indication of the frequency of occurrence or percentage of time devoted to each major duty. It is regarded as the heart of a job.

4. Relation to other jobs: This helps us to locate the job in the organisation by indicating the job immediately below or above it in the job hierarchy. It also gives us an idea of the vertical relationships of work flow and procedures.

5. Supervision: Under it is given the number of persons to be supervised along with their job titles, and the extent of supervision involved – general, intermediate or close supervision.

6. Working conditions usually give us information about the environment in which a job holder must work.

Job Specification

The job specification states the minimum acceptable qualifications that the incumbent must possess to perform the job successfully. Based on the information acquired through job analysis, the job specification identifies the knowledge, skills, and abilities needed to do the job effectively.

According to Dale Yoder, "The job specification, as such a summary properly described is thus a specialized job description, emphasizing personnel requirement and designed specially to facilitate selection and placement."

A Job Specification should include:

(i) Physical characteristics, which include health, strength, endurance, age, height, weight, vision, voice, eye, hand and foot co-ordination, motor co-ordination, and colour discrimination.

(ii) Psychological and social characteristics such as emotional stability, flexibility, decision making ability, analytical view, mental ability, pleasing manners, initiative, conversational ability etc.

(iii) Mental Characteristics such as general intelligence, memory, judgement, ability to concentrate, foresight etc.

(iv) Personal Characteristics such as sex, education, family background, job experience, hobbies, extracurricular activities etc.

Job Rotation

Job Rotation is a management approach where employees are shifted between two or more assignments or jobs at regular intervals of time in order to expose them to all verticals of an organization. It is a pre-planned approach with an objective to test the employee skills and

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competencies in order to place him or her at the right place. In addition to it, it reduces the monotony of the job and gives them a wider experience and helps them gain more insights.

Job rotation is a well-planned practice to reduce the boredom of doing same type of job everyday and explore the hidden potential of an employee. The process serves the purpose of both the management and the employees. It helps management in discovering the talent of employees and determining what he or she is best at. On the other hand, it gives an individual a chance to explore his or her own interests and gain experience in different fields or operations.

Job Rotation Objectives

Reducing Monotony of the Job: The first and foremost objective of job rotation is to reduce the monotony and repetitiveness involved in a job. It allows employees to experience different type of jobs and motivates them to perform well at each stage of job replacement.

Succession Planning: The concept of succession planning is 'Who will replace whom'. Its main function of job rotation is to develop a pool of employees who can be placed at a senior level when someone gets retired or leaves the organization. The idea is to create an immediate replacement of a high-worth employee from within the organization.

Creating Right-Employee Job Fit: The success of an organization depends on the on-job productivity of its employees. If they're rightly placed, they will be able to give the maximum output. In case, they are not assigned the job that they are good at, it creates a real big problem for both employee as well as organization. Therefore, fitting a right person in right vacancy is one of the main objectives of job rotation.

Exposing Workers to All Verticals of the Company: Another main function of job rotation process is to exposing workers to all verticals or operations of the organization in order to make them aware how company operates and how tasks are performed. It gives them a chance to understand the working of the organization and different issues that crop up while working.

Testing Employee Skills and Competencies: Testing and analyzing employee skills and competencies and then assigning them the work that they excel at is one of the major functions of job rotation process. It is done by moving them to different jobs and assignments and determining their proficiency and aptitude. Placing them what they are best at increases their on-job productivity.

Developing a Wider Range of Work Experience: Employees, usually don't want to change their area of operations. Once they start performing a specific task, they don't want to shift from their comfort

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zone. Through job rotation, managers prepare them in advance to have a wider range of work experience and develop different skills and competencies. It is necessary for an overall development of an individual. Along with this, they understand the problems of various departments and try to adjust or adapt accordingly.

Job rotation is a well planned management approach that is beneficial both for employees and management.

Benefits of Job Rotation

Helps Managers Explore the Hidden Talent: Job Rotation is designed to expose employees to a wider range of operations in order to assist managers in exploring their hidden talent. In the process, they are moved through a variety of assignments so that they can gain awareness about the actual working style of the organization and understand the problems that crop up at every stage. Through this process, managers identify what a particular employee is good at and accordingly he or she is assigned a specific task.

