Human Resource Management CR

UNIT - I

Human Resource Management: Meaning, Objectives, Scope and Functions

Meaning:

Before we define HRM, it seems pertinent to first define the term ‘human resources’. In common parlance, human resources means the people. However, different management experts have defined human resources differently. For example, Michael J. Jucius has defined human resources as “a whole consisting of inter-related, inter-dependent and interacting physiological, psychological, sociological and ethical components”.

According to Leon C. Megginson “From the national point of view human resources are knowledge, skills, creative abilities, talents, and attitudes obtained in the population; whereas from the view-point of the individual enterprise, they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitude of its employees”

Sumantra Ghosal considers human resources as human capital. He classifies human capita into three categories-intellectual capitals, social capital and emotional capital. Intellectual capital consists of specialized knowledge, tacit knowledge and skills, cognitive complexity, and learning capacity.

Social capital is made up of network of relationships, sociability, and trustworthiness Emotional capital consists of self-confidence, ambition and courage, risk-bearing ability, and resilience. Now it is clear from above definitions that human resources refer to the qualitative and quantitative aspects of employees working in an organisation.

Let us now define human resource management.

In simple words, HRM is a process of making the efficient and effective use of human resources so that the set goals are achieved. Let us also consider some important definitions of HRM.

According to Flippo “Personnel management, or say, human resource management is the planning, organising, directing and controlling of the procurement development compensation integration, 4intenance, and separation of human resources to the end that individual, organisational and social objectives are accomplished”.

The National Institute of Personnel Management (NIPM) of India has defined human resource/personnel management as “that part of management which is concerned with people at work and with their relationship within an enterprise. Its aim is to bring together and develop into an effective organisation of the men and women who make up an enterprise and having regard for the well-being of the individuals and of working groups, to enable them to make their best contribution to its success”.

According to Decenzo and Robbins “HRM is concerned with the people dimension in management. Since every organisation is made up of people, acquiring their services, developing their skills, motivating them to higher levels of performance and ensuring that they continue to maintain their commitment to the organisation are essential to achieving organisational objectives. This is true, regardless of the type of organisation-government, business, education, health, recreation, or social action”.

Thus, HRM can be defined as a process of procuring, developing and maintaining competent human resources in the organisation so that the goals of an organisation are achieved in an effective and efficient manner. In short, HRM is an art of managing people at work in such a manner that they give their best to the organisation for achieving its set goals.

Objectives:

The primary objective of HRM is to ensure the availability of right people for right jobs so as the organisational goals are achieved effectively.

This primary objective can further be divided into the following sub-objectives:

1. To help the organisation to attain its goals effectively and efficiently by providing competent and motivated employees.

2. To utilize the available human resources effectively.

3. To increase to the fullest the employee’s job satisfaction and self-actualisation.

4. To develop and maintain the quality of work life (QWL) which makes employment in the organisation a desirable personal and social situation.

5. To help maintain ethical policies and behaviour inside and outside the organisation.

6. To establish and maintain cordial relations between employees and management.

7. To reconcile individual/group goals with organisational goals.

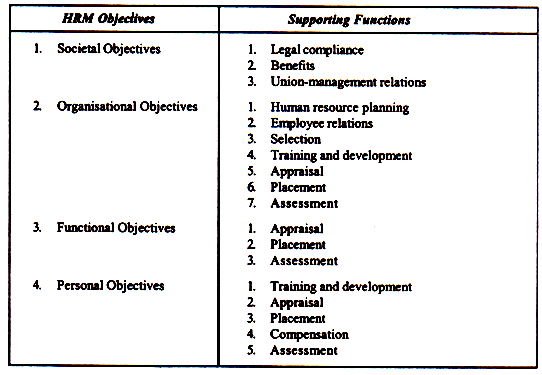
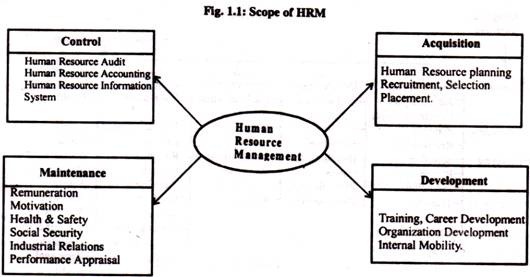
Werther and Davis have classified the objectives of HRM into four categories as shown in table 1.2. 

Table 1.2: HRM Objectives and Functions:

HRM Objectives and Functions

Scope:

The scope of HRM is, indeed, very vast and wide. It includes all activities starting from manpower planning till employee leaves the organisation. Accordingly, the scope of HRM consists of acquisition, development, maintenance/retention, and control of human resources in the organisation (see figure 1.1). The same forms the subject matter of HRM. As the subsequent pages unfold, all these are discussed, in detail, in seriatim. 

Scope of HRM

The National Institute of personnel Management, Calcutta has specified the scope of HRM as follows:

1. The Labour or Personnel Aspect:

This is concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training and development, lay-off and retrenchment, remuneration, incentives, productivity, etc.

2. Welfare Aspect:

It deals with working conditions, and amenities such as canteen, creches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.

3. Industrial Relations Aspects:

This covers union-management relations, joint consultation, collective bargaining, grievance and disciplinary actions, settlement of disputes, etc.

Functions:

We have already defined HRM. The definition of HRM is based on what managers do. The functions performed by managers are common to all organizations. For the convenience of study, the function performed by the resource management can broadly be classified into two categories, viz.

(1) Managerial functions, and

(2) Operative functions (see fig. 1.2).

These are discussed in turn.

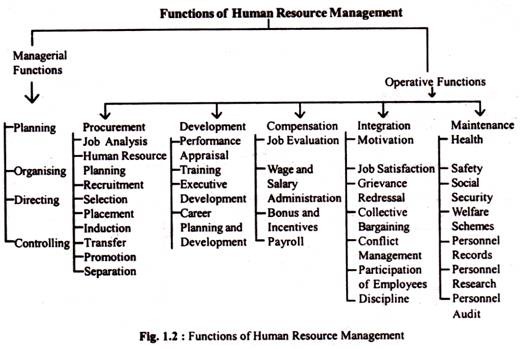
(1) Managerial Functions:

Planning:

Planning is a predetermined course of actions. It is a process of determining the organisational goals and formulation of policies and programmes for achieving them. Thus planning is future oriented concerned with clearly charting out the desired direction of business activities in future. Forecasting is one of the important elements in the planning process. Other functions of managers depend on planning function.

Organising:

Organising is a process by which the structure and allocation of jobs are determined. Thus organising involves giving each subordinate a specific task establishing departments, delegating authority to subordinates, establishing channels of authority and communication, coordinating the work of subordinates, and so on.



