

Subject: Human Resource Management

2 Marks&13 Marks question bank

Unit 1: Perspectives in Human resource management

1. Define Human resource management

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

2. Define personnel management

Ans: Personnel management can be defined as obtaining, using and maintaining a satisfied workforce. It is a significant part of management concerned with employees at work and with their relationship within the organization.

According to Edwin Flippo: It is concerned with procurement, development, integration, compensation and maintenance of personnel of organization for the purpose of contributing towards the accomplishments of the organizational objectives.

3. Differentiate HRM and HRD

Human Resource Management	Human Resource Development
HRM deals with management principles and mainly emphasises the employees.	HRD focuses on an ongoing developmental purpose of the entire organisation in a formal pattern.
It is a reactant function dealing with management.	It stands for proactive functions, which act as a subset of HRM.
They focus on the improvement of the employees from all divisions.	They are applied for organisational motives in a holistic form.
A usual process of administration.	A continuous process.
People-centric form of management.	Focuses on the organisation as a whole.
Anchor different roles to play, making it independent.	An organizationally directed process; subsystem of a whole institution.

4. List out the functions of HRM

Ans: 1. Equal employment opportunity
2. Staffing
3. Talent management and development
4. Total rewards
5. Risk management and worker protection

5. Mention the objectives of HRM

Societal Objectives: seek to ensure that the organization becomes socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization.

Organizational Objectives: it recognizes the role of HRM in bringing about organizational effectiveness. It makes sure that HRM is not a standalone department, but rather a means to assist the organization with its primary objectives.

6. What is the role of HR manager?

- 1. Strategic Partner Role**-Turning strategy into results by building organizations that creates value;
- 2. Change Agent Role**- making change happen, and in particular, help it happen fast
- 3. Employees Champion Role**—managing the talent or the intellectual capital within a firm
- 4. Administrative Role**—trying to get things to happen better, faster and cheaper.

7. Write the types of Human resource policies

- **Originated Policies** – These are set-up by top management intentionally with a view to guiding executive pondering over various levels.
- **Appealed Policies** – These policies are formulated to fulfill the requirements of certain unusual situations which are not found covered by the earlier policies.
- **Imposed Policies** – As it is evident from the name of these policies these are formed under imposition or pressure from external agencies like government, trade associations, and unions.
- **General Policies** – These policies manifest the philosophies and priorities of the top management in formulating the broad plan for mapping out the organisation's growth chart.
- **Specific Policies** – As it is evident from their name, these policies cover specific issues such as hiring, rewarding and bargaining.

8. Mention the importance of Human factor in an organization.

- Human factors are important because it helps make work more efficient, effective and safe. Organizations that address human factors will ensure the machines and equipment are easy and safe to use for their workers.
- Applying human factors allows plant/equipment and procedures to be designed with the user in mind, taking account of human capabilities and limitations so people work in harmony with technology
- If procedures and instructions are not designed around human capabilities, employees may start to adopt dangerous workarounds to get the job done, which could lead to a greater number of incidents or accidents in the future.

9. What do you mean by HR audit?

A Human resource audit is a comprehensive method (or means) to review current human resources policies, procedures, documentation and systems to identify needs for improvement and enhancement of the HR function as well as to assess compliance with ever-changing rules and regulations

10. Write the advantages of HRIS (Human Resource Information System)

- Higher speed of retrieval of information
- Reduction in duplication
- Ease in classifying and reclassifying
- Effective decision making
- Higher accuracy of information
- Fast response of queries
- Improve quality of people
- Better work culture
- Systematic procedures
- Transparency

11. What do you mean by HR accounting?

Accounting for people as an organizational resource. It involves measuring the costs incurred by business firms and other organizations to recruit, select, hire, train and develop human assets. It involves measuring the economic value of people to the organization.

12. Write the objectives of HRIS

- Enable the organization to carry out the main objectives
- Awareness of items in policies and to secure the co operation
- Sense of unity with the enterprise
- Provide competent, adequate and trained personnel for all levels and types of management
- To protect the common interest of all parties
- Recognize the role trade unions in the organization.

13. Mention the scope of HRM

- Human Resource Planning
- Design of the Organization and Job Selection and Staffing
- Training and Development
- Organizational Development
- Compensation and Benefits Employee Assistance Union/Labour Relations
- Personnel Research and Information System
- Remuneration and Benefits

14. Mention the various types of human resource audit

- 1) Time Period
- 2) Conduct
 - i) Internal Audit
 - ii) External Audit
- 3) Purpose
 - i) Compliance Audit
 - ii) Best Practices Organization Audit
 - iii) Strategic Audit
 - iv) Job Specific Audit

15. Mention the importance of human factor in an organization.

Human Resource management is concerned with the most effective use of people to achieve organizational and individual goals. It is a way of managing people at work, so that they give their best to the organization. It has the following features:

- 1. Action Oriented:** Human Resource management focuses attention on action, rather than on record keeping, written procedures or rules.
- 2. Individuality Oriented:** It tries to help employees develop their potential fully. It encourages them to give out their best to the organization.
- 3. Integrating Mechanism:** Human Resource Management tries to build and maintain cordial relations between people working at various levels in the organization.
- 4. Pervasive Force:** Personnel Management is pervasive in nature. It is present in all enterprises. It permeates all levels of management in an organization.
- 5. Auxiliary Service:** Personnel departments exist to assist and advise the line or operating managers to do their personnel work most effectively.

16. Outline the Challenges of human resource management

- Managing the Vision
- Internal Environment
- Changing Industrial Relations
- Building Organizational Capability

- Job Design and Organization Structure

17. What are features of sound HR policies?

1. Delegation:

The HR Policies help managers operating at different levels to act with confidence without the need for consulting superiors every time.

2. Speedy Decisions:

Policies can accelerate decision-making by providing a blanket framework within which personnel decisions can be made.

3. Coordinating Devices:

HR policies help in achieving coordination. In case organizational members are guided by the same policies, they can forecast more accurately the actions and decisions.

4. Better Control:

As HR policies specify the relationship that is shared between the organization, management and its employees besides they allow members to work towards achievement of the objectives of the organization.

5. Standards of Efficiency:

Policies serve as standards in the execution of work.

18. What are the benefits of HRIS?

- Higher speed of retrieval of information
- Reduction in duplication
- Ease in classifying and reclassifying
- Effective decision making
- Higher accuracy of information

19. List the process of HR accounting?

- Developing skill inventory
- Performance Appraisal
- Assessing the individual capacity for development
- Attitude survey
- Subjective Appraisal

20. List the nature of HRM

1. HRM Involves the Application of Management Functions and Principles.
2. Decision Relating to Employees must be integrated
3. Decisions Made Influence the Effectiveness of an Organization
4. HRM Functions are not confined to Business Establishments Only

21. What are the computer applications in HRM?

Ans: There are some details of employees stores in database by using the computer applications listed below:

1. Personnel Administration
2. Salary Administration
3. E-Enterprise Human Resources
4. Skill Inventory
5. Medical History
6. E-payroll
7. Electronic Performance Support Systems
8. E-Training

22. Differentiate between Traditional personnel management and modern HRM concept.

BASIS FOR COMPARISON	PERSONNEL MANAGEMENT	HUMAN RESOURCE MANAGEMENT
Meaning	The aspect of management that is concerned with the work force and their relationship with the entity is known as Personnel Management.	The branch of management that focuses on the most effective use of the manpower of an entity, to achieve the organizational goals is known as Human Resource Management.
Approach	Traditional	Modern
Treatment of manpower	Machines or Tools	Asset
Type of function	Routine function	Strategic function
Basis of Pay	Job Evaluation	Performance Evaluation
Management Role	Transactional	Transformational
Communication	Indirect	Direct
Labor Management	Collective Bargaining Contracts	Individual Contracts
Initiatives	Piecemeal	Integrated
Management Actions	Procedure	Business needs
Decision Making	Slow	Fast
Job Design	Division of Labor	Groups/Teams

23. What is affirmative action?

It is a program or policy of a company that aims to eliminate discrimination by providing equal opportunities and improving his /her profession. (Education) Affirmative action refers to policies that take factors including "race, colour, religion, gender, or national origin" into consideration in order to benefit an underrepresented group, usually as a means to counter the effects of a history of discrimination.

24. What are the various obstacles in administering HR policies?

- Compliance with law and regulations
- Change management
- Health and safety
- Compensation management
- Landing top talent
- Retention
- Monitoring productivity and performance

25. Mention the methods of HR Accounting.

- Historical cost method
- Replacement cost method
- Opportunity cost method
- Capitalization of cost method
- Economic valuation method
- Return on valuation method
- Adjusted discounted future wages method

Unit 2: Human Resource Planning and Recruitment

1. Define Human resource planning

Ans: According to Beach, —HRP is a process of determining and assuming that the organization will have an adequate number of qualified persons, available at proper times, performing jobs which meet the needs of the enterprise and which provides satisfaction for the individuals involved.

2. What do you mean by HR forecasting?

HR forecasting is the process of predicting how a company's staffing needs change with time so that it can remain prepared to operate successfully. Organizations use HR forecasting to decide to hire more people, reduce their staffing or adjust how they divide responsibilities. Since HR departments handle hiring, on boarding and training, they're best qualified to execute this project

3. List some methods of forecasting

- Techniques like,
- Managerial judgment,
- ratio- trend analysis,
- regression analysis,
- work study techniques,
- Delphi techniques

These are the major methods used by the organization for demand forecasting.

4. Write the objectives of HR planning

- Provide Information
- Effective Utilization of Human Resource
- Economic Development
- Determine Manpower Gap
- To Forecast Human Resource Requirements
- Analyze Current Workforce
- Effective Management of Change
- Realizing Organizational Goals.

5. Why human resource planning is important?

Human resource planning enables businesses to meet their current and future demands for talent, allowing human resource managers to anticipate and develop the skills most valuable to an organization, and providing the enterprise with the optimal balance of staff in terms of available skill-sets and numbers of personnel. Proper planning also provides a path for future development by establishing a reservoir of talent capable of filling leadership roles.

1. Future Personnel Needs
2. Part of Strategic Planning
3. Creating Highly Talented Personnel
4. International Strategies
5. Foundation for Personnel Functions
6. Increasing Investments in Human Resources

6. Define recruitment

In the words of Dale Yoder, — Recruiting is a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force.

7. Distinguish between recruitment and selection

S.No.	Recruitment	Selection
1	A process of actively searching and hiring applicants for a job role is known as recruitment.	A process of choosing suitable applicants from the shortlisted candidates is known as selection.
2	It is an activity to boost the candidate pool.	It is an activity to reduce the candidate pool until we find the ideal candidate.
3	It allows the candidates to apply for a vacant place.	This process allows the HR to proceed further with suitable applicants, and reject the remaining.
4	In recruitment, we advertise the job role and encourage the candidates to apply.	Selection is the process in which we finally appoint the candidate for the particular job role.
5	It is the first step towards the hiring process.	It is the second step towards the hiring process.
6	This process is economical.	The process is comparatively expensive.

8. List down the various test which are conducted during the selection process

1. Aptitude Tests:
2. Personality Tests:
3. Interest Tests:
4. Performance Tests
5. Intelligence Tests
6. Knowledge Tests
7. Achievement Tests
8. Projective Tests

9. What do you mean by induction or orientation?

Induction - the process of familiarization with the organization and settling into the job. It is easy to forget that the selection process is only the beginning of the employment relationship, and the future of that relationship depends to a considerable extent on how the new employee is settled into the job. Most labour turnover is among new employees, and work efficiency is reached only after a period of learning and adjusting to the new environment.

10. What is medical examination?

After the selection decision and before the job offer is made, the candidate is required to undergo physical fitness test. Candidates are sent for physical examination either to the company's physician or to a medical officer approved for the purpose. Such physical examination provides the following information.

11. What is socialization?

Socialization generally refers to the process of social influence through which a person acquires the culture or subculture of their group, and in the course of acquiring these cultural elements the individual's self and personality are shaped. Interacting with friends and family, being told to obey rules, being rewarded for doing chores, and being taught how to behave in public places are all examples of socialization that enable a person to function within his or her culture.

12. What do you mean by Interview?

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.

13. Write some socialization benefits

1. Helps in understanding organization culture
2. Contributes to employee's long term success
3. Helps in adjustment
4. Helps in employee engagement
5. Provides job satisfaction

14. List the various sources of recruitment

1. Advertisement
2. Internet
3. Walk-ins
4. Campus recruitments
5. Job fairs

15. What is meant by employee referrals?

Employee referral is an internal recruitment method employed by organizations to identify potential candidate from their existing employee social networks. An employee referrals scheme encourages a company's existing employee to select and recruit the suitable candidates from the social networks.

16. Define job analysis

Job analysis helps in finding out the abilities or skills required to do the jobs effectively. A detailed study of jobs is usually made to identify the qualifications and experience required for them. Job analysis includes two things: Job description and job specification.

17. What is the need for human resource planning?

HR Programming:

Once an organization's personnel demand and supply are forecasted the demand and supply need to be balanced in order that the vacancies can be filled by the right employees at the right time.

HR Plan Implementation:

HR implementation requires converting an HR plan into action. A series of action are initiated as a part of HR plan implementation. Programmes such as recruitment, selection and placement, training and development, retraining and redeployment, retention plan, succession plan etc when clubbed together form the implementation part of the HR plan.

18. What do you understand by validation of tests?

Validity refers to the correctness of the inferences that we can make based on the test. With employee selection tests, validity often refers to evidence that the test is job related – in other words, that performance on the test is a valid predictor of subsequent performance on the job.

19. What do you mean by job offer?

The term 'job offer' primarily refers to an offer made directly to an applicant to fill a vacancy, i.e.: to work for the company for a fixed monthly fee, a short term contract, or on a freelance basis.

This usually happens after screening the documents (e.g. CV, cover letter), conducting interviews, and the final decision for a certain candidate

20. What is succession planning?

Succession planning is: "The process of ensuring a suitable supply of successor for current and future senior or key jobs arising from business strategy, so that the career of individual can be planned and managed to optimise the organizations' need and the individuals' aspirations."

21. What is Induction programme?

Induction is an opportunity for an organization to welcome their new recruit, help them settle in and ensure they have the knowledge and support they need to perform their role. For an employer, effective induction may also affect employee turnover, absenteeism and employer brand.

22. Distinguish between induction and socialization.

Induction	Socialization
Induction is usually something quite specific like a short course or meeting the individuals with whom the newcomer will be working	Socialization is more long term and how the new comer makes sense of the business and their role within it
An induction program is usually short term and includes the more obvious and practical business such as the provision of a job description, safety procedures, grievance and discipline policies, and an email directory.	It is much more about the unwritten rules of business and of the organizational culture.

23. What are the factors affecting recruitment?

1. Wage and salary policies
2. Turnover rates
3. Human resource planning strategy of the company
4. Cost involved in recruiting employees
5. Growth and expansion plans of the organization

24. What are the major benefits of HR planning?

- A Better View to the business decision
- Retaining top talents
- Addressing the organization's manpower needs
- Minimum Cost
- Ensuring that the right people are hired
- Facilitating expansion programs
- Training employees
- Managing employees
- Improved Utilization
- Management Development
- Information Base
- Coordination

25. Write some of the major stumbling blocks in HRP.

- Lack of Support
- Wrong Perception about Human Resource Practitioner
- Incompatibility of Information
- Approach Confliction
- Absence of Operating Managers' Co-Ordination
- Identity Crisis
- Insufficient Initial Efforts
- Resistance from Employees
- Coordination with other Managerial Functions
- Expensive and Time Consuming
- Uncertainties

Unit 3: Training and executive development

1. What is meant by employee training?

Training is a process of learning a sequence of programmed behavior. It is the application of knowledge & gives people an awareness of rules & procedures to guide their behavior. It helps in bringing about positive change in the knowledge, skills & attitudes of employees

2. Write the benefits of training

- Increased productivity
- Reduced employee turnover
- Increased efficiency resulting in financial gains
- Decreased need for supervision.
- Improved employee retention
- Increased employee engagement
- Boosted employee morale
- Consistent work processes
- Better knowledge of company policies and goals
- Improved technology proficiency
- Stronger brand reputation
- Attracting top talent

3. Why employees resist training?

- Normally people experience difficulties in learning new skills & knowledge. Hence, they resist training.
- The employees feel that management will entrust more work or new kinds of work which would require additional skills & knowledge. Hence, employees resist training.
- Training programme & sessions disturbs the employees from performing the routine duties & tasks.
- They are expected to learn more difficult activities & unlearn already practiced skills.
- They may lose their job authority & are expected to learn like students during their training programme

4. What do you mean by Training Need Analysis(TNA)?

Training efforts aim at meeting the requirements of the organization (long term) and the individual employees (short term). This involves finding answers to questions such as whether training is needed and which training is needed. Once we identify training gaps within the organization, it becomes easy to design an appropriate training programme.

5. What is called On-the-job training?

Training method usually classified by the location of instruction. On the job training is provided when the workers are taught relevant knowledge, skills and attitude at the actual workplace. E.g. Job instruction training, job rotation

6. What is meant by off-the-training?

Training method usually classified by the location of instruction. Off-the-job training requires that trainees learn at a location other than the real work spot. E.g. vestibule training, role playing

7. What do you mean by executive or management development?

Executive or management development is a planned and systematic and continuous process of learning and growth by which managers develop their conceptual and analytic abilities to manage. It is the result of not only participation in formal courses of instruction but also of actual job

experience. It is primarily concerned with improving the performance of managers by giving them stimulating opportunities for growth and development

8. Write the objectives of EDP (Executive Development Programme)

Individual Objectives – help employees in achieving their personal goals, which in turn, enhances the individual contribution to an organization.

Organizational Objectives – assist the organization with its primary objective by bringing individual effectiveness.

Functional Objectives – maintain the department's contribution at a level suitable to the organization's needs.

Societal Objectives – ensure that an organization is ethically and socially responsible to the needs and challenges of the society.

9. List various skills need in self development

The concept of self development is not limited to self-help but includes formal and informal activities for developing others, in roles such as teacher, guide, counsellor, manager, coach, or mentor. Finally, as personal development takes place in the context of institutions, it refers to the methods, programs, tools, techniques, and assessment systems that support human development at the individual level in organizations.

10. Define knowledge management

Knowledge management (KM) is the process of capturing, developing, sharing, and effectively using organizational knowledge. It refers to a multi- disciplinary approach to achieving organizational objectives by making the best use of knowledge

11. Write some of methods of EDP (Executive Development Programme)

- Coaching
- Job Rotation
- Understudy
- Projects and assignments
- Lectures
- Conference
- Business Games
- Case Study
- Role playing
- Sensitivity Training
- In basket technique

12. What is sensitivity training?

It has been successfully employed by behavioral scientists over the past thirty years. Sensitivity to the circumstances and feeling of others is the cornerstone of human relationships. It is important to note that sensitivity is not just an emotion; it must express itself in actions as well, especially when people we know are experiencing pain and difficulties.

13. What is role-playing?

In most of role-playing assignments, each of the students takes the role of a person affected by an issue on human life and affects the human activities all around us from the perspective of that person.

14. What do you mean by self- management?

Self development describes taking steps to better you, such as by learning new skills or overcoming bad habits. Personal development includes activities that improve awareness and identity, develop talents and potential, build human capital and facilitates employability, enhance quality of life and contribute to the realization of dreams and aspirations

15. What are the steps in executive development?

1. Organizational planning

2. Program targeting
3. Discovering the key position
4. Appraisal
5. Replacement skill abilities
6. Individual development
7. Self-development

16. Write the benefits of knowledge management

1. Analysis of Development Needs
2. Appraisal of the Present Managerial Talent
3. Planning Individual Development Programmes
4. Establishing Training and Development Programme
5. Evaluating Developing programs

17. Differentiate between training and development

Basis	Training	Development
Meaning	Training refers to the process of increasing the knowledge, skills and abilities of employees for doing a work.	Development refers to the overall growth of the employees. These are learning opportunities which are designed for employees to grow.
Aim	Its main aim is to help the employee to do the job better.	Its main aim is overall growth of employees.
Orientation	It is job oriented.	It is career oriented.
Scope of learning	It has a narrow scope as it is a part of development.	It has a broader scope as it includes training.
Suitability	It is more suitable for technical staff.	It is more suitable for managerial staff.
Skills	It involves teaching technical skills.	It involves teaching technical, human and conceptual skills.
Duration	It is a short-term process.	It is a long-term process as it is career oriented.

18. What is executive development?

Executive Development is an ongoing process that helps managers gain knowledge, skills and abilities to handle current situations in a more efficient manner and get matured to handle future challenges successfully.

Executive development is also known as management development. It is one of the fastest developing areas in personnel. It is realized that an effective management team may be as important to the survival of an organization as any tangible item on the balance sheet.

19. What is De-Jobbing?

“De-jobbing is the broadening of the responsibilities of the company’s jobs and encouraging employees not to limit themselves to what’s on their job descriptions”. Employees, nowadays, do not like standardized routinised operations. They want the work to be more meaningful, challenging and interesting. So, the concept of a job being well defined with clearly delineated set of responsibilities is being increasingly questioned by present day employees who are more knowledgeable and demanding.

20. What is job rotation?

Job rotation is a technique used by some employers to rotate their employees' assigned jobs throughout their employment. Employers practice this technique for a number of reasons. It was designed to promote flexibility of employees and to keep employees interested into staying with the company/organization which employs them. There is also research that shows how job rotations help relieve the stress of employees who work in a job that requires manual labor.