Helps Individuals Explore Their Interests: Sometimes, employees are not aware of what would like to do until they have their hands on some specific job. If their job is rotated or they are exposed to different operations, they can identify what they are good at and what they enjoy doing. They get a chance to explore their interests and hidden potential.

Identifies Knowledge, Skills and Attitudes: Job Rotation helps managers as well as individuals identify their KSA (Knowledge, Skills and Attitudes). It can be used in determining who needs to improve or upgrade his or skills in order to perform better. This helps in analyzing training and development needs of employees so that they can produce more output.

Motivates Employees to Deal with New Challenges: When employees are exposed to different jobs or assigned new tasks, they try to give their best while effectively dealing with the challenges coming their way. It encourages them to perform better at every stage and prove that they are no less than others. This gives rise to a healthy competition within the organization where everyone wants to perform better than others.

Increases Satisfaction and Decreases Attrition Rate: Exposing employees to different tasks and functions increase their satisfaction level. Job variation reduces the boredom of doing same task everyday. Moreover, it decreases attrition rate of the organization. Employees develop a sense of belongingness towards the organization and stick to it till long.

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Helps Align Competencies with Requirements: Alignment of competencies with requirements means directing the resources when and where they are required. It assesses the employees and places them at a place where their skills, competencies and caliber are used to the highest possible extent.

Job rotation is an alternative to reduce the boredom caused due to repetitiveness of tasks and revive their willingness to handle a job and challenges involved in it with same excitement and zeal.

Disadvantages of Job rotation

Lot of time as well as effort go in motivating and persuading employees for job rotation. You just can't expect your team members to willingly work with people of other departments whom they don't even know at the first attempt only. Superiors have to sit with each and every individual in person and explain the benefits of job rotation first and then motivate him/her to contribute in other domains as well. Convincing employees for job rotation can sometimes be a time consuming process. As a Boss; you just can't concentrate on any other work but keep on encouraging your immediate juniors to say a yes to job rotation.

Another disadvantage of job rotation is that individuals take some time to acquaint to a new process, set up, be friendly with other employees and so on. Expecting miracles out of a marketing professional who has been asked to contribute in the accounts department as a result of job rotation is foolish. Individuals working beyond their expertise would definitely be able to contribute but their output would certainly not be at par with the experts. Efficiency may be lost as individuals do not become proficient in a particular task all of a sudden. Upgrading skills is no rocket science and takes time. How can a sales professional know each and every thing about the accounts team or all the softwares used by the IT team in just one day? In the same way, an individual from the MIS team would also take time to know about the specifications /features of each and every product and would never be able to convince clients to invest in the organization's products or services, the way a hard core sales professional would do. Work suffers at the end of the day and eventually the organization is at loss.

Job rotation also leads to stress and anxiety among employees. Employees are reluctant to come out of their comfort zone and hardly contribute in other department. For them, job rotation is another formality or process imposed on them. They simply have to follow the same as their Boss has asked them to do so. Individuals take time to open up in front of new people, express their ideas in a new

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team and often turn negative. They are very comfortable working with the people they have known for sometime but when it comes to new colleagues, they find it extremely difficult to adjust and thus create all sorts of problems.

Another problem of job rotation is that it does not take into account the time wasted in training someone who is not worth it and does not deserve to be in the system also. One sometimes tends to pick the wrong employee for job rotation who not only creates problems for everyone else but also misuses other departments' information and data. If someone has willingly volunteered for job rotation, the company has to give him/her an opportunity, irrespective of the fact whether he/she is actually capable of the same or not?. Anyone who is denied of the same would all of a sudden speak ill about the entire organization and lose interest in work. It is extremely difficult to find the right and deserving candidate for job rotation.

Another disadvantage of job rotation is that sometimes, employees even after working for few months, in another department hardly learn anything. All your efforts go waste when the end result is a zero.

Job Enrichment

Organizations are increasingly facing the heat of attrition, which is not good to health of the same. Lots of time, money and resources are spent into training an individual for a particular job and when he / she leaves the return on that investment equals null. Often it is not for the money that people leave; that may be the reason with the frontline staff but as we move towards the upper levels of organisational hierarchy, other reasons gain prominence. Many of those who quit their jobs complain of their jobs as uninteresting!

