GBA S3 01

Human Resource Management

SEMESTER - III

BACHELOR IN BUSINESS ADMINISTRATION

BLOCK - 2

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BACHELOR IN BUSINESS ADMINISTRATION

HUMAN RESOURCE MANAGEMENT

BLOCK - 2

DETAILED SYLLABUS

UNIT 8. Job Analysis **Pages : 125-139**

Concepts of Job Design, Job Analysis,Job Evaluation,Job Enrichment and Performance Appraisal.

UNIT 9. Industrial Relations **Pages : 140-148**

Meaning of industrial Relation (IR),Importance of IR,Objectives of IR,Approaches to IR,Measures to improve IR,

UNIT 10. Industrial Dispute **Pages : 149-158**

Concept of Industrial Disputes,Causes of Industrial Disputes and Settlements of Disputes

UNIT 11. Internation HRM and e-HRM **Pages : 159-170**

Meaning of Domestic H.R.M. & International H.R.M, differences affects on H.R.M, A Global H.R. System, concept of e-HRM and e-HR Activities

UNIT 12. Strategic HRM **Pages : 171-182**

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Meaning job and challenges, the New Professional Approach and challenges in Human Resource Management

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BLOCK INTRODUCTION:

This is the *Second Block* of the course '***Human Resource Management***'. After completing this block, which consists of seven units, you will be able to get a fair idea on the different concepts that comes under Human Resource Management.

This block comprises the following seven units :

The eighth unit introduces us to the concepts of Job Design, Job Analysis,Job Evaluation,Job Enrichment and Performance Appraisal.

The ninth unit gives us a broad overview of the meaning of industrial Relation (IR),Importance of IR,Objectives of IR,Approaches to IR,Measures to improve IR,

The tenth unit gives us an idea on the concept of Industrial Disputes,Causes of Industrial Disputes and Settlements of Disputes

The eleventh unit will help us in understanding the meaning of Domestic H.R.M. & International H.R.M, differences affects on H.R.M, A Global H.R. System, concept of e-HRM and e-HR Activities

The twelvth unit gives us a broad overview of meaning of strategic HRM, Nature of strategic HRM, Strategic Management Process, Types of HRM Strategy and their features,HR functions with strategic management process and importance of strategic management

The thirteenth unit is about the job and challenges, the New Professional Approach and challenges in Human Resource Management

The forteenth unit is about case studies in HRM

The structure of Block-II is as follows :

UNIT 8 : Job Analysis

UNIT 9 : Industrial Relations

UNIT 10 : Industrial Dispute

UNIT 11 : Internation HRM and e-HRM

UNIT 12 : Strategic HRM

UNIT 13 : Furure Challenges in HRM

UNIT 14 : Case Study

UNIT 8: JOB ANALYSIS

UNIT STRUCTURE

8.1 Learning Objectives

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8.3 Work Study

8.4 Job Design

- 8.4.1 Meaning of Job Design
- 8.4.2 Objectives of Job Design
- 8.4.3 Techniques of Job Design

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- 8.5.1 Meaning and Definition of Job Analysis
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- 8.7.1 Meaning and definition of Job Enrichment
- 8.7.2 Advantages and disadvantages of Job Enrichment

8.8 Let Us Sum Up

8.9 Further Reading

8.10 Answers To Check Your Progress

8.11 Model Questions

8.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- explain the meaning of Work Study.
- identify the various techniques of Job Design.
- describe the nature and process of conducting Job Analysis .
- learn about each stages in the Job Evaluation process.
- explain the technique of Job Enrichment.
- describe different methods of Performance Appraisal process and describe each method.

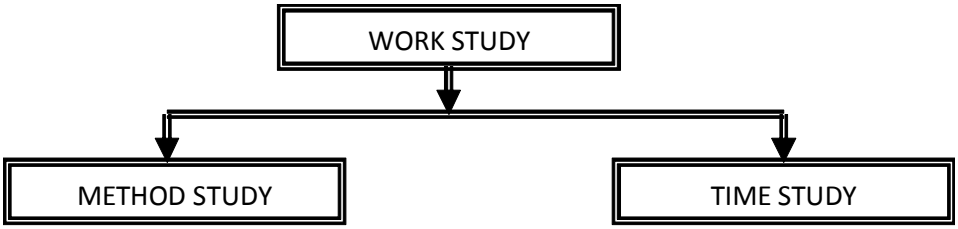
8.2 INTRODUCTION

In this unit, we are going to discuss about the various aspects of Job Analysis.

In order to improve the performance of employees and their satisfaction and make the organization effective by creating the environment favorable for introducing change; there is a need to frame a strategy. This strategy calls for understanding the concepts which we are going to discuss in this unit. The thrust centre are the strategies that incorporates a scientific work study, job analysis, designing the job, job evaluation, job enrichment and appraising the performances of the employees from time to time, hence the objective of these strategies is to increase the performance of individuals and groups and thereby increase the level of cooperation and team work in the organization.

8.3 WORK STUDY

Meaning of Work study:- It deals with techniques of method study and work measurement for best possible use of human, machines and material.



Objective:- The following are some of the objectives of work study:

- Finding better ways of doing work.
- Avoiding waste.
- To give the ways to obtain the optimum use of human, machine and material for accomplishing the goal.

Aspects:- The following are some of the aspects of work study

1. Most effective use of plant and equipment.
2. Most effective use of human efforts.
3. Evaluation of human work.

Time Study :- It is concerned with the establishment of time standards for qualified workers to perform a specific job. Method study must proceed time study before any attempt is made to measure.

Method Study :- It is the systematic recording, analysis and critical examination of existing and proposed ways of doing work.

Areas of application of method study :- It can be applied to any field of work, but most important area are:

- Improved layout of office, working areas of factories.
- Improved design of plant and equipment.
- Improved use of material, plant, equipment and manpower.
- Effective handling of materials.
- Improved flow of work.
- Improved safety standards.
- Standardization of methods.
- Better working conditions.

8.4 JOB DESIGN

8.4.1 Meaning of Job Design

Job design is of comparatively recent origin. The human resource managers have realised that the design of a job has considerable influence on the productivity and job satisfaction. Poorly designed jobs often result in boredom to the employees, increased turnover, job dissatisfaction, low productivity and an increase in overall costs of the organisation. All these negative consequences can be avoided with the help of proper job design. It helps in developing appropriate design of job to improve efficiency and satisfaction.

Job Design: "Job design is deliberate and systematic attempt to structure the technical and social aspect of work so as to improve technical efficiency and job satisfaction"

8.4.2 Objectives of Job Design

The main objectives of job design are as follows :

1. The first objective of job design is to meet the requirements of the organisation, such as high productivity, technical efficiency and quality of work.

2. The second objective is to satisfy the needs of the individual employees such as job satisfaction in terms of interest, challenge and achievement.

3. The next objective is to integrate the needs of the individual with the requirements of the organisation.



Regmarole-
A lengthy and complicated procedure

8.4.3 Techniques of Job Design

Work simplification, job rotation, job enlargement, job enrichment, autonomous group working and high-performance work design are some of the popular techniques of designing the jobs, which are discussed as follows:

1) Work Simplification

In this technique, the job is simplified or specialised. A given job is broken down into small sub-parts (making a car, for example) and each part, is assigned to one individual. To be more specific, work simplification involves (i) mechanical pacing of work, (ii) repetitive work processes, such as those on an assembly line, (iii) working on only one part of a product, (iv) predetermining tools and techniques, (v) restricted interaction among employees, and (vi) few skill requirements. Work simplification is done so that the less-trained and the less-paid employees can do these jobs.

Work simplification is adopted when job designers feel that jobs are not specialised enough. The technique is defective in the sense that overspecialization results in boredom which in turn can lead to errors and resignations.

2) Job Rotation

One answer to the problem of boredom is job rotation which implies movement of employees from job to job. Jobs remain unchanged, but incumbents shift. With job rotation, a given employee performs different jobs, but, more or less, jobs of the same nature.

On the positive side, it may be said that job rotation is likely to increase intrinsic reward potential of a job because of different skills and abilities needed to perform it. The organisation stands to benefit because workers become competent in several jobs rather than only one." Knowing a variety of jobs improves the worker's self-image, provides personal growth, and makes the worker more valuable to the organisation. Periodic job changing can also improve interde-partmental co-operation; employees become more understanding of each other's problems.

On the negative side, it may be stated that job rotation may not have much impact on employee enthusiasm and efficiency. It depends on employee's motivation.

3) Job Enlargement

Job enlargement involves expanding the number of tasks or duties assigned to a given job. Job enlargement is naturally opposite to work simplification. Adding more tasks or duties to a job does not mean that new skills and abilities are needed to perform it.

There is only horizontal expansion. If a college lecturer, who was teaching 12 hours per week, has agreed to teach two hours more, it does not make any significant change in his/her career. If the job was monotonous earlier it becomes more monotonous now, thanks to the job enlargement

Job enlargement is said to contribute to employee motivation, but the claim is not validated in practice

4) Job Enrichment

Job enrichment seeks to improve both task efficiency and human satisfaction by bringing greater scope for personal achievement and recognition, more challenging and responsible work, and more oppor-tunity for individual advancement and growth. An enriched job will have more responsibility and autonomy (vertical enrichment), more variety of tasks (horizontal enrichment), and more growth opportunities. The employee does more planning and controlling with less supervision but more self-evaluation. In other words, what the supervisor has been doing till now (planning, instructing, controlling and supervising) will now be done by the worker. While job enlargement can be considered as horizontal loading, job

enrichment can be considered as vertical loading.

5) Autonomous or Self-directed Teams

A self-directed work team is an intact group of employees who are responsible for a 'whole' work process or segment that delivers a product or service to an internal or external customer. To varying degrees, team members work together to improve their operations, handle day-to-day problems, and plan and control their work. Highly effective teams are composed of groups of committed individuals who trust each other; have a clear sense of purpose about their work; are effective communicators within and outside the team; make sure that everyone in the team is involved in decisions affecting the groups; and follow a process that helps them plan, make decisions and ensure the quality of their work

6) High-Performance Work Design

It is a means of improving performance in an environment where positive and demanding goals are set. It starts from the principle of autonomous group working and develops an approach which enables groups to work effectively together in situations where the rate of innovation is high. Operational flexibility is important and there is, therefore, the need for employees to gain and apply new skills quickly with minimum supervision. In most organisations which are caught up in the rigmorale of bureaucracy, such high-performance work design does not work.

8.5 JOB ANALYSIS

8.5.1 Meaning and Definition of Job Analysis

Job analysis is the procedure of exploring systematically the facts and functions within a job. It is one of the important functions of the human resource manager who through this process of job analysis knows the duties, responsibilities and accountabilities of a job and qualifications, skills, potentials and talents to perform it. The job analysis is done systematically because it is basically a technical procedure involving compilation of information relating to successful performance of job and determination of relationship with other jobs

and evaluating and prescribing the required qualifications, skill and knowledge necessary for it. It is a useful tool for human resource planning, making recruitment and selection, providing for training and development, performance appraisal, career planning, fixing compensation. It helps in determining the standard of personnels in advance facilitating comparison of prospective candidates. Job analysis assists in deciding the minimum qualifications, training and knowledge required to perform a job. The procedure for determining the necessities for performance of a job is job analysis.

The job analysis is defined by Edwin. B. Flippo as, "the process of studying and collecting information relating to the operations and responsibilities of a specific job.

8.5.2 Process of Job Analysis

It is a process of collecting information regarding some or all jobs in an enterprise. Under the job analysis process the data is collected in respect of job and not the personnel holding it though he may be consulted for obtaining vital information about the job. It should be noted here that job analysis process is meant for analysing the job not the person holding it. The following steps are followed for job analysis process.