21. What do you mean by learning organization in knowledge management context?

Organizational learning is the process of creating, retaining, and transferring knowledge within an organization. An organization improves over time as it gains experience. From this experience, it is able to create knowledge. This knowledge is broad, covering any topic that could better an organization. Knowledge management is a set of relatively new organizational activities that are aimed at improving knowledge, knowledge-related practices, organizational behaviors and decisions and organizational performance.

22. What is coaching?

Coaching is a form of development in which an experienced person, called a coach, supports a learner or client in achieving a specific personal or professional goal by providing training and guidance. The learner is sometimes called a coach. Occasionally, coaching may mean an informal relationship between two people, of whom one has more experience and expertise than the other and offers advice and guidance as the latter learns; but coaching differs from mentoring by focusing on specific tasks or objectives, as opposed to more general goals or overall development.

23. How do you identify the training needs of a supervisor?

- Set clear expectations for each role

- Monitor employee performance
- Make the most of personal development plans
- Use focus group to understand employee training and development needs
- Set up a system of mentoring and coaching

- Exposing the organization to liabilities
- Failing to document and manage performance
- Poor communication skills
- Failing to resolve conflict
- Not understanding the new role

24. What criteria would you used to evaluate a training programme?

- Reaction of The Participants
- Changes in Participant's Knowledge and Skills
- Change in Participant's Attitude

- Change in Job Performance
- Organizational Performance

25. “Training is not an expense but a long-term investment”. Comment.

Training helps to improve employee morale. Employees feel valued and develop increased loyalty when they see the employer investing in their knowledge and skill development. When morale is high, employees will contribute more to their job, put in more effort, make fewer errors and waste less time. Highly trained employees have far fewer work-related accidents, have less absenteeism and require less direct supervision. Training your employees needs to be viewed as an investment rather than an expense.

26. What is Job Grading?

A job grade is defined as a group of different jobs of similar difficulty or requiring similar skills to perform them. Job grades are determined on the basis of information derived from job analysis. The grades or classes are created by identifying some common denominator such as skills, knowledge and responsibilities.

27. Difference between Prodigy and Protégé.

A protégé is a person who receives special protection and promotion from someone more established in a field. If your boss introduces you as his newest protégé, you're off to a good start in your career. Essentially, a protégé is a teacher's pet, someone who is given special status or favors.

The Prodigy is gifted with an inherent business sense and an unbeatable instinct. Prodigies let their natural intellect and social skills guide them through the hardship of the startup world, never letting the adversity of launching and running a successful business get the better of them.

Unit 4: Sustaining employee interest

1. Define compensation Management

Compensation management is the discipline for determining employees' appropriate pay and benefits. A critical element in talent management and employee retention, it uses financial and nonmonetary benefits to attract recruits, reduce turnover, spur performance and boost employee engagement. Compensation management is typically carried out by HR professionals, who are responsible for ensuring that salaries and bonuses remain competitive and benefits change with the needs of the workforce.

2. What are the stages in career development?

Stage 1: Assessment

Stage 2: Investigation

Stage 3: Preparation

Stage 4: Commitment

Stage 5: Retention

Stage 6: Transition

3. Define Motivation.

Motivation is an important factor which encourages persons to give their best performance and help in reaching enterprise goals. A strong positive motivation will enable the increased output of employees but a negative motivation will reduce their performance. A key element in personnel management is motivation.

4. What do you mean by career management?

Career management is the process of thoughtfully planning occupational progress to maximize professional growth and stability in an individual's career. Doing this requires identifying one's own goals and objectives. These goals may be SMART (specific, measurable, attainable, relevant and time-based) to ensure a strategic approach. This process usually begins with designing short-term goals in the initial stages of one's career, which focus on taking action to meet the set objectives.

5. Define Career Planning.

Career planning is the continuous self-evaluation and planning process done by a person to have a strong career path which is aligned with one's career goals, aspirations and skills. Career planning process in the continuous reiterative process of understanding oneself, setting career goals, revising skills and searching for the right career options which may include basic skills, specialized education and job options.

6. What is wage incentive?

An incentive wage plan offers an increased level of compensation when employee performance exceeds a threshold level. These plans are intended to incentivize employees to become more efficient and effective in completing their designated tasks. A plan could involve either an increase in output or a reduction in expenses.

7. What do you mean by reward?

Reward is an incentive plan to reinforce the desirable behavior of workers or employers and in return for their service to the organization. Rewards can be monetary in the form of salary or non-monetary in the form of awards for some special services to the company or simply giving an employee a work which he enjoys doing.

8. What is mentoring method?

Mentoring is a partnership between two people that supports personal and/or professional development between a less experienced individual, called a mentee, and a more experienced individual known as a mentor. Over the course of your career, you may have many mentors and mentees. These relationships may last years, months, weeks or days.

9. Write the types of rewards

1. Intrinsic rewards

At the highest level, all rewards are either intrinsic or extrinsic. Intrinsic rewards are intangible, internal motivators, like the prospect of developing a new skill, receiving praise from a leader you admire, or establishing a productive, collaborative relationship with a new coworker.

2. Extrinsic rewards

Extrinsic rewards are the other side of the coin. They include all the tangible ways employees are recognized, from a higher salary, to additional PTO, to a heap of reward points provided by a thankful

team member. Despite the importance of intrinsic rewards, your company can't afford to neglect these more obvious forms of appreciation.

10. Define Protégé Relationship.

The relationship between an experienced employer and a junior employee in which the experienced person helps the junior person with effective socialization by sharing information gained through experience with the organization. A mentor is a person with knowledge and experience to share with someone else—the protégé—who doesn't yet have, but who would benefit from exposure to, that knowledge and experience.

11. Define career Anchor.

A "Career Anchor" is a combination of perceived areas of competence, motives, and values relating to professional work choices. Often, people select a career for all the wrong reasons, and find their responses to the workplace are incompatible with their true values. This situation results in feelings of unrest and discontent and in lost productivity. To help people avoid these problems, Career Anchors help people uncover their real values and use them to make better career choices.

12. Indicate McGregor's theory of X and theory of Y.

Theory X

According to McGregor, Theory X management assumes the following:

- Work is inherently distasteful to most people, and they will attempt to avoid work whenever possible.
- Most people are not ambitious, have little desire for responsibility, and prefer to be directed.
- Most people have little aptitude for creativity in solving organizational problems.

Theory Y

The higher-level needs of esteem and self-actualization are ongoing needs that, for most people, are never completely satisfied. As such, it is these higher-level needs through which employees can best be motivated.

- Work can be as natural as play if the conditions are favorable.
- People will be self-directed and creative to meet their work and organizational objectives if they are committed to them.
- People will be committed to their quality and productivity objectives if rewards are in place that address higher needs such as self-fulfillment.

13. What do you mean by Intrinsic Motivation?

Intrinsic motivation is defined as the doing of an activity for its inherent satisfaction rather than for some separable consequence. When intrinsically motivated, a person is moved to act for the fun or challenge entailed rather than because of external products, pressures, or rewards. Intrinsic motivation is clearly visible in young infants, that consistently try to grasp, throw, bite, squash or shout at new objects they encounter.

14. Define Job Satisfaction.

Job satisfaction, an unquantifiable metric, is defined as a positive emotional response you experience when doing your job or when you are present at work. Leading organizations are now trying to

measure this feeling, with job satisfaction surveys becoming a staple at most workplaces. It's important to remember that job satisfaction varies from employee to employee. In the same workplace under the same conditions, the factors that help one employee feel good about their job may not apply to another employee.

15. What do you mean by employee engagement?

Employee engagement is the emotional and professional connection employees feel toward their organization, colleagues and work. High engagement leads to increased job satisfaction, performance, employee retention and is a reflection of a positive overall experience. The meaningfulness of an employee's work is a key factor in engagement, as are their relationships with colleagues and managers, and the support, recognition and development opportunities their organization offers.

16. What is organizational citizenship behavior?

Organizational citizenship behavior (OCB) is a term that's used to describe all the positive and constructive employee actions and behaviors that aren't part of their formal job description. It's anything that employees do, out of their own free will, that supports their colleagues and benefits the organization as a whole. OCB is not something that's required from employees to do their job and it's not part of their contractual tasks.

17. List down the advantages of mentoring

- Helps increase the profits in organization
- Reduces the attrition rate or employee turn over
- Guides the junior employees in their jobs
- Support the new employees in their career

18. Write the stages in career

1. Exploration
2. Establishment
3. Mid career
4. Late career
5. Decline

19. What is a compensation plan?

compensation planning is a deliberate effort by Human resource department in organization to plan for compensation forms such as bonuses, commission and profit-sharing plans are incentives designed to encourage employees to produce results beyond normal expectation.

20. What do you understand by mentoring?

Mentoring is a relationship in which a senior manager in an organization assumes the responsibility for grooming a junior person. A mentor is a teacher, spouse, counsellor, developer of skills and intellect, host, guide, exemplar and most importantly supporter and facilitator in the realization of the vision the young person (protégé) has about the kind of life he wants as an adult.

21. Name some theories of motivation

1. Maslow's need hierarch theory
2. Herzberg's two factor theory
3. Achievement motivation theory
4. Theory X theory Y
5. Reinforcement theory

22. Write short note on McClelland' theory of motivation.

According to Maslow, human needs can be arranged into five levels. He suggested that there is a fairly definite order to human needs and until the more basic needs are adequately fulfilled, a person will not strive to meet higher order needs. Maslow's well-known hierarchy is comprised of: physiological needs; safety and security needs; belonging and love needs; self esteem needs and self-actualization needs.

23. What do you understand by reward linked to performance?

When rewarding one, the manager needs to choose if he wants to rewards an Individual, a Team or a whole Organization. One will choose the reward scope in harmony with the work that has been achieved. When the reward is based on the performance then it is referred as reward linked to performance

24. What is compensation management?

Compensation management means the specialist HR discipline of planning and administering everything of financial value that an employer gives an employee in exchange for their work. It includes their salary but also benefits, bonuses and rewards. The compensation package is a key factor in employees' decisions to join or remain with an employer, so compensation strategy and planning is an important role in organizations that are focused on attracting and retaining the best talent.

25. What is mean by wage incentive?

An incentive scheme is a plan or programs to motivate individual for good performance. An incentive is most frequently built on monetary rewards, built on monetary rewards, but may also include a variety of non-monetary rewards or prizes.

Unit 5: Performance evaluation and control process**1. Define performance appraisal**

A performance evaluation system is a systematic way to examine how well an employee is performing in his or her job. Performance evaluations can also be called performance appraisals, performance assessments, or employee appraisals.

2. List down the performance appraisal methods

- Graphic rating scale
- Forced choice
- Essay evaluation
- Critical incident technique
- Behaviorally anchored rating scale (BARS)

3. Write the purpose of performance appraisal

- Helps in compensation planning
- It forms the base for training needs of employees
- It is the review that measures the set goals and accomplished goals
- Also helps in career management in an organization

4. What do you mean by MBO?

MBO defines top company goals and uses them to determine employees' objectives. MBO processes identify an employee's main objectives, which are later graded with group input.

This helps all company contributors see their accomplishments in connection to the company's top priorities as they carry out their tasks. It reinforces alignment between activity and outcome, which dramatically increases productivity.

5. What is meant by promotion?

Promotion is a term which covers a change and calls for greater responsibilities, and usually involves higher pay and better terms and conditions of service and, therefore, a higher status or rank.

Promotions refer to the entire set of activities, which communicate the product, brand or service to the user. The idea is to make people aware, attract and induce to buy the product, in preference over others.

6. What is meant by demotion?

Demotion is a process by which the employee is downgraded and sent to a lower position from the one he is holding at present. When an employee is moved to a job with less responsibility, status or compensation he is said to be demoted. Demotion is the reverse of promotion. It is the assignment of an individual to a job of lower rank and pay usually involving lower level of difficulty and responsibility

7. What is meant by transfer?

A transfer is a change in job assignment. It does not involve a change in responsibility and status. A movement of an employee between equivalent positions at periodical intervals is called — transfer. A transfer therefore does not involve a change of responsibility or compensation

8. What is meant by separation?

Separation means cessation of service of agreement with the organization.

Separation can be the result of:

- (a) Resignation (b) Discharge (c) Dismissal (d) Retrenchment
- (e) Lay-off (f) Golden handshake (g) Retirement

9. What do you mean by controlling?

Control, or controlling, is one of the managerial functions like planning, organizing, staffing and directing. It is an important function because it helps to check the errors and to take the corrective action so that deviation from standards is minimized and stated goals of the organization are achieved in a desired manner.

10. Define Lay-off

According to Section 2 (KKK) of the Industrial Disputes Act, a layoff is —the failure, refusal or inability of an employer, on account of shortage of coal power or raw materials, or the accumulations of stocks or breakdown of machinery for any reason, to give employment to a workman whose name is borne on the muster roll of his individual establishment and who has not been retrenched.

11. What do you mean by feedback?

Performance feedback is the ongoing process between employee and the manager where information is exchanged concerning the performance expected and the performance exhibited. Effective performance feedback skills are extremely important for managers. Employees need to be able to constructive feedback

regarding both positive and negative aspects of their performance.

12. What is meant by 360-degree performance appraisal?

A 360-degree appraisal is a method of performance review. In this method, different parties, from employers to team members, analyze an employee's performance anonymously and provide one-on-one feedback later. 360 Degree Feedback is a system or process in which employees receive confidential, anonymous feedback from the people who work around them. This typically includes the employee's manager, peers, and direct reports.

13. Write a note on grievance redressal.

A grievance redressal system is a process to address employee grievances, and it can be defined as a mechanism that enables employees to communicate their concerns to management. The grievance redressal system helps in resolving employees' grievances in a formal manner which may be between an employee to employee or either between employee and management.

14. What are the effects of demotion?

- Demotion sends a strong signal to the employee that his behavior is not acceptable to the organization.

- It can also have a demoralizing effect on other employees who happen to work with the demoted employee.
- Demotion will have a serious impact on need fulfilment.

15. Define performance evaluation

A performance evaluation system is a systematic way to examine how well an employee is performing in his or her job. Performance evaluations can also be called performance appraisals, performance assessments, or employee appraisals.

16. Define the term grievance

Grievances take the form of collective disputes when they are not resolved. Also, they will then lower the morale and efficiency of the employees. Unattended grievances result in frustration, dissatisfaction, low productivity, lack of interest in work, absenteeism, etc. In short, grievance arises when employees' expectations are not fulfilled from the organization as a result of which a feeling of discontentment and dissatisfaction arises. This dissatisfaction must crop up from employment issues and not from personal issues.

17. Outline the various forms of grievances

- Directive observation:
- Grip boxes:
- Open door policy:
- Exit interview:

18. What is the basis for promotion?

- Promotion Based on Seniority
- Promotion Based on Merit
- Merit cum seniority promotion
- Promotion by Selection
- Time Bound Promotion
- Temporary Promotion

19. What is retrenchment?

Retrenchment is termination of service due to redundancy. It is a permanent termination of the services of an employee for economic reasons in a going concern. It must be noted that termination of services as a punishment given by way of disciplinary action or superannuation or continued ill health does not constitute retrenchment.

20. Define Behaviorally Anchored rating scales.

Smith and Kendall developed what is referred to as the behaviorally anchored rating scale (BARS) or the Behavioral expectation scale (BES). The BARS approach relies on the use of critical incidents to serve as anchor statements on a scale. A BAR rating from usually contains 6-10 specially defined dimensions, each with five or six critical incident "anchors"

21. Define Halo error effect.

Halo error occurs when a rater assigns ratings for several dimensions of performance on the basis of an overall general impression of the rate. The halo effect (sometimes called the halo error) is the tendency for positive impressions of a person, company, country, brand, or product in one area to positively or negatively influence one's opinion or feelings in other areas.

22. What is hiring freeze?

A hiring freeze is when a company stops hiring new employees for open roles. It's usually only temporary, but it can be indefinite. While a company may continue hiring individuals for essential roles, it halts all efforts to fill non-essential jobs and prohibits the creation of new positions.

23. What is termination benefits?

In general, termination benefits may be provided to an employee as a result of either a voluntary or involuntary early termination of services. Termination benefits are those that are over and above the normal benefits (e.g., vacation pay, standard health care coverage, etc.). One month's salary must be paid to employees who have worked for a year or more. For mass termination in protected sectors, three months of wages must be offered to employees. The Payment of Gratuity Act entitles employees to gratuity payment after five years of continuous service.

24. What is the main feature of organizational development?

- It involves working together with employees, managers, and other stakeholders to identify problems, develop solutions, and implement changes.
- OD recognizes that organizations are made up of people and that processes and systems should support and empower them.
- It takes a systemic perspective that views organizations as complex systems. Changes in one area can have far-reaching effects throughout the organization.

25. What are possible significant implications of a job change?

Some organizational changes require major restructuring, resulting in sweeping life changes for a number of employees. Typical changes that negatively impact a portion of the employees are salary cuts, loss of benefits, downgrading in job position, job loss or relocation to another city, state or country.

26. What is meant by Job enrichment?

Job enrichment is a strategy used to motivate employees by giving them increased responsibility and variety in their jobs. The idea is to allow employees to have more control over their work. Job Enrichment is the process of enhancement of a job by increasing the level of responsibility and autonomy of employees. It provides employees with challenges and more accountability to instill a feeling of achievement and growth.

27. What is meant by Job engagement?

Employee engagement is defined as the emotional investment employees make in their organizations. It is the passion, involvement, and motivation they bring to work, which they use to guide their work. Engaged employees identify with the goals of the organization and align their own goals with the organization's goals.

UNIT- I (13 MARKS)

1. Explain the various phases in evolution of human resource management.

Evolution of Human Resource Management – From 19th Century till Recent Times: Different Eras of Human Resource Management

Identification of evolution of HRM over the period of time is important for understanding the philosophy, functions, and practices of HRM that are followed in different situations so that relevant HRM practices are evolved in the present situation. HRM, being a part of management discipline, has followed the pattern of development of management because of the interrelationship of the problems of both the fields.

From industrial revolution era to the present era, various stages to development of management of human resource practices may be classified as follows:

1. Industrial revolution era— 19th century
2. Trade union movement era — close to the 19th century
3. Social responsibility era — beginning of the 20th century
4. Scientific management era— 1900-1920s
5. Human relations era— 1930s-1950s
6. Behavioral science era— 1950s-1960s
7. Systems and contingency approach era – 1960 onwards
8. Human resource management era — 1980 onwards

The classification of various stages of development of management of human resources in terms of period shows the beginning of that era. In each era, emphasis has been put on a particular approach of managing people at work. A succeeding era does not mean the complete end of preceding era but there has been overlapping in these.

Main features of these eras and the type of practices related to managing human resources are as follows:

1. Industrial Revolution Era:

The systematic development of HRM started with industrial revolution that started during 1850s in Western Europe and USA. The industrial revolution consisted, essentially, the development of machinery, the use of mechanical energy in production processes, and consequently the emergence of the concept of factory with large number of workforces working together.

2. Trade Union Movement Era:

Shortly after the emergence of factory system, workers started to organize themselves based on their common interests to form workers' associations which were subsequently known as trade unions. The basic objectives of these associations were to safeguard interest of their members and to sort out their problems which arose primarily because of employment of child labour, long hours of work, and poor working conditions.

3. Social Responsibility Era:

In the first decade of 20th century, some factory owners started adopting a more humanistic and paternalistic approach towards workers. Paternalistic approach to labour management is based on the philosophy that labour is just like a child and owner is just like a father and the owner should take care of his labour just like a father takes care of his children.

Those industrialists who adopted paternalistic approach offered a number of concessions and facilities to labour force like reduced number of work hours, improved facilities at workplace, model villages to workers, etc. All these practices led to the development of social welfare aspect of labour management.

4. Scientific Management Era:

Around the beginning of 20th century, Taylor started to find out 'one best way of doing thing' based on time and motion studies. On the basis of his experiments, he was able to increase workers' productivity considerably and wrote many papers based on these experiments and a book on scientific management.

The main principles of scientific management are:

(i) Replacing rule of thumb with science, (ii) harmony, not conflict, (iii) cooperation, not individualism, and (iv) development of each and every person. Scientific management techniques relevant to management of workers are- functional foremanship, standardization and simplification of work, and differential piece wage system.

5. Human Relations Era:

Around 1920s, management researchers gave a close look at the human factor at work and the variables that affected people's behaviour. Before that, Hugo Munsterberg wrote a book on 'Psychology and Industrial Efficiency' which suggested the use of psychology in the field of personnel testing, interviewing, attitude measurement, learning, etc.

6. Behavioural Science Era:

In contrast to human relations which assume that happy workers are productive workers, the behavioural scientists have been goal and efficiency- oriented and consider understanding of human behaviour to be the major means to that end. They have tried several sophisticated research methods to understand the nature of work and the people in the work environment.

7. Systems and Contingency Approach Era:

Systems and contingency approach has attracted maximum attention of thinkers in management in the present era. It is an integrated approach which considers management of human resources in its totality based on empirical data. The basic idea of this approach is that analysis of any object must rely on a method of analysis involving simultaneous variations of mutually-dependent variables. This happens when systems approach is applied in managing human resources.

8. Human Resource Management Era:

When the factory system was applied in production, large number of workers started working together. A need was felt that there should be someone who should take care of recruiting, developing, and looking after welfare of these workers. For this purpose, industrial relations

department came into existence in most of the large organizations which was concerned mostly with workers.