All this has compelled organisations to think of ways to make the job they offer interesting. Lots of efforts are made to keep monotony at bay; job enrichment is one of them. It is the process of making a job more interesting, challenging and satisfying for the employees. It can either be in the form of up gradation of responsibilities, increase in the range of influence and the challenges.

How does an Organisation Enrich a Job

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Typically job enrichment involves combining various existing and new tasks into one large module of work. The work is then handed over to an employee, which means there is an increase in responsibilities and scope. This increase in responsibility is often vertical. The idea is to group various tasks together such that natural work units are created.

In addition expanding jobs vertically also gives employee direct control over works units and employees that were formerly under the jurisdiction of top management only. While on one hand this increases the ownership of the employees in their work, it also relieves the unnecessary burden from the top management.

Job enrichment also opens up a feedback channel for the employees. Employees are frequently apprised of their performance. This keeps them on track and helps them know their weak and strong points. Performance standards are set for the employees themselves and future performances are matched against the benchmarks. All this without any serious intervention or involvement of the top management!

In a certain bank that dealt with commercial credit letters for import and export trade, the employees processed the documents in a sequence with each employee being specialised for certain aspect of verification. Often it so happened that a mistake at preceding level lead to a series of mistakes at succeeding level. Errors accumulated at each level and this result in huge loss of productivity.

The organisation decided to go for job enrichment where each employee or clerk was specialised in all aspects of processing. Each employee was now able to handle a client on his own. After some time it was found out that the transaction volume increased by 100 percent!

Benefits of Job Enrichment

Research studies on job enrichment found out decreased levels of absenteeism among the employees, reduced employee turnover and a manifold increase in job satisfaction. There are certain cases however where job enrichment can lead to a decrease in productivity, especially when the employees have not been trained properly. Even after the training the process may not show results immediately, it takes time to reflect in the profit line.

Job enhancement

Job enhancement is when an employee is given new responsibilities or tasks that give him/her the opportunity to develop his/her skills or abilities. For example, a cashier at a grocery store could be

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taught how to prepare the weekly work schedule. As a result, he/she could learn about scheduling and have the opportunity to use different work-related documents (e.g. timesheets).

Why job enhancement?

Job enhancement is an effective way to help employees improve their essential skills, and it doesn't require a lot of resources to be successful. It can:

- Better prepare employees for promotions and organizational changes
- Help address skill shortages
- Improve performance
- Increase job satisfaction
- Increase motivation and self-confidence
- Reduce employee turnover and stress
- Support a healthy learning culture in the workplace.

Sources of Recruitment

Sources of Recruitment

The various sources of recruitment are generally classified as internal source and external source.

(a) **Internal Sources:** This refers to the recruitment from within the company. The various internalsources are promotion, transfer, past employees and internal advertisements.

(b) **External Sources:** External sources refers to the practice of getting suitable persons from outside. The various external sources are advertisement, employment exchange, past employees, private placement agencies and consultants, walks-ins, campus recruitment, trade unions, etc.

The following external sources of recruitment are commonly used by the big enterprises:

1. Direct Recruitment: An important source of recruitment is direct recruitment by placing a notice on the notice board of the enterprise specifying the details of the jobs available. It is also known as recruitment at factory gate.

2. Casual Callers or Unsolicited Applications: The organisations which are regarded as good employers draw a steady stream of unsolicited applications in their offices. This serves as a valuable source of manpower.

3. Media Advertisement: Advertisement in newspapers or trade and professional journals is generally used when qualified and experienced personnel are not available from other sources.4. Employment Agencies: Employment exchanges run by the Government are regarded as a

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good source of recruitment for unskilled, semi-skilled and skilled operative jobs. In some cases, compulsory notification of vacancies to the employment exchange is required by law.

5. Management Consultants: Management consultancy firms help the organisations to recruit technical, professional and managerial personnel they specialise middle level and top level executive placements.

6. Educational Institutions or Campus Recruitment: Big organisations maintain a close liaison with the universities, vocational institutes and management institutes for recruitment to various jobs. Recruitment from educational institutional is a well - established practice of thousand of business and other organisations.

