Introduction to Management

Module 4
Staffing
Human Resources Management; Training and Development

Chapter-7

HUMAN RESOURCE MANAGEMENT (Fundamentals of Staffing)

INTRODUCTION

- *Staffing is the process of attracting, developing, evaluating and compensating individuals at work.*
- *One of the important duties of human resource managers is to help the organisation reach its goals through effective and efficient utilisation of human resources*.

Main features of Staffing

Staffing involves people : Staffing is difficult because it deals with people. Unlike the other managerial functions such as planning, organising and controlling that may be totally objective and performed almost mechanically, staffing function is difficult to perform.

Staffing is development-oriented :

- *Staffing is not simply hiring people.*
- *It aims at developing people through training.*
- *It aims at maintaining people with appropriate compensation policies*.

Main features of Staffing (Contd….)

Staffing is continuous :

- People join and leave organisations for a number of reasons.
- To meet the growing needs of an organisation, new people have to be hired from time to time.
- Thus, staffing is a continuous activity and it is an integral part of management process.

Staffing is a three step process :

- *Hiring the right kind of people* to fill vacancies
- *Developing their skills through training*
- *Retaining them by creating favorable conditions of work*

Importance of Staffing

Staffing helps an organisation in the following ways :

1. Key to other managerial functions :

- An organisation **having the right kind of people can translate its plans into results easily.**
- Organise its facilities and resources properly.

2. Design a sound organisation :

- Proper recruitment and selection practices <u>enable the organisation to **attract talented people into its fold.**</u>

3. Motivation to do outstanding work :

- Where the vacancies in an organisation are filled with the right kind of people, it is possible to achieve objectives smoothly. <u>**Their contributions are taken note of and rewarded properly.**</u>

Human Resource Management

- Human resource management can be defined as –
  - “employing people;
  - developing their knowledge, skills, and attitudes; utilizing their services purposefully & compensating appropriately;
  - in tune with the organizational requirements”
- HRM is concerned with <u>the most effective use of people to achieve organisational and individual goals</u>.

Managerial Functions of HRM

- **Planning:** Formulating the future course of action for employees

- **Organizing:** Establishing an internal structure of roles for people in an organization

  (Chain of command, Division of work and assigning responsibility)

- **Staffing:** Obtaining and maintaining capable and competent personnel in various positions at all levels

- **Directing:** Directing all the employees towards common organizational goals

- **Controlling:** Measuring the performance to ensure that events and outcomes conform to plans and setting right if any deviations are there

Operative Functions of HRM

- **Employment**: Job analysis, HRP, Recruitment, Selection, Placement and Induction

- **HRD**: Performance Appraisal, Training, Management Development and Career Planning and Development

- **Compensation**: Job evaluation, Wage and Salary Administration, Incentives, Bonus and Fringe Benefits

- **Employee Relations**: Disciplinary Action, Grievance Handling, Industrial relations, Collective Bargaining, Industrial Dispute prevention and Worker Participation

HR Accounting

- It is the measurement of the cost and value of people for an organization
- It attributes an appropriate value to the worth of human resources of an organization
- It helps management to value its human resources and use it with discretion and wisdom
- It also provides essential information to the management to maintain and develop its important resources

Objectives of HRM

1. To provide the organization with well trained & well motivated employees
2. To employ and utilize the skills and abilities of the workforce efficiently
3. To increase employees job satisfaction and self actualization (stimulate employees to realize their potential)
4. To develop & maintain a quality of work life.
5. To communicate HR policies to all employees.
6. To be ethically & socially responsive to the needs of the society (ensuring compliance with legal & ethical standards) 7.
8. To provide fair, acceptable & efficient leadership by grooming the bright employees

Differences between
Personnel Management & Human Resources Management

- Out of all concepts that came up, Personnel Management is most commonly used

- Personnel Management views Human being as an Economic Person
  - Works for wages
- HRM's basic proposition is that Human beings have
  - Economic, Social and Psychological needs

- Scope of HRM is **broader** than Personnel Management

Personnel Management	Human Resource Management
It means management of people employed	It means management of employee's skills, abilities, knowledge, talents. Aptitude etc.
Employees are treated as economic man his services are exchanged for wages and salary.	Employees are treated as economic, social and psychological man.
Employees are treated as commodity, which can be used and purchased.	Employees are treated as resources
It is Cost centered therefore management tries to control the cost.	It is profit centered therefore investments in human resources for future utility purpose.
Employees are used for organizational benefit.	In HRM, employees are used for mutual benefit.
Personnel function is treated as auxiliary function i.e. no separate function or department it is treated as routine work.	It is treated as upper level management forms strategic function i.e. proper strategies.