1. **Time for conducting job analysis:** "Is the time ripe for conducting job analysis ?" is the question human resource manager has to ask himself. He has to decide on this vital issue. It is a matter of strategy. In modern times things are changing very fast. The new competitors are entering into the business and industrial arena. Under the changed circumstances, organisations have to restructure the organisational set up as a part of strategy to meet the challenges anew. This leads to job analysis. Some new jobs may be created, some eliminated or some may be combined with others. The qualifications, skills, knowledge of computers and other potentials required to perform the job and salary structure may also change. Additional jobs may be created due to expansion, mergers and acquisitions requiring job analysis.

2. **Collection of information relating to jobs :** After deciding to conduct job analysis the first step is to collect all relevant information relating to various jobs in the organisation. The following are the ways to collect information for the purpose of job analysis.

   (a) Questionnaires: It is a widely used method of data collection. It is less costly method of collecting information about the job from the employees. A detailed questionnaire is prepared so that vital information is not missed. The questionnaires used to be distributed to the employees from whom information in respect of jobs are to be gathered.

   (b) Observation: In this method the job performers are observed while they are working. Observation may be continuous or in samples. This method is not fool proof. It is useful for the jobs involving physical activities. It provides observer the general familiarity about the job.

   (c) Interviews: The experienced employees having complete knowledge about the jobs are interviewed and the relevant information about the job and its specific activities gathered. A structured interview is most useful to collect vital information regarding the job and its performance.

3. **Preparing job description forms :** The information collected in the above ways should now be used to prepare job description form. It is a document which shows the complete information describing the various activities involved in the job. It describes how and when job is to be done and how a jobholder will do it. The separate job description forms are prepared for different jobs stored for reference.

4. **Preparing job specifications :** The next step in the process of job analysis is to prepare job specification on the basis of collected information. The job specification is the statement declaring minimum acceptable qualifications required in a person to perform the job successfully.

5. **Preparing Report :** The job analysts are appointed by organisation to do job analysis. The next step in the process of job analysis is to prepare the report on job analysis by the analyst and to submit the same to the human resource manager. The report contains the

different activities of various jobs and the minimum educational qualifications, experience, training and skills required to perform them and the recommendations.



CHECK YOUR PROGRESS

Q.1: Define Job Analysis.

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Q.2: Define job design.

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Q.3: Define Job Enlargement.

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8.6 JOB EVALUATION

8.6.1 Meaning and Scope of Job Evaluation

Meaning : Job evaluation is the process of analyzing and assessing the various jobs systematically to ascertain their relative worth in an organization. Jobs are evaluated on the basis of their content and are placed in the order of their importance. In this way, a job hierarchy is established in the organization, the purpose being fixation of satisfactory wage differentials among various jobs. It should be noted that in a job-evaluation programme, the jobs are ranked and not the job holders. Job holders are rated through performance appraisal

Scope of Job Evaluation : In theory, application of job evaluation is universal. In other words, principles of job evaluation are relevant to all jobs and in all organisations. However, in practice, the technique of job evaluation is followed in a few companies and that too for

hourly-rated jobs. In organisations where job evaluation is not followed, wage and salary differentials are established, not on the basis of systematic job ranking, but on such factors as demand for and supply of labour, ability to pay, industrial parity, collective bargaining and the like. Even in such organisations, job evaluation will be useful in as much as the technique provides objective pay structure from which modifications can be made.

8.6.2 Job-Evaluation Process

The job-evaluation process starts with defining objectives of evaluation and ends with establishing wage and salary differentials.

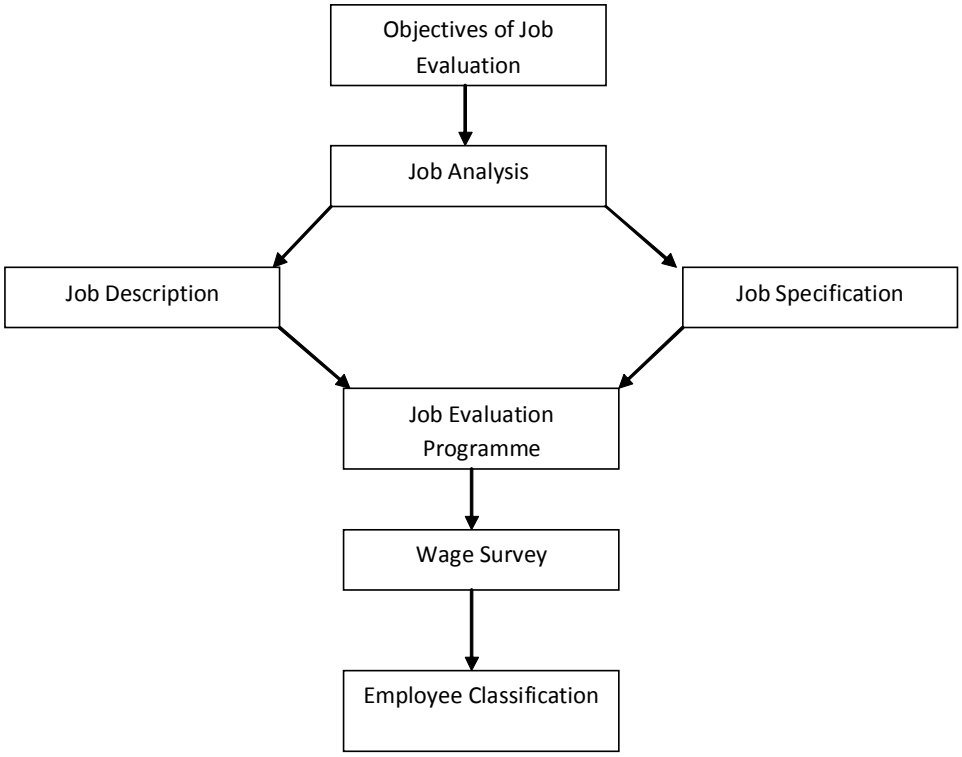


Fig 8.1 Job Evaluation Process

The main objective of job evaluation, as was stated earlier, is to establish satisfactory wage and salary differentials. Job analysis should precede the actual programme of evaluation. Job analysis, as was discussed in Chapter 5, provides job-related data which would be useful in drafting job description and job specification.

A job-evaluation programme involves answering several questions. The major ones are: (i) Which jobs are to be evaluated? (ii) Who should evaluate the jobs? (iii) What training do the evaluators need? (iv) How much time is involved? (v) What should be the criteria for valuation? (vi) What methods of evaluation are to be employed?

8.7 JOB ENRICHMENT

8.7.1 Meaning and Definition of Job Enrichment

Job enrichment consists or designing the job in such a way that the worker gets greater autonomy for planning and controlling his own performance. The greatest motivation for the employee, according to this method, is the opportunity for achievement, recognition, responsibility, and growth. A few definitions of job enrichment are as follows :-

"Job enrichment is a motivational .technique which emphasizes the need for challenging and interesting work"

"Job enrichment is a motivational technique which emphasizes the need for challenging and interesting work. It suggests that jobs be redesigned so that intrinsic satisfaction is derived from doing the job. In its best application it leads to a vertically enhanced job by adding functions from other organizational levels, making it contain more variety and challenge and offer autonomy and pride to the employee"

In job enrichment, the jobholder is given a measure of discretion in making operational decisions concerning his job. In this sense, he gains a feeling of higher status, influence and power.

8.7.2 Advantages and disadvantages of Job Enrichment

The advantages of job enrichment are as follows :

- Job enrichment is the most widely used method of job design as it provides a meaningful work experience and learning to employees

- It makes the work interesting.
- It helps in reducing the rate of labour turnover and absenteeism.
- It increases skills of the employees.
- Workers get higher job satisfaction as redesigned jobs provide intrinsic motivation to the employees.
- Organisation gets improvement in output both qualitative and quantitative.

The disadvantages of job enrichment are as follows :

(i) Enriched jobs may fail to motivate employees who are alienated and who prefer job security, shorter work, bonus, and good pay to autonomy and responsibility. For such employees, job enrichment may lead to feelings of inadequacy, failure and dependence. They may consider it an additional burden without appropriate compensation.

(ii) Job enrichment may make work more difficult and therefore proper training should be provided to the employee to handle the enriched jobs. In certain cases, job enrichment proves to be a costly process as the expenditure involved is higher than the gain in productivity.

(iii) It may not be possible to enrich all the jobs especially the technical jobs with specialised machinery. It may not be possible to make the jobs more meaningful.

(iv) Job enrichment does not necessarily mean job satisfaction. Jobs of highly skilled professionals are very challenging in nature but it does not mean that they are always satisfied with their jobs.



CHECK YOUR PROGRESS

Q.4: What is work study? State the two components of work study.

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Q.5: Define job Evaluation.

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Q.6: What is job enrichment ? State two advantages and two disadvantages of job enrichment.

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Q.7: State true or false for the following statement:

(i) Job rotation is used to reduce the boredom in job.

(ii) Job analysis is a part of job specification.

(iii) Job enrichment is a motivational technique.



8.8 LET US SUM UP

In this unit we have discuss the following:

- Work Study is the systematic recording, analysis and critical examination of existing and proposed ways for doing work.
- Job design is deliberate and systematic attempt to structure the technical and social aspect of work so as to improve technical efficiency and job satisfaction.
- The main purpose of job analysis is thus to collect the data and then to analyse the data relating to a job. A job can be analysed only after it has been designed and someone is already performing it.
- Job evaluation is a process of determining the relative worth of the various job within the organization, so that differential wages may be paid to jobs of different worth.
- Job enrichment implies increasing the contents of a job or the deliberate upgrading of responsibility scope and challenge in work.
- Performance appraisal is the process of measuring quantitatively and qualitatively an employees' past or present performance against the background of his expected role performance, the background of his work environment and about his future potential for an organization. Merit Rating is also termed as Performance Appraisal or Employee Appraisal.



8.9 FURTHER READING

1. K Aswathappa (2017);*Human Resource Management: Text and Cases*, McGraw Hill Education; Seventh edition
2. Gary Dessler(2011); *Human Resource Management;* 12 Edition Pearson Education; Twelfth edition
3. C.B.Gupta (2017); *Human Resource Management- Text and Cases*; Sultan Chand & Sons, Wiley; Eleventh edition



8.10 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Job Analysis is the procedure of exploring systematically the facts and functions within a job.

Ans to Q No 2: Job design is deliberate and systematic attempt to structure the technical and social aspect of work so as to improve technical efficiency and job satisfaction.

Ans to Q No 3: Job enlargement involves expanding the number of tasks or duties assigned to a given job.

Ans to Q No 4: Work study deals with techniques of method study and work measurement for best possible use of human, machines and material. Two components of work study are: method study and time study.

Ans to Q No 5: Job evaluation is a process of analyzing and assessing the various jobs systematically to ascertain their relative worth in an organization.

Ans to Q No 6: Job enrichment consists or designing the job in such a way that the worker gets greater autonomy for planning and controlling his own performance.

Advantages:

- Job enrichment is the most widely used method of job design as it provides a meaningful work experience and learning to employees

- It makes the work interesting.

Disadvantages:

- It may not be possible to enrich all the jobs especially the technical jobs with specialised machinery. It may not be possible to make the jobs more meaningful.
- Job enrichment does not necessarily mean job satisfaction. Jobs of highly skilled professionals are very challenging in nature but it does not mean that they are always satisfied with their jobs.

Ans to Q No 7: (i) True, (ii) False, (iii) true

8.11 MODEL QUESTIONS



Q 1: What is meant by Work Study? What are its objectives?

Q 2: From an HR manager's point of view what are the uses of job analysis?

Q 3: Give the meaning and techniques of Job Design.

Q 4: Define the term job evaluation? Explain the process of job evaluation.

Q 5: If you were to audit an existing performance - appraisal system, what criteria would you use to judge its effectiveness?