7. Recommendation: Applicants introduced by friends and relatives may prove to be a good source of recruitment.

8. Labour Contractors: Workers are recruited through labour contractors who are themselves employees of the organisation. Recruitment through labour contractors has been banned for the public sector units.

9. Telecasting: The practice of telecasting of vacant posts over T.V. is gaining importance these days. Special programmes like 'Job Watch', 'Youth Pulse', ' Employment News', etc. over the T.V have become quite popular in recruitment for various types of jobs.

10.Raiding: Raiding is a technical term used when employees working elsewhere are attracted to join organisations. The organisations are always on the lookout for qualified professionals, and are willing to offer them a better deal if they make the switch.

Merits of External Source of Recruitment

The merits of external sources of recruitment are as under:

1. Qualified Personnel: By using external sources of recruitment the management can make qualified and trained people to apply for vacant Jobs in the organisation.

2. Wider choice: When vacancies are advertised widely a large number of applicants from outside the organisation apply. The management has a wider choice while selecting the people for employment.

3. Fresh Talent: The insiders may have limited talents. External sources facilitate infusion of fresh blood with new ideas into the enterprise. This will improve the overall working of the

enterprise.

4. Competitive Spirit: If a company can tap external sources, the existing staff will have to compete with the outsiders. They will work harder to show better performance.

Demerits of External Sources

The demerits of filling vacancies from external sources are as follows:

1. Dissatisfaction among Existing Staff: External recruitment may lead to dissatisfaction and frustration among existing employees. They may feel that their chances of promotion are reduced.

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2. Lengthy Process: Recruitment from outside takes a long time. The business has to notify the vacancies and wait for applications to initiate the selection process.

3. Costly Process: It is very costly to recruit staff from external sources. A lot of money has to be spent on advertisement and processing of applications.

4. Uncertain Response: The candidates from outside may not be suitable for the enterprise.

There is no guarantee that the enterprise will be able to attract right kinds of people from external sources.

Selection Process:

Brief details of the various steps in selection procedure are given as follows:

1. Inviting applications:

The prospective candidates from within the organization or outside the organization are called for applying for the post. Detailed job description and job specification are provided in the advertisement for the job. It attracts a large number of candidates from vari ous areas.

2. Receiving applications:

Detailed applications are collected from the candidates which provide the necessary information about personal and professional details of a person. These applications facilitate analysis and comparison of the candidates.

3. Scrutiny of applications:

As the limit of the period within which the company is supposed to receive applications ends, the applications are sorted out. Incomplete applications get rejected; applicants with unmatching job specifications are also rejected.

4. Written tests:

As the final list of candidates becomes ready after the scrutiny of applications, the written test is conducted. This test is conducted for understanding the technical knowledge, atti tude and interest of the candidates. This process is useful when the number of applicants is large.

Many times, a second chance is given to candidates to prove themselves by conducting another written test.

5. Psychological tests:

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These tests are conducted individually and they help for finding out the indi vidual quality and skill of a person. The types of psychological tests are aptitude test, intelligence test, synthetic test and personality test

6. Personal interview:

Candidates proving themselves successful through tests are interviewed per sonally. The interviewers may be individual or a panel. It generally involves officers from the top management.

The candidates are asked several questions about their experience on another job, their family background, their interests, etc. They are supposed to describe their expectations from the said job. Their strengths and weaknesses are identified and noted by the interviewers which help them to take the final decision of selection.

7. Reference check:

Generally, at least two references are asked for by the company from the can didate. Reference check is a type of crosscheck for the information provided by the candidate through their application form and during the interviews.

8. Medical examination:

Physical strength and fitness of a candidate is must before they takes up the job. In-spite of good performance in tests and interviews, candidates can be rejected on the basis of their ill health.

9. Final selection:

At this step, the candidate is given the appointment letter to join the organization on a particular date. The appointment letter specifies the post, title, salary and terms of employment. Generally, initial appointment is on probation and after specific time period it becomes permanent.

10. Placement:

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This is a final step. A suitable job is allocated to the appointed candidate so that they can get the whole idea about the nature of the job. They can get adjusted to the job and perform well in future with all capacities and strengths.

Placement and Induction

Induction is the task of introducing the new employee to the policies, procedures, rules and regulations of the organization.

