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Human Resource Management and Organizational Behavior
Sub Code- MBCII-I

Unit – II

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Program Objectives

PO1: Apply knowledge of management theories and practices to solve business problems.

PO2: Foster Analytical and critical thinking abilities for data-based decision making.

PO3: Ability to develop value based leadership ability.

PO4: Ability to understand, analyze and communicate global, economic, legal, and ethical aspects of business.

PO5: Ability to lead themselves and others in the achievement of organizational goals, contributing effectively to team environment.

Program Objectives

PO6: Ability to evaluate a business idea and formulate a feasible business plan.

PO7: Recognize the need for and have the orientation and ability to engage in an independent & lifelong learning in a dynamic business environment.

PO8: Ability to appraise and explain societal and environmental aspects of business.

Course Objectives Of HROB

- **CO1-Develop** the knowledge, skills and concepts needed to resolve actual human resource management problems or issues related to recruitment, selection, training and development, performance appraisal and compensation management.

- **CO2-Develop** a job analysis and produce a job description and job specification for any given profile of company from domains like marketing, HR, Operation and Finance.

- **CO3-Explain** fundamental concepts, principles, techniques and judgment in supply-demand forecasting and supply programs in determining HR planning

Course Objectives Of HROB

- **CO4-Explain** fundamental concepts, principles, techniques and judgment in supply-demand forecasting and supply programs in determining HR planning

- **CO5-Explain** group dynamics and demonstrate skills required for working in groups (team building)

- **CO6- Explain** Organizational change and **summaries** its causes**.**

Unit II: Important Concepts in Managing Human Resource

HRP- concept; **Recruitment and Selection**—Meaning, Sources and Process;

Employee Training concept, importance, objectives, types, steps in Training process;

Performance Appraisal- concept, objectives, Importance, Methods;

Compensation Management- Concept and components.

Unit Objectives

1.To learn about the concepts of HRP, Recruitment and Selection, Training and Development, Performance Appraisal and Compensation Management.

2. To be able to develop Recruitment and Selection Policies of any company.

3.To learn about the various techniques of Performance Appraisal and its Applicability.

4. To know about the various components of Salary structure.

WHAT IS HR PLANNING?

HR planning is the process through which the management strives to have the right number and kind of people in the right place, at the right time, doing things which result in both the organization and the individual receiving maximum long range benefits.

OBJECTIVES OF HRP

• Determination of future recruitment and selection needs.

•Assessment of future skill requirement

•Anticipation of surplus staff and avoidance of unnecessary dismissals.

•Control of wage and salary costs.

•Ensuring optimum utilization of HR presently employed.