*** ***** ***

UNIT 9: INDUSTRIAL RELATIONS

UNIT STRUCTURE

9.1 Learning Objectives

9.2 Introduction

9.3 Concept and Meaning of Industrial Relation (IR)

9.4 Importance of Industrial Relation

9.5 Objectives of Industrial Relation

9.6 Approaches to Industrial Relation

9.7 Measures to improve Industrial Relation

9.8 Let Us Sum Up

9.9 Further Reading

9.10 Answers To Check Your Progress

9.11 Model Questions

9.1 LEARNING OBJECTIVES

After going through this unit, you will be able to :

- explain the concept and meaning Industrial relations (IR)
- discuss the importance and objectives of IR
- explain the approaches to IR
- describe the causes to poor IR and the measures to improve them
- discuss the concept and nature of industrial dispute
- describe the causes of of ID and the steps taken for sttleling ID

9.2 INTRODUCTION

This unit starts with the discussion on the concept of industrial relations. By industrial relations, we mean the relationship between the employers and the employees. We will discuss about the meaning of industrial relations more in the following section.

Again, we will come to know about importance of industrial relation and the approaches to industrial relations

And at the end of this unit we will discuss the reasons for poor industrial

relations and the measures to improve them.

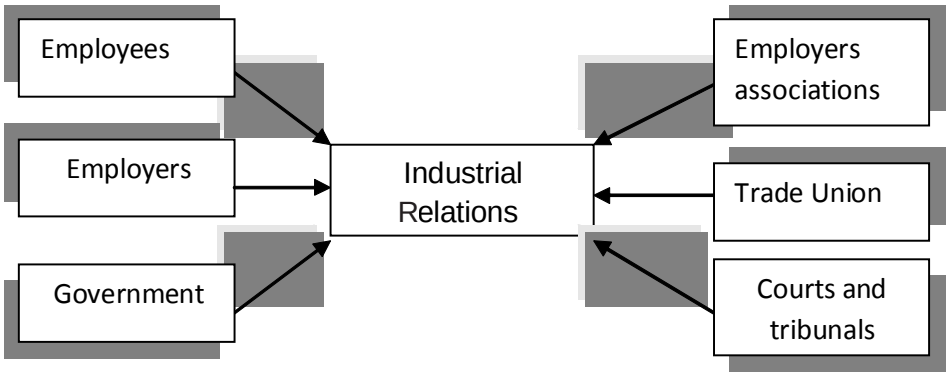
And at the end, the nature and causes of industrial disputes have been discussed elaborately along with a discussion on the provisions for settling the disputes in accordance with the Industrial Disputes Act, 1947 as amended in 1982.I

9.3 CONCEPT AND MEANING OF INDUSTRIAL RELATIONS (IR)

The relationship between the employer and employees or trade union is known as Industrial Relations. A good industrial relation is necessary for better environment in the organization and for better production and performance.

The term 'Industrial Relations' comprises of two terms: 'Industry' and 'Relations'. "Industry" refers to "any productive activity in which an individual (or a group of individuals) is (are) engaged". By "relations" we mean "the relationships that exist within the industry between the employer and his employees."

There are six main parties who are actively associated with any industrial relation system. They are the employees, employers, employer's association, government, the trade union, and courts and tribunals.



Industrial relation is used to refer all the relationship between the parties in an organization or in an industry i.e. relationship between employers and employees, management and employees, trade union and management, employees and unions, employees and employees. Industrial relation is also known as labour relation or employee relations.

The concept of labour management relation is different from the concept of industrial relations. While the former refers to absence of government as a party in negotiation, the later pre supposes the existence of government representation in any negotiation.

The following are some of the definitions of industrial relations.

According to Allan Flanders, "the subject of industrial relations deals with certain regulated or institutionalized relationships in industry. Personal or in the language of sociology, "unstructured" relationships have their importance for management and workers, but they lie outside the scope of a system

According to Dale Yoder, "The industrial relation has been described as relationship between management and employees or among employees and their organization that characterizes and grows out of employment"

Tead and Metcalfe observed that "Industrial relations are the composite result of the attitudes and approaches of employers and employees towards each other with regard to planning, supervision, direction and coordination of the activities of an organization with a minimum of human efforts and frictions with an animating spirit of cooperation and with proper regard for the genuine well-being of all members of the organization"

9.4 IMPORTANCE OF INDUSTRIAL RELATION

For a good environment in an organisation it is necessary to have healthy industrial relations. Following are the importance of industrial relations:

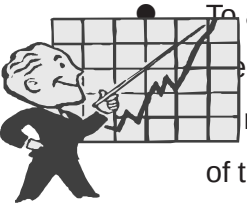
1. **Reduce industrial disputes:** Industrial relation reduces the industrial disputes among the various parties. When an organisation maintains a good and healthy relationship among the employees and the employers and trade unions, if there is no strikes, lockouts, grievances etc in an organisation then we can say that the organisation has good industrial relations.
2. **Higher Production:** Industrial relation helps in improving production. When all the workers are employed and not sitting idle for strikes and lockouts then it definitely lead to higher production.

3. **New Programmes:** In the atmosphere of peace the organisation launches new programmes like training programmes, labour welfare programmes etc. And as a result efficiency of the workers increases and at the end there is higher production at lower cost.
4. **Reduces Wastages:** As discussed above, when there is good industrial relation, the production is high. The wastage of man, materials and machines are reduced.
5. **High morale:** If in an organisation, there is good industrial relations then it improves the morale of the employees. Employees work with great eagerness with the feeling in mind that the aim of employer and employees is one and the same, i.e. to increase production.

9.5 OBJECTIVES OF INDUSTRIAL RELATION

The following are some of the objectives of industrial relation system:

- To safeguard the interest of labor and management
- To avoid industrial conflict, strike and develop good relations among the employees and the employers.
- To raise productivity to a higher level by decreasing the turnover ratio of the employees.
- To minimize the number of strikes and lockouts by providing reasonable wages.
- To improve living and working conditions and providing fringe benefits.



CHECK YOUR PROGRESS

Q1: Define Industrial Relations.

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Q2: State any two Significance of Industrial Relations.

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Q3: Fill in the blanks with appropriate words:

(i) The six main parties who are

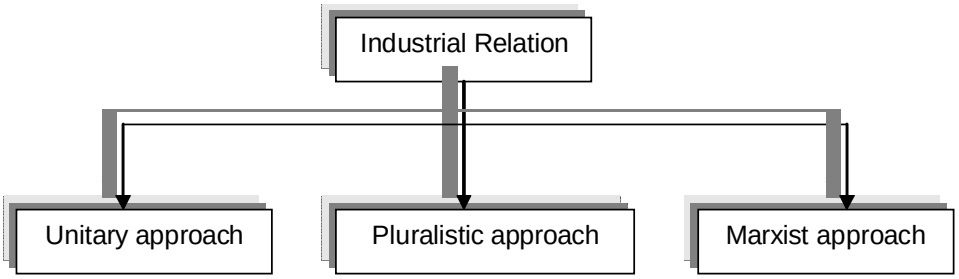
associated with industrial relation system are ..... , employers, employee's association, ... and .....

(ii) Industrial relation is also known as ..... or .....

(iii) ..... reduces the industrial disputes among various parties.

9.6 APPROACHES TO INDUSTRIAL RELATION

The three popular approaches to industrial relation are unitary approach, pluralistic approach and Marxist approach. The details of the approaches are discussed as follows:



a. Unitary approach: In unitary approach, the organization is taken as an integrated and harmonious system. A core assumption of unitary approach is that management and workers, and all members of the organization share the same objectives, interests and purposes; thus working together, hand-in-hand, towards the shared mutual goals. In this approach the union co-operates with the management and works for a common goal. The assumption of this approach is that everyone benefits when the focus is on a common interest.

b. Pluralistic approach: Pluralistic approach is opposite to unitary approach. In pluralism approach, the organization is divided in sub-groups - management and trade unions. In this approach, the conflict between the managers and the workers over the distribution of profits is unavoidable. Union plays an important role in this approach. Employees join union to protect their interest and influence the decision making by the management. Trade unions are viewed as legitimate

representatives of employees. Conflict is dealt by collective bargaining and industrial tribunals, conciliation and arbitration.

c. **Marxist Approach:** According to Marxist approach, the conflict in an organisation arises not because of the employees and the employer. The conflict takes place due to the division in the society between the capital (i.e. with those who own resources) and labor (i.e. who has only labour to offer). Conflict is therefore seen as inevitable and trade unions are a natural response of workers to their exploitation by capital.

9.7 MEASURES TO IMPROVE INDUSTRIAL RELATIONS

The following measures should be taken to achieve good industrial relations:

1. **Strong, Stable and Right kind of Union:** Right kind of union in each industrial enterprise is essential for good industrial relation. If there is weak union then the management will take advantage of the workers. The agreement with weak union will hardly be honoured by a large section of workforce. Therefore, there must be strong and stable and right type of unions in every enterprise to represent the majority of workers and negotiate with the management about the terms and conditions of service.
2. **Mutual Trust:** There should be an atmosphere of mutual cooperation, confidence and respect between the management and workers. Management should adopt a progressive outlook and should recognize the rights of workers. Similarly, labour unions should motivate their members to work for the common objectives of the organization.
3. **Workers' Participation in Management:** The workers should be given the participation in the decision making at all the levels. And this can be done by making effective use of works committees, joint consultation and other methods. This will improve communication between managers and workers, increase productivity and lead to greater effectiveness.
4. **Mutual Adjustments:** In any organization, there must be mutual adjustments or understanding rather than conflict or disputes. The

approach must be of mutual "give and take" rather than "take or leave." The management should be willing to co-operate rather than exploit the workers.

5. **Sound Personnel Policies:** The following points should be noted regarding the personnel policies. The policies should be:

- The personnel manager should confirm that the workers understand and agree the policies made by the management.
- The policy must be clear.
- Implementation of the policies should be uniform throughout the organization to ensure fair treatment to each worker.

6. **Government's Role:** The Government should play an important role for promoting industrial peace. It should make law for the compulsory recognition of a representative union in each industrial unit. It should interfere to settle disputes if the management and the workers are unable to settle their disputes internally.



CHECK YOUR PROGRESS

Q4: What are the three popular approaches to industrial relation?

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Q 5: State any three measures to improve industrial relation.

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9.8 LET US SUM UP

In this unit, we have discussed the following :

- The relationship between the employer and employees or trade union is known as Industrial relations.
- The main caouses of Inustrial disputes are:
  - Inadequate wages and allowances
  - Unsatisfactory working conditions
  - Suspensions,Dismissal and Retrenchment
  - Non-recognition of Trade Union
  - Modernisation and Automation
  - Defective Recruitment Policies
  - Victimisation of Labour
  - Political Causes
  - Defective Leadership
  - Weak Trade Unions
- The following measures should be taken to achieve good industrial relations
  - Strong, Stable and Right kind of Union
  - Mutual Trust
  - Workers' Participation in Management
  - Mutual Adjustments
  - Sound Personnel Policies
  - Government's Role



9.9 FURTHER READING

1. K Aswathappa (2017);*Human Resource Management: Text and Cases*, McGraw Hill Education; Seventh edition
2. Gary Dessler(2011); *Human Resource Management;* 12 Edition Pearson Education; Twelfth edition

3. C.B.Gupta (2017); *Human Resource Management- Text and Cases*; Sultan Chand & Sons, Wiley; Eleventh edition
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9.10 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: The relationship between the employer and employees or trade union is known as Industrial Relations.

Ans to Q No 2: (a) Reduces Wastage

(b) Reduces Industrial Disputes.

Ans to Q No 3: (i) Employees, government, trade union and courts and tribunals,

(ii) labour relation or employee relations,

(iii) Industrial relation

Ans to Q No 4: Unitary approach, pluralistic approach and Marxist approach.