Evolution of Human Resource Management – History of Modern Human Resource Management

1. Early Philosophy (Before 1900):

The history of modern Human Resource Management began with the efforts of Robert Owen. Owen is called the founder of Human Resource Management. In 1813, he wrote a book, *A New View of Society*. In it he propounded the need for better industrial relations and improvements in the service conditions. His attitude towards workers was very cordial, liberal and paternalistic.

2. Efficiency and Productivity Movement (1900-1920):

During the last year of the 19th century arrived the age of efficiency and productivity movement. The two decades from 1900 to 1920 were the years of scientific management movement. Taylor's Scientific Management Thought was accepted during this period. Taylor opposed the idea of trade unionism and workers' organization.

The main contribution of these two decades has been the increase in the size of units, introduction of scientific thinking into actions, job analysis, standards costing, scientific selection and training of workers and the idea of mental revolution.

3. Period of Welfarism and Industrial Psychology (1920- 1930):

Up to 1925, the Human Resource Management had taken a definite form. Staff line organization became the basis of Human Resource Management. The opposition of scientific management movement by workers introduced the need of industrial psychology.

Industrial psychologists developed many new techniques like psychological testing, interviewing, workers training and non-financial incentives. They helped to give a professional form to Human Resource Management. The Human Resource Management began to be realized as a profession and a specialist's function.

4. Period of Human Relations (1930-1950):

When Prof. Elton Mayo and his companions conducted Hawthorn experiments, it was the beginning of recognition of the fact that human resources have greater influence on production than other psychical resources. A worker must be treated as a human being. His social, psychological and moral instincts should be fully recognized by the management.

Due to these experiments the commodity concept of labour changed to social concept. The decade of 1940-1950 was very important for the development of Human Resource Management. During that decade, many new techniques were developed for the selection, training and induction of workers.

5. Modern Times (After 1950):

The history of Human Resource Management since 1950 up to current times is the age of modern developments. It is the period of the citizenship concept of labour where the workers have full right to be consulted in determining the rules and regulations under which they work.

The concept of industrial democracy has imposed many new responsibilities upon the human resource managers of industrial houses. In modern times, Human Resource Management is widely accepted as an independent discipline. One finds two important developments during this period, after 1960, the Human Resource Management began to be realized as a behavioural science which centred completely on human elements with the study of organizational behaviour as its main crux.

Evolution of Human Resource Management – 3 Stages for the Growth of Human Resource Management

Historically, the beginning of HRM from the writing of Robert Owen, Charles Babbage and Henry Towde. Especially, the HRM growth was particularly marked in the inter-war era. It has branched out specifically along the domains of applied psychology and sociology. The latter in turn has evolved around the concept of the “welfare state”. While the former has proceeded as the behavioural science movement.

Following stages explain the process involved for reaching to the current HRM stage:

1. Labour Welfare Stage:

Formal beginnings of HRM may have emerged from industrial disputes and conflicts. An enquiry on determining reasons for industrial disputes and conflicts gave light to several problems related to living and working conditions of employees across industries. This enquiry highlighted limitations of businesses that perceived human resources as machines for obtaining increased productivity and more profits at lower costs.

2. Personnel Management Stage:

When labour welfare issues were provided legal assurances, organisations began focusing on behaviour of employees at all levels at an individual, group and overall organisational basis. A “Personnel” was appointed to manage the employee-employer relationship by managing issues related to human resource planning, recruitment and selection, training and development, performance and potential appraisal, promotions, transfers, quality of working life, compensation, compliances to labour laws and legislations.

3. HRM Stage:

Human Resource Management or HRM is a mix of labour welfare and personnel management. HRM aims at maximising employee performance in accordance to the objectives set by an organisation. HRM is a result of increasing organisational size, changing social and cultural norms, easy access to information (via technology) and globalisation. Accordingly, it attempts to build worker-employees relationship more humanely through motivation, training and development, retention, worker protection, etc.

Evolution of Human Resource Management – From 18th Century to the Modern Times

In today’s global and competitive environment, human resource is the key to efficient running and survival of an organisation. The concept of human resource management has emerged from the personnel management. The term personnel management has emerged in 1945 after the World War. During this stage, the personnel managers distinguished themselves from other managerial functions, and personnel function being declared as a separate managerial function.

At that time, the scope of personnel function was criticised due to the 'hire and fire' policy of the organisations. The concept of HRM has evolved through various stages of Industrial revolution, trade union, scientific management, Behavioural science and human relations. Hence, the concept HRM has gradually replaced the term Personnel Management. HRM is the most appropriate name to deal with human resource, as it highlights the significance of the human beings working in an organisation.

The evolution of HRM has evolved through the stage of the industrial revolution in the 18th century to the modern times:

(1) Industrial Revolution:

The momentum for the industrial revolution started in 17th century. Technical advances and improved agriculture methods resulted into mass production of goods. The advancement in technology initiated the need for skilled and trained labour and improved work methods for producing goods on large scale. Hence, this period witnessed rapid technological improvement and led to the beginning of the industrial revolution.

In 1776, Adam Smith in his work 'The wealth of Nations' proposed the concept of specialisation to increase efficiency through division of labour in the work. Adam Smith, considered as father of capitalism also lighted the term 'Invisible Hand or Laissez Faire Approach'.

(2) Trade Unionism:

Trade union is a group or an organisation of workers formed to achieve common goals. These trade union organisations may compose of workers, professionals, or unemployed workers. The working class also formed general union of all workers irrespective of the trade and industry.

The basic purpose of the trade union is to bargain with employers on behalf of its members for better ways. Working conditions grievance redressal, rules governing hiring and promotion, workers benefit i.e., maintaining or improving the conditions of their employment.

(3) Scientific Management:

The concept of scientific management focused on professional relationship between employer, and employees to improve/enhance productivity. F. W. Taylor (1856-1915) is regarded as father of scientific management and a great leader of the efficiency movement. He advocated the principles of scientific management to improve industrial efficiency.

Taylor's scientific management consisted of four principles mentioned as follows:

- (i) Adopt work methods based on scientific study of the tasks instead of rule of thumb method.
- (ii) Scientific methods of selection, training and development of each employee.
- (iii) The managers should apply scientific management principles to plan the work.
- (iv) Close supervision and detailed instructions to each worker in the performance of specific task. This principle stresses on the fact that workers should be capable of understanding the task they were doing.

The concept of scientific management advocated the payment of wages should be linked to productivity. The principles of scientific management have been challenged and criticised by trade unions, as well as social intellectuals.

(4) Industrial Psychology:

Industrial Psychology is also known as I-O psychology (industrial organisational psychology) work and organisational psychology occupational psychology and personnel psychology. It applies psychology to industrial organisations and the work place. It attempts to achieve organisations goals by improving the performance and welfare of its employees.

(5) Human Resource Approach:

Human resource approach explored management from a social as well as psychological view. Advocates of this approach are concerned with welfare of the employees, and treat them as people. Robert Owen, Hugo Munsterberg, Walter Bill Scott, Mary Parket Follet, Abraham Marslow and Douglas Mc Gregor are Popular as behavioural theorist.

(6) Human Relations Movement:

Human Relations movement gained momentum as a result of contributions of management thinkers like Elton Mayo, Mary Parker Follet and Hawthorne Experiments. This movement identified and encouraged the human relation factors which help improve the quantum of production and the level of satisfaction of employees. Elton Mayo's contribution in the development of human relations is unforgettable approach.

Evolution of Human Resource Management – Brief Outline of Development of Human Resource Management

HRM evolved over a period of years from the era of industrial revolution. The evolution of HRM dates back to 18th century and the concept is very old in nature involving the management of human beings. There were many phases of people management before reaching the current scenario as researched by many authors.

A brief outline of the various stages of development of HRM stated below:

1. Industrial Revolution:

It started during 18th century in Britain and spread later to Western Europe and United States. Workers were forced to indulge in monotonous and repetitive work activities. Workers were treated earlier as machines and not as resources. The industrial revolution witnessed ill treatment and exploitation of workers.

2. Trade Unionism:

Workers joined together to form trade unions to protect their interests. The movement started within the era of industrial revolution as there were common worker demands. The origin of Trade unions can be traced back to 18th century in Europe and later it spread to many other parts of the world.

3. Taylorism or Scientific Management:

Scientific management was propounded by Frederick Winslow Taylor in 1911. It aimed to standardize workflows and improve labour productivity through reduction of effort. Human factor at work was given more importance and procedures were simplified by time and motion studies.

4. Human Relations Movement:

The concepts of scientific management led to an awareness of improving procedures and productivity through work simplification. In early 1930s the famous research by Elton Mayo et. al. namely, the “Hawthorne Studies” opened up a new horizon of human relations at workplace. It revealed the impact of social factors, informal groups, motivation and employee satisfaction on productivity. This was the beginning of behavioural approaches and soft skill training to employees. The modern concept of HRM sprouted from such movements.

5. Organizational Behaviour & Theory:

Other contemporary researchers like Abraham Maslow, David McClelland, Max Weber and others propounded different concepts on organizational behaviour and developed organizational theory. Motivation, leadership, workforce productivity and similar theoretical areas propped up and gained significance.

6. Industrial and Labour Relations:

The field of industrial and labour relations started getting importance in many industries as there were strained labour relationships. Legal framework was developed to protect the interest of labour and amicably settle any industrial disputes.

7. HR Approach:

HR rooted itself strongly in the theoretical background of earlier researches backed by support from industrialists and professional associations. The oldest HR association is the “Chartered Institute of Personnel and Development” started in 1913 in England.

The Society for Human Resource Management was later formed in 1948 in the United States. The first college level study on HR was from Cornell University, United States. At present, there are umpteen numbers of specialized courses in HRM offered by renowned universities all over the world.

Evolution of Human Resource Management – 4 Broad Phases of Evolution of Human Resource Management

The evolution of HRM can be described moving through four broad phases:

Phase # 1. Craft System:

From the earliest time in Egypt and Babylon, training in craft skills was organized to maintain an adequate supply of craft workers. The workers/craftsmen worked in their own homes/workshop with the help of their family members, with their own tools and implements.

A basic type of specialization of work such as shoe-making, blacksmith, carpentry, pottery, cloth weaving etc. existed during this age. Generally, the master craftsmen committed to teach his craft to some young persons who began their careers as apprentices. The apprentices were bound

to work for the master craftsman for a specified period during which they would learn the craft. The master craftsmen possessed skill and ownership.

By the 13th century craft training became popular in Western Europe. Craft guilds supervised quality and methods of production and regulated conditions of employment for each occupation. The master crafts worker controlled the craft guilds, and the recruit entered after a period of training as an apprentice.

The craft system was best suited to domestic industry, which the master operated on his own premises with his assistants residing and working in the same house.

Phase # 2. Scientific Management:

During the first few years of the 20th century, productivity emerged as a serious business concern. This phase saw expanding business, readily available capital, experience as well as short supply of labour. Hence, managers started to look for ways to use existing labour more efficiently. In response to this need, experts began to focus on ways to improve the performance of individual workers.

This led to the development of scientific management. F. W. Taylor, Frank Gilbreth and Lillian Gilbreth were the earliest advocates of scientific management. At Midvale Steel Company in Philadelphia, Taylor observed that employees were deliberately working at a pace slower than their capabilities. Taylor studied and timed each element of the steel workers' jobs.

He determined what each worker should be producing. He designed the most efficient way of doing each part of the overall task and implemented a piecework pay system. Rather than paying all employees the same wage, he began increasing the pay of each worker who met and exceeded the target level of output set for his or her job.

Phase # 3. Human Relations Approach:

The Hawthorne experiments conducted by Elton Mayo and his colleagues during 1930s and 1940s demonstrated that employees productivity was affected not only by the way the job was designed and the manner in which employees were rewarded economically, but also by certain social and psychological factors as well.

Phase # 4. Human Resource Approach:

Human resource approach deals with the people dimension in management. Over the past eighty years, various approaches to human resource management have been adopted by companies. The human resource approach currently in vogue, has redefined the way people are treated and managed in the organizational context.

2. Explain the characteristics of human resource management.

Some of the most important characteristics of Human Resource Management are as follows:

Nothing moves unless a piece of paper moves and no paper can move, unless a person moves. Even if there is total automation, the organization will require a person to on the button. This shows how important manpower is to any kind of organization.

All organizations, irrespective of size or extent of its resources, commercial or not for profit, have people – they have human resources. Organisations survive and thrive only because of the Concept of Human Resource Management.

History of HRM is as old and complex as the history of work and organization. HR is the most important asset possessed by any organization. The strategists talk about sustainable competitive advantage. It is the HR which helps to hold the advantage.

1. It is an art and a science:

The art and science of HRM is indeed very complex. HRM is both the art of managing people by recourse to creative and innovative approaches; it is a science as well because of the precision and rigorous application of theory that is required.

2. It is pervasive:

Development of HRM covers all levels and all categories of people, and management and operational staff. No discrimination is made between any levels or categories. All those who are managers have to perform HRM. It is pervasive also because it is required in every department of the organisation. All kinds of organisations, profit or non-profit making, have to follow HRM.

3. It is a continuous process:

First, it is a process as there are number of functions to be performed in a series, beginning with human resource planning to recruitment to selection, to training to performance appraisal.

To be specific, the HRM process includes acquisition (HR planning, recruitment, selection, placement, socialisation), development (training and development, and career development), utilisation (job design, motivation, performance appraisal and reward management), and maintenance (labour relations, employee discipline, grievance handling, welfare, and termination). Second, it is continuous, because HRM is a never-ending process.

4. HRM is a service function:

HRM is not a profit centre. It serves all other functional departments. But the basic responsibility always lies with the line managers. HRM is a staff function – a facilitator. The HR Manager has line authority only within his own department, but has staff authority as far as other departments are concerned.

5. HRM must be regulation-friendly:

The HRM function has to be discharged in a manner that legal dictates are not violated. Equal opportunity and equal pay for all, inclusion of communities in employment, inclusion of tribal's (like Posco or Vedanta projects) and farmers in the benefits and non-violation of human rights must be taken care of by the HRM.

6. Interdisciplinary and fast changing:

It is encompassing welfare, manpower, personnel management, and keeps close association with employee and industrial relations. It is multi-disciplinary activity utilising knowledge and inputs from psychology, sociology, economics, etc. It is changing itself in accordance with the changing environment. It has travelled from exploitation of workers to treating them as equal partners in the task.

7. Focus on results:

HRM is performance oriented. It has its focus on results, rather than on rules. It encourages people to give their 100%. It tries to secure the best from people by winning the whole hearted cooperation. It is a process of bringing people and organization together so that the goals of each are met. It is commitment oriented.

8. People-centred:

HRM is about people at work both as individuals and a group. It tries to help employees to develop their potential fully. It comprises people-related functions like hiring, training and development, performance appraisal, working environment, etc.

HRM has the responsibility of building human capital. People are vital for achieving organizational goals. Organizational performance depends on the quality of people and employees.

9. Human relations philosophy:

HRM is a philosophy and the basic assumption is that employees are human beings and not a factor of production like land, labor or capital. HRM recognizes individuality and individual differences. Every manager to be successful must possess social skills to manage people with differing needs.

10. An integrated concept:

HRM in its scope includes Personnel aspect, Welfare aspect and Industrial relations aspect in itself. It is also integrated as it concerns with not only acquisition, but also development, utilization, and maintenance

3. Explain the issues, concepts and various approaches of HR Accounting.

“Human resource accounting is accounting for people as an organizational resource. It involves measuring the costs incurred by business firms and other organizations to recruit, select, hire, train and develop human assets. It also involves measuring the economic value of people to the organization.”

Concept of Human Resource Accounting:

Thus, human resource accounting is primarily involved in measuring the various aspects related to human assets. Its basic purpose is to facilitate the effective management of human resources by providing information to acquiring, develop, retain, utilize, and evaluate human resources.

The more specific objectives of human resource accounting are as follows:

- To provide cost value data for managerial decisions regarding acquiring, developing, allocating and maintaining human resource so as to attain cost effective organizational objectives.
- To provide information for effectiveness of human resource utilization.
- To provide information for determining the status of human asset whether it is conserved properly; it is appreciating or depleting.
- To assist in the development of effective human resource Management practices by classifying the financial consequences of these practices.

Methods / Approaches of HR Accounting:

There are a number of methods suggested for the valuation of human assets. Many of these methods are based on the valuation of physical and financial assets while others take into account human consideration. Major methods of valuation of human assets are historical cost, replacement cost, standard cost, present value of future earnings, and expected realizable value.

Historical Cost:

Historical cost is based on actual cost incurred on human resources. Such a cost may be of two types – acquisition cost and learning cost. Acquisition cost is the expense incurred on training and development. This method is very simple in its application but it does not reflect the true value of human assets. For example, an experienced employee may not require much training and, therefore, his value may appear to be below though his real value is much more than what is suggested by historical cost method.

Replacement Cost:

As against historical cost method which takes into account the actual cost incurred on employees, replacement cost takes into account the national cost that may be required to acquire a new employee to replace the present one.

In calculating the replacement cost, different types of expenses are taken into account which may be in the form of acquisition and learning cost. Replacement cost is generally much higher than the historical cost.

Standard Cost:

Instead of using historical or replacement cost, many companies use standard cost for the valuation of human assets just as it is used for physical and financial assets. For using standard cost, employees of an organization are categorized into different groups based on their hierarchical positions.

Standard cost is fixed for each category of employees and their value is calculated. This method is simple but does not take into account differences in employees put in the same group. In many cases, these differences may be quite vital.

Present value of future earnings:

In this method, the future earnings of various groups of employees are estimated up to the age of their retirement and are discounted at a predetermined rate to obtain the present value of such earnings. This method is similar to the present value of future earnings used in the case of financial assets. However, this method does not give correct value of human assets as it does not measure their contributions to achieving organizational effectiveness.

Acquisition Cost Method:

Under this method the costs of acquisition, namely, the costs incurred in recruitment. Hiring and induction of employees are taken into account. The process involves capitalization of historic costs. The cost so capitalized has to be written off over a period of time for which the employee remains with the firm.

If for some reason the employee leaves the organization prematurely, the unamortized cost remaining in the books has to be written off against the profit and loss account of the particular year.

Replacement Cost Method:

While in the case of acquisition cost past costs are considered, under this approach one takes in to account how much it costs to replace a firm's existing resources and thus represents a current value approach. So this is a method resource and thus represents a current market conditions. This exercise may be redundant unless the management desires to replace its present resources. It is also difficult exercise as in many cases the replacement may not be exactly similar.

Present Value of Future Earnings Method:

This model is developed by Lev and Schwartz and is popular in India. This is also known as capitalization of salary method. Under this method the future earnings of an employee or grades of employees are estimated up to the age of retirement and are discounted at a rate appropriate to the person or the group in order to obtain the present value.

The model may be expresses as follows:

V = the human capital value of a person y years old

$I(t)$ = the person's annual earnings up to retirement

R = discount rate specific to the person

T = retirement age.

The above formula does not take into account the probability of a person dying before retirement or leaving the organization.

Expected realizable value:

The above methods discussed so far are based on cost consideration. Therefore these methods may provide information for record purpose but do not reflect the true value of human assets. As against these methods.

Expected realizable value is based on the assumption. And this is true also. That there is no direct relationship between cost incurred on an individual and his value to organization can be defined as the present worth of the set of future services that he is expected to provide during the period he remains in the organization.

Flamholtz has given the variables affecting an individual's expected realizable value (IERV):

Individual conditional values and his like hood of remaining in the organization. The former is a function of the individual's abilities and activation level. While the later is a function of such variables as job satisfaction, commitment, motivation, and other factors.

Economic Value Method:

The economist's concept of the value of an asset is equal to the present worth of its estimated future economic benefits. This approach has a strong theoretical appeal.

But this method involves the following steps:

Estimation of the future benefits, and

Ascertaining the present value of such benefits by using an appropriate interest (discount) rate.

Competitive Bidding Method:

This is also known as the opportunity cost method. Opportunity cost is defined as the measurable value of benefits that could be obtained by choosing an alternative course of action. In the case of HRA. Opportunity costs are determined by a process of competitive bidding in which various divisions and departments bid for the services of various officers. The amount of bid is added to the capital employed of the successful bidder for determining the return on investment.

Extreme 7 Problems of Human Resource Accounting

Although there are numerous benefits of HRA, there are also some negatives or problems of human resource accounting. Some of them include the following:

1. Non-Availability of Standards

The company's most significant issue is the need for the proper standards to assess the costs incurred by human resources. The Institute of Chartered Accountants of India (ICAI) should develop specific criteria for determining how much value is placed on human resources.

2. Trade Union Resistance

Estimating how much value is attached to human resources could cause industrial conflict and opposition from union leaders. This opposition may be due to the management's bias when assessing the value of human assets. So, before the introduction of HRA within an organization, all employees and their leaders should be informed about the significance of HRA and how it can help them.

3. Expensive

When introducing HRA in an organization, the first thing to be kept in mind is that it needs to be economical. The system will be ineffective if its implementation is detrimental to the company's profits. Therefore, any expenditure by this system must be done prudently. Otherwise, it may result in additional expenses to the organization.

4. Variety of Methods Create Confusion

Numerous methods can be utilized to determine the expense incurred by human resources. This leads to miscommunications, so managers should use a specific way of evaluating the HR costs to ensure certainty.

5. Results in Dehumanization

If the valuation of human assets isn't done correctly, it could result in exploiting employees. The HRA's assessment will benefit the organization rather than at the expense of a bias toward employees.