NEED FOR HRP

1. Replacement of persons.

2. Labour Turnover.

3. Expansion plans.

4. Technological changes.

5. Assessing Needs.

HR Planning Process

Organization's strategies and plans

Current inventory of manpower

Demand forecasting

Supply forecasting
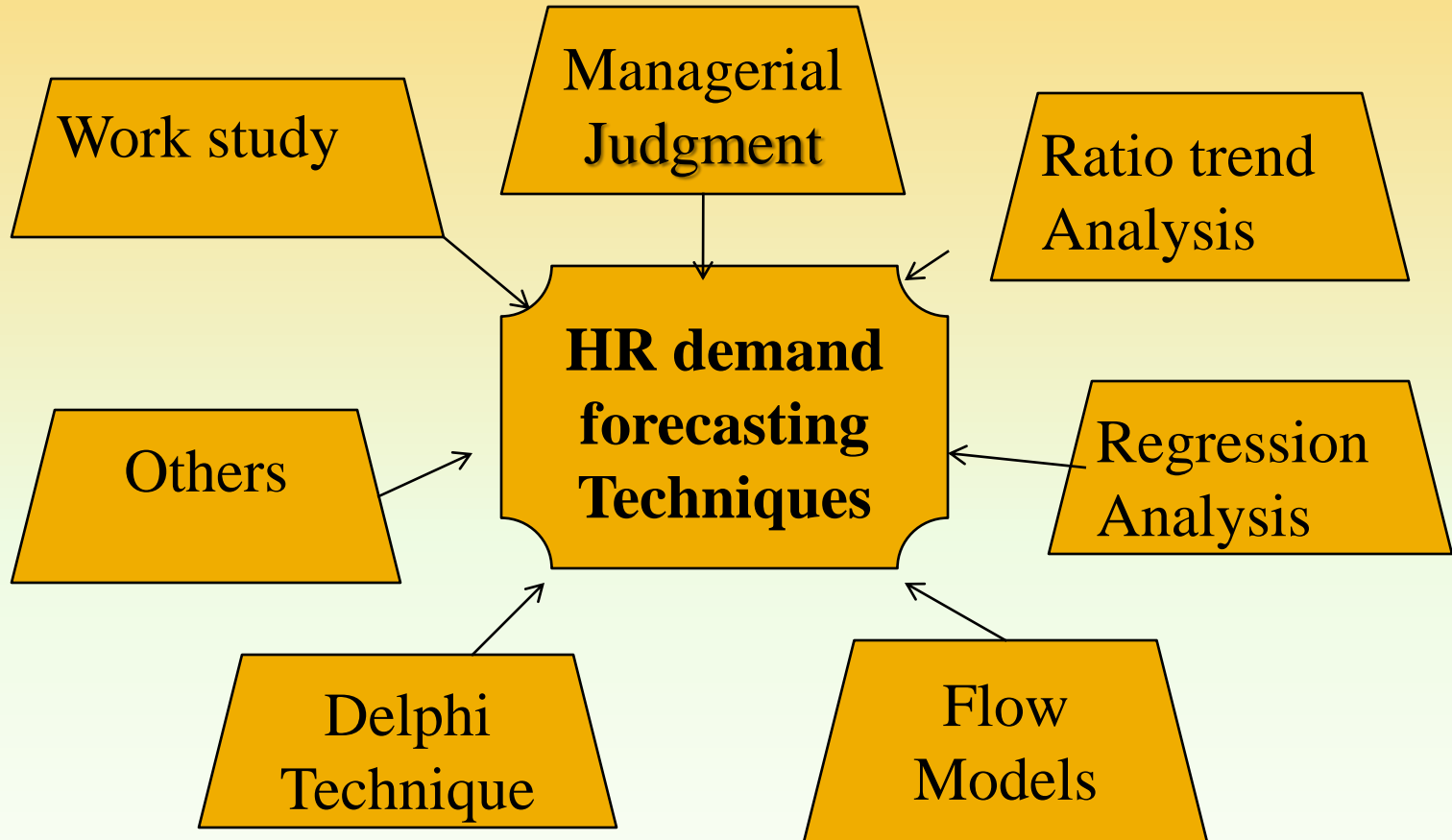
Assessment of human resources needs
•**Gap analysis**

Action planning

Implementation

Organizational Behaviour, K.Aswathapa, Himalya Publishing House

Techniques of HR Demand Forecasting

Work study

Managerial Judgment

Ratio trend Analysis

Others

HR demand forecasting Techniques

Regression Analysis

Delphi Technique

Flow Models

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Factors affecting Human Resource Planning

1. Organizational growth cycles and planning
2. Time horizons
3. Nature of jobs being Filled
4. Environment Uncertainties
5. Outsourcing
6. Labor market
7. Type and strategy of Organization

RECRUITMENT AND SELECTION

Definition and Meaning of Recruitment

According to Edwin B. Flippo,*" Recruitment is the process of searching the candidates for employment and stimulating them to apply for jobs in the organisation "*

Meaning:

Recruitment is the activity that links the employers and the job seekers.