Functions of Human Resource Management

Staffing:

TOs is a process by which managers select, train, promote and retire their subordinates This involves deciding what type of people should be hired, recruiting prospective employees, selecting employees, setting performance standard, compensating employees, evaluating performance, counseling employees, training and developing employees.

Directing/Leading:

Directing is the process of activating group efforts to achieve the desired goals. It includes activities like getting subordinates to get the job done, maintaining morale motivating subordinates etc. for achieving the goals of the organisation.

Controlling:

It is the process of setting standards for performance, checking to see how actual performance compares with these set standards, and taking corrective actions as needed.

(2) Operative Functions:

The operative, also called, service functions are those which are relevant to specific department. These functions vary from department to department depending on the nature of the department Viewed from this standpoint, the operative functions of HRM relate to ensuring right people for right jobs at right times. These functions include procurement, development, compensation, and maintenance functions of HRM.

A brief description of these follows:

Procurement:

It involves procuring the right kind of people in appropriate number to be placed in the organisation. It consists of activities such as manpower planning, recruitment, selection placement and induction or orientation of new employees.

Development:

This function involves activities meant to improve the knowledge, skills aptitudes and values of employees so as to enable them to perform their jobs in a better manner in future. These functions may comprise training to employees, executive training to develop managers, organisation development to strike a better fit between organisational climate/culture and employees.

Compensation:

Compensation function involves determination of wages and salaries matching with contribution made by employees to organisational goals. In other words, this function ensures equitable and fair remuneration for employees in the organisation. It consists of activities such as job evaluation, wage and salary administration, bonus, incentives, etc.

Maintenance:

It is concerned with protecting and promoting employees while at work. For this purpose virus benefits such as housing, medical, educational, transport facilities, etc. are provided to the employees. Several social security measures such as provident fund, pension, gratuity, group insurance, etc. are also arranged.

It is important to note that the managerial and operative functions of HRM are performed in conjunction with each other in an organisation, be large or small organisations. Having discussed the scope and functions of HRM, now it seems pertinent to delineate the HRM scenario in India.

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**Evolution and Development of Human Resource Management (HRM)!**

In fact, the seed of HRM were sown during the industrial revolution 1850s in Western Europe and USA. The wind gradually reached to India as well in the beginning of twentieth century. Since then to the present era, the development of HRM may be classified as follows:

Trade Union Movement Era:

The conditions of workers in the aftermath of factory system as an outcome of industrial revolution were very pathetic. The First World War further worsened their conditions. This was the period when state intervention to protect the worker s interest was felt necessary.

The Royal Commission of Labour in India (1911) under the chairmanship of J H, Whitley recommended the abolision of the ‘jobber’ system and the appointment of labour officers in industrial enterprise to perform the recruitment function as well as to settle the worker’s grievances. Also, workers started forming their associations which was subsequently known as ‘trade unions’ to improve their lots. Trade Union Act, 1926 was passed in India.

The basic philosophy underlying trade unionism was to safeguard the worker’s interest and to sort out of their problems such as use of child labour, long hours of work and poor working conditions. These unions used strikes, slowdowns walkouts picketing, boycotts, and sabotage as weapons for the acceptance of their problems.

These activities of trade unions gave rises to personnel practices such as collective bargaining, grievance handling system, arbitration, disciplinary practices, employee benefit programmes, installation of rational and defensible wage structures .

Social Responsibility Era:

In the starting decade of 20th century, some factory owners/employers started showing humanistic approach towards the workers. Robert Owen, a British industrialist towards workers. He viewed that the principal social and economic environments influence the physical mental and psychological development of workers. Therefore, in order to improve the productivity, it is necessary to improve, conditions of employees by removing them from an adverse environment or by changing the environment with the provisions of more satisfactory living and working conditions.

The philosophy underlying in Owen’s paternistic approach was that worker’ is just like a child and owner is just like a father. Therefore, the owner should take care of a worker just like a father takes care of his child. Accordingly, Owen himself implemented this philosophy in his cotton mill at Scotland by introducing facilities such as shower baths and toilets in the factory premises, model villages for workers, raising minimum wage of employment of child labour to 11 years and reducing working hours from 12 to 10 hours.

Owen also appealed to other industrialists to introduce the similar facilities in their factories. However, some critics view that, in the event of increasing trade unionism in factories, factory owners adopted these facilities to control over the labour problems and unrest. According to them, adoption of such practices was a compulsion for factory owners rather than their paternistic philosophy.

Scientific Management Era:

The concept of scientific management was introduced by Fredrick Winslow Taylor’ in the USA early in the 20th century as an alternative to the prevailing system of management by initiative and incentive.

Based on his shop floor job experience, Taylor developed four principles of scientific management:

1. Development and use of scientific methods in setting work standards, determining a fair day’s work, and best way of doing work.

2. Scientific selection and placement of workers best suited to perform the various tasks and provision of their training and development for maximum efficiency.

3. Clear cut division of work and responsibility between management and workers.

4. Harmonious relations and close cooperation with workers to secure performance of work in accordance with the planned jobs and tasks.

In his scientific theory, Taylor viewed man/worker as one driven by fear of hunger and search for profit. Accordingly, if economic reward is tied up with the efforts put on the job, the worker will respond with his maximum physical capability. Taylor’s study is limited to the physical characteristics of the human body as it responds to routine and to clearly defined jobs.

He visualized man functioning as an “appendage to the industrial machine”. Realizing that with physical efforts, human body can get tired and thus, can affect worker’s performance both in quantity and quality, Taylor developed several techniques to introduce his scientific ideas in management.

The following are the important techniques developed by him:

1. Time study to analyze and measure the time taken in doing the various elements of a job and to standardize the operations of a job.

2. Motion study involving close observation of the movements required to perform a job with a view to eliminate wasteful motions and decide on the best way of doing the job.

3. Standardization of tools, equipment’s and machinery and working conditions.

4. Incentive wage plan with differential piece rate of wages for efficient and inefficient workmen.

The main contribution of Taylor to management was it led to professionalization of management and human engineering. However, some critics criticize his views on the ground that its focus was more on technology and not on human factor in industry.

Human Relations Era:

By 1920, it was felt that earlier approaches to human resource management were incomplete as these did not recognize workers as human beings having their feelings, attitudes and needs. It was between 1925 and 1935; many experts expressed their opinions towards the human aspects of organisational activities.

A psychologist namely Hugo Munsterberg in his book “Psychology and Industrial Efficiency” suggested the use of psychology in selection, placement, testing and training of employees in an organisation. Elton Mayo and his associates conducted a series of experiments from 1924 to 1932 at the Hawthorne plant of the Western Electric company in the USA.