Ans to Q No 5: (i) Mutual trust

(ii) Workers' Participation in Management

(iii) Mutual adjustments.



9.11 MODEL QUESTIONS

Q 1: What is Industrial Relation? Write the importance of industrial relation.

Q 2: State the objectives of Industrial Relation.

Q 3: Write the approaches to Industrial Relation.

Q 4: Explain the causes of poor industrial relation.

Q 5: State the measures to improve industrial relation.

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UNIT:10 INDUSTRIAL DISPUTE

UNIT STRUCTURE:

10.1 Learning Objectives

10.2 Introduction

10.3 Concept of Industrial Dispute

10.4 Nature of Industrial Dispute

10.5 Causes of Industrial Dispute

10.6 Settlements of Dispute

10.7 Let Us Sum Up

10.8 Further Reading

10.9 Answers to Check Your Progress

10.10 Model Questions

10.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- know the concept of industrial disputes
- learn the nature and causes of industrial disputes
- understand how to settle the industrial disputes

10.2 INTRODUCTION

This unit starts with the discussion on the concept of industrial disputes. Then, the nature and causes of industrial disputes have been discussed elaborately. The provisions for settling the disputes provided by Industrial Disputes Act, 1947 as amended in 1982 have also been discussed at length.

10.3 CONCEPT OF INDUSTRIAL DISPUTE

Since World War I, the discontentment among industrial workmen arose increasingly in industrial countries of the world. It was due to the aftereffects of First World War. Most of the industrial cities in India were also affected greatly from the industrial unrest, strikes and lockouts which assumed greater significance after Independence of India.

Before we examine the causes and the ways and means for settlement of industrial disputes, let us through some light on what is an industrial dispute. In simple words, controversies, which take place in industrial establishments, can be treated as industrial disputes. Very often such controversies lead to industrial conflicts and acquire specific implications and manifestations. Such controversies between the concerned parties, particularly between management and workers, represented by their trade unions, may lead to industrial conflicts and serious industrial relations problems.

Thus, an industrial dispute can be defined as a specific controversy, conflict or difference of opinion between employers and workmen, employers and employers or between workmen and workmen in industry in connection with employment, non-employment, terms of employments, or working conditions of people of industry. Industrial disputes may lead to industrial conflict, unrest and work stoppages like strikes and lockouts, if they are not settled in time.

Section 2(K) of Industrial Disputes Act, 1947 defines an industrial dispute as “Any dispute or difference between employers and employers, or between employees and employees or between employers and employees, which is connected with the employment, or non-employment or the terms of employment or with the conditions of work of any person.”

The following general conditions may exist in an industrial dispute:

1. It should take place in an industry.
2. There must actually be a difference or dispute.
3. It must be connected with employment, non-employment, terms of employment, or conditions of labour.
4. The dispute must pertain to some work related issue.
5. There must exist a relationship of employer and workmen as a result of the contract of employment and the workmen must actually be employed.

10.4 NATURE OF INDUSTRIAL DISPUTE

The industrial dispute is unrest in labour which expresses itself in many ways and forms. The most striking feature of the labour unrest expresses itself in the form of strikes or stoppages of work. As a result of strike the factories are closed down and this proves harmful both to employees and employers. In order to prevent such colossal waste the government tries to prevent or minimize the strikes. A strike by workers is followed by lock out by the industrialists. Both strikes and lock out are manifestations of industrial conflict and tension between the employer and employees. Besides strikes, the unrest among labour may manifest itself in demonstrations, taking out processions, enlisting support of politicians etc. Many political parties today are vying with each other to gain domination over movement and capture the control of trade unions.

10.5 CAUSES OF INDUSTRIAL DISPUTE

The phenomenon of industrial disputes is inherent in the industrial system. Broadly speaking, industrial disputes and differences in an industry occur owing to factors which are economic in nature. However, industrial disputes occur due to non-economic causes also. The main causes of industrial disputes are :

1. **Wages and Allowances:** Demand for increase in wages and allowances is the most important cause of industrial disputes. Due to inflation and high cost of living workers and their unions periodically put up a demand for increase in their remuneration so as to maintain their real income. Employers do not accept their demand easily and fully, leading to strikes and other types of disputes in industry.
2. **Unsatisfactory Working Conditions:** Another cause of industrial disputes is the fact that the working conditions in most of the factories are unhygienic and poor in respect of lighting and ventilation. As a result, they are mostly suffering from some or other chronic ailment. Being ill and unhealthy they are depressed and irritable. This makes them permanently discontented.

3. **Suspension, Dismissal and Retrenchment:** Dictatorial attitude of the employers in the matters of suspension, dismissal and retrenchment of the personnel also becomes responsible for industrial disputes. The employers suspend an employee on disciplinary grounds and other employees without realizing the fault of that employees go on strike.
4. **Non-recognition of Trade Union:** The employers and managers in some organizations look upon trade unions as their enemies. They, therefore, continue their efforts of blocking the development of trade unions in their organizations. They decline to recognize the trade unions. The demand for the recognition of trade unions leads to strikes. Sometimes, a trade union is de-recognised or its recognition is withdrawn. This also leads to disputes in the organization.
5. **Modernisation and Automation:** The attempt at modernisation and introduction of automatic machinery to replace workers has been another cause of disputes in India. Workers go on strike, off and on, to resist rationalization and automation.
6. **Defective Recruitment Policies:** The recruitment practices in most of the industries are defective. Recruitment is generally made through the contractors who exploit the workers and suppress their individuality. The defective promotion, demotion, transfer and placement policies encourage dissatisfaction among workers.
7. **Victimisation of Labour:** Sometimes, the employers and managers in an organizations resort to victimization of labour due to their personal grievances. It also becomes a cause of disputes.
8. **Political Causes:** Trade Unions remain under the influence of one or the other political party in our country. Political leaders use the trade unions for their political ends. This is why there are often strikes in the industries against the policies of the government. The workers resort to strikes in a state which has the government of another political party. Strikes are also observed due to death of a political leader or in case of attack on a political leader.
9. **Defective Leadership:** Inefficient leadership is also one of the causes of industrial disputes. Defective management leadership ignores the

labour problems and inefficient labour leadership cannot coordinate the efforts of their fellow members, so disputes arise.

10. **Weak Trade Unions:** Weak trade unions also lead to industrial interest. In some undertaking, there is no union and in some other undertakings, there are multiplicity of unions. Both the situations weaken the trade union movement. The workers in non-union undertakings resort to direct action instead of collective bargaining which can be better course of action if there is a proper trade union.

The foregoing discussion of the causes of industrial disputes in India makes it clear that the problem of labour unrest is quite complex. The worker is a human being and as a being he feels discontented and frustrated if his day to day needs are not met properly. If the workers are given adequate wages, there is improvement of working conditions. If brokers and political agents are eliminated the chances of conflict and tensions among workers and employers will be greatly minimised.



CHECK YOUR PROGRESS

Q.1: What is industrial dispute ?

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Q.2: Write the important causes of industrial disputes.

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10.6 SETTLEMENTS OF DISPUTE

There is no doubt that the measures taken to prevent disputes aid in lessening industrial disputes. But these are not sufficient enough to completely avoid the disputes. Therefore, adequate machinery for the settlement of industrial disputes is very much needed. The importance of the settlement of industrial disputes was felt in our country after the independence. Our national government provided for the requisite machinery under the Industrial Disputes Act, 1947. This machinery contributes a lot in

the settlement of industrial disputes at proper time and through proper means. However, several improvements have also been made therein from time to time. Such provisions are as follows.

1. **Establishment of work committees:** In our country, Industrial Disputes Act, 1947 authorises the concerned governments to direct a factory employing 100 or more workmen to form such committees. The employers and the employees have equal representation in such a committee. This committee makes efforts for maintaining goodwill and mutual understanding in both the parties. Employees' representatives are selected in consultation with their trade unions. Work committees attend to the employees' grievances, redress those grievances and thus, avoid any possible conflict. These committees can only advice the employers. They do not enjoy any legal power to enforce them to accept their decisions.
2. **Grievance Settlement Authority:** The Industrial Disputes Act, 1982 has provided for the setting up of a Grievance Settlement Authority and for reference of certain individual disputes to such authorities. Any employer employing 50 or more workers is required to provide for a Grievance Settlement Authority for settlement of industrial disputes relating to an individual. Where such dispute arises, the concerned worker or the trade union of which he is a member, may refer the dispute to the authority for settlement. Any such reference shall not be referred to Board or Tribunal.
3. **Conciliation Officer:** Industrial Disputes Act, 1947 provides for the appointment of conciliation officers by the Government. If there arises a dispute or it is likely to arise, it is referred to them to conciliate between the parties concerned. If the dispute is resolved through negotiations, the conciliation officer sends his report alongwith the agreement duly signed by both the parties to the Government concerned. If he does not succeed in resolving the parties within 14 days, he submits the report of the failure of his efforts alongwith the reasons responsible for the failure so that the Government may do alternate arrangement for the settlement of that dispute. The job of conciliation officers is not so easy

and, therefore, only able and experienced conciliation officers can succeed in their job. If this job is assigned to an incompetent and untrained person, he is bound to meet failure and the dispute may become more complicated.

4. **Conciliation Office Board:** If the conciliation officer fails in resolving the dispute within 14 days, the Government may refer the dispute to Conciliation Board. This Board is constituted by the Government and it consists of one chairman and two to four other members. These members are selected by the employers and employees. If both the parties do not succeed in nominating their members, Government of its own nominates the members. Like conciliation officer, this Board too tries to bring both the parties to a compromise and submits its report to the Government likewise. The Board, however, is expected to submit its report within two months of the date on which the dispute was referred to it. The Boards of conciliation are rarely constituted by the Government these days. In actual practice, settling disputes through conciliation officers was found to be more flexible when compared to the Board of conciliation.
5. **Court of Inquiry:** Whenever an industrial dispute remains unresolved by the conciliation officer and the Board of conciliation, the matter is referred to a court of inquiry. The court may consist of one or more independent persons. It will investigate the whole dispute and submit its report to the Government on the matters referred to it ordinarily within 6 months from the date of commencement of inquiry.

If settlement is not arrived at by the efforts of the above machinery, a three-tier machinery for compulsory adjudication is provided under the Act. These are three types of semi-judicial bodies, i.e., labour court, industrial tribunals and National Tribunals.

I. **Labour Court:** The Government can set up Labour Court for the settlement of some less important matters relating to industrial disputes. The Labour Courts deal with the following related matters:
   a) The matter regarding the propriety or legality of an order passed by an employer under the standing orders.

b) The interpretation and implementation of standing order.

c) Decision of the grant of relief to the workmen in case of their discharge and dismissal.

d) Withdrawal of any concession or privilege already given.

e) Enquiry of the legality or otherwise of any strike or lockout.

f) All other matters which are not specified in the Industrial Disputes Act, 1947.

II. Industrial Tribunal: Like Labour court Industrial Tribunal too consists of one person who is either a sitting judge or a retired judge of a High Court. Two more persons are appointed for assisting the tribunal. Under the Act, the Industrial Tribunal deals with the matters enumerated below:

a) The period and mode of a payment of wages.

b) Compensatory and other allowances.

c) Hours of work and rest intervals.

d) Leave with wages and holidays.

e) Bonus, profit sharing, provident fund and gratuity.

f) Shift working.

g) Wages grades.

h) Discipline rules.

i) Rationalisation.

j) Retrenchment or winding up of the organizations.

III. National Tribunal: National Tribunal is set up by the Central Government for the adjudication of industrial disputes which involve questions of national importance or which affect industrial establishments situated in more than one state. It gives decisions on matters referred to it by the Central Government. If any matter is referred to the National Tribunal by the Central Government the Labour Court and Industrial Tribunal are barred from entertaining such disputes and if any such dispute is pending before Labour Court or Tribunal, shall be deemed to be quashed.