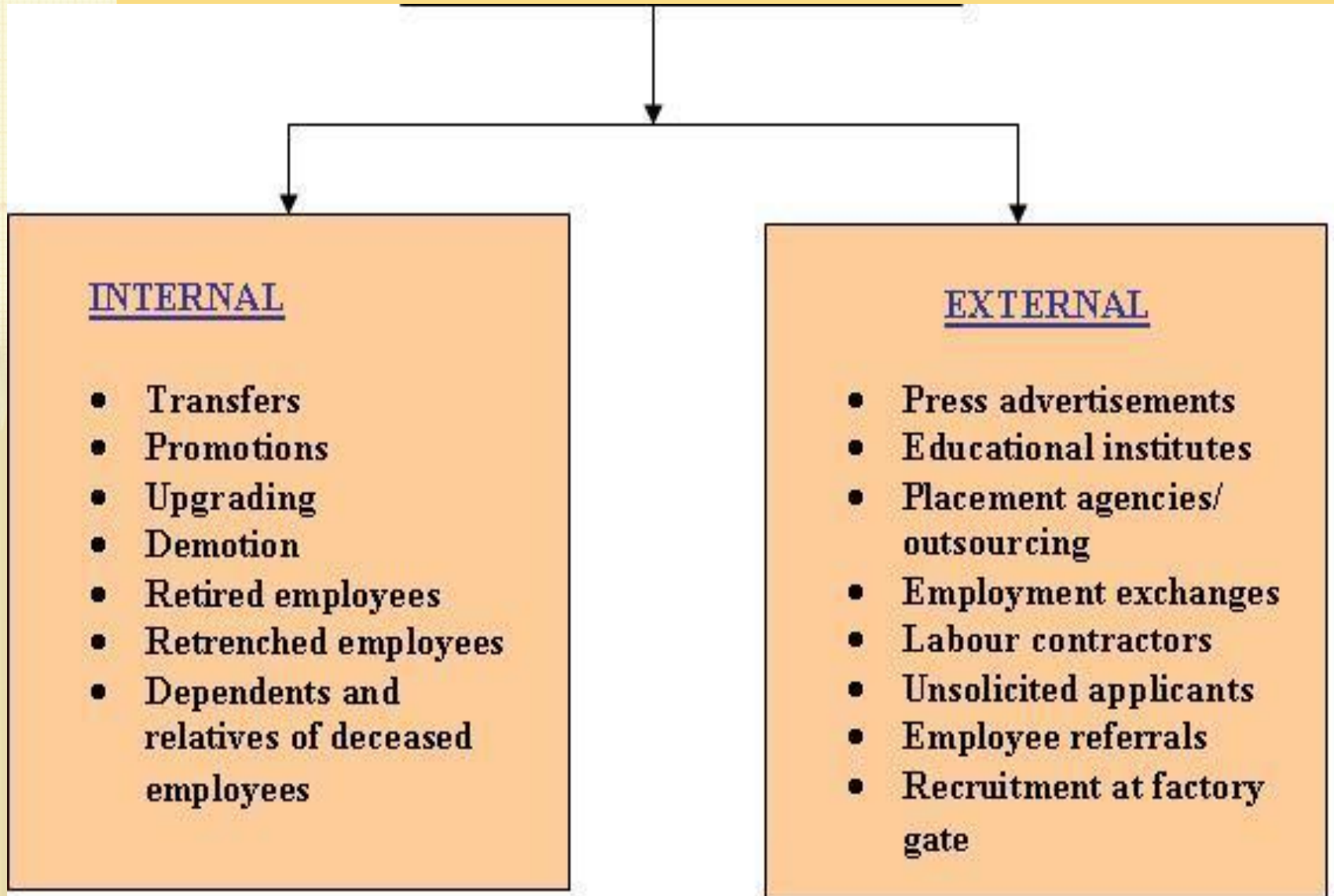A process of finding and attracting capable applicants for employment.

Factors affecting recruitment policy

- Organizational objectives
- Personnel policies of the organization and its competitors.
- Government policies on reservations.
- Labour market.
- Size of the organization.
- Recruitment costs and financial implications

Sources of Recruitment

INTERNAL

- Transfers
- Promotions
- Upgrading
- Demotion
- Retired employees
- Retrenched employees
- Dependents and relatives of deceased employees

EXTERNAL

- Press advertisements
- Educational institutes
- Placement agencies/ outsourcing
- Employment exchanges
- Labour contractors
- Unsolicited applicants
- Employee referrals
- Recruitment at factory gate

Selection

Definition

According to Thomas stone "*Selection is the process of differentiating between applicants in order to indentify and hire those with a greater likelihood of success on the jobs.*"

In simple words……

It is the functions perform by the management of selecting the right employees at the right time after identifying the sources of human resources, searching for prospective employees and stimulating them to apply for jobs in an organization .