6. Uncertainty over the Continuity of employees

In contrast to machinery, one can't expect employees to remain within the organization for the rest of their lives. Certain situations could make employees leave their job. This is why it is described as the stability of employees in any company is not guaranteed. This uncertainty also increases the number

of vacancies within the organization. It can cause problems with the assessment used in the accounting of Human Resources, which also affects the employees' work.

7. A lack of Knowledge regarding the future receiving of HR

Futures are unpredictable and full of uncertainty. There is no way to tell if an investment will yield or not. Thus, accurate information needs to be improved regarding the future earnings of any organization. Therefore, sometimes an evaluation of assumptions creates a significant issue for the HRA system.

4. Enumerate computer applications in Human Resource Management.

Computer Applications in Human Resource Management

Computer applications are widely used in all areas of human resource management today. Various applications are as follows:

1 . E - J o b D e s i g n

Many organizations started implementing the concept 'dejobbing' in their workplace by introducing alternative workschedules, flexi time, broad job banding, employee empowerment and multiskilling. The human resource manager's task in this situation is to identify the skill requirements of the organization, identify the employee skills and match these two. The human resource managers do these activities through 'listing skills' and 'competency mapping'. The information of listing skills and competency mapping are placed on the net. Then the system matches the listing skills and competency mapping and produces the output of identifying the employee suitable for a particular task.

2 . E - H R P l a n n i n g

Computer programs are developed and used extensively for the purpose of planning human resource requirements based on the data and information. These programs indicate the number of employees required at each level for each category of the jobs based on sales and production forecasts. The internet connecting with other organizations identifies the suitable people from other organizations for the purpose of outsourcing and also to draw them where and when contingency situations arise.

3 . E - R e c r u i t m e n t

Organizations advertise the job vacancies through the World Wide Web (www) or send the information directly to the most competent people through e-mail. The job seekers send their applications through e-mail using the internet. Alternatively, job seekers place their CVs in the World Wide Web through various sites like hotjobs.com and jobs.com, which can be drawn by the prospective employers depending upon their requirements.

4 . E - S e l e c t i o n

E-selection has become popular with the conduct of various tests through on-line, contacting the candidates through e-mail and conducting the preliminary interviews and final interview through audio-conferencing and final interview through audio and video conferencing. Further, the employers get the reference letters / opinions from the referees through e-mail.

- Highlight
 - Add Note
 - Share Quote
-

5.E-Performance Management

Several software packages are developed to measure employee performance and offer suggestions for improvement of employee performance. Many employers tend towards using these software packages and computerize the employee performance appraisal systems.

6.E-Training & Development

Companies started providing on-line training and on-line executive development programs. Employees learn various skills by staying at the place of their work. Participants complete course work from wherever they have access to computer and internet. E-learning via intranet (internet is now a global phenomenon and is central to training and development to many companies. E-learning represents the total category of technology-based learning while On-line learning is synonymous with web-based learning. The term e-learning covers a wide set of applications and processes, including computer-based learning, web-based learning, virtual classrooms and digital collaborations.

7.E-Compensation Management

Almost all the organizations started using computers for salary fixation, salary payment, salary calculation of various allowances, fixation and calculation of various employee benefits, welfare measures and fringe benefits.

8.E-Grievance Redressal

Employees send their grievance via e-mail to the superior concerned who in turn solves the problems / redress the grievances and communicates the same to the employee. This process reduces the time in the process and avoids face to face interaction.

9 . E - H R R e c o r d s

Human resource records are created maintained and updated with the help of computers easily and at a fast rate. Human resource records, either partially and fully, can be shifted or transferred from the branch/regional office to head office or from one department to another department through intranet / internet.

10.E-HR Information

Human resource information is generated, maintained, processed and transmitted to the appropriate places or clients with the help of software with high speed and accuracy.

11.E-HR Audit

The standard human resource practices or the desired human resource practices are fed into the computer. The data and information regarding the actual practices are also fed into the computer; the software automatically completes the human resource audit and produces the audit report. The human resource manager then can modify the report by deleting or adding any comments

5. Explain the roles and functions of Human Resource Management.

Functions of Human Resource Management

Human Resource Management functions can be classified into the following three categories.

- Managerial Functions,
- Operative Functions, and
- Advisory Functions.

The *Managerial Functions* of Human Resource Management are as follows:

1. Human Resource Planning - In this function of HRM, the number and type of employees needed to accomplish organizational goals are determined. Research is an important part of this function, information is collected and analyzed to identify current and future human resource needs and to forecast changing values, attitudes, and behavior of employees and their impact on the organization.

2. Organizing - In organization tasks are allocated among its members, relationships are identified, and activities are integrated towards a common objective. Relationships are established among the employees so that they can collectively contribute to the attainment of the organization's goal.

3. Directing - Activating employees at different levels and making them contribute maximum to the organization is possible through proper direction and motivation. Taping the maximum potential of the employees is possible through motivation and command.

4. Controlling - After planning, organizing, and directing, employees' actual performance is checked, verified, and compared with the plans. If the actual performance is found to deviate from the plan, control measures are required to be taken.

The Operative Functions of Human Resource Management are as follows:

1. **Recruitment and Selection** - Recruitment of candidates is the function preceding the selection, which brings the pool of prospective candidates for the organization so that the management can select the right candidate from this pool.

2. **Job Analysis and Design** - Job analysis is the process of describing the nature of a job and specifying the human requirements like qualifications, skills, and work experience to perform that job. Job design aims at outlining and organizing tasks, duties, and responsibilities into a single unit of work for the achievement of certain objectives.

3. **Performance Appraisal** - Human resource professionals are required to perform this function to ensure that the performance of employees is at an acceptable level.

4. **Training and Development** - This function of human resource management helps employees acquire skills and knowledge to perform their jobs effectively. Training and development programs are organized for both new and existing employees. Employees are prepared for higher-level responsibilities through training and development.

5. **Wage and Salary Administration** - Human resource management determines what is to be paid for different types of jobs. Human resource management decides employee compensation which includes - wage administration, salary administration, incentives, bonuses, fringe benefits, etc.,

6. **Employee Welfare** - This function refers to various services, benefits, and facilities that are provided to employees for their well-being.

7. **Maintenance** - Human resources is considered an asset for the organization. Employee turnover is not considered good for the organization. Human resource management always tries to keep their best-performing employees with the organization.

8. **Labour Relations** - This function refers to human resource management interaction with employees represented by a trade union. Employees come together and form a union to obtain more voice in decisions affecting wages, benefits, working conditions, etc,

9. **Personnel Research** - Personnel research is done by human resource management to gather employees' opinions on wages and salaries, promotions, working conditions, welfare activities,

leadership, etc, Such researches help in understanding employee satisfaction, employee turnover, employee termination, etc,

10. **Personnel Record** - This function involves recording, maintaining, and retrieving employee-related information like - application forms, employment history, working hours, earnings, employee absents and presents, employee turnover, and other data related to employees.

The Advisory Functions of Human Resource Management are as follows:

Human Resource Management is expert in managing human resources and so can give advice on matters related to human resources of the organization. Human Resource Management can offer advice to:

1. Advised to Top Management

The personnel manager advises the top management in the formulation and evaluation of personnel programs, policies, and procedures.

2. Advised to Departmental Heads

The personnel manager advises the heads of various departments on matters such as manpower planning, job analysis, job design, recruitment, selection, placement, training, performance appraisal, etc.

Roles of HR Managers:

Roles Played by an HR Manager

- ❖ Administrative roles
 - ❖ Policy maker
 - ❖ Administrative expert
 - ❖ Advisor
 - ❖ Housekeeper
 - ❖ Counselor
 - ❖ Welfare officer
 - ❖ Legal consultant
- ❖ Operational roles
 - ❖ Recruiter
 - ❖ Trainer, developer, motivator
 - ❖ Coordinator/linking pin
 - ❖ Mediator



UNIT-II

1. Define HR Planning. Explain the factors and processes of human resource planning.

Human resource planning (HRP) is the continuous process of systematic planning to achieve optimum use of an organization's most valuable asset—quality employees. Human resources planning ensures the best fit between employees and jobs while avoiding manpower shortages or surpluses.

There are four key steps to the HRP process. They include analyzing present labor supply, forecasting labor demand, balancing projected labor demand with supply, and supporting organizational goals.

Importance of Human Resource Planning

- ❖ Human resource planning determines the future needs of human resources in terms of number and kind.
- ❖ Human resource planning is important to cope with the change associated with external environmental factors such as technological, political, socio-cultural, and economic forces.
- ❖ Another purpose of HR planning is to recruit and select the most suitable personnel to fill job vacancies.
- ❖ Human resource planning/human resources planning helps find out the surplus/ shortage of human resources.
- ❖ It is helpful in employee development through various training and development campaigns to impart the required skill and ability in employees to perform the task efficiently and effectively.
- ❖ It focuses on the optimum utilization of human resources to minimize the overall cost of production.
- ❖ Another importance of human resource planning is that it reduces labor costs substantially by maintaining a balance between the demand for and supply of human resources.
- ❖ An effective human resource plan provides multiple gains to the employee through promotions, increases in salary, and other fringe benefits. This boosts employee morale.
- ❖ It is useful in finding out the deficiencies in the existing workforce and providing corrective training.
- ❖ Another importance of human resource planning is the safety of health. It provides for the welfare, health, and safety of its employees, leading to an increase in employee productivity in the long run.

Factors Influencing Human Resource Planning:

Factors Affecting HRP

External Factors

- ▶ Government Policies
- ▶ Level of Economic Development
- ▶ Business Environment
- ▶ Information Technology
- ▶ Level of Technology
- ▶ International Factors

Internal Factors

- ▶ Strategies of the Company
- ▶ Human Resources Policy of the Company
- ▶ Formal and Informal Groups
- ▶ Time Horizons
- ▶ Type and Quality of Information
- ▶ Company's Production/operations policy
- ▶ Trade Unions

Steps in the Human Resource Planning Process

The steps involved in the HRP process are as follows:

1. Analyzing Business Objectives and Policies
2. Study Existing Manpower Inventory
3. Forecasting Demand and Supply
4. Performing Gap Analysis
5. Formulating and Implementing HRP
6. Training and Development
7. Evaluation and Control



Analyzing Business Objectives and Policies

The initial step in the HRP process is the analysis of business objectives.

The HR manager will conduct a detailed analysis of the business's vision and mission. Subsequently, design the HRP objectives and policies in the direction of the firm's goals.

One must try to estimate and reach the justified quantity of human resources.

In this step, the managers create policies on the following HR processes:

- Sources of **recruitment**, i.e. internal or external recruitment.
- The **selection** procedure, training & development program, etc.
- Review and restructure the existing job roles strategically.

- Adoption of downsizing or **rightsizing** to remain competitive.
- Automation of processes and their impacts.

Study Existing Manpower Inventory

It is the second step after mapping out HRP objectives and policies.

The managers need to study their existing workforce skills and capabilities. *We must find out whether the present staff can fulfill the future demand.*

We must consider the following factors at the time of the manpower inventory study:

- Skills and capabilities of the employees.
- Analysis of the demographic characteristics of the employees.
- Productivity, Creativity and Absenteeism in the previous year.
- Eligibility for the current and future job profile, etc.

Forecasting Demand and Supply

1. Demand Forecasting

With the ever-changing environment, the HR demand varies from time to time. *We must anticipate the future HR requirements to achieve multiple goals.*

The managers find out the number of people with adequate skills to develop a **staff mix**.

In this stage, we can make projections regarding:

- Addition of new job roles.
- Creation of Vacancies.
- Prevent a shortage of people.
- Number and kind of personnel required for production and management.
- Right quantity of personnel to meet business long-term goals, etc.

Techniques for Demand Forecasting:

1. Managerial Judgement
2. Ratio/Trend Analysis
3. Regression Analysis
4. Work-study Techniques
5. Delphi Technique
6. Flow Model

2. Supply Forecasting

After demand forecasting, we must assess the firm's capabilities to supply the required workforce. Managers may procure personnel from within and outside the firm.

Sources of human resources supply:

1. Existing Workforce
2. Internal Supply
3. External Supply

We must analyze the sufficiency of the existing workforce first. After that, go for the internal and external sources of supply.

Supply forecasting helps in estimating:

- Staff mixes for the future.
- It helps to prevent excess or shortage of manpower.
- The number of personnel required to fill the planned positions.

Techniques for Supply Forecasting:

1. Staffing Tables
2. Markov Analysis
3. Skills Inventory
4. Replacement Chart

Performing Gap Analysis

Here, the net human resource requirement is to be estimated. For this, we need to **reconcile the forecasted demand and supply**.

Variance calculation between future demand and supply is known as **Gap Analysis**. Both qualitative and quantitative gap is investigated.

The result of this analysis is either Surplus or Deficit of human resource requirements.

- **Deficit:** It depicts the number of personnel to be recruited.
- **Surplus:** It suggests the number of personnel to be terminated.

Formulating and Implementing HRP

An action plan is formulated and implemented based on the gap analysis. The HR manager may take the following actions:

In the case of **Surplus**:

- Hold hiring
- Reduce working Hours
- Offer voluntary retirement, etc

In case of **Deficit**:

- Recruit new employees
- Retain employees
- Transfers & Promotions
- Train existing employees, etc

Training and Development

It is the next step after the successful implementation of the action plan.

Training & development programs are organized for fresh recruits. These programs help employees develop the required skills to perform their job efficiently.

Training is of two types:

1. General Training
2. Specific Training

Evaluation and Control

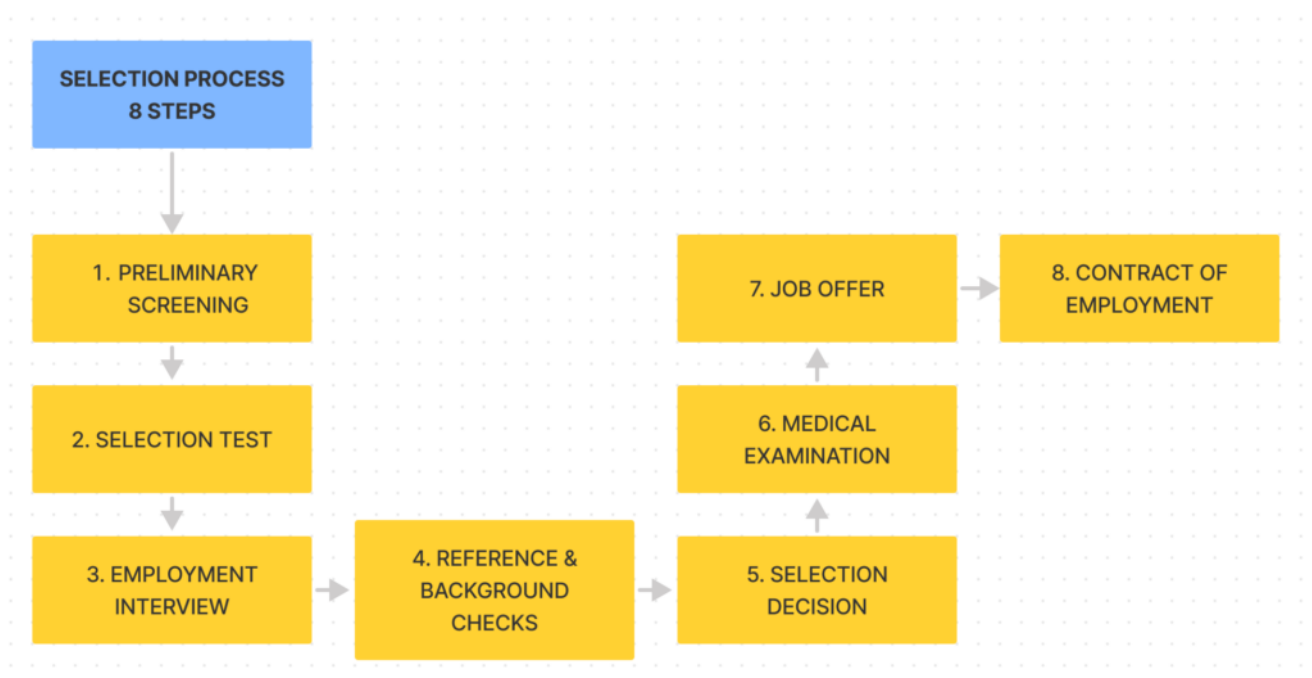
It is the last and final step in the human resource planning process. One must test whether the implementation of the action plan meets the HRP objectives.

Timely review and control help in error detection and taking corrective measures.

2. Discuss in detail the steps involved in the selection process.

Steps Involved in Selection Process

Steps Involved in Selection Process – Business studies, class XII are Preliminary screening, selection test, employment interview, reference and background check, selection decision, medical examination, job offer, and contract of employment.



Selection Process Step by Step

1. Preliminary Screening

Preliminary screening is done to eliminate unqualified and misfit candidates based on information supplied in the application form.

2. Selection Test

The organization prefers to conduct written tests to find out the practical knowledge of the candidates. The type of test to be conducted depends on the need of the organization.

Common types of tests conducted by organizations are:

- Intelligent test – This kind of psychological test is used to measure the level of intelligence of an individual.
- Aptitude test – This test is conducted to find out the potential of learning new job in the candidate, that is, How quickly the candidate can learn new skills and new method?
- Personality test – It is conducted to find out the human behaviour of the candidate. This test relates to intelligence, aptitude, attitude, and the interest of the candidate.
- Trade test – This test is conducted to check the existing skills of an individual. It helps to find the level of knowledge of proficiency in the area of professional training. Difference between trade test and aptitude test is that, trade test helps to identify present skills of a person while aptitude test helps to measure ability to acquire skills in future.
- Interest test – This test is conducted to find out the type of job in which candidate has more interest.

3. Employment Interview

The candidates who qualify for the test are called for interviews, to conduct the final interview, a panel of experts is called. It gives chance to candidates to clarify their queries related to salary, etc.

4. Reference & Background Checks

In the application form, the candidate is asked to give the names of 2 references. If the candidate qualifies for the interview, then the organization prefers to check with the references about the personal character of the candidate.

5. Selection Decision

The candidates who passed the test, interview, and references check are included in the selection list and the manager selects the most suitable candidate from this list.

6. Medical Examination

Before giving an appointment letter the candidates selected are sent for the medical fitness test.

7. Job Offer

The applicants who clear the medical test are given a job offer through a letter of appointment. In this letter, the date of joining, terms and conditions, etc are mentioned.

8. Contract of Employment

When a candidate accepts the job offer it refers to the signing of the contract of employment. While signing the contract of employment the employer and the candidate exchange certain documents.

The common content of the contract is:

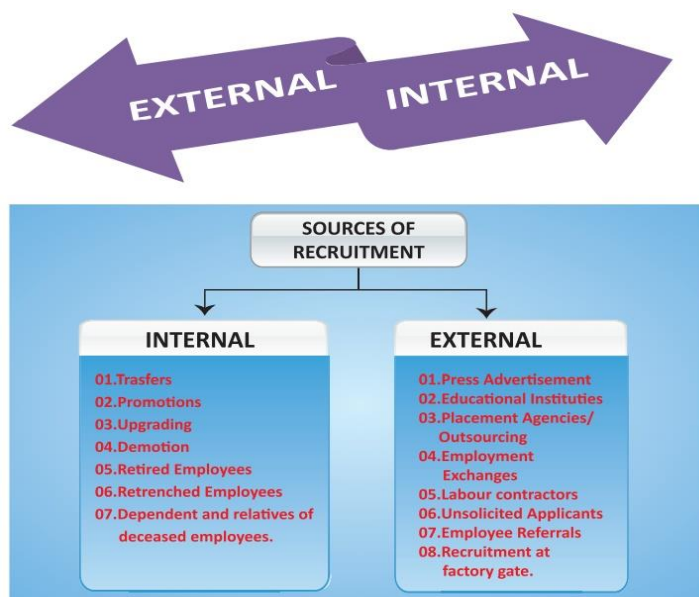
- Job title
- Duties
- Responsibilities
- Pay
- Allowances

3. What is recruitment? What are the various sources of recruitment?

Recruitment or Hiring is the process of searching and attracting the right candidates for hiring them for vacant jobs in an organization. There are two sources of recruitment, internal sources and external sources. Recruitment refers to the process of searching for potential employees and influencing them to work for their organization.

Sources of Recruitment

There are many sources of recruiting potential employees but all of them can be grouped into two categories, namely.



Internal Sources of Recruitment

Internal sources of recruitment consist of employees who are already on the payroll of a firm. It also includes former employees who have returned to work for the organization. Recruitment from internal sources is done to fill up vacancies through promotion, re-hiring and transferring employees within the company.

Advantages of Internal Sources of Recruitment

- Selecting and transferring existing employees is a simpler process.
- The managers are aware of the talents and abilities of already existing employees.
- Internal recruitment serves as a tool to boost the morale of employees as internal hiring creates job and promotion opportunities for existing employees.
- Internal hiring promotes a feeling of loyalty amongst the employees.

Characteristics of Internal Sources of Recruitment

- Quick process.
- Cheaper than the external recruitment process.
- Works as a tool of motivation for the staff.
- The company's choice is limited to existing employees of the company.
- Hiring fresh employees is a lost prospect.

External Sources of Recruitment

External sources of recruitment refer to the sources that lie outside or exist external to the organization.