CHECK YOUR PROGRESS

Q.3: What is National Tribunal?

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Q.4: Name the three types of semi-judicial bodies for settlement of dispute.

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10.7 LET US SUM UP

In this unit, we have discussed the following –

- Industrial disputes refer to differences or disagreement between employers and employers or between employers and workmen, or between workmen and workmen.
- The dispute affect a large number of workmen who have a community of interest and the rights of these workmen must be affected as a class.
- Industrial disputes arise due to various reasons such as unsatisfactory working conditions, defective recruitment policies, victimisation of labour, non-recognition of trade union, wages and allowances, etc.
- The machinery for settlement of industrial disputes consists of establishment of work committees, grievance settlement authority, conciliation officer, conciliation office board, court of inquiry.



10.8 FURTHER READING

1. C B Mamoria, S V Gankar (2009);*Personnel Management : Text & Case*; Himalaya Publishing House
2. S. Sanghi (2014); *Personnel Management : Text & Case*; Vikas Publishing House

3. S K Sharma(2009);*Handbook of HRM Practices: Management Policies and Practices*; Global India Publications

10.9 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q. No. 1: Any dispute or difference between employers and employers, or between employees and employees or between employers and employees and employees or between employers and employees, which is connected with the employment or non-employment or the terms of employment or with the conditions of work of any person.

Ans to Q. No. 2: (a) Unsatisfactory working condition, (b) Defective recruitment policy, (c) Weak Trade Unions, (d) Defective Leadership.

Ans to Q. No. 3: National Tribunal is a set up by the central government for the adjudication of industrial dispute which involve which affect industrial establishments situated in more than one state.

Ans to Q. No. 4: a. Labour Court **b.** Industrial tribunals **c.** National tribunals



10.10 MODEL QUESTIONS

Q.1: What is meant by industrial disputes?

Q.2: Why do industrial disputes arise?

Q.3: Discuss the existing machinery for the settlement of industrial disputes in India.

Q.4: Write briefly on nature of industrial disputes.

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UNIT 11: INTERNATIONAL HUMAN RESOURCE MANAGEMENT AND e-HRM

UNIT STRUCTURE

11.1 Learning Objectives

11.2 Introduction

11.3 Meaning of Domestic H.R.M. & International H.R.M.

11.4 H.R. Challenges of International Business

11.5 How Inter-country Differences Affects H.R.M.

11.6 A Global H.R. System

- 11.6.1 International staffing
- 11.6.2 International staffing policy

11.7 Concept of e-HRM

11.8 e-HR Activities

11.9 Let Us Sum Up

11.10 Further Reading

12.11 Answers To Check Your Progress

11.12 Model Questions

11.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- describe domestic and International HRM
- evaluate the affects on HRM because of Intercountry difference
- outline a global HR System
- discuss the concept of e-HRM,
- explain e-recruitment, e-selection e-learning

11.2 INTRODUCTION

Human Resource Management is becoming more and more important for employers as people are the main resource of any business. Without people no business can run. But managing HR internationally is a difficult task. At the same time it has been acknowledged that HRM

constitutes a major constraint when MNCs try to implement global strategies, mainly because of the different cultural and institutional framework of each county the MNC operates. Different strata of society behave differently, so it becomes difficult for a person who is brought up in different place and need to work in some other country. The national context affects the way people are managed in different countries and MNCs are facing pressures to adapt HRM practices accordingly.

In this unit we are going to discuss in detail about international HRM and how it influences our society. Also we will discuss on the concept of e-HRM. Now-a-days, many companies adopt this method.

11.3 MEANING OF DOMESTIC H.R.M. & INTERNATIONAL H.R.M.

Human resource management (HRM) is a management function which involves hiring, motivation and maintains people in an organisation. HRM practices in any organisation involves five basic tasks

- Hiring
- Training
- Appraisal
- Compensation
- Relations

An organization must have set policies, procedures and well defined principles relating to its personnel. This will contribute to the effectiveness, continuity and stability of the organisation.

Domestic HRM deals with managing people within the country and International HRM (IHRM) deals with managing people abroad the country. Several factors differentiate IHRM from domestic HRM. The main characteristics of IHRM are

- More HR activities of diverse nature
- Need for a broader perspectives
- More involvement in employee personal lives
- Changes in emphasis as the workforce mix of expatriates and locals vary.

- Risk exposure for working is not for familiar environment.
- More country specific external influences.

11.4 H.R. CHALLENGES OF INTERNATIONAL BUSINESS

Organizations adopt International Business because of the growing demand of global market. Again other reasons for IHRM are as follows:

1. Deployment: easily getting the right skills to where we need them, regardless of geographic location.
2. Knowledge and innovation dissemination: Spreading state of the art knowledge and practices throughout the organisation regardless of where they originate.
3. Identifying and developing talent on a global basis: Identifying who can function effectively in a global organisation and developing his or her abilities.

   Almost 20-25% of all overseas assignments fail. It happens because of the following reasons:

- Inability of the spouse and other family members to adjust in new country.
- Inability of the managers to adjust with new environment and managing overseas responsibility.
- Lack of technical competence from managerial side.



LET US KNOW

Types of International Business

There are various types of international business, which are discussed as follows:

- **Exporting:** The impact on the firm's HR management is usually minimal since few of its employees are expected to be posted overseas.
- **Licensing:** Here the parent company gives license to the overseas country to sale their goods and services.
- **Franchising:** In case of franchising, stricter guidelines are adapted then licensing.

- **Foreign direct Investment:** It refers to operations in one country that are controlled by entities in a foreign country. Strictly speaking, a foreign direct investment means acquiring control by owning more than 50% of the operation.
- **Joint ventures:** Participation of two or more companies jointly in an enterprise in which each party contributes assets, owns the entity to some degree and shares risk.
- **MNC:** The multinational Corporations operate manufacturing and marketing facilities in several countries, these operations are coordinated by a parent firm whose owners are mostly based in the firm's home country.
- **Global Corporation:** operates as if the entire world were a single entity.

11.5 HOW INTERCOUNTRY DIFFERENCES AFFECTS ON HRM

There are several factors which differentiate each country's HRM from the other. Some of them are discussed below:

- **Cultural Factors:** Intercountry cultural differences have several HR implications. First, they suggest the need for adapting HR practices such as testing and pay plans to local cultural norms. They also suggest that HR staff in a foreign subsidiary is best drawn from host country citizens. A high degree of sensitivity and empathy for the cultural and attitudinal demands of co workers is always important while selecting employees to staff overseas operations.
- **Economic Factors:** In free enterprise system, the need for efficiency tends to favour HR policies that value productivity, efficient workers staff cutting where market forces dictate. The HR practices tend to shift towards preventing unemployment, even at the expense of sacrificing efficiency.
- **Labour Cost Factors:** High labour costs can require a focus on efficiency. Some asian countries are known for low cost advantages in the labour front.



CHECK YOUR PROGRESS

Q1: Define domestic HRM.

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Q2: Define International HRM.

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Q3: State any two factors that differentiates each Country's HRM from the other.

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11.6 A GLOBAL HR SYSTEM

11.6.1 International Staffing

There are several ways to classify international managers. They are:

- Locals: Locals are citizens of the country where they are working.
- Expatriate: They are non citizens of the country where they are working.

  In general the cost of using expatriate is more expensive than the cost of using local manager. But if technical competence is required which may not be available in local managers then expatriates are inevitable.

11.6.2 International Staffing Policy

MNC's top executives are often classified as ethnocentric, polycentric or geocentric.

In an ethnocentric corporation the prevailing attitude is that home country attitudes, management style, knowledge, evaluation criteria and managers are superior to anything the host country might have to offer.

In Polycentric Corporation, there is a conscious belief that only host country managers can ever really understand the culture and behaviour of the host country market, therefore the foreign subsidiary should be managed by local people.

In firms with geocentric orientations, rarely seen assumes that management candidates must be searched for a global basis on the assumption that the best manager for any specific position anywhere on the globe may found in any of the countries in which the firm operates.



LET US KNOW

EPG Model is an International Business model including three dimensions - **Ethnocentric, Polycentric and Geocentric.**

	Ethnocentrism	Polycentrism	Geocentrism
Definition	Based on ethnicity	Based on political	Based on
Strategic		orientation	geography
Orientation/Focus	Home Country	Host Country	Global Oriented
	Oriented	Oriented	
Function	Finance	Marketing	R&D
Product	Industrial products	Consumer goods	–
Geography	Developing countries	–	US and Europe

Ethnocentric: The word ethnocentrism derives from the Greek word "ethnos", meaning "nation" or "people," and the English word center or centrism. A common phrase set for ethnocentrism is "tunnel vision." In this context, ethnocentrism is the view that a particular ethnic group's system of beliefs and values is morally superior to all others. Ethnocentrism is characterized by or based on the attitude

that one's own group is superior to others. The ethnocentric attitude is found in many companies that have many nationalities and culture groups working together. It is a natural tendency for people to act ethnocentrically because it is what they feel comfortable with. It is based on past experiences and learned behaviors and norms.

Polycentric Corporation: under a polycentric perspective, a company's management team believes that in international business practices local preferences and techniques are usually found most appropriate to deal with the local market conditions. In the most extreme views of polycentrism, it is the "attitude that culture of various countries are different, that foreigners are difficult to understand and should be left alone as long as their work is profitable.

Source : www.wikipe.com



CHECK YOUR PROGRESS

Q4: State true or false for the following statements:

(i) HRM practices in any organisation involve compensation. (True/False)

(ii) In case of exporting, the parent company gives license to the overseas country to sale their goods and services. (True/False)

(iii) International HRM deals with managing people abroad the country. (True/False)

(iv) International staffing can be done through locals or expatriate. (True/False)

(v) Almost 80% of overseas assignments were successful. (True/False)

Q5: What could be the reason for the failure of International assignments?

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11.7 CONCEPT OF e-HRM

When HR department of a company uses internet based technology to do their activities, then the process is known as e-HRM. e-HRM refers to the use of internet and web based technology in relation to all HR activities .Now a day's technology plays a very important role. e- HR is concept that a HR manager should adopt for the benefit of his or her business.

e-HRM (e stands for electronic) is an integration of all HR system. e-HRM provide the data gathering tools, analysis capabilities, support resources for HR professionals to pay , promote ,terminate, appraise, hire, reward employees.

There are many implications of e-HRM. Employees working in different geographical area can work together. The use of internet has made the work easier, less time consuming etc.

IMPLICATIONS OF E-HRM

HRM PRACTICES	Implications of e-HRM
Analysis and design of work	Employees in geographically dispersed locations can work together in virtual teams using videos, e-mail and the internet.
Recruiting	Post job openings online, candidates can apply for jobs online
Selection	Online simulation, including tests ,videos and e-mail, can measure candidates abilities to deal with real life business challenges
Training	Online learning can bring training to employees anywhere, anytime
Compensation and benefits	Employees can review salary and bonus details and seek information about and enroll in benefit plans

Source: Raymond Noe, et al.,op.cit.,p. 52

11.8 e-HR Activities

The following are some of the e-HRM

A. e-Recruitment: Now a days many companies prefer e-recruitment. e-recruitment is also known as online recruitment. For e.g. Cisco Systems recruits employees only through e-recruiting. e-recruitment has many benefits like the candidate can apply online, reduced cost for traveling distances, administrative workload decreases etc. But with the benefits e-recruitments has some disadvantages like the candidates who don't have access to computer and internet could not get the opportunity to apply, and the candidates who lacks to make use of computers are not able to use this system, misuse of confidential information by the company is possible.