The objective of the selection decision is to choose the individual who can most successfully perform the job from the pool of qualified candidates.

Differentiation between recruitment and selection

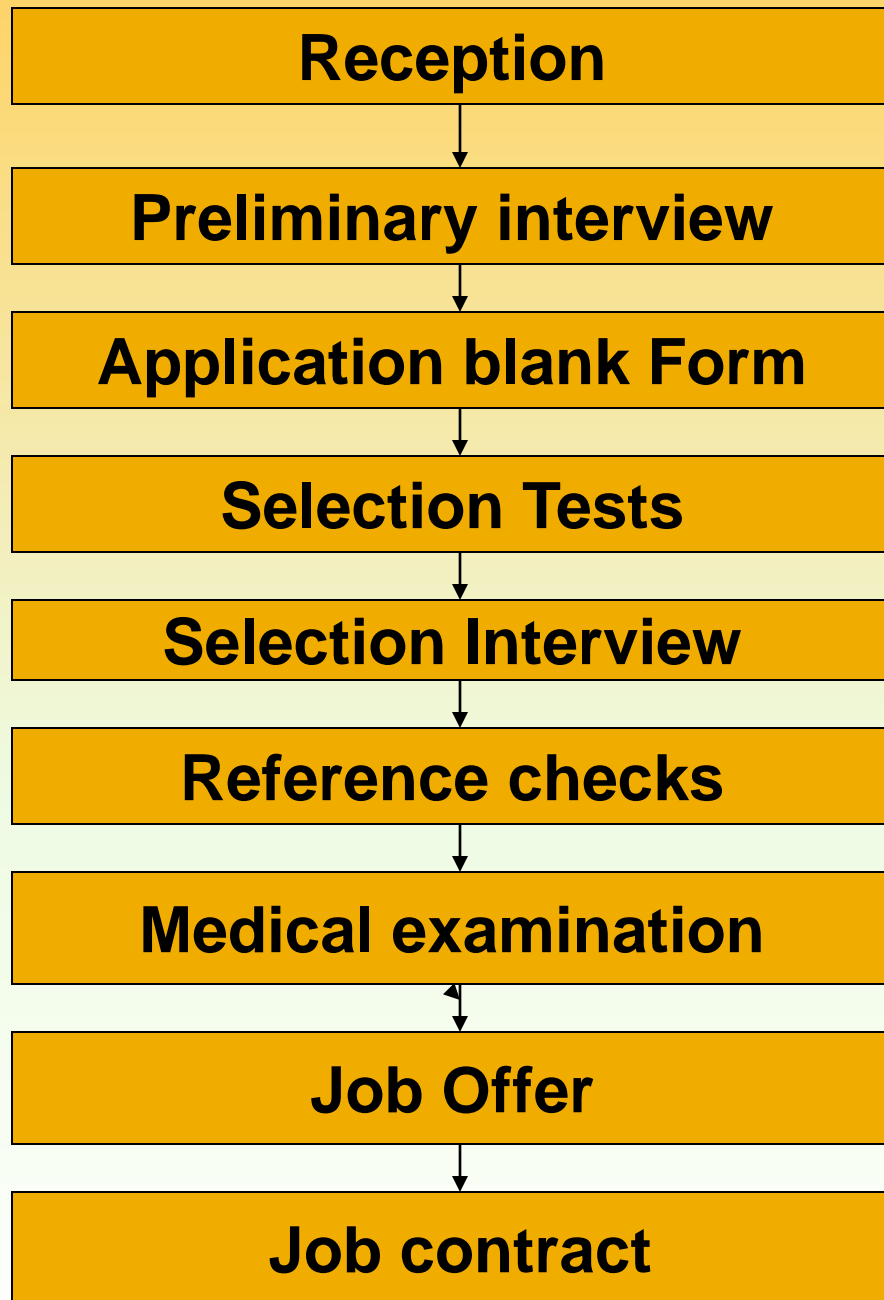## Recruitment

1. It the process of searching the candidates for employment and stimulating them to apply for jobs in the organization.

2. The basic purpose of recruitments is to create a talent pool of candidates to enable the selection of best candidates for the organisation,