The main findings of the Hawthorne Experiments were as follows:

1. Physical environment at the work place do not have any material impact on the efficiency of work.

2. Favourable attitudes of workers and work-team towards their work were more important factors determining efficiency.

3. Fulfillment of the worker’s social and psychological needs had a beneficial impact on the morale and efficiency of workmen.

4. Employee groups based on social interactions and common interests exercised a strong influence on worker’s performance.

5. Workers cannot be motivated solely by economic rewards. More important motivators are job security, recognition, right to express their opinion on matters related to them.

Based on these findings, the researchers developed a human relations approach to HRM. It was based on the view that the modern organisation is a social system in which the social environment and inter-personal relations govern the behaviour of employees.

The relationship between the superiors and subordinates should relate to the social and psychological satisfaction of the employees. In ultimate sense, the objective of human relations approach was to make employees productive and it was realized that employees’ satisfaction is the best means of making the employee productive.

Behavioural Science Era:

We have just seen that human relations era assumes that a happy worker is a productive worker. As a corollary to this, the behavioural science era assumes human behavior as a means to achieve efficiency in performance. Behavioural approach to HRM is based on the findings of intensive research carried out by behavioural scientists belonging to the disciplines of sociology, social psychology, anthropology and management experts.

The major contributions made by the behavioral scientists are in the areas of motivation, leadership, communication, organisational change and development, organisational culture, and individual and group dynamics On the whole, behavioural science approach of HRM was concerned with the social and psychological aspects of human behaviour in organisations.

Some of the important elements of the behavioural approach of HRM are outlined below:

1. Individual behaviour is linked with the group behaviour. For example, a person be inclined to resist to change has behaviour as an individual. But, he/ she will readily do so if the group to which he/ she belongs, decides to change its behaviour.

2. Informal leadership rather than the formal leadership of manager is more effective in influencing people to achieve standards of performance. From this viewpoint, democratic leader­ship style of the manager is more acceptable to the subordinates and hence, more effective.

3. By nature, people do not dislike work. Most people enjoy work and are motivated by self- control and self development. In fact, job itself is a source of motivation and satisfaction to employee.

4. Expanding subordinate influence, self- control and self- direction can improve operating efficiency.

Systems Approach Era:

A system may be defined as a set of interdependent parts forming an organised unit or entity. The system is defined as “an organised and complex whole: an assemblage or combination of things or parts forming a complex unitary whole.” The parts, also known as sub­systems, interact with each other and are subject to change. These sub-systems are inter-related and interdependent.

Any working organisation usually consists of the following three broad sub-systems:

1. Technical Sub-system, i.e., formal relationships among the members of an organisation.

2. Social Sub- system, i.e., social satisfaction to the members through informal group relations.

3. Power Sub-system, i.e., exercises of power or influence by individual or group.

The interaction of the various sub-system forms the total system. There is also interaction between total system/sub-systems and environment. Environment itself may influence or be influenced by the system or sub-system.

The system approach is characterized by the following features:

1. A system is a group of inter-related elements which are separate entities/units.

2. All the elements are inter-related in an orderly manner.

3. There is the need for proper and timely communication to facilitate interaction between the elements.

4. The interaction between the elements should lead to achieve some common goal.

Let us also see how the system works. Activities relating to procuring and transforming inputs into outputs are viewed as enterprise operations. Materials, information and energy that flow into the organization are inputs and products and services offered by an organization are outputs.

The organization through its operations transforms inputs into output. Men, money and managers become the part of system. Sale of outputs provides energy called ‘feedback’ to repeat the system..

Cycle of Systems Approach

At the heart of the systems approach lays a management Information System (MIS) and communication network for collection, analysis, and flow of information to facilitate the functions of planning and control. Modem thinkers consider HRM as a system that integrates activities with an objective to make the best use of resources which are always scarce.

Contingency Approach Era:

Contingency refers to die immediate circumstances. Contingency approach believes that there is no one way of managing that works best in all situations. According to this approach, the best way to manage varies with the situation. Hence, this approach is also called ‘situational approach’.

There may not be one universal way of managing in all situations. A particular approach may yield fruitful results in one situation but may drastically fail in other situations. Therefore, it is imperative for managers to analyse different situations and then use the best approach best suitable in that particular situation. This can be understood better by an example of the recurrent problem of how to improve productivity.

The solution to this problem can be prescribed as follows:

Scientific Management Approach:

Prescribe work simplification and additional incentives.

Behavioural Approach:

Recommend job enrichment and democratic participation of employees in the decision- making process.

Contingency Approach:

Offer a solution which is responsive to the characteristics of the total situation faced. The above solutions may be suitable to different situations. As regards work simplification, it would be ideal where there is a limited resource, unskilled labour and limited training opportunities available.

Job enrichment would be ideal for that organisation where there are abundant skilled labour forces. Thus, this clearly shows that management function depends upon given situations present in an organisation. Managers are supposed to systematically diagnose a given situation and then find out solutions to meet the situation.

In short, contingency approach of management and for that matter HRM emphasizes on two points:

1. It focuses attention on situational factors that influence managerial decision.

2. It highlights the need for developing skills for managers in situational analysis.

Ideas like contingency were also expressed by Mary Parker Follett (1865-1933) way back during 1920s. She was greatly interested in social work and had a gift for relating individual experience to general principles. Her concept of the Law of the Situation referred to the necessity of acting in accordance with the specific requirements of a given situation.

She noted that these requirements were constantly changing and needed continued efforts to maintain effective working relationship F.W. Taylor also emphasized the importance of choosing the general type of management best suited to a particular case.

Similarly Henry Fayol emphasized the point that there is nothing rigid or obsolete in management efforts. Thus, it is clear that contingency approach is not new, but h has been expanded in the modem times. This is the modem recent approach in management and for that matter in HRM as well.

HRM has a humble beginning in India in 1920s. By now, this concept has blossomed into a matured subject and profession. Venkata Ratnam and Srivastava have outlined the evolution and development of HRM in India as shown in Table 2.1.

Evolution and Development of HRM in India

HRM in India: An Overview:

Now that we have delineated the evolution of the concept of HRM, we are prepared to outline an overview of HRM in India. Like UK and USA, the evolution and development of HRM in India was not voluntary. The aftermath of the First World War rendered the country with difficult conditions. These manifested in various malpractices in the recruitment of workers and payment of wages leading to trade unionism in organisations causing colossal loss in production due to industrial disputes.

Given such scene, government intervened under compulsions to take care of the situation. The Royal Commission of Labour in India, in 1931, under the chairmanship of J.H. whitley recommended the abolition of the ‘jobber’ system and the appointment of labour officers in industrial enterprises to deal with the recruitment of labour and to settle their grievances.