Induction Programme – An induction programme is conducted by the organization to provide the new employee information about –

Organization - History, current position, structure, rules, procedures, policies, issues etc.

Employee Benefits – Pay scale, Pay day, Holidays, Insurance, Medical, Provident fund etc.

Working Culture - Introduction to superiors, co-workers, trainers, counsellors and other Key staff

Job Duties – Job location, Job Objectives and Expectations, Job Safety, Job tasks and its relation with other jobs.

It is generally done through Lectures, Seminars, Films, Handbooks, and Manuals etc.

Objectives of an Induction programme -

(1) Remove fears of new employee – It assists the newcomer to know more about the job, policies, rules and regulations of the organization, terms and conditions of employment.

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(2) Create a good impression – Induction helps the newcomer to adjust and adapt to new demands of the job, get along with people, pose questions and seek clarifications and hence creates a favourable impression of the organization in the mind of the new recruit.

(3) Act as a valuable source of Information – Induction serves as a valuable source of information to new recruits as it assists him/her through employee manuals/handbooks and informal discussions about what he is supposed to do and how is he supposed to do it.

Steps of an Induction Programme -

Welcome the recruit to the organization

- 1. Explain him/her about the company
- 2. Show location and department where the new recruit will work
- 3. Provide company manual to the recruit
- 4. Provide details about Employee benefits
- 5. Explain about future career prospects and training opportunities
- 6. Entertain questions and clarify doubts
- 7. Provide a guided tour of building, facilities etc.
- 8. Hand the recruit over to his/her supervisor

Process of Induction -

- 1. Content
- 2. Socialization
- 3. Follow up

Content - The topics covered in an Induction Programme are as follows -

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Organization – History, current position, structure, rules, procedures, policies, issues, names and titles of key executives, employee manual, disciplinary procedures, products/services offered etc.

Employee Benefits – Pay scale, Pay day, Holidays, Insurance, Medical, Provident fund, Recreation, retirement benefits, training avenues etc.

Working Culture – Introduction to superiors, co-workers, trainers, counsellors and other Key staff, guided tour of building, facilities etc.

Job Duties – Job location, Job Objectives and Expectations, Job Safety, Job tasks and its relation with other jobs.

Socialization – It is a process through which a new recruit begins to understand and accept the values, norms and beliefs held by others in the organization.

Through formal and informal interaction and discussions a new comer understands how the department/company works, who holds the Key positions, how to behave and what is expected from them.

Follow up – To overcome any issues or challenges that the new recruit is facing due to communication gaps in the orientation and socialization process the supervisor may hold follow up meetings at fixed intervals on a face to face basis. The company also obtains feedback of people involved in the induction programme through round table discussions, in-depth interviews, questionnaire etc.

Placement

It refers to the actual posting of an employee to a specific job. It involves assignment of a specific rank and job responsibilities to an individual. The placement decision is taken by the line manager after comparing the job requirements with the qualifications of the candidate.

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A few basic principles should be followed at the time of placement of a worker on the job.

1. Man should be placed on the job according to the requirements of the job. The job should not be adjusted according to the qualifications or requirements of the man. Job first; man Next should be the principle of placement.

2. The job should be offered to the man according to his qualifications. The placement should neither be higher nor lower than the qualifications.

3. The employee should be made conversant with the working conditions prevailing in the industry and all things relating to the job. He should also be made aware of the penalties if he commits a wrong.

4. While introducing the job to the new employee, an effort should be made to develop a sense of loyalty and cooperation in him so that he may realise his responsibilities better towards the job and the organisation.

5. The placement should be ready before the joining date of the newly selected person.

6. The placement in the initial period may be temporary as changes are likely after the completion of training. The employee may be later transferred to the job where he can do justice.

Proper placement helps to improve employee morale. The capacity of the employee can be utilised fully if he is placed on the job for which he is most suitable. Right placement also helps to reduce labour turnover, absenteeism and accident rates. If a candidate adjusts himself to the job and continues to perform as per expectations, it might mean that the candidate is properly placed.

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The main problem with placement arises when the recruiters look at the individual but not at the job. Often, the individual does not work independent of the others.