3. Recruitment is a positive process i.e. encouraging more and more employees to apply .

4. Recruitment is concerned with tapping the sources of human resources.

5. There is no contract of recruitment established in recruitment

Selection

1.It Involves the series of steps by which the candidates are screened for choosing the most suitable persons for vacant posts.

2.The basic purpose of selection process is to choose the right candidate to fill the various positions in the organisation.

3.Selection is a negative process as it involves rejection of the unsuitable candidates.

4. Selection is concerned with selecting the most suitable candidate through various interviews and tests

.   5.Selection results in a contract of service between the employer and the selected employee.

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Selection Process Flowchart

Reception

Preliminary interview

Application blank Form

Selection Tests

Selection Interview

Reference checks

Medical examination

Job Offer

Job contract

TRAINING

A learning experience in that it seeks a relatively permanent change in an individual that will improve his/ her ability to perform a particular job. It involves changing of

» Skills

» Attitude

» Knowledge

DEVELOPMENT

Development is the process by which the managers and executives acquire not only skills and competency in their present job but also increase his potential for future assignments.

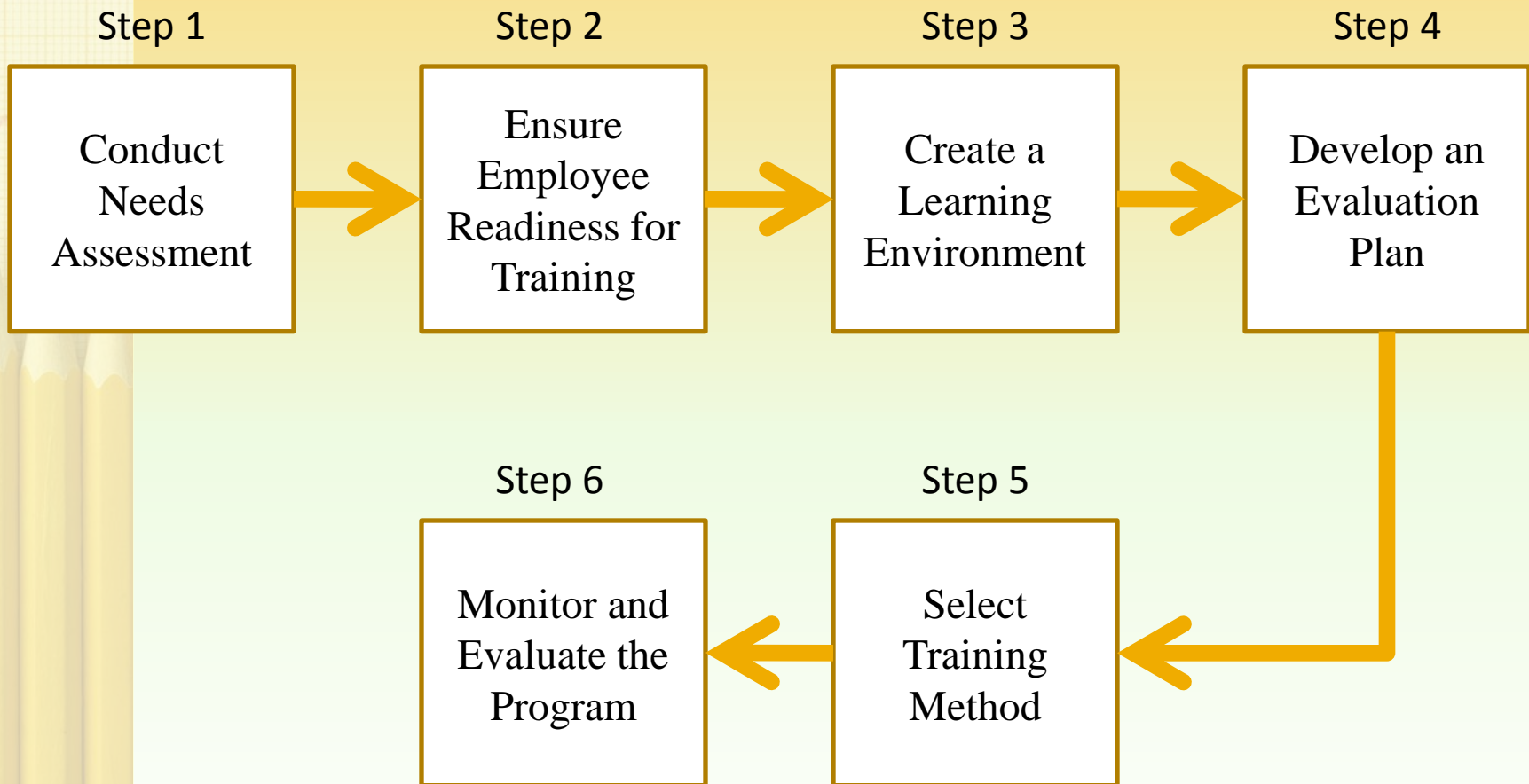It focuses on the personal growth & on-

Analytical
Conceptual   **Skills**
Human

Difference between T & D

- Increases job skills-specific skills
- Short term perspective
- Job centered
- Training is used for operative employees
- Outside motivation

- It shapes attitude – overall growth
- Long term perspective
- Career Centered
- Development is used for executives, managers and professionals.
- Internal motivation

Training process

Step 1

Conduct Needs Assessment