After Independence, the Factories Act, 1948 laid down qualifications and duties of Welfare Officers and also made it mandatory for companies employing 500 or more workers to appoint Welfare Officers with requisite qualifications and training.

In course of time, two professional bodies emerged: ‘The Indian Institute of Personnel Management’ (IIPM), Calcutta, now Kolkata’ and the ‘National Institute of Labour Management ‘(NILM), Bombay, now Mumbai. These two places were the premier centres of traditional industry (jute and cotton respectively) in pre-independent India.

During the aftermath of the Second World War and Independence, worker’s needs and expectations increased. During the 1960s, the personnel functions got expansion beyond welfare function. Three areas were added to it: Labour Welfare, Industrial Relations and Personnel Administration. All these three integrated into the emerging Profession called’ personnel management’.

This was followed by the Government’s massive thrust to the development of basic and heavy industries since the Second Five Year Plan (1956-61) and also accelerated growth of public sector in the country. This, in turn, resulted in professional approach toward management of organisations.

The professionalism in managing organisations became quite discernible by the 1970s. There was a clear shift from welfare approach to efficiency one. The two professional bodies, IIPM and NILM merged in 1980 to form the National Institute of Personnel Management (NIPM) with Kolkata as the headquarters.

Evolving along the years, the approach has shifted to human values and productivity through people. It is against such a shift in managing people, in the 1990s, a new approach has emerged, i.e., human resource management (HRM). This approach focuses more on development aspects of human resource, i.e., human resource development (HRD).

The fact remains that the buzzword in people management in India is HRD and not the HRM HRD, as is known, as a conscious proactive arrangement by employers that seeks to capacitate employees to give their maximum to the organisation and to fully use their potential to develop themselves.

HRD is only one of the functions of HRM. A survey of changed PM titles in India would reveal that most organisations use HRD -related labels, not HRM-related. Many organisations have no HRM policies- hard or soft- and uncritically name their personnel department as die ‘HRM Department’.

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Human Resource Planning – Introduction:

Human resources undoubtedly play the most important part in the functioning of an organization. The term ‘resource’ or ‘hu­man resource’ signifies potentials, abilities, capacities, and skills, which can be developed through continuous interaction in an organizational setting.

The interactions, interrelationships, and activities performed all contribute in some way or other to the development of human potential. Organizational productivity, growth of companies, and economic development are to a large extent contingent upon the effective utilization of human capa­cities.

Hence, it is essential for an organization to take steps for effective utilization of these resources. In the various stages in the growth of an organization, effective planning of human resources plays a key role. Matching the requirements of the job with the individual is important at all stages, including the recruitment procedures, in this endeavour.:

When organizations contemplate diversification or expansion, or when employees have to be promoted, human resource planning plays an import­ant role. Further, the organizational plans, goals, and strategies also require effective human resource planning.

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**Human Resource Planning – Meaning:**

E.W. Vetter viewed human resource planning as “a process by which an organisation should move from its current manpower position to its desired manpower position. Through planning, management strives to have the right number and right kind of people at the right places at the right time, doing things which result in both the organisation and the individual receiving maximum long-run benefit.”

According to Leon C. Megginson human resource planning is “an integrated approach to performing the planning aspects of the personnel function in order to have a sufficient supply of adequately developed and motivated people to perform the duties and tasks required to meet organisational objectives and satisfy the individual needs and goals of organisational members.”

Human resource planning may be viewed as foreseeing the human resource requirements of an organisation and the future supply of human resources and- (i) making necessary adjustments between these two and organisational plans; and (ii) foreseeing the possibility of developing the supply of human resources in order to match it with requirements by introducing necessary changes in the functions of human resource management. In this definition, human resource means skill, knowledge, values, ability, commitment, motivation, etc., in addition to the number/of employees.

Human resource planning (HRP) is the first step in the HRM process. HRP is the process by which an organization ensures that it has the right number and kind of people, at the right place, at the right time, capable of effectively and efficiently completing those tasks that will help the organization achieve its overall objectives.

HRP translates the organization’s objectives and plans into the number of workers needed to meet those objectives. The actual HRM process starts with the estimation of the number and kind of people required by the organization for the coming period.

HRP is also known by other names such as ‘Manpower Planning’, ‘Employment Planning’, ‘Labour Planning’, ‘Personnel Planning’, etc. HRP is a sub-system in the total organizational planning. In other words, HRP is derived from the organizational planning just like production planning, sales planning, material planning, etc.

Human Resource Planning – Definition:

The organisation’s objectives and strategies for the future determine future requirement of human resources. It only means that the number and mix of human resources are reaction to the overall organisational strategy. If the intent is to get closer to people possessing requisite qualifications, the organisation should act quickly.

Human Resource Planning or Manpower Planning (HRP) is the process of systematically reviewing HR requirements to ensure that the required number of employees with the required skills is available when they are needed. Getting the right number of qualified people into the right job is the crux of the problem here.

In actual practice, this is not easy. Due to constant changes in labour market conditions, qualified people possessing relevant qualifications are not readily available. The organisation needs to go that extra mile, dig up every source of information and exploit every opportunity that comes its way in order to identify talent.

HRP is simply not a process of matching the supply of people (existing employees and those to be hired or searched for) with openings the organisation expects over a given timeframe. It goes a step further in order to reach out to right kind of people at right time, spending time, resources and energies. Without careful planning, advance thinking and prompt actions, it is next to impossible to get competent and talented people into the organisation.

Human resource planning is the responsibility of both the line and the staff manager. The line manager is responsible for estimating manpower requirements. For this purpose, he provides the necessary information on the basis of the estimates of the operating levels. The staff manager provides the supplementary information in the form of records and estimates.

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**Human Resource Planning – Objectives:**

**The main objectives of HRP are:**

(i) Proper assessment of human resources needs in future.

(ii) Anticipation of deficient or surplus manpower and taking the corrective action.

(iii) To create a highly talented workforce in the organization.

(iv) To protect the weaker sections of the society.

(v) To manage the challenges in the organization due to modernization, restructuring and re-engineering.

(vi) To facilitate the realization of the organization’s objectives by providing right number and types of personnel.

(vii) To reduce the costs associated with personnel by proper planning.

(viii) To determine the future skill requirements of the organization.

(ix) To plan careers for individual employee.

(x) Providing a better view of HR dimensions to top management.

(xi) Determining the training and development needs of employees.

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**Human Resource Planning – Relationship with Other Personnel Processes:**

From a systems view, human resource planning is interrelated with many of the organization’s other endeavors in personnel management. The strongest relationship exists between human resource planning and selection. In fact, all selection efforts really are an integral part of the whole human resource planning process.

Organizations that have either stable or increasing human resource needs must go into the external labour market and hire employees even though they generally follow a promotion-from within policy.