B. e-Selection: After e- recruitment is e-Selection. e -selection include web based testing, face to face interviewing and job offerings.

The objectives of e-selection are:

1. **Cost reduction:** It is the main objective of e-selection .Many organizations switch over from conventional system of selection to e-selection because it reduces the cost. The administrative cost involved in the selection process is reduced; the cost of sourcing candidates in the job becomes less.
2. **Maximum utilization of human resource:** The next objective of e-selection is the maximum utilization of human resource. And this can be achieved high retention rates of employees, improved productivity after new hires etc
3. **Sustainability:** Sustainability refers to the maintenance of the e-enabled system and evolves the system to satisfy changing requirements.

C. e-Performance Management: The use of technology in performance management increases the productivity of the employees, motivates the employees and enhances competitiveness among the employees which leads to productivity.

The above can be possible in two ways:

i. employees activities and individual performance can be monitored by e-performance management i.e. through computer monitoring activities

ii. e-performance helps in giving the reviews and generating performance feedback to the employees.

D. e- Learning : e-learning is the training through internet or it is the training on-line. Many companies use the e-learning technology because of the large number of employees sitting at different geographical location. For example, many big companies like Wipro and Satyam out its total employees, ¼ are on site and the rest are at its different centers.

The following are some of the advantages of e-learning:

i. Trainees can proceed and start his/her session on their own time.

ii. It is interactive

iii. It allows consistency

iv. It enables assessment and appropriate feedback

v. It helpful for the trainer to update the new contents



CHECK YOUR PROGRESS

Q6: What do you mean by e-HRM?

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Q7: Name the different e-HR activities.

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11.9 LET US SUM UP

In this unit we discussed on the following areas:

- Domestic HRM deals with managing people within the country and International HRM (IHRM) deals with managing people abroad the country.

- There are several factors which differentiate each country's HRM from the other.
  a. Cultural Factors
  b. Economic Factors
  c. Labour Cost Factors
- There are several two ways to classify international managers: Locals and Expatriate
- MNC"s top executives are often classified as ethnocentric, polycentric or geocentric.
- e-HRM refers to the use of internet and web based technology in relation to all HR activities
- The different e-HR activities that we have learned in this unit are: e-Learning, e-Selection, e-Performance Management and e-Recruitment



11.10 FURTHER READING

1. C B Mamoria, S V Gankar (2009);*Personnel Management : Text & Case*; Himalaya Publishing House
2. S. Sanghi (2014); *Personnel Management : Text & Case*; Vikas Publishing House
3. S K Sharma(2009);*Handbook of HRM Practices: Management Policies and Practices*; Global India Publications
4. B. Pattanayak (2011); *Human Resource Management*; Prentice Hall India Private Ltd.



11.11 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Domestic HRM deals with managing people within the country.

Ans to Q No 2: International HRM deals with managing people abroad the country.

Ans to Q No 3: (a) Cultural factors

(b) Economic factors

Ans to Q No 4: (i) True, (ii) False, (iii) True, (iv) True, (v) True.

Ans to Q No 5: IHRM fails because of inability of the spouse and other family members to adjust in new country, Inability of the managers to adjust with new environment and managing overseas responsibility, Lack of technical competence from managerial side.

Ans to Q No 6: e-HRM refers to the use of internet and web based technology in relation to all HR activities.

Ans to Q No 7: (a) e-recruitment (b) e-selection

(c) e-performance management (d) e-learning

11.12 MODEL QUESTIONS

Q1: Explain the meaning of domestic HRM and international HRM.

Q2: What are the reasons for adopting international HRM?

Q3: Explain the factors that differentiate each country's HRM from the other.

Q4: Explain the concept of Global HR System.

Q5: What do you mean by e-HRM and describle its implications of e-HRM.

Q6: What are the different e-HR activities.

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UNIT: 12 STRATEGIC HRM

UNIT SRTUCTURE:

12.1 Learning Objectives

12.2 Introduction

12.3 Meaning of strategic HRM

12.4 Nature of strategic HRM

12.5 Strategic Management Process.

12.6 Types of HRM Strategy and their features

12.7 HR functions with strategic management process

12.8 Importance of strategic management

12.9 Let us sum up

12.10 Further Reading

12.11 Answer to check your Progress

12.12 Model Questions

12.1 LEARNING OBJECTIVES

After going through this unit, you will able to :

- define the strategic HRM
- explain the nature of strategic HRM
- describe the process of strategic Management process.
- classify the deferent type of HRM strategy and their features.
- elucidate HR functions with strategic management process.
- Illustrate the importance of strategic management.

12.2 INTRODUCTION

In this unit, an attempt is taken to describe some essential aspects of strategic HRM. Strategic HRM is a process of formulating, implementing and evaluating long term view of HR policy. This unit aims at discussing the various important aspects of strategic HRM.

12.3 MEANING OF STRATEGIC HRM

The word “strategic” is come from the Greek word “Strategia”, the meaning of which is the art or science of being a general. So, the general meaning of strategy is the way of doing something. Hence, strategic HRM can be defined as a long term view of HR policy and a simultaneous integration horizontally among the various HR functions and a vertical integration with corporate strategic planning. Strategic HRM is a set of managerial decisions and actions related to HR, which determine the long term performance company. It is a process of environmental scanning, strategy formulation strategy implementation and evaluation and control. Thereby, it emphasizes monitoring and evaluating environmental opportunities and threats in the light of both strengths and weakness of the company.

12.4 NATURE OF STRATEGIC HRM

Following are the nature of strategy HRM:

1) Strategic HRM makes integration the HRM and corporate strategy. Strategy HRM aims at helping the personal functions to link itself with the corporate strategy for the purpose of achieving organizational goals. So, it acts as a supporting corporate strategy.
2) Strategic HRM seeks to ensure that HRM is fully integrated into strategic planning.
3) Strategic HRM is a long term process.
4) Strategic HRM is the action of relating the organization with environment mainly external environmental factors. It correctly combine both external and internal environmental factors with the organizational objectives. Therefore it analyses and match the strength and weakness of organization with the threats and opportunities of its environment.
5) Strategic HRM offers both financial and non-financial benefits to the corporation

6) Strategic HRM can be formulated mainly into three level, such as corporate level, Business unit level and functional level.

12.5 STRATEGIC MANAGEMENT PROCESS

There are mainly four steps in the process of strategic Management. There are-

i) Analysis the external environment.

ii) Formulation of strategies.

iii) Implementation of strategies

iv) Evaluation of organizational activities.

i) Analysis the external environment: The first step of strategic Management process is to analyse the external environment. In order to determine the trends and projections of different factors, which may affect fortunes of the organization, it is immensely important to scan the environment. By virtue of scanning the environment, the threats as well as opportunities prevailing in the environment can be identified. So, that, organization can easily formulates its strategy for the purpose of taking the advantages of opportunities and minimizing the effect of threats. Because, threats and opportunities are different for different companies.

ii) Formation of strategy:- In the second stage, strategies are formulated. It is to be mentioned that strategies can be formulated in different three level. Such as :Corporate level, Business level and functional level. In corporate level, strategy is formulated by the top management of the organization. In corporate level, strategy is formulated by considering that what type of business should the company be done? What are the results of each business? and How should resources be used to do so? The management should decide minimum eight areas in time of making corporate level strategy. These eight areas are market, innovation, productivity, physical and financial resources, profitability, managerial efficiency, worker performance and attitudes and social responsibilities. In business level, the appropriate question is that How should we compete in the chosen industry or business? In functional level strategy, the basic

courses of action are identified for each of department of the organization, such as Production, Marketing, Finance, Accounts Administration etc.

iii) Implementation of strategy: - Implementation is more difficult than formulation of strategy. In this step of implementation altering sales territories, additing new departments, closing facilities, hiring new employees, changing an organisation's pricing strategies, developing financial budgets, formulating new employee benefits, establishing cost-control procedures, changing advertising strategies, building new facilities, training new facilities, transferring managers amongst divisions, building a better computer information system etc. a sizeable number of aspects should be considered.

iv) Evaluation of strategy: - In the last step, of the strategic Management process, the strategy should be evaluated whether it helps in determining the extent to which the company's strategies are successful in accomplishment of its objectives. With a view to make the evaluation more meaningful, the following activities are to be considered. –

i) Setting the targets of performance.

ii) Measuring the performance with the target.

iii) Analyzing the deviations between target and performance.

iv) Taking corrective action for the purpose removing the deviation.

LET US KNOW



The strategic focus era was initiated in the late1970 when business strategy was included in the MBA Syllabus. It suggested integrating business strategy with other areas. One of the areas that was seen as critical to merge with business strategy was human resource management, which helped the emergence of a new era –the strategic human resource management.



ACTIVITY

Prepare a list of duties to be discharged by the HR Manager in different steps of the process of strategic Management process.



CHECK YOUR PROGRESS

Q1: Define Stratigic HRM.

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Q2: Fill up the blanks:

a. The word strategic is come from the Greek word……

b. Strategic HRM is a ……...term view of HR Policy.

c. The Process of Strategic Management emphasizes evaluating environment opportunities and threats in the light of both …….. and ……. of the company.

d. Strategic Management Process comprises mainly ……steps.

Q3: Match the both sides:

a.	Analysis the environment	1)	altering sales territories, additing new department etc are needed.
b.	Formulation of Strategies	2)	Made in three levels, such as: Corporate, Business and functional.
c.	Implementation of Strategic	3)	Determining the level of successful.
d.	Evaluation of Strategy	4)	Scanning the external environment.

12.6 TYPES OF HRM STRATEGY AND THEIR FEATURES

HRM Strategy can be classified mainly into four types. These are briefly discussed along with features.

1) **Structural HR Strategies**: - This type of HR Strategies is strongly focused on the business unit. Following are features of structural HR Strategies-

i) This Strategy is strong bottom line orientation.

ii) This Strategy emphasizes on workforce, planning, job re-design and work practice reviews.

iii) Structural HR Strategy focuses on tangible reward structures.

iv) This Strategy also focuses both internal and external recruitment system of employees.

v) Structural HR Strategy is based on functional skills, training and formalized multi skilling.

vi) Moreover, this strategy has a strong business culture along with formalized Industrial and Employee relation procedures.

2) **Developmental HR Strategies**:- This Strategy is jointly actioned by the HR unit of the corporate and HR unit of business. Following are the main features of this strategy-

i) This Strategy gives attention on the development of both individual and team.

ii) It also emphasizes on internal recruitment, so far as possible.

iii) Strategy is based on extensive development programmes.

iv) Under this strategy intrinsic rewards are given to the employees.

v) In this Strategy corporate organizational development given high priority.

vi) Development HR, Strategy also emphasis on corporate culture.

3) **Turn around HR Strategies :-** This Strategy is driven for a short period by the executive leadership. This strategy is characterised by challenging, restructuring or abolishing HR systems, structures and methodologies. Following are the main features of this strategy-

i) Under this strategy major structural changes affecting the total organization as well as career structure.

ii) Another feature of this Strategy is doconsizing, retrenchments.

iii) Lateral recruitment of key executives from outside is also associated with strategy.

iv) This strategy also considers executive team building and tries to break the organization with old culture.

4) **Paternalistic HR practices** :- This type of strategy is centrally administered. Following are the main features of this strategy-

i) This strategy has centralist personal orientation.

ii) Moreover, this emphasizes on procedures, precedent and uniformity.

iii) It is also based on organization and methods studies.

iv) Operational as well as supervisory training is also considered by this strategy.

v) Industrial awards and agreements set the HR framework under this strategy.