1. Independent jobs

In independent jobs, non-overlapping routes or territories are allotted to each employee e.g. in field sales. In such situations, the activities of one employee have little bearing on the activities of other workers. Independent jobs do-not pose great problems in placement. Each employee has to be evaluated between his capabilities and interests and those required on the job.

The objectives of placement will be:

(a) To fill the job with people who have at least the minimum required qualifications.

(b) People should be placed on the job that will make the best possible use of their talents, given available job and HR constraints.

2. Dependant jobs

Dependent jobs may be sequential or pooled. In sequential jobs, the activities of one employee are dependent on the activities of a fellow employee. Assembly lines are the best example of such jobs.

In pooled jobs, there is high interdependence among jobs. The final output is the result of the contribution of all the workers.

In dependent jobs, an employee is placed in a specific sub group. While placing, care must be taken to match characteristics of the employee with that of the sub group. Because in such jobs, team work matters a lot.

HR specialists must use assessment classification model for placing newly hired employees.

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	UNIT 2									
S.no	Questions	Option A	Option B	Option C	Option D	Answer				
1	The process of searching for prospective employees and stimulating them to apply for jobs in an organization is termed as	Promotion	Recruitment	Selection	Placement	Recruitment				
2	An HR manger was involved in the process of human resource planning. The first step he undertook was assessing current resources and making an inventory .what is the next step that the manager has to take in HRP?	Start recruiting to meet the requirements	forecasting	Matching the inventory with future requirements	Developing an action plan to meet future requirements	forecasting				
3	is the process by which the knowledge of an employee, his skills abilities and motives to perform a job must match the requirements of the job?	Recruitment	Job Analysis	Selection	Placement	Job analysis				
4	The poor quality of selection will mean extra cost on and supervision.	Training	Recruitment	Work quality	Development	Training				
5	While recruiting for non - managerial, supervisory and middle - management positions which external factor is of prime importance?	Political - Legal	Unemployment rate	Labour market	Growth and Expansion	Labour market				
6	A major internal factor that can determine the success of the recruiting programme is whether or not the	Human resource planning	Selection	Induction	Socialization	Human resource planning				

	company engages in					
7	refers to the process of identifying and attracting job seekers so as to build a pool of qualified job applicants.	Selection	Training	Recruitment	Induction	Recruitment
8	Which of the following are the decisions to be made while devising the strategies to hire?	Geographic distribution of labour markets comprising job seekers	Make or buy employees	Sequencing the activities in the recruitment process	All of the above	All of the above
9	What is the natural perception of people on the process of recruitment and selection?	Positive	Negative	Both positive and negative	None of the above	Positive
10	What is the main objective of the recruitment and selection process	Recruit the right candidates	Meet the high labour turnover	To reduce cost of hiring	None of the above	Meet the high labour turnover
11	In a job analysis method, information was being gathered regarding a particular job from experts.what is the method of job analysis being used here?	Observation method	Technical conference method	Group interview method	Questionnaire method	Technical conference method
12	A job analysis where the job analyst conducts background research, interviews job incumbents and supervisors and prepares a detailed document is	Positional analysis questionnarie	Technical conference method	Diary method	Technical conference method	Technical conference method
13	A questionarie propounded by Ernest J Mc Cormick that provides job requirement information and contains 194 elements that fall into 6 major categories is the	Positional analysis questionnarie	Job analysis questionnarie	Performance analysis questionnnarie	Employee analysis questionarie	Positional analysis questionnarie

14	Which method of job analysis is more suitable for the middle and top level management jobs and not for the lower level jobs?	Positional analysis questionnarie	functional job analysis	Diary method	critical incident technique	critical incident technique
15	what describes in detail, the various aspects of a job like the tasks involved the resposiblities of the job and the deliverables ?	Job description	Job specification	Job evaluation	Job enlargement	Job description
16	In the process of job specification, the specifications that include analytical ability, data interpretation ability,decision-making ability etc.,are	Physical specifications	Emotional specifications	Mental specification	Behavioural specifications	Mental specifications
17	Which of the following are the uses of job analysis?	Organization audit	Promotion and transfer	health & safety	all the above	all the above
18	Which approach to job design has a key element called the task idea that led to job specialization?	Engineering approach	Hr approach	socio technical approach	job characteristics approach	Engineering approach
19	Which theory of job design by Hackman &Oldham states that employees work hard when they are rewarded for the work they do,and when the work gives them satisfication ?	job characteristics approach	employee characteristics approach	performance characteristics approach	group characteristics approach	job characteristics approach
20	helps in developing mangement generalists at higher organizational levels as it exposes them to several different operations.	Job analysis	job rotation	job enrichment	Job enlargement	job rotation