In addition, human resource planning is related to both performance appraisal and training and development. Performance appraisals can pinpoint the skills that will be required for employees to move into higher-level positions via promotion, while training and development efforts may then be designed to provide these skills.

To meet organizational goals, human resource planning seeks to ensure that the organization’s demand for individuals at any particular time will be just met by available human resources. This view assumes that “stockpiling” employees at levels greater than needed and being understaffed are both undesirable.

This assumption represents a major difference between planning for human resources and planning for non-human resources. Although it is generally unacceptable to stockpile or build inventories of human resources, organizations may find it necessary or desirable to build up raw materials or finished-goods inventories.

It is unacceptable to hold human resource inventories for three reasons. First, human resources are costly and it may be difficult to justify the expense of excess personnel. There are sounder and more cost-effective options available to personnel planners in business firms. Second, excess people are not engaged in productive work, and are likely to be bored and frustrated by the lack of anything constructive to do.

Such boredom and frustration can create problems because excess people may make unnecessary work for productive people and may even inhibit the firm’s total productive efforts.

Third, since human resources, particularly skilled and professional people, may be in short supply, taking productive workers out of the economy’s labour pool may be considered socially unacceptable.

It is equally undesirable for an organization to operate with too few employees. As with “stockpiled” employees, individuals may feel frustrated, but in this case because of overwork rather than a lack of productive activity. This situation may also be dysfunctional to an organization’s goals.

Consider, for example, a [department store](https://myphotohunter.com/s/?q=department%20store) during the holiday season with a shortage of sales personnel. In addition to the frustrations experienced by employees, such understaffing may also result in loss of employee efficiency.

Customers may respond to long lines and excessive waiting by taking their business elsewhere, with resultant loss of sales by the organization. Having too many or too few employees may create numerous problems for organizations-problems that can be reduced or eliminated through effective human resource planning

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**Strategic Plan Vis-a-Vis Human Resource Plan- Corporate — Level Plan:**

Top management formulates corporate-level plan based on corporate philosophy, policy, vision and mission. The HRM role is to raise the broad and policy issues relating to human resources. The HR issues are related to employment policy, HRD policies, remuneration policies, etc. The HR department prepares HR strategies, objectives and policies consistent with company strategy.

**I. Intermediate – Level Plan:**

Large-scale and diversified companies organise Strategic Business Units (SBU) for the related activities. SBUs prepare intermediate plans and implement them. HR managers prepare specific plans for acquiring future managers, key personnel and total number of employees in support of company requirements over the next three years.

**II. Operation Plan:**Operation plans are prepared at the lowest business profit centre level. These plans are supported by the HR plans relating to recruitment of skilled personnel, developing compensation structure, designing new jobs, developing leadership, improving work-life, etc.

**III. Short-Term Activities Plan:**

Day-to-day business plans are formulated by the lowest level strategists. Day-to-day HR plans relating to handling employee benefits, grievances, disciplinary cases, accident reports, etc., are formulated by the HR managers.

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Human Resource Planning Methods

Types of Human Resource Planning

Human resource planning uses methods within recruiting, development and employee retention to achieve organizational goals. Workforce analysis allows human resources to compare the current workforce to future employment needs. Determining future requirements allows for methods of attracting, training and retaining of quality employees to fulfill key roles within the organization.

Workforce Analysis

Human resources must consider what kind of future workforce is needed to satisfy the organization's strategic objectives. By analyzing the current workforce and comparing to future employment requirements, it can discover what gaps or surpluses exist. This information allows human resources to prepare plans that adjust the workforce as needed. An organization that plans to increase sales by 50 percent in the next three years may require the workforce to grow by 5 percent. After considering what employment changes are needed, human resources should prepare evaluation plans to ensure the future workforce meets objectives.

Seminars and Job Fairs

To achieve strategic objectives, human resources must plan for attracting and recruiting employees in quality and quantity. Seminars and job fairs offer employers an opportunity to introduce themselves, advertise and promote the company. Participating in fund-raising events and other social functions is another method for attracting and recruiting job candidates.

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Training Programs

To improve its current and future workforce, human resource planning must focus on employee development or training. Training and development programs can improve general employee skills such as customer service and sales training or focus on specific work-related skills. Training and retraining programs can also reduce current and future liability with employee safety emphasis.

Retention Programs

Retaining employees is difficult because of the other employment opportunities that may attract them. But human resources can reduce the the likelihood of employee departures by planning retention programs. These programs can focus on employee recognition and benefits. They can also include rewards, advancement or growth and work-life balancing. By showing a sincere interest in employees and valuing their contributions, the organization is able to further increase employee retention. In the unfortunate event an employee decides to leave, exit interviews provide valuable feedback that can assist the organization with employee loss prevention.

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**Steps in the Human Resource Planning Process**

What Are the Duties of an HR Department?

Elements of Human Resource Planning

The Importance of Job Analysis

How Long Does an Employer Have to Give a COBRA Letter to an Employee After Termination?

What Is an HR Management Role Regarding Training and Development?

How to Complete a Job Hazard Analysis

Purpose of Evaluation Research

What Are Some Challenges of HR With Training & Development?

Recruiting

Achieving strategic objectives through the human resource element involves attracting and recruiting quality employees. Benefits, compensation, organizational structure and employee growth or advancement are key elements for finding and hiring good employees. Planning the recruiting process with these elements in mind will assist with future employee selection.

Development

Development, or training, is a type of human resource planning that focuses on how it can improve the current and future workforce. Training and development programs improve both specific work-related skills and more general skills like customer service or sales training. Training and retraining programs can also focus on reducing current and future liability issues related to workplace safety.

Retaining

Planning for the retention of employees can be an arduous task, as it is difficult to prevent employees from looking at other employment opportunities. Human resources can help to reduce this likelihood by planning retention programs that focus on employee recognition, rewards, advancement or growth, a work-life balance and employee benefits.

Human resource planning is the process of evaluating the composition and content of the current workforce and forecasting future requirements. This involves analyzing internal and external factors that impact the organization’s human resources. It also requires responding to issues and taking action to close the gap between its current and future needs.

Staffing Requirements

By identifying its short-term and long-term goals and the corresponding work activities, the company can project its future human resource requirements. This includes identifying the skills, abilities and knowledge required to meet its goals. If there is an identified gap, then the organization can create action plans to recruit and retain talent. The company can implement

strategies such as recruitment, training or retraining, organizational restructuring, outsourcing or succession planning.

Response to Workforce Issues

Effective HR planning allows the organization to respond to environmental factors such as legislation, changing demographics, globalization, world economy and technology. Through environmental scanning, the company can anticipate changes that will affect its workforce and plan accordingly. For example, an aging population and older workforce might lead to possible skill shortages, and a greater demand for health-care benefits and work/life balance. Failure to prepare for these challenges can impact business operations.