12.7 HR FUNCTIONS WITH STRATEGIC MANAGEMENT PROCESS

There are significant functions to be performed by the HR department with Strategic Management Process. Mainly the functional can be classified into two categories such as:

i) HR functions in formulation of strategy

ii) HR Functions in implementation the strategy.

i. **HR functions in formulation of strategy: -** Strategy is formulated by environmental scanning. By the help of environmental scanning, both the threats and opportunities that prevailing in the external environmental

can be identified. In this connection HR function can help in locating such opportunities as well as threats for the organization. Moreover, HRM should supply completive intelligence as are necessary for the formulation of strategy. Different incentive plans of competitors, opinion survey data from employees, pending legislation etc. information can be supplied by the HRM. The success and viability of strategy mostly depend on the position of existing human resource. That is why, HRM can arrange necessary training, accounting, and also can determine the driving force in Strategy formulation.

ii. **HR Function in implementation of the Strategy** :- A quality strategy can be faited, if no attention is paid by the HRM. There are mainly three common problems that arise in implementing the Strategy. Such as (a) Disruption of Social and political structures. (b) Failure to match individual's aptitudes with the implementation task and (c) Inadequate top management support for implementation activities.

HRM is to observed whether in time of implementation of Strategy any employee opposes this or not. Moreover, some new power, status and authority relationship are request by the managers of different levels. HRM should maintain this relationship and fix the authority and responsibilities amongst employees as required.

HRM is to issue some important guidelines for better human relationship to make the implementation of Strategy more meaningful. Transfer, Promotion, job enlargement and job enrichment, communication, co-ordination, co-operation along with necessary control are the different functions to be performed by HRM during the time of implementing the strategy.

12.8 IMPORTANCE OF STRATEGIC MANAGEMENT

Strategy Management is very much essential from both financial and non-financial point of view. Because, Strategy Management provides various benefits to the organization, which may be mentioned as follows-

1) Strategy management is important because of the fact that it allows identification prioritization and exploitation of opportunities.

2) Strategy management also provides an objective view of management problems.
3) It also represents a frameworks for improved co-ordination and control of activities
4) It minimizes the effects of adverse conditions and changes.
5) It permits major decisions to better support established objectives.
6) Moreover Strategic management allows more effective allocation of time and resources to identify opportunities.
7) Strategy management allows fewer resources and lesser time to be devoted for the purpose of correcting erroneous decisions.
8) It creates a framework for internal communication.
9) It helps in integration of human behaviour into organization goal.
10) It provides a good basis for the clarification of employees responsibilities.
11) Strategic management encourages for forward thinking and attitude forward changes.
12) It provides a high degree of discipline as well as formality to the management of a enterprise.



LET US KNOW

There are several factors that contributed to the Strategic role of HRM such as, productivity of the organization, restructuring and redesigning of organizational structure, sound human resource strategy, future workforce etc. Moreover, organizations have to deal with a different types of employees from the highly committed organization man to the 'new individuals'. Who have more self interest than organizational interest in mind.



ACTIVITY

Prepare a list of role to be played by the HR manager for the successful implementation of Strategic management.



CHECK YOUR PROGRESS

Q4: Write any two types of HRM strategy.

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Q5: State "True" or "False"

a. Structural HR Strategy is a long bottom line orientation.(T/F)

b. Developmental HR Strategy is jointly actioned by the management and employees. (T/F)

c. Turnaround HR Strategy is driven for a short period by the executive leadership. (T/F)

d. Paternalistic HR Strategy has decentralized personnel orientation. (T/F)



12.9 LET US SUM UP

Strategic management is a process of formulating, implementing and evaluating business strategies to achieve organizational objectives. Strategic HRM is an integration process of both HRM and corporate Strategy. It is a long term process and relates to the external environment of the business. Strategy HRM provides both financial and non-financial benefits. The process of strategic management consist mainly four steps. Such as i) Analysis of external environment, ii) Formulation of Strategy iii) Implementation of Strategy and iv) Evaluation of organizational activities. Different types of HRM Strategy can be classified mainly into four categories. Such as i) Structural HR Strategy ii) Developmental HR Strategy iii) Turnaround HR Strategy and iv) Paternalistic HR Strategy. Likewise, the HR functions with Strategic management can be divided into two categories. Such as –

i) HR Functions in formulation of Strategy.

ii) HR functions in implementation the strategy.

Strategic management has importance in different aspects of the corporation. Such as: in co-ordination, achievement of organizational goal, in decision making, in creation of internal communication and in providing opportunities to the business etc.



12.10 FUTURE READING

1. C B Mamoria, S V Gankar (2009);*Personnel Management : Text & Case*; Himalaya Publishing House
2. S. Sanghi (2014); *Personnel Management : Text & Case*; Vikas Publishing House
3. S K Sharma(2009);*Handbook of HRM Practices: Management Policies and Practices*; Global India Publications
4. B. Pattanayak (2011); *Human Resource Management*; Prentice Hall India Private Ltd.



12.11 ANSWERS TO CHECK YOUR PROGRESS

Ans. to Q. No.1: Strategic HRM is a set of managrial decisions and actions related to HR, which determine the long term performance company.

Ans. to Q. No.2:

a. Strategic b. Long c. Strength weakness d. Four

Ans. to Q. No.3: a '! (iv) , b '! (ii), c '! (i) , d '! (iii)

Ans. to Q. No.4: (a) Structural HR strategies

(b) Developmental HR strategies

Ans. to Q. No.5:

a. False b. False c. True d. True



12.12 MODEL QUESTIONS

Q.1: Define Strategic HRM. Mention its various natures.

Q.2: Explain different types of HRM Strategies along with their features.

Q.3: Discuss the HR functions with Strategic management process.

Q.4: Describe the importance of Strategic management.

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UNIT - 13: FUTURE CHALLENGES IN HUMAN RESOURCE MANAGEMENT

UNIT STRUCTURE

13.1 Learning Objectives

13.2 Introduction

13.3 The Job and Challenges

13.4 The New Professional Approach

13.5 Challenges in Human Resource Management

13.6 Let Us Sum Up

13.7 Further Reading

13.8 Answers To Check Your Progress

13.9 Model Questions

13.1 LEARNING OBJECTIVES

After going through this unit, you will be able to :

- explain job and the challenges in reference to present world scenario
- describe the new professional approach in the recent world
- outline the major human resource challenges to the managers and its solutions.

13.2 INTRODUCTION

In this unit we are going to discuss the future challenges is Human Resource Management. We will also discuss the major challenges of Human Resource Management, like, outsourcing H.R. activities, B.P.O. and call centres, globalization, organizational restructuring etc.

13.3 THE JOB AND CHALLENGES

When the issue of job and challenges is raised, then it refers to the changes announced by the Government of India, in its economic

policy- including liberalisation, privatization and globalisation. As soon as Government has introduced the reforms, the whole scenario of managing people is changed. As a consequence of these changes, many new trends are emerged in the practices of Human Resource Management. Moreover human resource management has now come up as a new professional approach leaving the traditional concepts behind.

Foreign companies got the license to invest in India that is continuing till now as a result of Liberalisation and Globalisation. This has totally reversed the style of managing employees in the organization. Now emphasize is more on Human Resource Management and Development than that of Personnel Management in the companies and corporations. The image of employees has changed from cost center and they are started recognizing as a great potential profit centre. Thus, it has become the responsibility of management to utilise and convert human resources into human assets. Managers are to be trained suitably to make them capable to change their attitude and approach towards employee management with the changing situation. The role of manager has changed. They have to transform the way of dealing with human beings. Managers should continue with the activity of motivating employees and making the best use of their talents and skills in the organization so that there is effective use of human resources in it. Managers are better to use participative style of leadership as and when necessary. Under certain circumstances, employees should also be empowered to make their own decisions that are felt necessary to achieve the desired goals of productivity, profits and growth. The value of Personnel Executive has increased and simultaneously they are offered the same status and position like that of higher levels of management which is instrumental in decision making.

They are also empowered to contribute in the strategic decision-making session of Board level.

There is a changing mix of workforce, values of workers, demands of employers, economic policy of government, technological development and demands of modern society in the world. This has persuaded a

change in the role of personnel executive. A lot of changes like introduction of sophisticated technology, consequent reduction in manpower, concern for quality, focus on innovation to remain competitive, new work culture facilitating better productivity , job enrichment ,open system of free flow of creative ideas, recognition of individual talent, flattening of levels of management, changes in promotional policy, career advancement, changes in reward system, intensive and focused training , development of employees to enhance their technical and professional competence, changes in the policy of industrial relations from fire fighting to mutual faith, harmony, trust and collaborative relationship are taking place in the world and these are of great significant for human resource management.

13.4 THE NEW PROFESSIONAL APPROACH

It is essential to reorient and renew the skills of Human Resource Manager in the light of modern trends in management. He should be aware of recent trends and kept updating his knowledge with time. He should keep on searching the innovative methods to integrate the human resources contribution with the organizational goals. Active participation of Human Resource Manager is most essential for business management to bring dynamism in it. He should be the pioneer to use modern concepts, new tools and techniques in his professional performance. He should mainly concern for optimum utilisation of human energies, converting human resources into human assets, improving quality of life, meeting needs of self- actualization, encouraging creativity, innovation and dynamism and bringing excellence in the performances of employees etc. Human resource manager can offer his valuable contribution to the society by satisfying directly or indirectly the social needs like health and education of employees, creating work culture and relationship of mutual faith; trust and harmony, commitment, satisfaction and motivation.

13.5 CHALLENGES IN HUMAN RESOURCE MANAGEMENT

1) Outsourcing human resource activities
2) BPO and Call centers
3) To balance work-life
4) To make Human Resource activities ethical
5) To manage diversity
6) Attitude towards unions
7) Globalisation
8) Organisational restructuring
9) Changing demographics of work-force
10) Changed employee expectations

1) Outsourcing Human Resource Activities: Now it is a trend of outsourcing the human resource activities to outside suppliers and contractors so that functions like employees hiring, their training and development as well as maintenance of statutory records can be done by them on behalf of the firms. For example, P&G has signed a 10 – year, $400 million deal with IBM to handle employee services. IBM will support almost 98,000 of P&G employees in nearly 80 countries with services such as payroll processing, benefits administration, compensation, planning, expatriate and relocation services, and travel and expense management.

This trend of outsourcing is a result of several strategic and operational motives.

Human Resource departments have started focusing more on strategic role than that of routine activities due to the impact of strategic perspective. Outsourcing is a means to reduce bureaucracy and to encourage a more responsive culture by introducing external market forces into the firm through the bidding process.

Outsourcing also has a negative side besides its positive side. There would not be any value or use of Human Resource department in the organization if outsourcing were carried to the logical end. That means the relevance of Human Resource departments may be at stake. The function of Human Resource department that is taking a major role in the organization may suddenly become irrelevant. These have compelled us to think on the fate of specialized bodies advocating Human Resource functions, B-schools running courses on Human Resource specialization, present book on HRM etc.

There is a fear and apprehension for the situation when there will be loss of jobs due to extinction of Human Resource department in the organization. Human Resource department is going to loss its fame as job giver if these conditions exist for long. Therefore it is a big challenge for the HR manager to prove his / her department as an important one in the organization.

2) BPO and Call Centers :

(a) Business Process Outsourcing (BPO):

Several MNCs have increasingly started unbundling or vertically de-integrating their activities that in simple language termed as “outsourcing” (also called business process outsourcing or BPO). BPO means the contracting out or handing over of activities formerly performed in- house to the outside firms so that the main firm can concentrate fully on its most important functions. For this contracting job under outsourcing certain stages which are not considered as a core business have to be withdrawn from the activities of an organization.

Outsourcing industry is growing fast not only in India but also in the World as a whole. Though many new fields are emerging recently but in India mainly the technical support and financial services have dominated the outsourcing industry.

(b) BPOs- Cost Advantage :

The concept of BPO is logical. It is based on cost advantage and sound economic reasons. It is preferable to outsource the activities of a firm to outsider when it can perform these functions in a better and cheaper way. For example, Many PC makers have shifted from in- house assembly to utilizing contract assemblers to make their PCs.