21	Which of the following helps in increasing the length &hence the operating time of each cycle of work for the job holder?	Job enlargement	Job enrichment	Job rotation	Job specification	Job enlargement
22	Which of the following are techniques of job enrichment	Developing management generalists at higher organizationals levels	Increasing the length and operating time of each job.	Minimizing controls and providing freedom of work when the employees are clearly accountable for attaining defined goals.	Providing wider scope,greater sequencing & increased pace of work.	Both c and d
23	A good recruitment policy	is flexible enough to accommodate changes in the organization	has its own policies & does not comply with govt policy on hiring	Requires more investment for the organization	Ensures short-term employment oppurtunities for its employees	is flexible enough to accommodate changes in the organization
24	Which of the following is not an external environment factor that determines the effectiveness of a recruitment program?	The situation in the labor market	The stage of development of the industry	Culture,social attitudes and beliefs	Geographical location of the job	Geographical location of the job
25	The HR department of Magnus Textiles made sure that any vacancies in the organization first reached the prospective candidates in the organization.Candidates from the org.	Advertisements	internal search	Employee referrals	Campus recruitment	Internal search

responded to job postings.What is the source of recruitment being used?			

26	The important information that has to be furnished in the advertisement includes:	Location or place of work	Tasks & responsibilities in the job	Nature of the job	All of the above	All of the above
27	Many human resource professional are now using the internet to recruit personnel.Which of the following statements are not true about online recruiting?	It is a time saving process	It is a cost effective	It supplements rather than replaces the leg work associated with offline recruitment	It eliminates completely the work associated with recruitment on the part of the recruiter to his/her total convenience	It eliminates completely the work associated with recruitment on the part of the recruiter to his/her total convenience
28	A famous IT firm has a vacancy for the post of "vice president". Which of the following methods of recruitment would you suggest?	Employment pages of a national daily or a business magazine	Advertisements in a local daily	Campus placement	Listing of the vacancy on a placard outside the ORG.	Employment pages of a national daily or a business magazine
29	The success of a recruitment program can be judged based on	The no of successful placements	The no of hiring and The no of offers made	The no of applicants	All of the above	All of the above
30	The process of choosing the most suitable candidate for a job from among the available applicants is called	Recruitment	Placement	Appraisal	Selection	Selection

31	Vishal industries committed the mistake of hiring an unsuitable candidate for one of its vacancies.The negative outcomes as a result of selecting an unsuitable candiadte are	Lose the goodwill of other employees	The cost of employees non- performance	It will not be able to lay off such employees	Reduction in the number of employees	The cost of employees non - performance
32	Which of the forecasting technique is the fastest?	Work study technique	Flow models	Ratio trend analysis	HR demand Forecast	Ratio trend analysis
33	What does the ratio trend analysis studies for forecasting?	Profits and loss	Retirements and requirements	Past and future ratios of workers and sales	None of the above	Past and future ratios of workers and sales
34	Which is the simplest flow model used for forecasting	Semi - Markov Model	Resource based Model	Markov Model	Vacancy Model	Markov Model
35	Which of the following is not a method of collecting job data?	Checklists	Interviews	Case study	All of the above	All of the above
36	In which approach of reliability, a group of candidates take the same test twice ,within a gap of 2-3 weeks?	Repeat or test retest	Alternate form	Parallel form	Split halves procedure	Repeat or test retest
37	Which of the following questions are included in a management position description questionnaire?	Autonomy of actions	Complexity and stress	Public and customer relations	All of the above	All of the above
38	What is the main objective of the recruitment and selection process?	Recruit the right candidates	Meet the high labour turnover	To reduce the costs of recruiting	None of the above	Meet the high labour turnover
39	Information regarding job-related knowledge or skills and required personal attributes is included in the information aboutan HR specialist may collect during a job analysis.	Work activities	Human behaviors	Human requirements	Performance appraisal	Human requirements
40	Asummarizes the personal	Job	Job analysis	Job description	Job context	Job

	qualities, traits, skills, and background	specification				specification
	required for getting the job done.					
41	Which of the following is included in	Traits	Skills	Required	All of the above	All of the
	the job specifications?			background		above