Sources of external recruitment include:

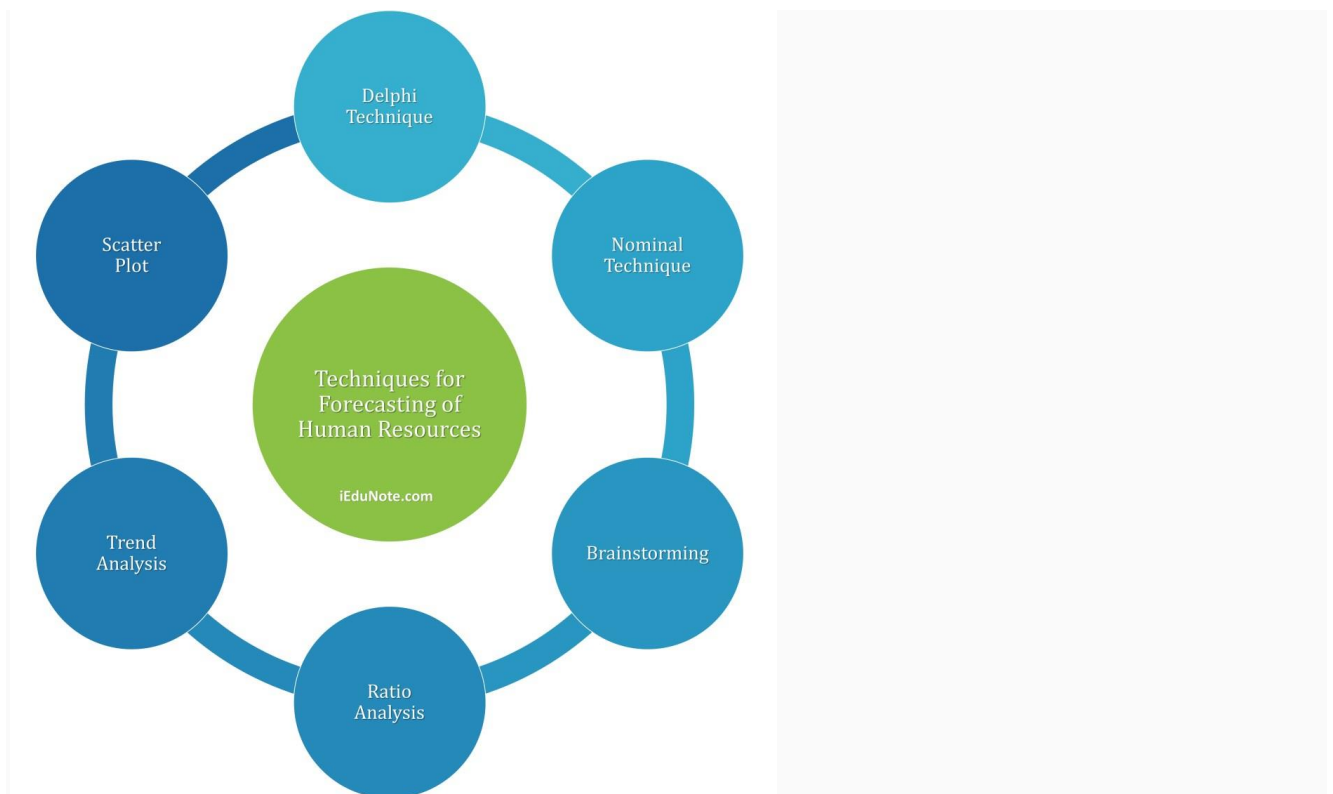
1. People joining an organization, specifically through recommendations.
2. Employment agencies (e.g. naukri.com) or employment exchanges.
3. Advertising
4. Institutes like colleges and vocational schools (e.g. campus selection)
5. Contractors
6. Hiring unskilled labor
7. List of applications
8. Temporary workers.

Characteristics of External Sources

- Long and time-consuming process.
- It is an expensive process.
- When external people are given opportunities over them, then existing workers lose morale
- Hiring new employees can lead to the introduction of new blood and thus the introduction of a new set of skills and ideas.

4. Discuss the different techniques for forecasting HR needs.

Techniques for Forecasting of Human Resources



6 Techniques for Forecasting of Human Resources are;

1. Delphi technique
2. Nominal technique
3. Brainstorming
4. Trend Analysis
5. Ratio Analysis
6. Scatter Plot

Delphi technique

Delphi technique is based on the principle that forecasts (or decisions) from a structured group of individuals are more accurate than those from the unstructured group.

Delphi is a structured approach for reaching a consensus judgment among experts about future developments in any area that might affect a business, for example, a firm's future demand for labor.

The main objective of the Delphi technique is to predict future developments in a given area by integrating the independent opinions of experts.

Face-to-face group discussion among the experts is avoided to eliminate criticism and compromise on good ideas.

To avoid these problems, an intermediary is used. The intermediary's job is to pool, summarize, and then feedback to the experts on the information generated independently by all the other experts during the first round of forecasting.

The cycle is then repeated so that the experts can revise their forecasts and the reasons behind their revised forecasts.

The following are the key characteristics of the Delphi method: the anonymity of the participants, the structuring of information flow, regular feedback, and the role of the facilitator.

Guidelines to make the Delphi process most useful:

- Give the experts enough information to make an informed judgment.
- It does not require precision.
- Keep the exercise as simple as possible.
- Be sure that the classification of employees and other definitions are understood in the same way by all experts.
- Enlist top management's expert's support of the Delphi process by showing how good forecasts will benefit the organization and affect profitability and workforce productivity.

The Delphi technique produces a few important benefits such as;

1. elimination of interpersonal problems among panelists,
2. efficient use of experts' time,
3. adequate time for reflection & analysis by respondents,
4. diversity & quantity of ideas generated, and
5. accuracy of predictions & forecasts made.

Nominal technique

A nominal group exists in name only, with members having minimal interaction before producing a decision.

Participants are asked to write their ideas anonymously. Then the facilitator collects the ideas, and the group votes on each idea. The group should be prepared and encouraged to embrace the process.

Here are the steps that nominal groups often follow:

1. Individuals are brought together & presented with a problem.
2. They develop solutions independently, often writing them on cards.
3. Their ideas are shared with others in a structured format,
4. Brief-time is allotted so that questions can be asked – but only for clarification, ask the kinds of questions a unit manager can answer.
5. Group members individually designate their preferences for the best alternatives by secret ballot.
6. The group “decision” is announced.

Advantages of the nominal technique

- There is an opportunity for equal participation by all members. Participation is broad, not limited to a few powerful members.
- It allows tighter control of time. Thus, it quickens the decision-making process. It is a time-saving process.
- A single member cannot dominate the decision process. There is little chance of group thinking occurring.
- Because of wider participation, members can come up with new ideas.

Disadvantages of nominal technique

- Group members are frustrated by the rigidity of the procedure,
- Gain no feelings of cohesiveness,
- Do not have the opportunity to benefit from the cross-fertilization of ideas.
- The success of the nominal technique depends on each member’s capacity.

Brainstorming

Brainstorming is a popular method for encouraging creative thinking in groups of about five to eight people (Ivancevich, 1998).

Brainstorming is a group or individual’s creativity technique by which efforts are made to conclude a specific problem by gathering a list of ideas spontaneously contributed by its member(s).

Good ideas may be combined to form a single better idea, as suggested by the slogan “1+1=3”. It is believed to stimulate the building of ideas by the process of association. It is built around four basic guidelines for participants:

- Generate as many ideas as possible.
- Be creative, freewheeling & imaginative.
- Build upon extending or combine earlier ideas,
- Withhold criticism of others’ ideas.

The success of this technique depends on: each member’s capacity, willingness to hear thoughts, use the thoughts as a stimulus, spark new ideas of their own, and feel free to express them.

| Advantages of Brainstorming

There are many advantages of brainstorming, such as

1. group members are enthusiastic,
2. broad level participation,
3. group members maintain a strong task orientation,
4. new ideas are built upon & extended and
5. combined and improved ideas.

| Disadvantages of Brainstorming

The major disadvantages of brainstorming are:

1. Members typically feel that the final product is a team solution, not an individual,
2. Residual fear among some members,
3. Creative thoughts are looked down upon,
4. Less contribution to group cohesion.
5. Only one person can speak at a time,

| Trend Analysis

Trend analysis means studying a firm’s past employment needs over the years to predict the future. The purpose is to identify trends that might continue. It provides an initial estimate.

| Ratio Analysis

Ratio Analysis is a forecasting technique for determining future staff requirements by using ratios between, for example, sales volume and number of employees needed.

It means making forecasts based on the ratio between any causal factor and the number of employees required. Ratio analysis assumes that productivity remains the same.

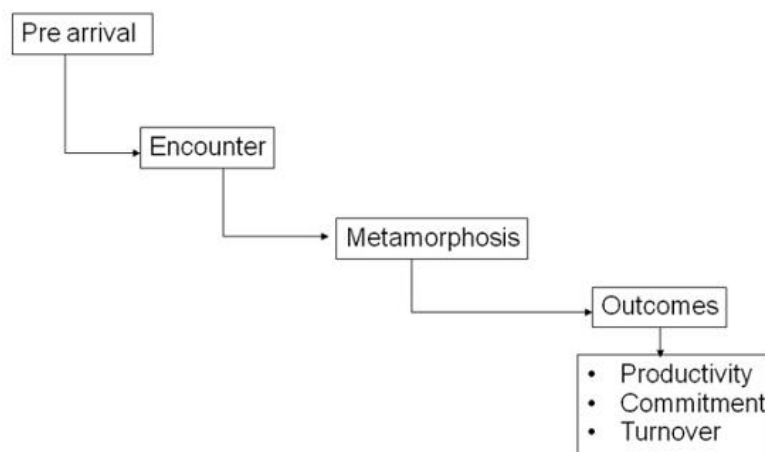
Scatter Plot

A scatter plot is a graphical method used to help identify the relationship between two variables. If an HR manager can forecast the level of business activity, he should also estimate personnel requirements.

Managerial judgment will play a big role, whichever forecasting technique HR managers use. Rarely, any historical trend or relationship will continue unchanged into the future.

5. Describe the stages involved in the socialization process.

Stages in socialization Process



Socialization can be conceptualized as a process made up of three stages. a. Pre-arrival Stage: b. Encounter Stage: c. Metamorphosis Stage:

Stages in socialization Process

Socialization can be conceptualized as a process made up of three stages.

a. Pre-arrival Stage:

This stage explicitly recognizes that each individual arrives with a set of organizational values, attitudes, and expectations. For instance, in many jobs, particularly high skilled and managerial jobs, new members will have undergone a considerable degree of prior socialization in training and in school. Pre-arrival socialization, however, goes beyond the specific job. The selection process is used in most organizations to inform prospective employees about the organization as whole. In

addition, of course, interviews in the select type determining those who will fit in. In appropriate face during the selection process determines their ability to move into the organization

in the first place. Thus success depends upon the degree to which aspiring members have correctly anticipated the expectations and desires of those in the organization in charge of selection.

b. Encounter Stage:

Upon entry into the organization, new members enter the encounter stage. Here the individuals confront the possible dichotomy between their expectations about their jobs, their coworkers, their supervisors, and the organization in general and reality. If expectations prove to have been more or less accurate, the encounter state merely provides a reaffirmation of the perceptions generated earlier. However, this is often not the case. Where expectation and reality differ; new employees must undergo socialization that will detach them from their previous assumption and replace these

with the organization's pivotal standards. S differences. At the extreme, some new members may become totally disillusioned with the

actualities of their jobs and resign. It is hoped that proper selection would significantly reduce this latter occurrence.

c. Metamorphosis Stage:

Finally the new member must work out any problems discovered during the encounter stage. This may mean going through changes. Hence the last stage is termed as metamorphosis stage. Metamorphosis is complete as is the socialization process –when new members have become comfortable with the organization and their work teams. In this situation they will have internalized the norms of the organization and their coworkers; and they understand and accept these norms. New members will feel accepted by their peers as trusted and valued individuals. They will have gained an understanding of the organizational system- not only their own tasks but the rules, procedures and informally accepted practices as well. Finally, they will know how they are going to be evaluated. They will know what is expected of them and what constitutes a good job. Consequently, successful metamorphosis should have positive effect on a new employee

UNIT-III

1. Define training. What are the various types of training methods? Explain them.

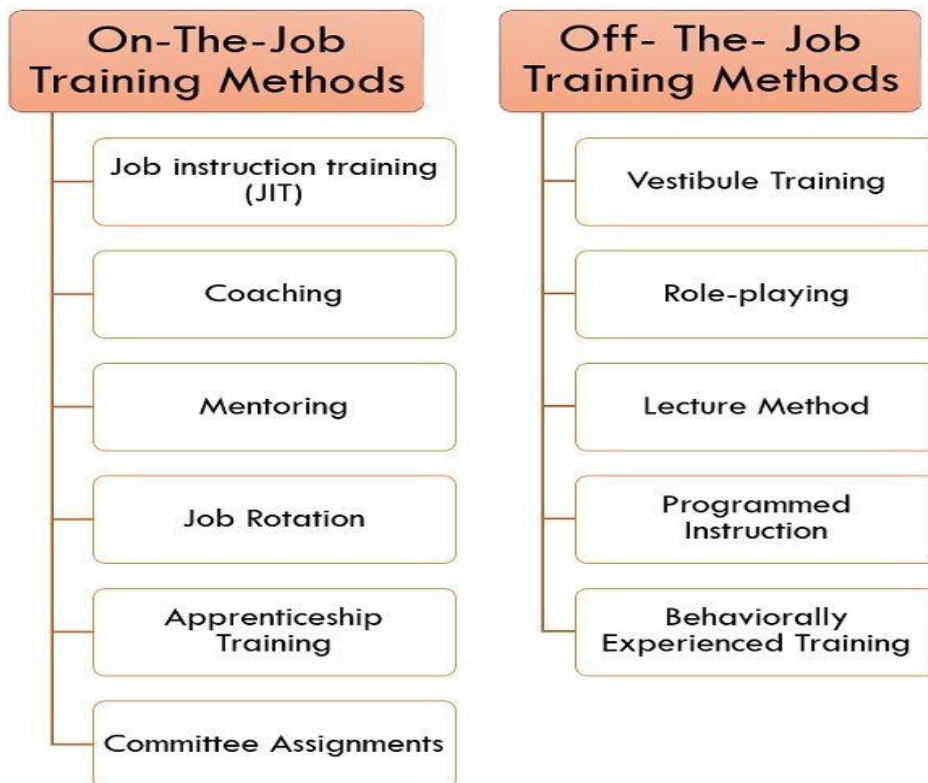
Meaning:

Training means the process of increasing the knowledge and skills of an employee for doing a particular job. It seeks to improve the job performance and work behavior of those trained.

Methods of Training

A vast range of training methods is accessible to an enterprise to guide its personnel. Based on the teaching goals and demand assessments, a suitable method may be selected. There are two alternatives available to an enterprise at the moment of deciding in a training program. It can either outline its plan or get an available outside package and make an alteration in it to satisfy the purpose and necessities of its training programs.

As shown in the figure below, it is divided mainly into two categories, i.e., On-the-job training and Off-the-job training. We will now explain these methods in detail.

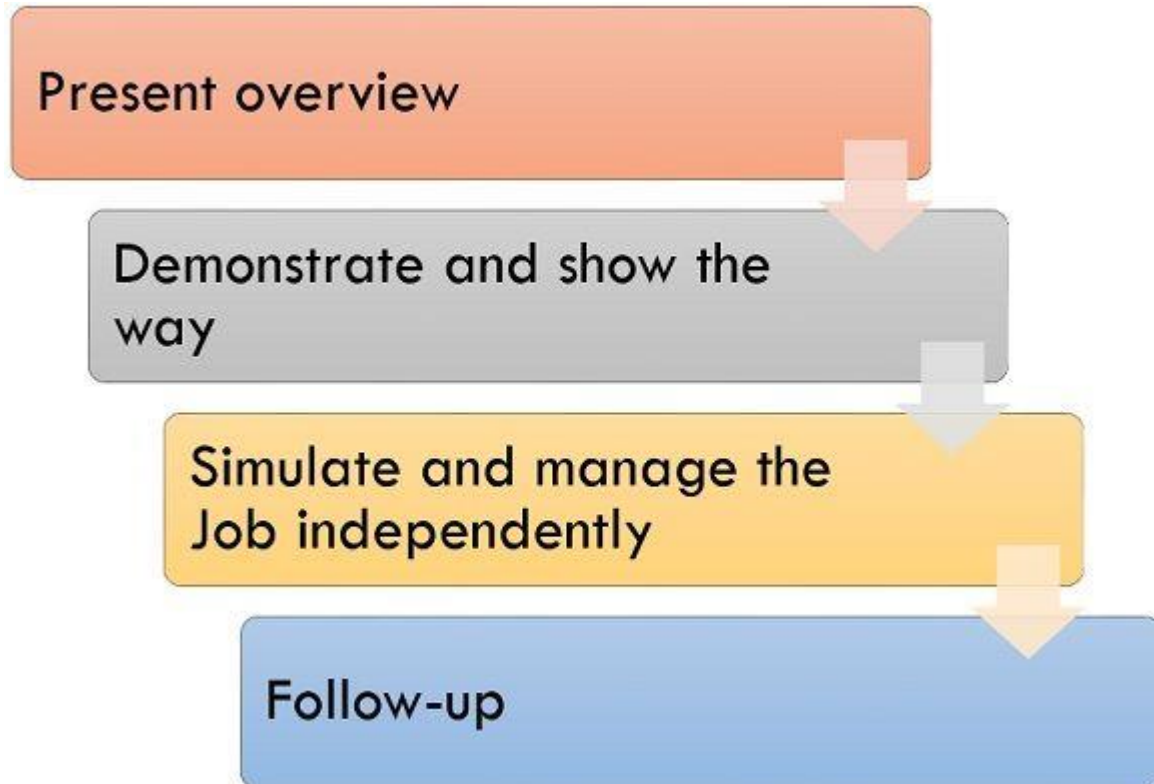


On-The-Job Training Methods

1. Job instruction training (JIT)

The job instruction method is a four-step teaching process including formation, demonstration, operation try out and follow-up. It is used mainly to train workers on how to do their prevailing jobs. A trainer, administrator, or associate acts as a coach.

The four-steps adopted in the method are:



- **Present Overview:** The trainee meets a synopsis of a job, its aims and its desired results, with a definite focus on the purpose of training.
- **Demonstrate and Show the Way:** The trainee illustrates the job to give the personnel a design to copy. The trainer exhibits the correct way to manage the task.
- **Simulate and Manage the Job Independently:** On the side, the personnel are authorized to copy the trainer's way. Presentations by the trainee and actions by the trainee reciprocated until the trainee directs the right way to manage the job.
- **Follow-Up:** In this stage, the trainer examines the trainee's job repeatedly after the training program is ended to restrict bad work habits from improving.

2. Coaching

Coaching is a manner of routine training and responses given to the employees by recent supervisors. It includes the on-going process of learning by actions. It can be determined as an informal, random planning and development exercise administrated by supervisors and associates. In coaching, the trainee explains things and answers queries, he throws light on the reason behind kinds of stuff concluded and the manner they are done. Indeed, coaching may be a troublesome job in that the instructor may not possess essential skills to instruct the learners in an organized way. Consistently, doing a full day's work can be more relevant than setting the trainee's on track.

- **When to manage coaching productively?**

Coaching may be put to beneficial use when:

- Personnel manifests a new competence.
- Personnel conveys an interest in a distinctive job inside the company.
- Personnel solicits evaluation.
- Personnel is asserting low self-esteem, breaching company policies, or rehearsing performance complications.
- Personnel wants help accompanying a new talent following an explicit training program.

3. Mentoring

Mentoring is a connection in which a leading manager in a company acquires the accountability for educating junior personnel. Technical, social, and political skills are usually transferred in such a connection from the more knowledgeable person to their juniors. A guide is a teacher, advisor, builder of skills and abilities, manager, mentor, and most significantly follower and organizer in respect of the perspective, that the young person has almost the class of life he needs as an adult. Mentoring in India is established on the conventional guru-shishya relationship, where the guru exerts everything to flourish the personality of shishya, contributing emotional backing, and supervision.

4. Job Rotation

This class of training includes the activities of learner from one task to another. It assists him to acquire a general perspective of how the company functions. The function of job rotation is to support trainees accompanying broader administrative aspect and a higher realization of various working areas along with an improved sense of their career, goals and passion. Apart from alleviating monotony, job rotation approves trainees to form a harmony with a broad sphere of individuals inside the company, promoting future assistance amidst departments. The cross-trained employee provides a tremendous amount of adaptability for a company when promotions, relocation or restoration becomes necessary.

5. Apprenticeship Training

Most skilled employees like carpenters, electricians are trained by way of formal apprenticeship educational programs. Apprentices are learners who invest a recommended time functioning with an experienced mentor or trainer. Articleship and graduate fellowship are complementary to apprenticeship as they also need high levels of assistance from the trainee. A graduate fellowship is a type of on-the-job training that generally merges job training with lecture room guidance in schools, colleges, and various institutions.

6. Committee Assignments

In the path of the committee assignment, trainees are endorsed to handle problems which the management is facing. The company expects a relatable solution for the problem from the trainees, and by hiring the deserving candidates, the committee gives their employees an acquaint experience and gives them the information which helps them to recognize company's governing mechanisms and

issues.

Off- The- Job Training Methods

Off -The- Job Method detaches the trainees from the job status, and the company tries to attract them upon researching. However, its trainee's job is to learn what the company is teaching and not to panic in any situation, he should learn every aspect which can help them in his role in future; however, the apprentice has hope for freedom of expression. The methods used for off-the-job training are as follows:

1. Vestibule Training

Clerical and semi-skilled employees of the company are trained in this method for a few days. The company provides the equipment's for such training, and these kinds of training are provided in classrooms, in which trainees have to face various work situations which they really need to face while working in the company.