Challenges to HR professionals

- Worker **Productivity**

- **Quality** improvement

- **Changing attitudes** of Workforce

- Impact of the **Government**

- Quality of **Work-Life**

Line and Staff Functions

- **Line functions**: The departments or employees of a firm that perform the core activities and contribute to its business directly. Ex- Manufacturing

- **Staff functions**: Departments or employees that perform a support function and contribute indirectly to the business of a firm. Ex- HRM and Finance

Line-Staff Conflict

Complaints of Line Managers

- HR staff take up line authority
- HR function does not provide the right support
- HR staff try to steal the limelight
- HR staff do no see the whole picture

Complaints of Staff Managers

- Line function is prejudiced and biased
- Line function does not understand the value of contributions of staff
- Line function does not know how to make effective use of HR function
- Line function is averse to experimentation
- HR function is not given enough freedom and power

What Is Job Analysis?

- **Job Analysis** – is the procedure through which you determine the duties and skill requirements of a job and the kind of person who should be hired for it.

Job Analysis-Definition

- Job Analysis is the process of determining and recording all the pertinent information about a specific job including

- ➢ The tasks involved
- ➢ The knowledge and skills required to perform the job successfully
- ➢ The responsibilities attached to the job
- ➢ The abilities required to perform the job successfully

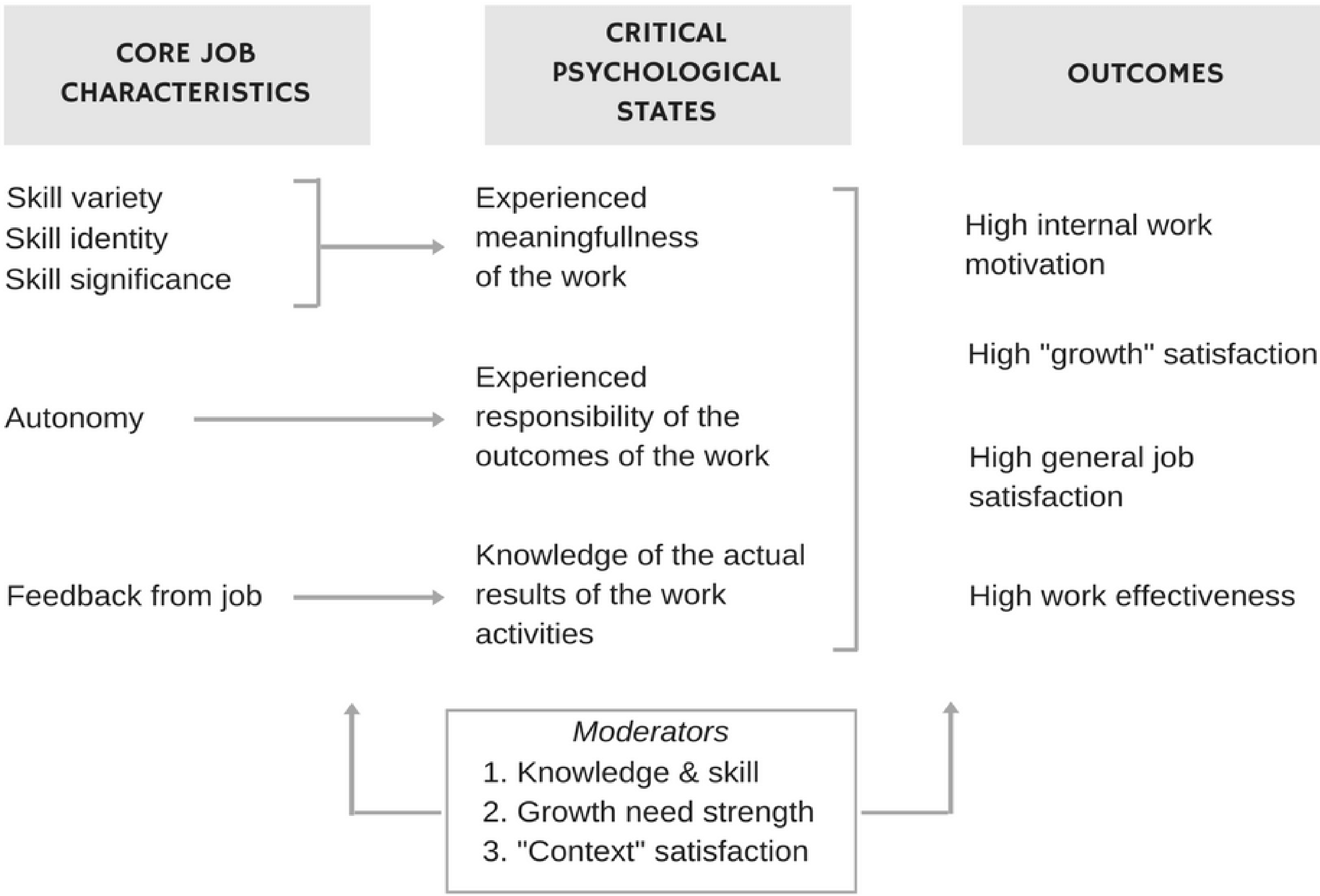
Job Analysis Involves

- Information gathering
- Job specific competency determination
- Developing a job description
- Developing a job specification

Job Characteristics approach

- Employees work hard when they are rewarded for the work they do and when the work gives them satisfaction
- It **identifies the specific job characteristics that affect productivity, motivation and satisfaction** and their interrelationships
- The core dimensions are:
  - ➢ Skill Variety
  - ➢ Task Identity
  - ➢ Task Significance
  - ➢ Autonomy
  - ➢ Feedback

Job Characteristics Model



JOB CHARACTERISTICS MODEL
From Hackman and Oldham, 1980

Human Resource Planning

- *Human Resources planning is a process by which management determines how the organization should move from*
  - *its current manpower position to*
  - *its desired manpower position.*

- *It is a complex task which estimates the future demand and supply position of HR in the organization.*