42	Which of the following is not an advantage of using interviews to collect job analysis data?	it is simple to use	some information may be exaggerated or minimized	it is quick to collect information	it can identify uncommon, but important activities	it is quick to collect information
43	Interviews often include questions about	Supervisory responsibilities	Job duties	Education and experience	All of the above	All of the above
44	Ais the time it takes to complete a job.	Job specification	Work cycle	Work week	Shift	Work cycle
45	For which of the following jobs is direct observation not recommended to collect data used in a job analysis?	assembly-line worker	accounting clerk	Engineer	Salesperson	Engineer
46	Which two data collection methods are frequently used together?	direct observation and interviewing	questionnaires and direct observation	interviewing and questionnaires	diaries and interviewing	direct observation and interviewing
47	Jane records every activity she participates in at work along with time in a log. This approach to data collection for job analysis is based on	diaries	Interviews	Direct observation	Questionnaire	Diaries
48	Which of the following is considered a qualitative approach to job analysis?	Position analysis questionnaire	Interviews	Functional job analysis	All of the above	Interviews
49	Which of the following is <u>not</u> one of the basic activities included in a position analysis questionnaire?	Performing skilled activities	Being physically active	Operating equipment	All of the above	All of the above
50	Theassigns a quantitative score	Department of	position analysis	functional job	log approach	position

	to each job based on its decision- making, skilled activity, physical activity, equipment operation, and information-processing characteristics.	Labor Procedure	questionnaire	analysis		analysis questionnaire
51	Most job descriptions contain sections that cover	Job summary	Standard of performance	Working conditions	All of the above	All of the above
52	One uses information from the to write a job specification.	Job summary	Job identification	Job description	Standards of performance	Job description
53	is the determination of the job to which an accepted candidate is to be assigned. It is a matching of what the supervisor has reason to think he can do with the job demands".	Recruitment	Placement	Selection	Training	Placement
54	Which of the following steps should be adhered to, when interviewing ?	ask demanding & leading questions	get too engrossed in the interview to follow the plan	interrupt the candidate frequently	make the candidate feel comfortable & relaxed	make the candidate feel comfortable & relaxed
55	Mohan krishna attended an interview & was very upset with the way it progressed.The interviewer repeatedly interrupted him,criticized his answers and asked him unrelated questions. What is the method of interview adopted?	Panel interview	Stress interview	In depth interview	Group interview	Stress interview
56	In a defence org.,the tests conducted on validity and truthfulness of an applicants answers,by monitoring the physical changes in his body as he answered a series of questions .What is the type of test being used?	Polygraph tests	Situational tests	Interest tests	Intelligence tests	Polygraph tests

57	A bank wanted to conduct a test for the applicants for the job of a clerk cum cashier.Most of the app,icants were fresh from the college with little experience related to the job. The bank wants to pick and train the right candidates.Which test do you suggest to be given to the candidates?	Aptitude test	Intelligence test	Achievement test	Situational test	Aptitude test
58	test measures a persons ability to classify things ,identify relationships and derive analogies.It measures several factors like logical reasoning, analytical skills and general knowledge.	intelligence test	Performance tests	Emotional tests	Social Tests	Intelligence test
59	The time period for orientation is relatively lon as compared to socialization	The changes resulting out of orientation are more than those out of socialization	Orientation is an event where as socialization is an on-going process	More organizational members are involved in the process of orientation as compared to socialization	The time period for orientation is relatively lon as compared to socialization	Orientation is an event where as socialization is an ongoing process
60	Vishal joined a consultancy firm as a trainee, but soon decided to leave the organization.During the exit interview, it was found that he was not comfortable in the work place, & also he did not find the work atmosphere to be friendly.what would have gone wrong in the work place?	The organization did not have an effective induction program	The organization did not create a positive perception in the mind of an employee	The organization failed in its selection process	The employee was not able to adapt to the organization	The employee was not able to adapt to the organization