2. Role-playing

In this training, the company tries to build the imaginary situations on which the trainee has to work and teaches the trainee how to behave and perform their work on being on that position in a realistic situation. The trainees play various roles such as manager, clerk, supervisor, accordingly with their work profile. Role-playing is conducted to develop the quality of maintaining inter-personal relations in the company.

3. Lecture Method

This method is most common and generally used by every organization for giving training to the recruited employees. The trainee can provide vast information regarding the company's working policies to a various number of employees altogether in this method which saves time as well as the cost of the company. However, it also has a disadvantage that some trainees may understand what the trainer has taught in his lecture, while some may not learn effectively.

4. Programmed Instruction

This approach has become famous in recent years. The topic to be learned is discussed in a sequence carefully to prepare subsequent units. These units are organized from elementary to more complicated levels of teaching. The trainee inspects these units by solving queries. Thus, this method is costly and stagnant.

5. Behaviorally Experienced Training

A few training programs aim at spontaneous and developmental learning. In this place, personnel can learn the manner of conducting oneself by role-playing in which the role participants try to act their role in that matter of a case, as they confer in real-life scenes. Sensitivity training is an example of the

method used for spontaneous learning. The target of the experimental approach is accomplishing a group mechanism, an improved understanding of individuality and others.

2. Discuss the various levels of evaluation of the effectiveness of training.

Training effectiveness refers to how well your training supports learning and learning transfer. There are many ways to evaluate training effectiveness.

5 Levels of Training Evaluation

The Mind marker reinforcement evaluation is a step-by-step approach to develop key measurements that influence the future of your organization. The types of measurements are categorized into training levels and serve as training evaluation criteria. The reinforcement scorecard provides an overview of the methods, defined objectives, and results of your program.

Level 1: Reaction, Satisfaction, and Intention

Center the learner by assessing their satisfaction with the training and their motivation to apply what they've learned.

Organizations that don't have a training reinforcement program, or are just building one, start by evaluating at Level 1 through a generic, end-of-program questionnaire. While this level of evaluation is important and a stepping stone, the results from this level don't offer much insight into learner sentiment.

Level 2: Knowledge Retention

Level 2 focuses on what the learner retained from their training program. A learning test is helpful to ensure that learners understand how to apply their new knowledge. Although the learner knows how to implement a skill, there's no guarantee that they will apply their new skills on the job.

Level 3: Application and Implementation

We use a variety of follow-up methods to determine whether learners are applying new skills on the job, like behavioral assessments and assignments followed by in-depth knowledge checks. While Level 3 evaluation may prove that the learner is successfully applying training, it doesn't guarantee business impact.

Level 4: Business Impact

Level 4 focuses on the actual results achieved from a training program and how these results impact the organization. This is done by measuring output, quality, costs, time, and customer satisfaction.

Level 5: Return on Investment (ROI)

The reinforcement scorecard provides an overview of the evaluation levels 1 to 4 from the reinforcement course. Based on these values, the ROI (Level 5) calculation is determined by the organization.

Evaluation is Critical to Measuring Training Success

Evaluation is an integral component of any training reinforcement program. Critical data gets lost or isn't collected systematically if evaluation is done on a post-facto basis. Evaluation questionnaires must be carefully designed to provide high-value information that can be used to create impactful changes. The results of an evaluation exercise of this nature must be communicated to all stakeholders.

3. Explain the process of executive development programme.

Executive Development Programme (EDP) is a planned and organized process of learning and growth designed to improve managerial behavior and performance of executives by cultivating their mental abilities and inherent qualities through the acquisition and application of advanced knowledge insights and skills.

Process of Executive Development:



1. Identifying Development Programmes:

First, an organization has to critically examine the organization's developmental needs, present as well as future. Then, it should decide on what types of managers/executives are needed to achieve such needs. An examination of the organizational structure in the light of future plans helps the organization know what the organization requires in terms of functions, departments and executive positions.

Having got this information, it can prepare job description and job specification for all managerial positions. Then, it should compare the existing pool of talent available in-house as well as the strength of potential employees who can be nurtured with the total talent needed to

meet the projected needs of the organization. This comparison will help the top management to shape a policy on internal promotion and external hiring of executives.

2. Appraisal of Current Pool of Management Talent:

The performance appraisal of present executives shows the respective performance of each executive in the current position. This discloses the strength and weakness of the existing executives. Besides, the organization should conduct a potential appraisal either formally or through feedback provided by superiors, peers and the HR department. Thus both the current as well as potential appraisal indicates the type of development exposure needed for an executive.

3. Defining Parameters:

Parameters for development needs to be identified in the light of overall developmental needs. These parameters need to be defined in terms of various skills required at different levels of the career for a manager.

4. Inventory of Executives Manpower:

Inventory of executive's age, education, experience, health record, psychological test result and performance appraisal data has to be prepared. An analysis of the inventory discloses the strength and weakness of executives in certain functions relative to the future needs of the organization. This step gives vital input for developing programmes for executives.

5. Developing Executive Development Programmes:

This programme should be tailored to address the deficiency of executives. The individual differences like age, physique, emotional intelligence, intelligence quotients, etc., should be factored in designing the programme.

6. Conducting Development Programmes:

The organization has to choose appropriate programmes like leadership courses, soft-skill development, sensitivity training, team building, problem-solving, management games and so on to address the needs of the executives relative to the current and future needs of the organization.

7. Programme Evaluation:

Since the management programme involves investment of money, time and energy resources, top management intends to measure the impact of the programme. The pre and post programme survey would help in measuring its effectiveness and on deciding the continuity of various programmes.

4. Define executive development. Explain the methods of executive development.

Executive development is a process of bringing change in behavior, performance and adaptability. It helps in gaining skills, knowledge, and growth to become a better leader. The purpose of executive development in human resource management is to develop an attitude of adaptability to new and tough situations.

Methods of Executive Development

Executive development methods can be broadly divided into the following two categories:

1. **On the Job Training**
2. **Off the Job Training**

Methods of Executive Development are:

1. **Coaching**
2. **Job Rotation**
3. **Understudy**
4. **Projects and assignments**
5. **Lectures**
6. **Conference**
7. **Business Games**

8. Case Study
9. Role playing
10. Sensitivity Training
11. In basket technique

Methods of Executive Development

On the Job Training

Under on the job training the employees get trained while doing their day-to-day job. Skills are gained while employees are carrying out their daily tasks and responsibilities.

They learn in the real work environment by facing challenges and situations and solving them under the guidance of a much superior and experienced employee.

On the job training can take the following forms:

Coaching

Coaching is a process under which the trainee is placed under a much-experienced employee or a supervisor who instructs and guides the trainee in the day-to-day work.

- He instructs him what tasks are to be completed and the procedure to successfully finish them and would guide him in times of errors committed by him.
- To help the trainee grow and to enhance his decision making and analytical skills the supervisors may also ask him to handle complex situations and problems.

Job Rotation

An employee is shifted between two or more roles or departments. This helps them gain knowledge and experience in varied fields. They get huge exposure to various aspects of the business.

- They get developed in this way to handle larger roles where knowledge of the various fields is required.
- It helps to keep them motivated as they have to face new challenges under different roles.
- It also helps to reduce the monotony of the job and does not lead to boredom.
- It helps them gain more experience and insights in the various fields of operations

Understudy

A position in the organization may fall vacant in the near future because of reasons like retirement, promotion or transfer of the current job holder.

- In such a case a junior resource is chosen by the head of a particular department who is placed as an understudy under the superior who is about to leave that position.
- The superior will train the understudy closely and make him capable to handle the role efficiently by including him in all day to day processes and decision making.
- This helps the organization to not get affected when the job holder moves on as they have trained staff ready to replace him.

Projects and assignments

Employees might be given some special projects and assignments to handle. They might have to do in-depth research, analysis and present a report that advises a solution to the problem or case in hand.

- This provides the employee a first-hand experience and in-depth knowledge to work in the field.

Off the job Training

Off the Job training is imparted when new job skills and knowledge is to be taught to the employees. Off the job training takes place away from the immediate work place.

There might be classroom sessions and trainers from outside the organization to train the employees. It is costlier and more artificial than on the job training.

Below are the various forms of Off the Job Training

Lectures

Lectures are conducted on a particular topic or a specialized area of work to a group of people. It is conducted by an experienced and learned person who has an in-depth knowledge in that area.

- It can be done in the form of a powerpoint presentation, audio-visual aids or just a speech.
- The presenter should have good communication and interpersonal skills, he should be completely confident about his knowledge and very clear while imparting it.
- He should give room to discussions and allow it to become an interactive session to keep the atmosphere lively and maintain the interest of the audience.

Conference

Conference is a meeting of people conducted to discuss a common topic of interest.

All the individuals are asked to prepare on the topic and get together to discuss about it in detail. The conference leader creates an environment that promotes healthy discussions. The participants are encouraged to freely voice out their opinions on the topic in discussion.

- It is an enriching experience for each participant as they have a lot to learn from other participants views and opinions.
- The conference leader should make sure that the conference proceeds on the desired and planned guidelines.

Business Games

Under this method of executive development, the trainees are generally divided into teams and given a hypothetical situation that is very close to a real-time situation.

- They are asked to take certain decisions and solve the situation at hand or produce the desired results.
- Once they come up with a plan it is fed in the system and they are informed about the impact and result of their decision.

- On the basis of the feedback provided to they might want to change the course of action to be adopted to solve the situation, this exercise goes on till they are able to achieve the desired results.

This exercise helps in improving the managerial and leadership skills and the decision making ability of the participants. It is a very effective tool of executive development as it allows them to experience how their decisions and actions impact the business.

Case Study

Decision making is a very important role of a manager that impacts the profitability of a business to a large extent. Case study method brings interesting real-world situations into the classroom. These cases are generally based on complex situations that can arise in the business environment.

- Participants are expected to thoroughly read and master the content of the case, they should be able to grasp the objective of the case study and identify the problem.
- The solution to the problem would more or less be on the lines of the concepts already taught to them.
- They should be able to decide on a corrective course of action to resolve the case study.
- They should also be able to judge the impact and effectiveness of their corrective actions on the end result.
- This helps in improving their managerial and decision-making skills.

Role playing

Under the role playing method a complex or conflicting situation is presented to the trainees. Each trainee then plays a role of a specific organizational member whose presence and decision making is required to resolve the situation.

- It is like a spontaneous stage act where each participant plays a different role and works towards solving a given problem in hand in a different capacity.
- While they act out their roles they get familiar with their own business acumen, on immediate feedback they can correct mistakes and reorient their focus in the right way, this way they learn by doing things.
- The main purpose of role play is to enhance the interpersonal skills of the participants as they learn how others react to their suggestions and how their decisions impact other roles.

Sensitivity Training

Sensitivity training aims at developing behavioural flexibility by improving the tolerance power of the participants to each other's behaviour.

- It enables them to understand the views and opinions of others in a better manner.
- It consists of an unstructured group of 10-15 people with no trainer or leader to guide them; hence the trainees are motivated to resolve the situation themselves.

- In order to find out a solution they start forming some kind of hierarchy, some forcefully try to become leaders and might be opposed by other trainees.
- It leads to self-realization of what one wants and how the others react to their way of handling a situation.
- Without the trainers support the trainees begin to examine their interpersonal behavior, giving each other feedback and starting to experiment with range of new behaviors and values which they might further use in their workplace.

In basket technique

In this approach, the trainees are presented with a number of tasks and problems that they might find in their “basket” while performing the role of a manager.

- Various files, phone calls, reports, messages are handed over to them in no particular sequence.
- They need to priorities the tasks in hand, delegate the work and clear the basket within a given time frame.

5. Explain various guidelines for improving effectiveness of training.

Successful companies take an intentional approach to improving their training and development strategies. Because organizations have unique struggles and needs, what works for one organization might not work for another. But there are some best practices. We learned from Top Workplaces ten tips that can help you improve your training and development strategies.

Ten tips to improve training and development:

1. Set a goal

Start by aligning training and development programs with company goals to achieve the best results. While this may sound simple, it’s an often-overlooked step. From higher productivity and quality to customer and employee satisfaction, working towards an established goal is a key training recommendation. Company leaders should benchmark any business goals against their competition to understand how to adjust their existing programs.

2. Create metrics to measure progress

Metrics to measure training and development strategies can be simple, but managers should incorporate them into every step. Examples include cost of training, completion rates, and employee goal impacts. In addition, employee surveys are an effective method of capturing feedback and valuable input on how to improve training and development strategies.

3. Engage with your employees

Understanding employee needs and gaining buy-in is critical to effective training and development strategies. While accelerating your company’s ability to achieve business goals, it’s also important to consider employee satisfaction. Individuals are more likely to believe the organization wants them to learn and grow when their input and participation are part of the training and development strategy. Examples of questions employers can ask employees include:

- What aspects of your job role interest you most?
- What responsibilities do you find challenging?
- What resources do you need to succeed in your role?
- Do you feel like you're learning new things?
- Are there projects or positions that interest you and your growth?
- What new areas or skills would you like to explore?

4. Match training and development with employee and management goals

Companies should ask employees about their goals and listen. Effective training strategies prioritize management and employee goals equally. Today's workforce includes employees across five generations, meaning employees may have varying goals.

Active participation in training and development strategies is one of the qualities of great managers. They recognize that these programs strengthen their employees' skill sets. It is also constructive for managers and leaders to facilitate training sessions to engage employees and align employee and management goals.

5. Create a formal program

Effective training strategies are consistent and iterative, from goal setting to application and measurement. Schedule time for training and development programs, even if the topics are fluid, so the initiative doesn't get forgotten when times get busier. A formal approach is better than ad-hoc training and ensures all team members have regular access to more training opportunities.

6. Start small and stay small

Rolling out a massive training and development program can be overwhelming and hard to maintain. Starting with smaller pilot programs that evolve with goal setting, metric measurement, and company communication are more beneficial.

Once a strategy takes hold and works for all stakeholders, it should stay small and actionable. Keeping realistic expectations and a fluid structure allows you to flex and change your training and development programs based on needs. You can also include smaller doses of continuous training to keep up with a rapidly changing environment.

7. Provide various training types

Not all employees learn the same way, so it's essential that companies offer many different types of training methods. Evaluate how your training and development programs can be more inclusive of all learning styles.

Different types of training include:

- **Lectures:** Best suited for larger audiences and effective for delivering general, easy-to-understand information.
- **On-the-job training:** Appropriate for managers or employees to offer skills training in real-time.
- **Group discussions:** A effective way to create space for open thinking, discussion, and asking questions.

- **Games and quizzes:** Try these fun and interactive ways to incorporate competition into the mix and increase learning retention.
- **Videos:** An effective training tool for visual learners that can be viewed multiple times.
- **Simulations:** Realistic scenarios presented in a safe environment allowing individuals to apply learning and make improvements before applying it to the real world.

Finding the right balance of different training types takes time and communication with all levels throughout the organization, but the investment is well worth the effort.

8. Set aside time for regular constructive feedback

Feedback is a critical part of effective training and development strategies. Asking employees about their experience and the effectiveness of programs offers helpful insight for improvements and can also inform new training initiatives.

There are several ways to capture feedback about your training and development programs, including:

- Employee engagement surveys
- 1:1 meetings
- Group discussion
- Evaluations

9. Amend training and development strategies based on employee feedback

Companies with the best training and development programs operate with frequent, honest feedback. Whenever possible, incorporate employee feedback into training and development improvements. Firsthand experience with the material provides valuable insights, but it also shows employees that you heard and value their input.

Take the extra step to share the changes you intend to make based on their feedback. And when you cannot use every suggestion, communicate the reasons why.

10. Measure the outcomes

An important final step is to measure the outcomes of your training and development strategies. After all, none of these tips are helpful if you don't know what impact they've made on your initiatives.

A good starting point is to measure employee feedback data against previously set metrics and goals. Evaluate both successes and failures when considering how to improve training and development.

UNIT-IV

1. Define motivation. Explain theories of motivation.

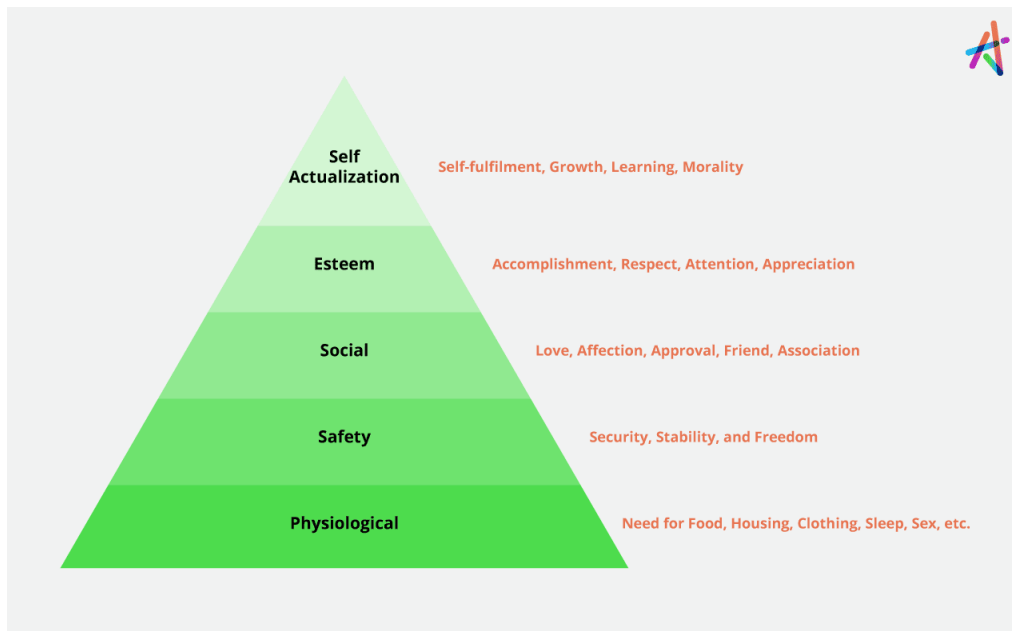
Motivation is a huge field of study. Psychologists have proposed many different theories of motivation. Some of the most famous motivational theories include the following:

1. Maslow's Theory of Hierarchical Needs

Abraham Maslow postulated that a person will be motivated when all his needs are fulfilled. People do not work for security or money, but they work to contribute and to use their skills. He demonstrated this by creating a pyramid to show how people are motivated and mentioned that **ONE CANNOT ASCEND TO THE NEXT LEVEL UNLESS LOWER-LEVEL NEEDS ARE FULFILLED**. The lowest level needs in the pyramid are basic needs and unless these lower-level needs are satisfied people do not look at working toward satisfying the upper-level needs.

Below is the hierarchy of needs:

- **Physiological needs:** are basic needs for survival such as air, sleep, food, water, clothing, sex, and shelter.
- **Safety needs:** Protection from threats, deprivation, and other dangers (e.g., health, secure employment, and property)
- **Social (belongingness and love) needs:** The need for association, affiliation, friendship, and so on.
- **Self-esteem needs:** The need for respect and recognition.
- **Self-actualization needs:** The opportunity for personal development, learning, and fun/creative/challenging work. Self-actualization is the highest-level need to which a human being can aspire.



The leader will have to understand at what level the team members are currently, and seek out to help them to satisfy those specific needs and accordingly work to help fulfill those needs. This will help the team members perform better and move ahead with the project. A PMP certification will help you better understand this concept. Also, as their needs get fulfilled, the team members will start performing, till the time they start thinking of fulfilling the next upper level of need as mentioned in the pyramid.

2. Herzberg's two-factor Theory

Herzberg classified the needs into two broad categories; namely hygiene factors and motivating factors:

- poor hygiene factors may destroy motivation but improving them under most circumstances will not improve team motivation
- hygiene factors only are not sufficient to motivate people, but motivator factors are also required

Herzberg's two-factor principles

Influenced by Hygiene Factors (Dis-satisfiers)	Improving motivator factors increases job satisfaction	Influenced by motivator factors (Satisfiers)
<ul style="list-style-type: none"> • Working condition • Coworker relations • Policies & rules • Supervisor quality 	Improving the hygiene factors decreases job dissatisfaction	<ul style="list-style-type: none"> • Achievements • Recognition • Responsibility • Work itself • Personal growth

3. McClelland's Theory of Needs

McClelland affirms that we all have three motivating drivers, which do not depend on our gender or age. One of these drives will be dominant in our behavior. The dominant drive depends on our life experiences.

The three motivators are:

- **Achievement:** a need to accomplish and demonstrate own competence. People with a high need for achievement prefer tasks that provide for personal responsibility and results based on their own efforts. They also prefer quick acknowledgment of their progress.
- **Affiliation:** a need for love, belonging and social acceptance. People with a high need for affiliation are motivated by being liked and accepted by others. They tend to participate in social gatherings and may be uncomfortable with conflict.
- **Power:** a need for controlling own work or the work of others. People with a high need for power desire situations in which they exercise power and influence over others. They aspire for positions with status and authority and tend to be more concerned about their level of influence than about effective work performance.