Recruitment is defined as

- “ The process of seeking and attracting a pool of people from which qualified candidates for job vacancies can be chosen”

- “The process of searching for prospective employees and stimulating them to apply for jobs in the organization”

Selection

- Selection is defined as choosing the most suitable candidate for a job from among the available applicants

- It is the process of ascertaining the qualifications, experience, skill, knowledge, etc of an applicant with purpose of determining his suitability for a job

Placement

- It is the determination of the job to which an accepted candidate is to be assigned and his assignment to that job
- After selection, the employee is first inducted into the organization to familiarize with organization and then placed in a position

HRM and HRD

- The **human resource management** [**HRM**] **is** mainly maintenance oriented whereas **human resource development** [**HRD**] **is** development oriented.

- **Human resource management** [**HRM**] mainly aims to improve the efficiency of the employees whereas [**HRD**] aims at the development of the employees as well as organization as a whole.

Importance of HRM to all Managers

- Human Resources are assets for any organization
- Every Manager (viz., Operations, Marketing, Finance) has some HR responsibility and it becomes an essential part of every manager’s work
  - Planning for workforce
  - Analysing and designing their jobs
  - Playing an active role in selecting the employees
  - Giving the required orientation to them
  - Identifying their training needs
  - Evaluating their performance at work
  - Communication, Motivation and employee engagement

It is important for all Managers to ensure

- Employee health and safety
- Maintaining good relations
- Managing diversity
- Good relations with Unions
- Complying the statutory requirements

Chapter- 8

Training and Development

Training and Development

- In the knowledge driven world of today, the pace of change is so fast. Even to stay at the same place, the organizations have to run fast.

- Strategic advantage to the organizations comes only from the core competences, which are developed by the individuals working in it.

- Such levels of excellence can be achieved only by investing in updating the skills and knowledge of their employees.

- Training is one such option to cure the organizations of sluggishness, which may creep in because of the organizational inertia.