Continuous Evaluation

The human resource plan has measurable and assessable outcomes that make it possible to monitor progress. It usually includes milestones or benchmarks to gauge success at different stages. Metrics are essential as a form of assessment. If the future turns out to be different than anticipated, the plan must be flexible enough for the company to manage change. Ongoing and regular evaluation allows the organization to make adjustments to address immediate and long-term issues.

Considerations

The human resource plan links HR management to the company’s strategic plan. It becomes the foundation not only for recruitment but also for other human resource functions such as training, leadership development, succession planning and performance management. Retention is a major issue that the organization must address by reviewing its compensation, benefits, retirement, work/life balance and wellness programs. The company must view its HR management practices in relation to operational decisions.

Everything you need to learn about the challenges of human resource management.The world order is changing dramatically and is in the process of complete transformation.

The impossible things of yesterdays have become possible today and the impossible things of today will become possible tomorrow.

That is why it is said that change is the only permanent aspect of nature. Managing people (Human Resources) in the present context is not an enviable task as it is mired in many challenges.

The concept of self-sufficient nations is losing importance and the concept of Global Village is emerging Management of organisations is bound to cope up with the radical transformation by developing new techniques and practice in the global perspective after carefully analysing the real challenges being faced by the professional managers.

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The challenges of human resource management can be studied under the following heads:-

1. Competitive Challenges 2. Emerging Challenges 3. Recent Challenges 4. Future Challenges 5. Common Challenges.

A: The competitive challenges of HRM are:-

1. Globalization 2. Ever Changing Technology 3. Change Management, 4. Managing Human Capital 5. Responding to Market Forces 6. Containing Costs 7. Demographic and Employee Concerns and 8. Managing Diversity.

B: Emerging Challenges of HRM which are also affecting modern organizations are:-

1. Going Global 2. Corporate Restructuring 3. From Touch Labor to Knowledge Workers 4. Workforce Diversity 5. Embracing New Technology 6. Growing Employee Expectations 7. Managing Talent or Human Capital 8. Responding to the Market 9. Proactive Industrial Relations Strategy 10. Ethics at the Workplace. 11. Managing the Managers and 12. Contribution towards Success of the Organisation.

C: The recent challenges of human resource management are:-

1. Work Force Diversity 2. Organizational Restructuring 3. Changing Nature of Work 4. Golden Handshake 5. Total Quality Management (TQM) and 6. Six Sigma.

D: Some future challenges of HRM are:- 1. The Role of HRM Manager 2. Flexibility and Diversity at Workplace.

E: The common challenges of HRM faced by HR professionals in India are:- 1. Recruitment, 2. Attrition, 3. Salaries and Bonuses, 4. Job Satisfaction and 5. Training.

Challenges of Human Resource Management: In the Present and Future Scenario

Challenges of Human Resource Management – Competitive Challenges of HRM in the Present Scenario

Managing people (Human Resources) in the present context is not an enviable task as it is mired in many challenges. The competitive challenges include globalization, technology, managing change, retaining human capital, responding to market forces and cost containment.

:The competitive challenges are compounded by concerns for employees influenced by diversity, age, gender issues, job security, educational levels, employee rights, privacy issues, work attitudes and family problems.

Challenge # 1. Globalization:

Many companies are seeking business opportunities in global markets to grow and prosper as domestic markets are shrinking. Globalization is the trend towards opening up foreign markets to international business and investment. The impact of globalization on business and HRM is enormous.

Impact of Globalization on Business:

i. Competition as well cooperation with foreign companies has become an important focal point in the present business context.

ii. For large companies the vision is to offer customers anything, anytime, anywhere.

iii. Well known products are losing their national identities.

iv. There are many free-trade agreements between nations.

v. Even though there is improvement in the standard of living of people consequent to globalization, there is still the fear of loss of jobs in certain sections of people.

vi. People in developing countries fear that developed countries are exploiting their natural resources resulting in a ‘have/have not’ world economy.

vii. Corporates are discovering that being socially responsible helps the people at the bottom line. Corporate social responsibility is to operate in the best interests of the people and communities affected by its activities.

Impact of Globalization on HRM:

i. HR managers have to balance a complicated set of issues related to different geographies, cultures, employment laws and business practices.

ii. HR managers find it difficult to gauge the knowledge and skills of foreign worker and how to train them.

iii. The different languages and cultures of foreigners make things more complicated.

iv. It is a real challenge to relocate managers and workers.

v. Training managers on foreign cultures and procedures before they take up foreign assignments is time-consuming.

vi. There must be adjustment of compensation plans to ensure equity among the employees who are posted to different parts of the world.

vii. The most different task is retaining the employees in the face of culture shock faced by the employees and their families.

Challenge # 2. Ever Changing Technology:

The effect of advancements in information is so dramatic that organizations are changing the way they do business. Use of internet to do business is so pervasive in both large and small organizations that e-commerce is rapidly becoming a challenge.

As computer-mediated work style is resulting in ‘virtual’ office in which people can work from home or any outstation spots, the implication for HRM are mind-boggling.

Impact of Technology on HRM:

i. Advanced technology tends to reduce the number of jobs which require less skill and to increase jobs requiring high skills.

ii. The shift from ‘touch labour’ to ‘knowledge workers’ has resulted in retraining of employees on higher responsibilities.

iii. Knowledge based training has become very important.

iv. HRIS has become a potent weapon to lower administrative costs increase productivity, speed up response times and improve decision making and customer service.

v. Information technology has resulted in automating routine activities, alleviating administrative burdens, reducing cost and improving productivity in the HR department.

vi. As HR managers are able to access the employee records themselves, delay and wastage of stationery are reduced.

vii. Apart from the routine activities software’s are being used to recruit, screen and pretest applications online.

viii. Setting up of goals and measuring of performance are also done through online.

ix. As routine HR activities are done quickly and efficiently through computerization, HR managers can concentrate more effectively on the firm’s strategic direction such as forecasting personnel needs, planning for career and promotion and evaluating impact of firm’s policies.

x. HR managers, by sharing information online with production department, are able to make production managers to come up with better production practices and cost control solutions.

Challenge # 3. Change Management:

The major forces driving changes in organizations as well as HRM are globalization and technology. In the present business scenario business success mostly depends on how changes are managed. Companies are successful as they develop a culture that keeps moving all the time. In highly competitive business environment, change management is the core competency of organizations.

Changes could be reactive, proactive or both. Reactive change is one where change occurs after external forces have already affected performance. In the case of proactive change, change is initiated to take advantage of environmental opportunities. The main thrust of change management program is to involve employees in establishing continuous innovation and excellent customer service.