4. Vroom's Theory of Expectancy

Vroom's expectancy theory of motivation says that an individual's motivation is affected by their expectations about the future. In his view, an individual's motivation is affected by –

- **Expectancy:** Here the belief is that increased effort will lead to increased performance i.e., if I work harder then it will be better. This is affected by things such as:
 - Having the appropriate resources available (e.g., raw materials, time)
 - Having the appropriate management skills to do the job
 - Having the required support to get the job done (e.g., supervisor support, or correct information on the job)
- **Instrumentality:** Here the belief is that if you perform well, then the outcome will be a valuable one for me. i.e., if I do a good job, there is something in it for me. This is affected by things such as:
 - A clear understanding of the relationship between performance and outcomes – e.g., the rules of the reward ‘game’
 - Trust in the people who will take the decisions on who gets what outcome
 - Transparency in the process decides who gets what outcome
- **Valence:** is how much importance the individual places upon the expected outcome. For example, if someone is motivated by money, he or she might not value offers of additional time off.

$$\text{Motivation} = V * I * E$$

The three elements are important when choosing one element over another because they are clearly defined:

- **E>P expectancy:** our assessment of the probability that our efforts will lead to the required performance level.
- **P>O expectancy:** our assessment of the probability that our successful performance will lead to certain outcomes.

5. McGregor's Theory X and Theory Y

Theory X and Theory Y were first explained by McGregor in his book, "The Human Side of Enterprise," and they refer to two styles of management – authoritarian (Theory X) and participative (Theory Y).

Theory X: Managers who accept this theory believe that if you feel that your team members dislike their work, have little motivation, need to be watched every minute, and are incapable of being

accountable for their work, avoid responsibility and avoid work whenever possible, then you are likely to use an authoritarian style of management. According to McGregor, this approach is very "hands-on" and usually involves micromanaging people's work to ensure that it gets done properly.

Theory Y: Managers who accept this theory believe that if people are willing to work without supervision, take pride in their work, see it as a challenge, and want to achieve more, they can direct their own efforts, take ownership of their work and do it effectively by themselves. These managers use a decentralized, participative management style.

6. Alderfer's ERG Theory

C. P. Alderfer, an American psychologist, developed Maslow's hierarchy of needs into a theory of his own.

His theory suggests that there are three groups of core needs: existence (E), relatedness (R), and growth (G). These groups are aligned with Maslow's levels of physiological needs, social needs, and self-actualization needs, respectively.

Existence needs concern our basic material requirements for living, which include what Maslow categorized as physiological needs such as air, sleep, food, water, clothing, sex and shelter and safety-related needs such as health, secure employment, and property.

Relatedness needs have to do with the importance of maintaining interpersonal relationships. These needs are based on social interactions with others and are aligned with Maslow's levels of love/belonging-related needs such as friendship, family, and sexual intimacy and esteem-related needs such as gaining the respect of others.

Growth needs describe our intrinsic desire for personal development. These needs are aligned with the other part of Maslow's esteem-related needs such as self-esteem, self-confidence, and achievement, and self-actualization needs such as morality, creativity, problem-solving, and discovery.

2. What is compensation? Discuss the various incentive of compensation plans.

Compensation refers to any payment given by an employer to an employee during their period of employment. In return, the employee will provide their time, labor, and skills. This compensation can be in the form of a salary, wage, benefits, bonuses, paid leave, pension funds, and stock options, and more.

An incentive compensation plan offers employees cash or non-cash compensation on top of their base salary. This type of plan is formulated to motivate employee performance or the accomplishment of a targeted achievement.

Incentive Compensation Examples

1. Gainsharing Plan

A gainsharing plan is an incentive compensation model where an organization incentivizes employees to overperform by offering financial shares of the business gains that stem directly from their improved individual performance.

2. Retention Bonus

A retention bonus is a financial bonus a company offers an employee — typically calculated as a percentage of that employee's base pay — for staying with the business for a predetermined period.

3. Profit-Sharing

Profit-sharing is similar to gainsharing in that it offers employees incentive payments based on a company's financial gains. The difference is that gainsharing rewards salespeople for their individual performance whereas profit-sharing rewards employees for a company's overall profitability.

4. Spot Awards

Spot awards are generally small incentives — either financial or non-monetary — offered to recognize individual employees for exceptional short-term performance.

5. Annual Incentives

The term "annual incentive" typically refers to a one-time, lump-sum payment made on top of a salesperson's normal compensation for a fiscal year based on how they performed within that time frame.

The benefits of incentive compensation

Incentivizing employees can motivate your people *and* help your business succeed. Incentive compensation is also pretty standard for sales teams, so competitive incentives could differentiate your company in a tight labor market. The benefits of incentivizing employees include:

- **Higher productivity:** When employees work towards an incentive, they may feel even more motivated to achieve their goals, resulting in increased productivity.

- **Increased profitability:** Satisfied employees work hard and are laser-focused on helping their companies' hit targets. Incentivizing your sales team with sales commissions will motivate them to make more sales, generating more revenue.
- **Rewarding top-performing employees:** Show your best-performing employees that you notice their contributions and want to reward and celebrate their successes at work.
- **Improved teamwork:** Incentivizing employees encourages colleagues to work together. Let's say you implement profit sharing for your entire team; as employees are splitting part of your company's net profit, they'll be more motivated to work as a team and drive business growth.

Attracting and retaining top talent: Incentive compensation plans are great for recruitment and retention. Your offer may stand out if candidates see the opportunity to make more money through bonuses. Best of all, rewarding your people with incentives will make them feel valued and satisfied, resulting in higher retention.

3. Discuss about protégé relationship and the essential qualities of mentor.

The Qualities of a Good Mentor:

Not all mentors are created equal. The best mentors share some important qualities. You'll want to look for these attributes in anyone you're thinking about building a mentor-mentee relationship with. And if you're looking to be a better mentor yourself, these qualities are worth noting.

1. Relevant Expertise or Knowledge

It may seem obvious, but your mentor should, more often than not, have some kind of relevant background. Maybe they're a few levels or titles ahead of you (say, a VP of sales while you're an account executive) or have worked in the space you're interested in for some time. But they should be able to help propel you forward because they've been there, seen the landscape, and know what it takes to be successful.

"Having some sort of commonality can also be really helpful because that's usually what can bring that relationship together," Dea adds.

2. Enthusiasm for Sharing That Expertise

Just as important as your mentor having expertise is them being willing to share it with you. They shouldn't be someone who begrudgingly hands over knowledge and expects figurative payment in return, nor should they reveal things in a vague, manipulative fashion. Rather, they should be open and excited to spread the word.

The best mentors give advice not because they like to hear themselves talk, but because they genuinely want others to benefit from the hard-won wisdom they've learned over the course of their careers.

3. A Respectful Attitude

You don't want someone who criticizes you harshly and unconstructively, mistreats you or others close to you, and ultimately gives you a bad name. That makes for an unproductive and frustrating partnership.

And on the rare occasions when good mentors act in a less-than-respectful manner (look, we're all human), they acknowledge it and apologize authentically.

4. Eagerness to Invest in Others

"Mentoring is an investment. No one gets paid to do it in their day job," explains Dea. Because there's no concrete incentive, you'll want a mentor who finds genuine joy in helping others.

Great mentors realize that they're playing a long game, and as a result are patient in how they guide others down their path. They don't expect immediate gains, and they don't give up easily. More importantly, they care about maintaining and growing their professional relationships.

5. The Ability to Give Honest and Direct Feedback

Finding someone who's respectful is key, but so is finding someone who will give you some tough love when you need it. A good mentor knows how to deliver feedback in a way that's constructive, kind, and direct, and doesn't shy away from being honest because they're afraid of hurting your feelings.

Basically, you want "someone who's willing to call you out on your BS," says Finkeldei, because rarely can you get that kind of perspective in the workplace. And you know you'll make better decisions and come out stronger with someone like that by your side.

6. Reflective Listening and Empathy

These are important qualities in a mentor because "they can have all the answers in their head, but if they're not willing to listen to where you're coming from, they're not going to be able to steer you in the direction that *you* want to go," says Finkeldei.

What does this look like? Your mentor should be asking questions more often than simply telling you what to do. And, says Finkeldei, they should show that they're "actually curious about what you're up to and why you're up to that."

That curiosity is important because "you want someone who can relate to you from your perspective," says Finkeldei. Oftentimes people try to impose their own beliefs or ways of approaching things on others, and this can be a good mentor's downfall. So, find someone you can trust to take your values and input into account over their own.

7. Willingness to Be a Sponsor

Not every mentor has to also be a sponsor, but it can be really helpful to have this kind of mentor in your corner.

The difference between the two, Deal explains, is action: While a mentor is someone who can guide you with advice and support, a sponsor is an who takes it one step further by being someone "who is actively advocating for you...both behind closed doors and publicly."

Basically, he says, they use their political credibility and relationship capital to "get you access to opportunities or titles or roles that you would not be able to get on your own."

Developing Mentor-protégé relationship:

The relationship between an experienced employer and a junior employee in which the experienced person helps the junior person with effective socialization by sharing information gained through experience with the organization.

Requirements for effective mentor-protégé relationship:

1. The status & characteristics of the mentor:

Mentors should be seniors in status, experience, age, skills, knowledge.

2. **Protégé:** Junior employees should have the zeal to learn from their senior employees regarding their career, social and psychological aspect.
3. **The relationship:** It is based on mutual dependence & mutual trust.

4. The activities:

Developing the potentials of the protégé. Improving protégés performance

Interlinking formal learning & practices Guide, support, providing feedback

5. Developing higher skills:

It should encourage their juniors towards high task performance by reducing weakness & strength of the protégés.

6. Response of the protégé:

Proteges should learn carefully regarding career opportunities, personal goals.

Career development is an organized approach used to match employee goals with the business needs of the agency in support of workforce development initiatives. The purpose of career development is to:

Enhance each employee's current job performance.

Enable individuals to take advantage of future job opportunities. Fulfil agencies' goals for a dynamic and effective workforce.

Qualities of Successful Mentor-Protégé Relationship

✦ Mentor Qualities:

- Stronger interpersonal skill.
- Technical competence/expertise.
- Knowledge of organization and profession.
- Status/Prestige within the organization and profession.
- Ability to share credit.
- Patience.

Qualities of Successful Mentor-Protégé Relationship

✦ Protégé Qualities:

- Self realize growth needs.
- A record of accepting challenging assignment.
- Ability to perform in more than one skill area.

✦ Relationship Qualities:

- Voluntary
- Mutual understanding
- No conflicts between them.

Phases of Mentor-Protégé Relationship:

According to Kram, there are four phases of mentor-protégé relationship, namely, initiation, cultivation, separation and redefinition.

1. Initiation:

A period of six months to a year during which time the relationship gets started and begins to have importance for both.

2. Cultivation:

A period of two to five years during which time career and psychological functions provided expand to a maximum.

ADVERTISEMENTS:

3. Separation:

A period of six months to two years after a significant change in the structural role relationship and/or in the emotional experience of the relationship.

4. Redefinition:

An indefinite period after the separation phase, during which time the relationship is ended or taken on significantly different characteristics, making it more peer like relationship.

The relationship between mentor and protégé develops by long term interactions and emotional attachment. John W. Newstorm suggested the following measures to make the most out of mentoring relationship.

The various guidelines for making mentoring effective are as follows:

1. Researching the potential mentor's background to know more about him/her and to establish a relationship that will work for both the mentor and the protégé [the junior employee]
2. Making contact with the mentor to enable him/her see the skills of the employee in action.
3. Requesting help on a particular matter.
4. Keeping the request simple and specific.
5. Considering what the employee can offer in exchange by openly asking the mentor.
6. Arranging a meeting with the mentor with set goals, desired outcomes and a list of questions.
7. Listening attentively before asking the desired questions and requesting for specific suggestions.

4. Define career planning. Describe the process of career planning.

Career planning is the continuous self-evaluation and planning process done by a person to have a strong career path which is aligned with one's career goals, aspirations and skills. Career planning process in the continuous reiterative process of understanding oneself, setting career goals, revising skills and searching for the right career options which may include basic skills, specialized education and job options.

Career Planning Process



Career planning process is an important aspect for an individual's [career development](#). Some of the basic steps in a career planning process are:

1. Self-Assessment

The first step in the process is self-assessment to be done by the individual to understand his or her skills, areas of interest, aspirations etc.

Aspirations and goals are very important here as that would define how person would create future plan.

2. Research on Careers and Opportunities

The second step in the process is to understand the career options, companies available, growth options in career etc. which are aligned with the self-assessment done already.

Right opportunities need to identified and proper research is required for that. An individual needs to be aware of the market trends and growth areas.

3. Set Career Objectives

The next step in the career planning is to set short-term as well as long-term career goals for oneself, and to have a clear career path. These can be defined as the immediate goals and how one looks at the career further down the line. A plan has to be according to clear objectives.

4. Learn & Improve Skills

The fourth step in the process is to keep acquiring new skills and knowledge to be in line with career objectives and with industry requirements. Many a times there can be clear gaps in the objectives, aspirations and skills. To fill those gaps, proper planning is required to acquire and learn those skills so that career plan can be properly executed.

5. Preparation of CV/Resume

The next step in the planning process is to be fully prepared in terms of CV, cover letter, recommendations etc. The resume should clearly highlight the skills, qualifications, objectives which is aligned with the career planning of an individual

6. Job/Work Search

The sixth step is to short-list the companies where an individual is seeking a job & start applying. It can be also working a entrepreneurship project as well.

7. Revise Career Goals

The last step in the career planning process is to continuously evaluate the career goals and again do a self-assessment to build a strong career path.

5. What is incentives? Explain the types of incentives schemes.

Incentives can be defined as monetary or non-monetary reward offered to the employees for contributing more efficiency. **Incentive** can be extra payment or something more than the regular salary or wage. Incentive acts as a very good stimulator or motivator because it encourages the employees to improve their efficiency level and reach the target. The two common **types of incentives** are:

1. Monetary or Financial Incentives

The reward or incentive which can be calculated in terms of money is known as monetary incentive. These incentives are offered to employees who have more physiological, social and security need active in them. The common monetary incentives are:

1. **Pay and allowances.** Regular increments in salary every year and grant of allowance act as good motivators. In some organizations pay hikes and allowances are directly linked with the performance of the employee. To get increment and allowance employees perform to their best ability.
2. **Profits sharing.** The organization offer share in the profits to the employees as a common incentive for encouraging the employees for working efficiently. Under profits sharing schemes generally the companies fix a percentage of profits, and if the profits exceed that percentage then the surplus profits is distributed among the employees. It encourages the employees to work efficiently to increase the profits of the company so that they can get share in the profits.
3. **Co-partnership/stock option.** Sharing the profit does not give ownership right to the employees. Many companies offer share in management or participation in management along with share in profit to its employees as an incentive to get efficient working form the employees. The co-partnership is offered by issue of shares on exceeding a fixed target.
4. **Bonus.** Bonus is a onetime extra reward offered to the employee for sharing high performance. Generally when the employees reach their target or exceed the target then they are paid extra amount called bonus. Bonus is also given in the form of free trips to foreign

countries, paid vacations or gold etc. some companies have the scheme of offering bonus during the festival times.

5. **Commission.** Commission is the common incentive offered to employees working under sales department. Generally the sales personal get the basic salary and also with this efforts put in by them. More orders mean more commission.
6. **Suggestion system.** Under suggestion system the employees are given reward if the organization gains with the suggestion offered by the employee. For example, if an employee suggests a cost saving technique of then extra payment is given to employee for giving that suggestion. The amount of reward or payment given to the employee under suggestion system depends on the gain or benefit which organization gets with that suggestion it is a very good incentive to keep the initiative level of employees high.
7. **Productivity linked with wage incentives.** These are wage rate plans which offer higher wages for more productivity. Under differential piece wage system efficient workers are paid higher wages as compared to inefficient workers. To get higher wages workers perform efficiently.
8. **Retirement benefits.** Some organizations offer retirement benefits such as pension, provident fund, gratuity etc. to motivate people. These incentives are suitable for employees who have security and safety need.
9. **Perks/ fringe Benefits/ perquisites.** If refers to special benefits such as medical facility, free education for children, housing facility etc. these benefits are over and above salary. These extra benefits are related with the performance of the employees.

2. Non-Monetary/Non-Financial Incentives

Money is not the only motivator, the employees who have more of esteem and self actualization need active in them get satisfied with the non-monetary incentives only. The incentives which cannot be calculated in terms of money are known as non-monetary incentives. Generally people working at high job position or at high rank get satisfied with non-monetary incentives. The common means or ways of non-monetary incentives are:

1. **Status.** Status refers to rank, authority, responsibility, recognition and prestige related to job. By offering higher status or rank in the organization managers can motivate employees having esteem and self- actualization need active in them.
2. **Organizational climate.** It refers to relations between superior/ subordinates. These are the characteristics which describe and organization. These characteristics have direct influence over the behavior of a member. A positive approach adapted by manager creates better organizational climate whereas negative approach may spoil the climate, Employees are always motivated in the healthy organizational climate.
3. **Career advancement.** Managers must provide promotional opportunities to employees. Whenever there are promotional opportunities employees improve their skill and efficiency with the hope that they will be promoted to high level. Promotion is a very big stimulator or motivator which induces people to perform to their best level.
4. **Job enrichment/ assignment of challenging job.** Employees get bored by performing routine job. They enjoy doing jobs which offer them variety and opportunity to show their skill. By offering challenging jobs, autonomy to perform job, interesting jobs, employees get satisfied and they are motivated. Interesting, enriched and challenging job itself is a very good motivator or stimulator.
5. **Employee's recognition.** Recognition means giving special regard or respect which satisfies the ego of the subordinates. Ego-satisfaction is a very good motivator. Whenever the good efforts or the positive attitudes are show by the subordinates then it must be recognized by the

superior in public or in presence of other employees. Whenever if there is any negative attitude or mistake is done by subordinate then it should be discussed in private by calling the employee in cabin. Examples of employee's recognition are congratulating employee for good performance, displaying the achievement of employee, giving certificate of achievement, distributing mementos, gifts etc.

6. **Job security.** Job security means life time bonding between employees and organization. Job security means giving permanent or confirmation letter. Job security ensures safety and security need but it may have negative impact. Once the employees get job secured they lose interest in job. Of example government employees do not perform efficiently as they have no fare of losing job. Job security must be given with some terms and conditions.
7. **Employee's participation.** It means involving employee in decision making especially when decisions are related to workers. Employees follow the decision more sincerely when these are taken in consultation with them for example if target production is fixed by consulting employee then he will try to achieve the target more sincerely.
8. **Autonomy/ employee empowerment.** It means giving more freedom to subordinates. This empowerment develops confidence in employees. They use positive skill to prove that they are performing to the best when freedom is given to them.

UNIT-V

1. Enumerate the methods of performance evaluation

Performance Evaluation is defined as a formal and productive procedure to measure an employee's work and results based on their job responsibilities. It is used to gauge the amount of value added by an employee in terms of increased business revenue compared to industry standards and overall employee return on investment (ROI).

1. Management by Objective (MBO)

This method is a simple one that allows you to close the loop between employee performance and key strategic objectives. Management sets a metric that represents the expected level of attainment, then tracks each employee's outcomes.

Sales quotas are a form of MBO. They're great because it's easy to monitor them over time and connect causes to effects.

2. Critical Incident Method

This method is especially popular in the customer service world and allows managers to generate more global feedback about how an employee handles issues.

It encourages managers to zoom in on particular events where the person's behavior was positive or negative and provide insight on how to get aligned with best practices – for example, handling customer complaints better.

3. Checklist Method

The checklist method relies on a list of behavioral criteria each worker is expected to meet: For example, on-time delivery or teamwork. The evaluator indicates items the employee is successful with and provides targeted feedback for items that are lacking.

In a weighted checklist method, each attribute has its own score value. That helps focus improvement efforts.

4. 360-Degree Performance Appraisal

360-degree feedback is popular in large, world-class organizations like Google and Microsoft.

It incorporates feedback not only from managers, but from peers, direct reports, and higher-level supervisors the employee frequently works with. This type of feedback is valuable when preparing team members to take on responsibilities at a higher level.

5. Self-Evaluation

Written reflection enables employees to uncover ways to improve performance that make sense to them. Although it's highly subjective, it provides fuel for a more detailed discussion.

Making note of where employees have high or low opinions of their own work may make it easier for mentors to meet them where they are and personalize a path of growth.

6. Ratings Scale

Most organizations have used this approach. It specifies goals – behaviors, traits, skills, or project attainment – on a scale usually running to 5 or 10 points.

While this is a flexible choice, it's essential everyone have the same understanding of how the scale works: You might consider 3 out of 5 “good” while an employee understands it to mean “average.”

7. Performance Test

The right form of testing enhances recall and lets people operationalize new knowledge.

While a written or multiple-choice test benefits from greater objectivity, practical presentation of skills is often a better sign of mastery. It's vital the evaluator of this test be an expert in the subject matter and skilled enough to communicate the meaning of the results up the hierarchy.

2. Describe demotion and the reasons for demotion.

Definition: Demotion implies the unavoidable reduction in the rank or designation of the employee, within the hierarchy of the organization. It can be a permanent reassignment of the employee to a lower rank than the rank he is working on currently. Further, the rank in which the employee will work after demotion shall contain lower responsibilities and will require a lesser number of skills.

It becomes essential when an employee is not able to carry out his duties in a satisfactory manner. The following factors are the main cause of demotion:

1. Poor performance of the employee
2. Elimination of position
3. Disciplinary action
4. Restructuring of the organization.

It may cause the loss of various privileges or fringe benefits associated with the rank or designation along with a decrease in pay and status. The reasons for demotion may include violation of the organizational rules because of their attitude or behaviour like:

- Misconduct
- Negligence
- Absenteeism,
- Excessive lateness, and so on.