Step 2

Ensure Employee Readiness for Training

Step 3

Create a Learning Environment

Step 4

Develop an Evaluation Plan

Step 6

Monitor and Evaluate the Program

Step 5

Select Training Method

Performance Appraisal

Performance Appraisal (PA) is the systematic evaluation of the individual with regard to his/her performance on the job and potential for development.

According to Flippo,

"Performance Appraisal is the systematic, periodic, and an impartial rating of an employee's excellence in matters pertaining to his present job and his potential for a better job".

Steps in performance appraisal

Establishing performance standards

↓

Communicate the standards

↓

Measure actual performance

↓

Compare actual performance with standards and discuss it with employees

↓

Taking corrective actions

Problems in performance appraisal

- **Errors In rating**
  - Halo effects
  - Stereotyping
  - Central tendency
  - Leniency
  - Personal bias
  - Status error

Problems in performance appraisal (Cont'd)

- Incompetence

- Negative approach

- Multiple objectives

- Ineffective organizational policies & practices

- Lack of knowledge

Methods of Performance Appraisal

TRADITIONAL METHODS	MODERN METHODS
1. Unstructured appraisal	1. Mgmt by objectives (MBO)
2. Employee Ranking	2. Behaviorally anchored rating scale (BARS)
3. Forced distribution	3. 360degree Performance Appraisal
4. Graphic rating scale	4. Assessment centres.
5. Check-lists	
6. Paired Comparison Method	
7. Critical incidents	
8. Field Review Method	

Wage & salary administration

Wage & Salary Administration is essentially the application of a systematic approach to the problem of ensuring that the employees are paid in logical, equitable and fair manner.

The main objective of wage & salary administration is to establish and maintain an equitable wage & salary system to obtain, retain and motivate people of required skills in an organization.