Role of HR in Change Management:

i. Most of the companies report at least one change initiative occurring in the HRM.

ii. HR managers have to concentrate on responsibilities, job assignments and work process whenever change occurs.

iii. HR managers play a vital role in overcoming resistance to change through effective communication and counseling.

iv. They have higher responsibilities to envision the future, communicate the vision to employees, set clear expectations for performance and develop capability to execute by reorganizing people and other resources.

Challenge # 4. Managing Human Capital:

Human capital is the knowledge, skill and capabilities of individuals that have economic value to the organization. As human capital is intangible and elusive, it cannot be managed the way jobs, products or technologies are managed. This is because human capital is owned by the employees themselves and not by organizations.

Managing human capital is highly crucial because if valued employees leave an organization, they take their human capital with them and any investment made in training and development is lost. Hence, success increasingly depends on an organization’s ability to retain and manage human capital.

Role of HRM in Retaining and Managing Human Capital:

Managers must continue to develop superior knowledge, skills and experience within their workforce to build human capital.

i. Staffing programs should focus on identifying, recruiting and hiring the best and brightest talent available.

ii. There must be effective training skill enhancement and opportunities for development on the job.

iii. Managers must provide development assignments and ensure their job duties and requirements are flexible enough to allow for growth and learning as highly valued intelligence tends to be associated with competences and capabilities learned from experience.

iv. Talent should not be left unused. There must be efforts to empower employees and encourage their participation to fully utilize the available human capital.

v. In many companies, managers are evaluated on their progress towards meeting development goals that focus on skill development and gaining new competencies and capabilities. In many cases pay is attached to additional knowledge or skill acquired.

vi. HR programmes and assignments are the means through which knowledge is transferred among employees.

vii. HR managers and line managers each play an important role in creating organization that understands the value of knowledge.

viii. Documenting the skills and capabilities available to the organization, and

ix. Identifying the ways of utilizing the knowledge to benefit the firm.

Challenge # 5. Responding to Market Forces:

In the present scenario of business competition is inevitable. Managers are required to take care of the customers’ needs of quality, innovation, variety and responsiveness. Total quality management (including six sigma) and process reengineering are two important approaches to respond to customers.

I. TQM, Six Sigma and HRM:

Total Quality Management (TQM) is a set of principles and practices which include understanding of customer needs and striving for continuous improvement from the start. Many TQM programmes, initially thought to be a cure-all for every problem, failed to respond to customer needs and to improve quality.

This was attributed to little changes in organizational philosophies and HR programmes. Later, many companies start adopting a more systematic approach to quality known as Six Sigma.

Six Sigma is a statistical process used to translate customer needs into a set of optimal tasks that are performed in concert with one another. Six Sigma includes many major changes in management philosophy and HR programs. Six Sigma process is able to find out the mistakes before they happen. In a true Six Sigma environment variations from standard is only 3.4 defects per million.

HR and Six Sigma:

i. The importance of HR to Six Sigma begins with the formation of teams and extends to training, performance management, communication, culture and rewards.

ii. Through Six Sigma training individuals progress from ‘green belt’ to eventually ‘black belt’ status.

iii. In some companies HR positions are reserved for black-belt certified professionals.

iv. In six sigma process, the stress is on motivation, change in corporate culture and employee education.

v. HR programs are essential to help balance to opposing process viz. the need for order and control and the need for growth and creativity.

II. HR and Reengineering:

Reengineering is fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality service and speed. In reengineering managers start over from scratch in rethinking.

a. How work should be done?

b. How technology and people should interact? and

c. How the organization be structured?

In the above decisions in reengineering, HR issues play an important role:

i. Managers create an environment for change.

ii. Reengineering efforts depend on effective leadership and communication processes. It requires the administrative systems reviewed and modified.

iii. All the essential components of HRM viz., selection, job description, training, career planning, performance appraisal, compensation and industrial relations require changes to complement and support reengineering efforts.

Challenge # 6. Containing Costs:

Managers are increasingly under pressure to lower cost and improve productivity to maximize efficiency. Similar to other functional departments, HR department also is required to show financial results. HR department is in a dilemma to contain costs related to people.

i. Labour costs are one of the larger expenditure of any organization, particularly, in service-and knowledge-intensive firms.

ii. Healthcare costs pose a much bigger burden to the firms.

To contain operational costs, firms are resorting to many activities such as downsizing, outsourcing, offshoring and employee leasing, which all have a big impact on HR policies and practices.

a. Downsizing or Rightsizing:

It is the planned elimination of jobs. It is also called ‘smart cost reductions’. Instead of terminating employees some firms resort to early retirement, voluntary separation programs and sabbaticals for continuing education.

Downsizing is not a short-term answer. Now, it is being increasingly used to adjust to changes in technology, globalization and the firm’s business direction. However, while some firms improve efficiency and lower costs, many others fail to reap any benefits by downsizing.

Downsizing, instead of reducing costs, may backfire through the following hidden costs:

i. Severance and rehiring costs.

ii. Accumulated vacation and sick-day payments.

iii. Lumpsumpension benefits.

iv. Loss of trust in the management resulting in reduced business.

v. Unavailability of skilled workers when the firm comes back to form.

vi. Potential lawsuits from terminated workers.

vii. Reduced productivity as the remaining workers are likely to be demotivated.

It is hard to get dedicated and productive workers when the company is known for terminating employees whenever there is a problem. Downsizing signals that employees are expendable. There are companies which consider employees as assets/intellectual capital, make special efforts to reassign and retrain employees to new positions when their jobs are eliminated.

b. Outsourcing:

It means hiring someone outside the company to perform tasks that could be done internally.

Nowadays, it is common to find hiring of:

i. Accounting firms to take care of financial services of firms,

ii. Advertising agencies to handle product/service promotions,

iii. Software companies to develop data processing systems, and

iv. Law-firms to handle legal issues.

In many companies, maintenance, security, catering and payroll are being outsourced to increase the organization’s flexibility and lower its overhead costs. Outsourcing is gaining momentum as the executives feel that they could concentrate on their core activities rather than wasting their time and energy on peripheral activities. Increasingly outsourcing is changing the way HR departments operate. But, whether outsourcing has resulted in reduced cost or not is a moot question to answer.

c. Offshoring:

It is almost similar to outsourcing, the main difference being that the jobs are done by people of other countries. It is also called ‘global sourcing’. Cost reduction is the overwhelming motivator of off shoring. Companies in developed countries are able to save a substantial amount in offshoring jobs to developing countries where the highly educated workers can perform the same as workers of developed countries.

But there are problems to face such as finding the right foreign vendors, productivity loss during transition, domestic lay off costs, language inadequacy, offshore countries’ regulations and political/economic instability.