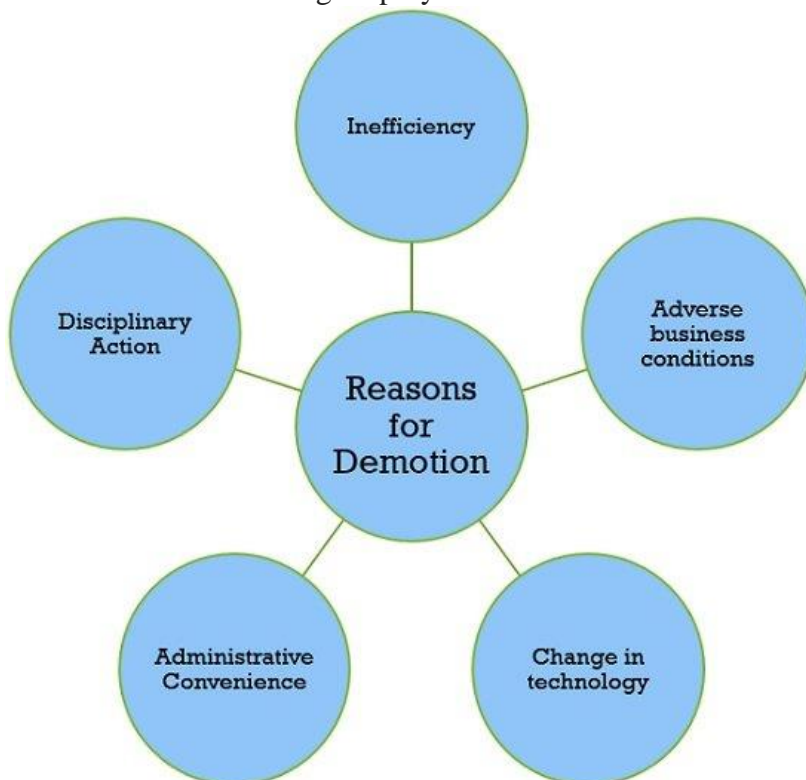
Important: Because of the serious negative implications on the career and morale of the employees, the companies do not use it frequently. It may also result in employee dissatisfaction.

Types

- **Voluntary Demotion:** As the name signifies, a permanent employee of the firm can make an application for a wilful demotion to a vacant position of lower grade. Provided, the employee has attained permanent status in that particular class. Or the request for demotion is to a related class in a similar job series.
- **Involuntary Demotion:** An involuntary demotion is a disciplinary action and is subject to disciplinary procedures.

Reasons for Demotion

The reasons for demoting employees are:



Inefficiency

When an employee gets a promotion on the basis of seniority and past performance, but he proves to be incompetent in performing tasks related to that post. He/She thinks it is difficult to reach

performance standards. Hence, the management demotes these employees back to the job in which their capabilities, aptitude and knowledge match the job requirements.

Adverse business conditions

It may also be due to adverse business conditions. This may cover:

- Closure of some departments or plants
- Withdrawal of some products
- Reduction in quality of production

In such cases, freshly recruited employees or lower-level employees may be laid off. While the retrenched and senior employees may be demoted.

Change in technology

When there is a change in technology, method or technique, there is a need for new or higher-level skills to perform the job. And if the employees who are working currently in the organization, do not upgrade themselves with the emerging requirement. Then, the company's management demotes the employees to lower ranks where they can fit suitably.

Administrative Convenience

Because of external developments or internal reconstruction, an organization is bound to eliminate certain positions or merge them for administrative purposes. In these cases, the incumbents of merged or eliminated positions may be moved to lower ranks. In such situations, organizations prefer demotion as a better alternative to layoff when the reduction of staff becomes necessary.

Disciplinary Action

A firm may also demote employees as a result of disciplinary action, but only a few organizations practice it. That is to say, the organizations practice this as a punishment for employees for serious breaches of rules and regulations and for continuous poor performance. Basically, demotion is a less severe punishment in comparison to the dismissal or discharge of employees. But employee unions strongly condemn it, because it has a very negative impact on the mental and emotional health of the employees.

Demotion Policy Principles

Demotion policy must rest upon some sound principles like:

- State clearly the list of circumstances under which an employee will get a demotion.
- Specify the authority which is responsible to initiate the process of demotion.
- State the nature of demotion, i.e. if it is permanent or temporary.
- Mention the jobs from and to which demotions is going to happen.
- The firm must specify the criteria for demoting employees. That is to say, who will be demoted first, a person whose length of service is not more than one year or whose performance is poor.
- A prior and clear declaration of demotion policy.
- Mention clearly the relevant authority, which is responsible to investigate any alleged violation of demotion principles.
- On identification of violation, the penalty that it may attract should be specified.
- There should be clear norms to appraise the merit and length of service of employees.

3. Discuss the purpose of job changes and purpose of transfers.

Transfer means a change in job assignment. It refers to a horizontal or lateral movement of an employee from one job to another in the same organization without much change in his status or pay package. Transfer causes a shift of individual from one job to another without there being any marked change in his responsibilities, skills and other benefits.

Objectives of Transfer of Employees in a Company:

The following are some of the objectives of transfer of employees in a company:

1. To meet the exigencies of the company's business.
2. To meet the request of an employee.
3. To correct incompatibilities of employee relations.
4. To suit the age and health of an employee.
5. To provide creative opportunities to deserving employees.
6. To train the employee for later advancement and promotion. This involves actually job rotation.

Transfers are generally made to acquire some purposes that are as follows:

1. To Increase Productivity of Employees:

Transfer may be made for the proper utilization of the services of an employee when he is not performing satisfactorily and ample and when the management feels that he may be more beneficial or suitable elsewhere, where his capacities would be better utilized.

2. To Fulfil Employee's Request:

Sometimes transfers is made to meet an employee's own request, when he feels uncomfortable on the job because of his dislike of his boss or his fellow workers or because better opportunities for his future advancement do not exist there or because of family circumstances which may compel him to change the place of his residence.

3. To Meet Organizational Requirements:

Sometimes transfers are made to satisfy such needs of an organization as may arise out of a change in the quantity of production, fluctuations in work requirements and changes in the organizational structure; the introduction of new lines of production, etc.

4. Maintenance of a Tenure System:

Transfer may be made for the maintenance of a tenure system. In senior administrative services of the government and also in industries or where there is a system of annual intake of management trainees such transfers are generally exist.

5. For Adjusting the Work Force:

Transfer may be made to adjust the workforce of one plant with that of another, particularly when one is closed down for reasons beyond the control of the employer.

6. For Penalizing Employees:

Transfer may be made to penalize employee under which either a difficult trade union activist or sea lawyer may be transferred to a remote branch or office where he cannot continue his further activities.

7. For Adjusting the Employee's Timing:

Transfer may be made at the requests of the employees to help work according to their convenience so far as timings are concerned, e.g., an employee is transferred from night shift to morning shift or from the first to the second shift (as in the case of women workers who may like to look after their children and do the necessary household work in the morning hours).

8. To Make Employee's more Versatile:

Transfer may be made to increase the versatility of the employee, by shifting him from one job to another so that he may have sufficient chances for gaining a varied and broader experience of work.

Reasons to change jobs

The reasons to change jobs may vary from personal to professional. Here are typical reasons employees may change jobs:

1. Flexibility

Some people may leave their jobs to increase flexibility in their professional and personal lives. This can be common when an employee thrives without micromanagement. Micromanaging is a technique that some supervisors use to monitor your work. This may lead you to seek greater independence in your new job.

2. Recognition

Managers may make their staff feel more appreciated by providing positive feedback and appreciation. Working for a firm that rarely recognises you might make it challenging to stay motivated every day. Leaving your job and joining one where there's recognition for hard-working employees can help you feel more appreciated.

3. Higher pay

It may be time to look for alternative employment if you believe your employer is underpaying you for the work you do. Similarly, you might take on more tasks in exchange for a higher salary. Sometimes, such decisions may transpire from the desire to earn more money to cover your living costs as your lifestyle changes or responsibilities grow.

4. Feedback

Some people thrive in a less formal work setting, while others may crave a more structured environment. A common cause for a job change is feeling unclear about how your employer regards your growth and effort. Receiving timely feedback from the company you work for is an important element of enhancing your performance. Look for a position that has regular performance reviews.

5. More resources

Individuals typically get a sense of value, self-confidence and accomplishment when they can apply their skills in the tasks they do. Employees are happier when they take part in projects that allow them to excel and utilise their abilities. Sufficient resources may lead to efficiency and employee retention.

Employees often want to improve their talents, so if their current job doesn't allow them to do so, they may look for one that does. Employees may go where they can find growth and advancement possibilities if their workplace doesn't provide them. They want to utilise their skills and improve at what they do. This may also mean getting ready for more challenging roles and, if they believe their abilities are adequate, they may accept it.

6. Challenge

After a long period at the same job, you may get a clear understanding of all your responsibilities. When there isn't much more to discover in your current position, you may feel ready for a new challenge. This is a normal element of professional development, especially as you become more interested to learn new skills.

7. Job satisfaction

Professionals can frequently shift occupations to achieve a feeling of job satisfaction. A middle manager, for example, might apply for a top-level in an industry where their skills and knowledge might be useful in an upper-management role. Another example is someone who feels stuck in their current job with no room for advancement within the same industry.

8. Effective management

If a company's leadership doesn't assist managers in becoming leaders, they begin to lose employees and, eventually, the managers themselves. Employees who have already left because of a bad supervisor may not share any favourable opinions about that organisation, so the impact on hiring activities can last much longer. Leadership challenges can arise at any level and have a significant impact on employee productivity.

9. Work-life balance

Maintaining a healthy work-life balance requires making time for friends, family and hobbies. You might find that your supervisor contacts you frequently outside of business hours or that they compel you to regularly complete extra work. This can eventually affect your free time and lead to burnout. Finding alternative employment that prioritises an employee's personal time may help you re-establish this balance.

10. Benefits

Many employees like a company that allows for flexible schedules and telecommuting. If the company you work for implements policies that make this challenging, there are many other companies that provide similar advantages. Similarly, you may discover that the organisation you work for doesn't have paid-time-off and sick-leave policies that meet your demands. This might be a reason to change your job and look for an employer that offers better benefits.

11. Career advancement

If your current employer has limited promotions or learning opportunities, this might prompt you to look for a new job. Having room to advance in your career is important to feeling fulfilled. Employers who value their employees' development provide workshops, seminars, lectures and even tuition reimbursement.

12. Relocation

There are various reasons why you may want to relocate, such as to find locations with a lower cost of living or to enrol in an academic course. You can also decide to be closer to your family. Similarly, many people in cities may opt for jobs in suburban areas once they're ready to have a family. If your current employer doesn't allow you to work from home and you wish to move, you might want to look for a new position.

13. Fulfilment

Working for a firm with a clear vision is an important aspect of obtaining a fulfilling job. If the aims and mission statement of your current workplace is unclear to you, it may incline you to look for a company with more defined values. This way, you may see how your efforts are helping the organisation achieve its wider objectives.

4. Discuss various techniques used to evaluate employee performance.

Top Methods/ Techniques for Employee Performance Evaluation and Appraisal

Every employee seeks to grow and climb the ladder of success by contributing to the holistic development of the organization. They measure their growth in terms of finances, skill sets, and stature. Companies, too, have gradually understood the significance of having an effective performance evaluation and appraisal system. Such an assessment helps significantly towards enhancing employee productivity. Thus, it serves as a win-win situation for both employees and the management.

Employee Performance Evaluation and Appraisal – What does it mean?

When an organization evaluates the performance of an employee and helps the employee to grow and overcome his weaknesses, it is called employee performance evaluation and appraisal. Generally, most companies prefer quarterly or annual performance appraisals. This system evaluates the strengths, skills, and gaps so as to determine factors like increments, promotions, etc.

Benefits of having an Effective Performance Evaluation and Appraisal System:

1. It helps in defining the goals of the company in a crystal-clear manner.
2. It significantly enhances employee productivity and performance.
3. An efficient and full-proof performance appraisal system offers real-time and effective feedback to each and every member of the organization.
4. It has the capacity to transform the existing workforce into a strategic benefit of the company.
5. It also caters to requirements like spotting training and development needs.
6. When you have a cutting-edge performance evaluation system, it helps in the seamless aligning of business goals and individual performance.

Need of a cutting-edge Performance Appraisal System

Both employees and the management believe that conventional employee performance evaluation and appraisal systems do not cater to modern requirements. The traditional systems are emphasized on the past performance of the employees. They fail to focus upon future performance and thus seem to be ineffective in present-day scenarios. Thus, the demand for modern-day performance evaluation and appraisal systems is on the rise across the corporate world.

Let us explore the best performance appraisal tactics used by some of the major companies around the world!

Top 6 employee Performance Evaluation and Appraisal Methods that cater to modern-day requirements

1. Assessment Centre Method:

This methodology is quite beneficial for assessing employees in social-related scenarios. Employees participate in different types of situational exercises. These may include activities like role-playing, in-basket exercises, workgroups, and so on. The main focus is to evaluate their abilities and potentials. Managers keep an eye on how the employees fulfil their responsibilities while participating in the situational exercises.

This methodology is quite beneficial in highlighting the personal characteristics of the employees, such as judgment, introversion, ethics, collaboration, adaptability.

Try this technique if you need an effective performance evaluation and appraisal system for service-based companies, consulting firms, manufacturing organizations, and so on.

2. 360-Degree Feedback System:

Annual performance appraisal techniques are no more a preferred option for the majority of companies. There is an increased need for ongoing communication among the employees and managers. 360-degree feedback system serves as the rescuer in such a situation. This methodology offers continuous feedback.

This method brings in multiple raters, who participate in rating a single staff member. These raters should have been involved with the employee for work purposes. There will be an online questionnaire. This methodology is applicable to everyone – peers, managers, suppliers, leaders, and so on.

If you are looking for an effective performance evaluation and appraisal system for the private sector, then this has to be your choice.

3. Incorporating SaaS-based Software:

We are getting tech-savvy with every passing day. From cooking, bathing to managing official works, we rely on technology all the time. It is high time that companies and business enterprises switch to SaaS-based software to lighten their appraisal and evaluation tasks.

These software and tools are high-end, designed to deliver precise and impactful results. There is no room for errors or mistakes. Also, such tools make the task a whole lot easier, secure, and swift.

SaaS-based software can be used by any and every company and business organization. They are super easy to use and offer amazing results. Employee performance evaluation and appraisal have never been so easy before!

4. Behaviorally Anchored Rating Scale:

Behaviorally anchored rating scale: Generally, this one is the best technique out of all the six. It can easily bring out both quantitative and qualitative advantages. Also known as BARS, the evaluation and appraisal are done on the basis of behavioral examples. It incorporates intangible qualities as well. However, if done manually, it may bring distorted results.

You can use the highly effective system of behaviorally anchored rating scale or BARS irrespective of the size of your business or company.

5. Human Resource (cost) Counting Method:

This methodology is meant for a detailed analysis of employees based on the monetary benefits of the company. The process involves a comparison of employee retention and employee contribution towards the organization.

It includes different factors such as overhead cost, average service value, interpersonal relationships, and so on.

This methodology is ideal for all small-size businesses and start-ups. In such organizations, the performance of even a single employee can be highly impactful for the entire enterprise.

6. Management by Objective:

This one is an all-encompassing employee performance evaluation and appraisal system. Both the employees and managers participate in this appraisal methodology. They plan, organize, strategize and communicate business goals for mutual success. The manager's job is to identify company goals. He then offers different sets of responsibilities to the employees. The progress made and the status of the project are discussed on a regular basis during touchpoint meetings.

5. Explain the steps to be taken to reduce the labour turnover.

Reducing employee turnover impacts company profitability. Having enough people with the right skills is obviously crucial to delivering on business plans and objectives. Additionally, finding the right people is getting more challenging (and costly).

15 Tips to Reduce Employee Turnover

1. **Hire the right people.** Some of the blame for poor hires falls on recruiting. Recruiters must be clear about the organization's culture upfront, telling the candidate not what they think the person wants to hear, but how the company actually operates. But a big part of hiring the right person is making sure that recruiting is looking for the right person from the beginning. Less than half of workers believe that job descriptions reflect actual job responsibilities, and nearly a third have left a job in the first 90 days because it wasn't what they expected, a report from Jobvite states.

2. **Keep up with the market rate and offer competitive salaries and total compensation.** Pay and benefits are key reasons people take jobs and show up for work every day. It's also a top reason why professionals change jobs. It's therefore no surprise that higher pay tops the list of what would convince workers to stay, followed by time off and benefits.

Companies should start by offering an appropriate starting salary that will attract qualified and talented candidates. They should also offer regular raises and monitor what other companies pay for similar roles, especially when it comes to hard-to-fill jobs.

3. **Reward and recognize employees.** This is an easy turnover reduction strategy to tackle. Simple "thank yous" and notes of appreciation — either spoken or written — for the work employees put in every day can go a long way. Giving staff members new opportunities is another great way to recognize them.
4. **Offer flexibility.** Employees are increasingly concerned with job flexibility, so giving them more latitude here is another way to boost retention. According to online job board Flexjobs, about 30% of workers reported leaving a job because it did not offer flexible work options, and another 80% said they would be more loyal to their company if they had flexible work options.
5. **Prioritize work-life balance.** Work-life balance is a struggle for many employees and can lead to burnout that leaves them looking for another role. More than half of workers say employers encourage them to work on the weekends or after hours, and 30% have found themselves working on a project past midnight, per Jobvite. That trend is more pronounced for older workers, those who are married and those who have children.
6. **Pay attention to employee engagement.** It's critical to always keep an eye on employee engagement, because higher employee engagement translates to lower turnover rates. Many of the efforts businesses launched to improve engagement focused on meeting their social and emotional needs. They manifested themselves in a number of different ways — interesting physical spaces, free food, annual company trips and more. But those things have failed to move the engagement needle much. Engagement is influenced by a number of things, but a big factor is the relationship the employee has with his or her manager, which Gallup says accounts for 70% of the variance in employee engagement.
7. **Define and develop corporate culture.** Corporate culture can mean many things, but it generally refers to the shared attitudes and beliefs that define a workplace and affect the experience of employees. Culture plays a central role in how much employees enjoy their job. And if you consider that the Society for Human Resource Management reports that nearly one-quarter of people dread going into work, you begin to understand the importance of culture.
8. **Standardize performance reviews.** Another not-so-surprising turnover predictor are unproductive or infrequent performance reviews. The traditional performance review — a

static, annual or biannual event consisting of reviewing an Excel spreadsheet with static goals — doesn't exactly inspire. In fact, it may do more harm than good. About 80% of employees who felt criticized or unmotivated after a performance review started to look for a new job, according to Gallup.

9. **Allow opportunities for development and continuing education.** Employees care about training that can strengthen existing skills or build new ones. People looking for jobs in the U.S. said they were willing to forgo up to 12% of their salary in exchange for more training opportunities and flexibility, per the PwC survey.

Think creatively when it comes to training. Traditional daylong classroom or travel-intensive training sessions may not be the best use of a staff member's time or the type of engagement they're seeking. Organizations with outstanding training make room for it within a person's "day job" and actively encourage it. They also constantly try new ways of delivering it (smaller sessions, new media) and measuring its effectiveness.

10. **Develop career paths and opportunities to grow.** One of the major reasons people leave companies is lack of career growth. LinkedIn reports that employees stay 41% longer at companies focused on hiring internally compared to those that don't make it a priority. More companies are looking inward, with role changes via promotion, transfer or a lateral move increasing by 10% over the last five years, per LinkedIn.

11. **Don't forget soft skills.** Creativity and the ability to problem solve are crucial skills for just about any employee. Companies should focus on finding candidates that possess creativity, persuasion, adaptability and emotional intelligence.

Certain companies excel at this. Trader Joe's director of recruitment and development said on one of the company's "Inside Trader Joes" podcast that training at the company is not just to create great leaders, it's to create content and material that helps people just be the best version of themselves, regardless of their role or responsibilities.

12. **Be transparent.** Leaders recognize that better communication with employees is key to increasing retention. Communication could take on forms like town halls, more frequent one-on-one meetings between managers and their team members and employee engagement surveys. An HBR study showed that senior leadership continually updating and communicating the business's strategy is an impactful driver of employee engagement and can boost performance.

Some organizations go all-in on transparency, inviting, encouraging and lending tools to facilitate honest, critical assessment of anyone by anyone regardless of title. True transparency requires that people say what they really think and believe in a meritocracy. Employees are more invested in a company when they feel like they have a voice and have a real understanding of what's going on with the business.

13. **Focus on onboarding.** Onboarding is often a new employee's first introduction to the culture of an organization. It's tough to recover from a bad onboarding experience. Employees who have negative new hire onboarding experiences are twice as likely to explore new opportunities early on in their tenure.

But small improvements in the process have the ability to leave positive first impressions that last. Indeed, employees are more likely to stay with the company for several years after a good onboarding experience. Better onboarding — and longer onboarding, in particular — leads to faster time to productivity. The best onboarding processes don't park employees in a room for eight hours and call it a day. They pair new employees with mentors and facilitate connections with people in different departments. And they continually check in to see how things are going, providing support and resources along the way.

14. **Analyze existing turnover to find issues.** The ability to collect, analyze and act on turnover-related data in real time and compare it to historical trends will be essential to finding, developing and retaining your best employees. Software can break down turnover numbers by quarter and year, voluntary vs. involuntary, business unit, department and geography. It can report on termination root causes, top performer turnover trends and turnover demographics (breaking down turnover by age, ethnicity, gender, etc.) to reveal trends and insights that can positively influence an organization's talent management strategy.