Employee Training

- Employee Training is defined as the **systematic development of the knowledge, skills and attitudes** required by an individual to perform adequately at work on a given task or job

- It is the **act of increasing knowledge and skill of an employee** for doing a particular job / for giving expected performance at work

- Training **enhances the skills, knowledge and capabilities** of the individuals in any organization

Objectives of Training

- Updating Employee Skills / Imparting new skills
- Improving Employee performance at work
- Avoiding Managerial Obsolescence
- Preparing for Promotion and Managerial Succession
- Retaining existing employees and Motivating them
- Creating an efficient and effective organization

Difference between Training and Development

Although the terms training and development are used together, they are often confused.

- **Training** means learning the basic skills and knowledge necessary for a particular job or a group of jobs; or the act of increasing the knowledge for doing a particular job.
- **Development** refers to the growth of an individual in all respects. An organization works for the development of its executives or potential executives in order to enable them to be more effective in performing the various functions of management.

Training Needs Assessment

- A training needs assessment is the <u>method of determining</u>
  - **if a training need exists** and if it does,
  - **what training is required to fill the gap**

- Training needs can be identified by

  deducting the existing skills from the **job requirements**

- It exists when there is **a gap between**
  - **what is required of a person to perform the work** competently; and
  - **what** he/she knows**/capable as of now**

Training Need Assessment (TNA)

Training need exists when there is a gap between the present skills and knowledge of its employees, and the skills and knowledge they require or will require for an effective performance.

TNA is important because of three contextual changes that occur in an organization

- Job Changes
- Person changes
- Performance Deficiencies

Scope of TNA : Three categories of the scope of training needs can be identified, as stated below:

- At the level of all individuals
- Specific groups in an organisation
- Particular individuals in an organisation

Types and Methods of Training

- **Types of training :** Some important types of training are :
    - Apprenticeship Training
    - Internship Training
    - Job related Training
    - Orientation or Induction Training
    - Refresher Training
    - Training for promotion

- **Methods of Training :** Various methods of training are classified as :
    - On-the-job training (Coaching, Special Assignments, Job Rotation)
    - Off-the-job training (special lecture-cum-discussion, Conference, Case study, Sensitivity training, Special projects, Committee assignments)
    - Vestibule training (which stimulates the job tasks during training)

Training Effectiveness

- Training effectiveness is the degree to which trainees are able to learn and apply the knowledge and skills acquired during the programme.

- It is influenced by the attitudes, interests, values and expectations of the trainees and the training environment.

- A training programme is likely to be more effective when the trainees want to learn, are involved in their jobs and have career plans

Evaluation of a Training Program

Kirkpatrick's Model

This model has four factors

1. *Reaction*: How well did the trainees like the program?
2. *Learning*: What principles, facts and techniques were learned?
3. *Behaviour*: What changes in job behaviour occured?
4. *Results*: What were the tangible results?

Steps in Training Evaluation

- Setting up Evaluation Criteria
- Assessing the knowledge prior to training
- Trained workers
- Assessing the knowledge after training
- Transfer to the job
- Follow up studies

HR Accounting and HR Analytics

- Human Resource Accounting
- HR analytics
  - Descriptive Analytics
  - Predictive Analytics
  - Prescriptive Analytics

A Categorization of Analytical Methods and Models

- **Descriptive analytics**: It encompasses the set of techniques that describes what has happened in the past.
  - Examples - data queries, reports, descriptive statistics, data visualization (data dashboards), data-mining techniques, and basic what-if spreadsheet models
  - Data query - It is a request for information with certain characteristics from a database.

A Categorization of Analytical Methods and Models

- **Predictive analytics**: It consists of techniques that use models constructed from past data to predict the future or ascertain the impact of one variable on another.
  - Eg: Survey data and past purchase behavior may be used to help predict the market share of a new product.
  - Techniques: Linear regression, Time series analysis, Data mining techniques and simulation

A Categorization of Analytical Methods and Models

- **Prescriptive Analytics**: It indicates a best course of action to take
  - Models used in prescriptive analytics:

Optimization models

- Models that give the best decision subject to constraints of the situation.

Simulation optimization

- Combines the use of probability and statistics to model uncertainty with optimization techniques to find good decisions in highly complex and highly uncertain settings.

Decision analysis

- Used to develop an optimal strategy when a decision maker is faced with several decision alternatives and an uncertain set of future events.
- It also employs utility theory, which assigns values to outcomes based on the decision maker's attitude toward risk, loss, and other factors.