HR managers will be able to help the management in offshoring by addressing issues such as skill and language requirements, labour costs, alternative talent pools, workforce training, retraining and change management.

d. Employee Leasing:

It is the process of terminating employees who are then hired by a leasing company and contracting with the leasing company to lease back the employees. Generally, smaller companies opt for employee leasing. The leasing company takes over management of smaller company’s HR functions and becomes a co-employer to its employees.

The value of employee leasing lies in the fact that an organization can essentially maintain its working relationships with its employees and shift some of the costs to the leasing firm for a fee.

The impact of employees leasing on HRM department is that it paves the way for getting rid of the department.

Downsizing, outsourcing, off shoring and leasing may appear to reduce costs. But in reality these activities may lower the productivity because of unwillingness to work, demotivation and hostile work environment.

Lower productivity leads to higher inputs and lower outputs. Hence, HR specialists suggest that increasing investments in employees (raising labour costs) many result in greater returns due to increased productivity.

Challenge # 7. Demographic and Employee Concerns:

HR managers need to be concerned about the changes taking place among the workforce and their expectations in addition to the competitive changes. Demographic changes and cultural changes cause considerable impact on HRM.

Demographic Changes:

Diversity (employee back­ground), age, gender and education levels are the major components in demographic changes.

i. Diversity:

Consequent to globalization the workforce in developed as well as developing countries have, increasingly become heterogeneous – people from various races, regions, language, culture, IQ etc. The impact of heterogeneity of workforce on HRM is mind boggling. HR managers go in for special training to manage diversity in workforce.

ii. Age Distribution:

Imbalance in the age distribution of workforce has significant implications:

a. When many employees near retirement managers are concerned that the expertise of older employees is likely to be lost too rapidly.

b. Some companies try to retain the retiring employees. Good health and longer life expectancies play the major role in extended work lives. Some retirees take up jobs for economic reasons.

c. Recruiting older employee may result in higher healthcare costs. But as older workers have fewer dependents there will be other cost savings.

d. When older workers are reemployed there is savings is training costs, transition costs and recruitment costs.

e. If the age variation is wide, the problems normally encountered with ‘generation gap’ will always exist.

It is left to the ingenuity of the managers to develop career path for various age groups to smooth out gaps in the numbers and kinds of employees.

iii. Gender Distribution:

Of late, the workforce in developed as well as developing economies has considerably more women workers in all levels. There are many mothers with school-going children continuing in various capacities. One of the reasons for more women taking employment is that their educational level is increasing relative to men.

a. Organizations which want to attract the talent of women workforce are taking measures to ensure that women are treated on par with men is terms of advancement opportunities and compensation.

b. Organizations interested in engaging women talents must be prepared for parental leaves, part time employment, flexible work schedule, job sharing, telecommuting and child/elder care assistance.

c. Though no big difference has been observed between women and men workers, managements have to take a little extra care to manage women-related problems such as sexual harassment, maltreatment in men-dominated groups, etc.

iv. Rising Level of Education:

The educational level of workers in the developing countries has increased considerably over the years. There are industries like IT which require higher levels of education. The earnings from education in the happening industries are quite attractive.

Inspite of higher educational level, industries are facing many problems:

a. While the complexity of jobs is increasing significantly, the skill gap is huge and widening.

b. A majority of degree-holders have only limited reading and writing abilities.

c. Organizations have to spend huge amount on basic skills training of the employees.

d. Companies are experiencing difficulties to find trained and certified workers such as fitters, electricians, plumbers, mechanics, etc.

e. Organizations have to offer higher compensations package to attract talented candidates.

f. HR personnel have the onerous duty of identifying the required- talents among the educated applicants.

Cultural Changes:

The attitudes, beliefs, values and customs of people are an integral part of any culture. Culture influences the behavior of people towards the job and environment with respect to work assignments, leadership style, performance appraisal, compensation and reward system. As in the case of other components of environment, culture is also undergoing continual change affecting HR policies and practices.

i. Employee Rights:

Due to continued collective bargaining employees have acquired many rights such as right to equal employment opportunity, union representation, a safe and healthy work environment pension plans, social security plans, etc. Employees have the right to sue the organizations in the event of violation of any rules.

ii. Concern for Privacy:

As employees are more concerned about leaking of their personal details, many companies have developed comprehensive privacy policies. Some companies lock up employee files, conduct background checks on employees who have access to others’ files, educate employees in fraud prevention and control with outside firms specializing is identify theft. HR department has the greatest responsibility is protecting privacy of employees.

iii. Changing Attitude towards Work:

a. Today employees at the higher end are not much concerned about success in terms of financial benefits. They aspire for more than just monetary gains.

b. Personal fulfillment, self-expression and balance of life between work and family form the key factors of job attitudes.

c. People tend to be focused on finding interesting jobs and multiple careers rather than just continuing in well-paid jobs.

d. Only for a few people the priority is moving up the ladder.

e. People look out for meaningful but less complicated ways of living.

As the lifestyles and job attitudes of employees are changing, HR managers are required to change the ways of motivation and managing people. HRM has become more complex than it was when employees were concerned primarily with economic gains.

iv. Balancing Work and Family:

There is economic as well psychological blending between work and family. Organizations are required to find out options to manage ‘two-wage-earner’ and ‘single-parent family’ situations. ‘Family-friendly’ firms go in for flexi time, daycare, part-time work, job sharing, maternity leave, parental leave, telecommuting, and executive transfer to desired locations, spouse involvement is career planning, assistance to family problems through counseling etc.

To attract and retain talent, HR managers have to play many an unconventional role in ‘family-friendly’ organizations which are likely to be challenging in the face of striking a balance between employee satisfaction and employee productivity.

Challenge # 8. Managing Diversity:

Managing diversity means being adequately aware of characteristics common to employees and at the same time managing these employees as individuals. The most important aspect of diversity management is valuing diversity in the work place followed by developing appropriate culture, arranging needed opportunity and providing effective leadership.

Developing Appropriate Culture:

i. Fostering mutual respect and a sense of belonging,

ii. Accepting differences,

iii. Providing diversity-training programs,

iv. Maintaining equity in performance expectations, pay and rewards, and

v. Promoting multicultural employees.

Arranging Needed Opportunity:

i. To develop new skills,

ii. To help climb the ladder to reach top positions,

iii. To encourage differently-abled and minority people, and

iv. To motivate affirmative action.

Providing Effective Leadership:

i. Taking all employees seriously,

ii. Recognizing the capabilities of all employees,

iii. Supporting all employees without any discrimination,

iv. Respecting the cultural beliefs and need of all employees, and

v. Accepting people who speak different languages.