Factors Affecting Wage Rates

- Ability to Pay
- Job needs
- Demand & Supply of Workers
- Prevailing Market Rates
- Productivity
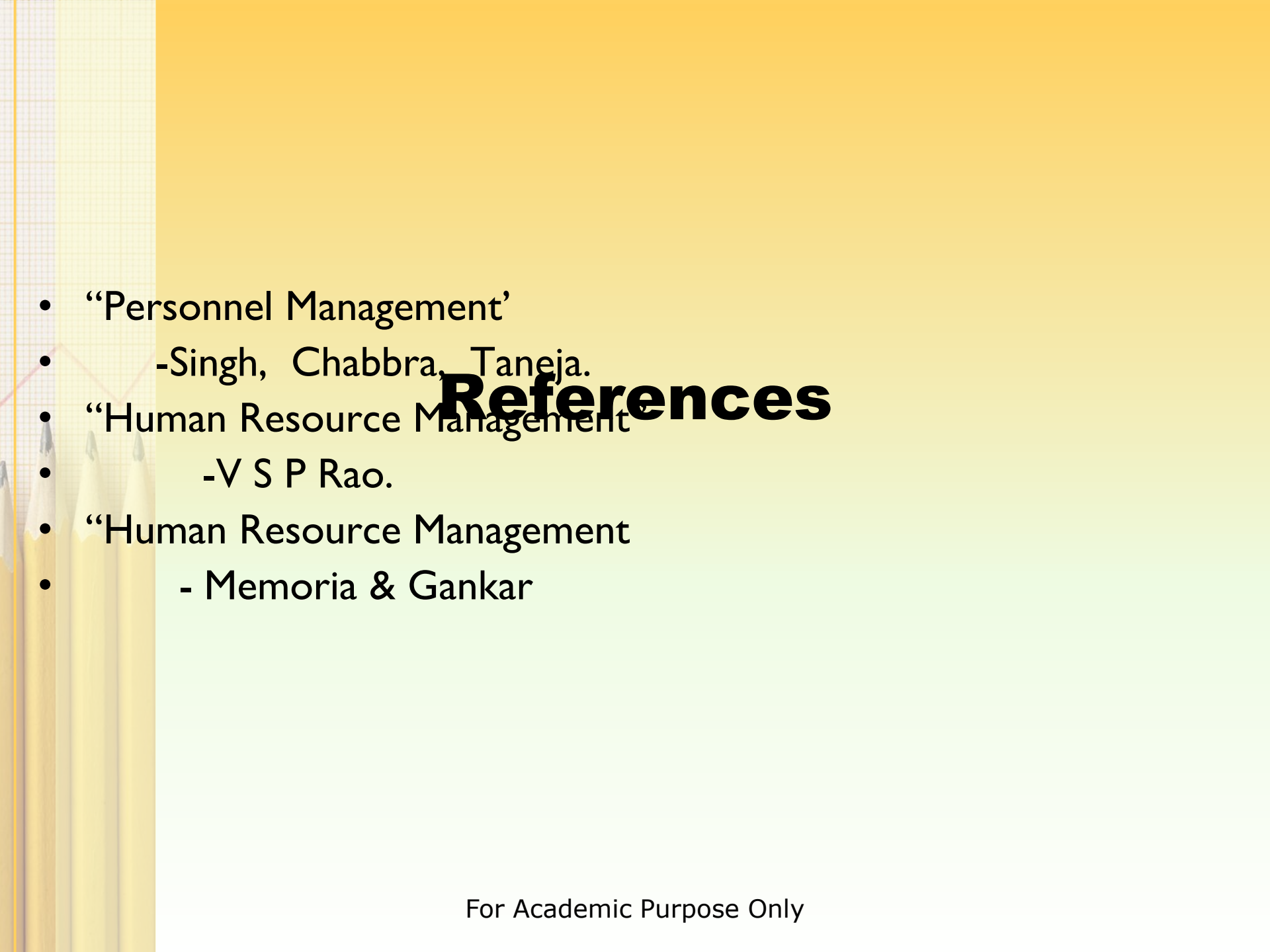- Government Legislation

Assessment Questions

1. Enlist the various techniques of Performance Appraisal and also highlight the suitability of each method.

    - Student Should write major modern and traditional techniques of Performance Appraisal.

    - Student should write the application and suitability of each method. For example-Paired Comparison method cannot be used when there are large number of employees.

Q.2.Write the various components of Salary structure.

Student should write the various elements of a salary structure like DA, HRA, Provident Fund, CTC etc.

Student should write short note on every element focusing on its importance.

References

- "Personnel Management'
- -Singh, Chabbra, Taneja.
- "Human Resource Management
- -V S P Rao.
- "Human Resource Management
- - Memoria & Gankar

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