Secondly, it does not hamper the functioning of an organization when it outsourcers its maintenance services, data processing, accounting, and other administrative support activities to the companies specialised in these areas because these activities are neither the tactics to gain sustainable competitive advantage nor hollow out the organization's core competence services, capabilities or technical know-how.

Thirdly, Outsourcing means delegation of some of the responsibilities to the outsider that in turn helps in reducing the company's risk exposure to changing technology and to changing buyer preferences.

Fourthly, BPO is an important and effective tool to streamline the operations of a company in order to improve organisational flexibility, cut cycle time, speed decision- making, and reduces coordination costs.

Finally, it is seen that outsourcing helps a company to concentrate more on its core business rather than its accessories.

(c) HR Managers and BPOs :

The concept of BPO has brought a new dimension to Human Resource Management. In BPO, the entire business model is people- centric. Human Resource plays the key role to develop and execute the business strategy of a BPO firm. The role of human resource managment has changed from transactional supporting to partnering in the light of BPO business strategy.

Now a day, it is a major challenge for the Human Resource Managers to work out hard to retain the best employees in their organizations. Various studies have revealed that the average time-to- profit time period for a new hire in the BPO industry is about 9 months. Here it estimated that a fresher begins to break-even the investments made on him or her and earn profit for the firm only after 9 months. Therefore it can cost up to five times of an employee's salary if he or she exits the firm before the 9 months. Surprisingly it has been observed that employees who quit a BPO firm usually get appointed in the other BPO firm that means in the same industry. Better career prospects urge the employees to change organizations because it is a natural human feeling that an agent wants to become a team leader, a team leader want to become a supervisor and so on.

Human Resource managers need to think off innovative ideas to retain the talented employees in their organizations. Some suggestions are worth stating in this context.

Supervision is an old concept. But it is still essential to manage the people of an organisation efficiently. Motivated employees, increased productivity and loyalty to the organization may be the outcomes of good supervision. It is a general saying that people leave managers, not the organisations. Thus it has emphasized the need of changing the attitudes and approaches of managers towards their subordinates.

The role of rewards both monetary and non-monetary – has a great significance on the decision of an employee how long he/she is going to stay with the organisation. Another key factor that may also influence this decision making situation is the degree of freedom given to the employees to speak out freely. It is important for management or administration to arrange atleast one meeting in a month with the employees to share the company's vision, industry's growth and how

employees see themselves in the changing scenario.

Lucrative salary may be another strategy to retain the talented people in the organization. Some BPO firms are providing extra facilities to their employees like bachelor accommodation to unmarried employees, arranging party and fun games to hold the interest of employees as well as to keep them energised. The employees who perform well in these games are then allowed to take part in the motivating games.

Competency models must be implemented and integrated with Human Resource activities like hiring, training and performance and potential appraisal of employees to achieve its success fruitfully.

Opportunities must be provided to the employees either through the sessions of training and presentations or mentor team assignments to share their knowledge with management or administration.

It should be the utmost interest of BPO to implement work – life balance initiatives to reinforce retention strategies in it. It is preferable to get a realistic and unbiased feedback from an outgoing employee to overcome the shortcomings in the systems and practices of the organization.

For BPOs, it is preferable to hire the people who are ready to work at night and to handle the monotony. Therefore the organization must go for behaviour- based testing and competency screening mechanism to select the right people for the right job.

Call center business is a booming business. Thus the human resource problems associated with it is also increasing day by day. Managing the boys and girls (in their early 20s) working in call centers is of great challenge to the human resource manager and it depends how much capable he/she is to handle this challenge effectively. Problems of BPO employees can be summarized as follows:-

First, the boy or girl working in call centre lost his/her own identity particularly when the individual works in a firm serving the foreign clients. The poor fellow is called by his nick name instead of his original name. He has to speak the language even the accent too in a way that the situation demands. He or she is compelled to celebrate the festival that is totally alien to him or her.

Second, usually the employees of call center work under stress because round the clock of their duty, they have to be glued to the earphone either to receive or to make the calls. The tone usually sounds scornful in case of receiving call because it is invariably about a faulty service or a defect in the product supplied earlier. Inspite of such an embarrassing situation, the employee can not lost his patience or balance rather should offer a convincing reply to the caller. It is not that all the calls are of this type but most of the calls the employee receives per day certainly turn out to be stressors. Moreover, it is also not a pleasant job for the employee who has to ring up an unknown prospect introducing self and a product. The contact person usually shows no interest in this communication as well as does not hesitate to reply with a firm 'no' which implies that the caller is ineffective. Moreover there is a risk of invading into one's privacy if the contact person happens to be a foreigner.

Third, the employees of call centre are likely to be exposed to health hazards. The biological clock is changed for them. Usually for call Centre workers, they need to work in night. The employees find it difficult in adjusting themselves to this unearthly timings and it becomes tougher when changes in shift timings are rotational. Therefore these boys and girls are sleepy, overeating, shabby, dry and deviant in behaviour.

Fourth, the common problem of youth working in call centers is the addiction for drugs.

Fifth, the aspiration level of call centre employees is low. They get into the jobs at their early age. Then they start earning and spending money easily. They believe this is to be the common life of human being. They lost the desire to study more, qualify better and expect higher things in life.

Finally, it is seen that boy or girl working in call centre get the taste of money, position and power quite early in their life. They feel no respect to the value of money, to compensation principles, to organisational hierarchies and to the senior people along with no loyalty to the Organisation.

So, the main challenges of Human Resource Managers are: First, the attrition rate is found to be high among the employees of call centers who are well known for their organisational rootless ness. It is a common trend to go for job- hop by the employees of call centre provided they are offered a few hundreds more money by the competitor. The nature of job itself permits high attrition among these employees because the skills required to become a call centre employee is minimal unlike the other jobs. Prerequisite for the job of call centre is the ability to speak moderately accented fluent English. The tasks discharged by these employees are generic- whichever call centre the boy or the girl works for, attends to identical duties- receiving and making calls. Sense of alienation, confused career planning and uncertainty about future are the common reasons for high attrition rate among them.

Second, picking up and dropping the employees at their respective residential areas, that means, the logistics is a problem that needs to be handled by the human resource manager of an organization. He has to arrange the cabs for employees along with making it save for the boys to stand at the strategic points late in the nights before they are picked up. Incidents of robbery have now become common for these boys because they are frequently being robbed under

mentioned situations. Girls too need extra safety when they work in the night shift.

Third, probably it is the biggest challenge for human resource manager as he is answerable to the following questions:

- How long these boys and girls continue to work in call centers?
- Can a call centre job be a preferred choice for an individual to pick up, join, work and retire?
- How to distress these young men and women and prevent them from getting burnt out by the time they reach their 40s?
- How to protect these youngsters from becoming drug addicts?
- How to restore values in them?
- How to prevent them from getting dehumanized and turn out to be robots?



CHECK YOUR PROGRESS

Q.1: What are the major challenges of human resource management?

……

……

……

……

Q.2: Explain B.P.O.

……

……

……

……

3) To Balance Work with Life: The matter that is going to raise here is how to balance the work with the personal life of an employee especially when both the husband and wife are employed. The problem is associated more with a working wife than that of a working husband because often she only

has to try her level best to balance the life at home as well as at work too with her own attitude.

Thus the human resource manager needs to be concerned more to balance the work-life of employees as now a day women are taking up jobs to make their families financially secured or to become careerists.

In absence of such work- life balancing programmes both men and women will be exposed to stress, depression and anxiety. So certain activities like childcare at or near the workplace, job sharing, care for sick children and employees, on- site summer camp, training of supervisors to respond to the work and family needs of employees, flexible work scheduling, sick leave policies and variety of work from dry cleaning, dropping children at schools, making dinner reservations etc should be included under the work-life balancing programmes of employee.

The organisations that have opted adequate measures to get a work-life balance are making their employees happier and more productive. But still many companies are hesitating to investigate, implement or experiment the work – life balance programmes in these because they believe this problem is a personal problem not an organizational issue.

4) **Making Human Resource Activities Ethical:** It is a duty of Human Resource Manager to build an ethical climate in the organization. This is the reason why he needs to screen applications for jobs carefully, weed out those who are not suitable or to hire those who can build a value driven organization.

Human resource managers are advised to hire ethically strong employees for their organization. Therefore they have to institute some of the mechanisms like whistle blowing, ethics hotline and ethics committee to ensure the ethical conduct of employees.

After choosing these mechanisms, then he has to create an environment for its effective functioning.

The human resource manager should be the ideal one for ethical behaviour. But regrettably, it is observed that human resource managers are often accused of being dishonest and these dishonest people cannot expect honesty from others. They are known for accepting bribe from hiring firms, caterers, transport operators and real estate developers etc.

LET US KNOW



Whistle Blowing is a system of protesting against unethical deeds in the organisation.

Again, whistle blower is the person who exposes wrong doing within an organisation in the hope of stopping it.

5) To manage Diversity:

Now a day, employees of the organizations are belonging to different background and thus they have created a heterogeneous environment in the organization. The resulted diversity is going to be an important issue for the following reasons:

- The number of young workers in the work- force is increasing.
- More women are joining the work- force.
- The proportion of ethnic minorities in the total work-force is increasing.
- Work- force mobility is increasing.
- International experience is becoming a pre-requisite for career progression to many top-level -managerial positions.

How to manage diversity effectively?

Following are some of the guidelines or prerequisite to manage diversity effectively:

First the top management should show a respect to this valued diversity. Next the organization should conduct diversity training programmes to aware the employees as well as to educate them on cultural and sex differences and the way of responding to these differences in the workplace. Employer should form a support group to provide a nurturing climate to the employees who would otherwise feel isolated or alienated. To cut the turnover of female employee, she must be provided with certain facilities like child care and job sharing etc.

Mentoring programmes are the ways to identify the promising women and minority employee so that they can be helped out to nurture their career successfully.

An organization should have the provision of apprenticeship programme for the promising prospective employees so that they can be groomed well before they are actually hired on a permanent basis. Moreover, the organization should institute regular diversity audit to review the effectiveness of its diversity management programmes. There should be proper communication between the employer and employee in an organization. For this, it is required to deliver speeches by senior executives, to include diversity in corporate vision statements and to publish diversity brochure and to include diversity as a topic in new employee orientation.

6) Attitude Towards Unions:

Unions provide a means to the workers to express their views particularly about the conditions prevailing in the workplace before the management. But in contrary to the popular perception, the organization where management is unreceptive to the concerns of individual workers and there is no union to provide a voice, makes the employees dissatisfied. There remains no alternative left to these dissatisfy employees instead of searching the better options elsewhere. Unionisation is the voice mechanism of a firm through which employees

are able to communicate or express their views with the management. Therefore, the labour turnover rate is low in the organization where there is a union. Moreover, union also encourages the organisation to provide more rational and professional management.

It is agreeable that unionisation has positive impact on the performances of a firm but under certain conditions of labour market like in situations where the employer has monopoly in the labour market. Employers have to add more capital per worker in response of their negotiation with the union to pay the employees a higher wages. This thing usually enhances the quality of labour that in turn leads to higher productivity in the organization.

Organization may have to incur a heavy cost if it prefers a union- free environment in it. Under such environment, organizations may usually have to go for frequent pay raise, out of turn promotions, generous perks and other benefits to satisfy the workers.

Unionization is also not excluded from the common believe that every entity has a positive and a negative side too. Unionization may sometime result strikes, spoiled labour relations, low production and low revenues etc. in the organization. Seeing the dark side of unionization, managers may prefer to keep their plants union-free.

But it is necessary to realize the importance of existence of a union in the organization by a manager. It is impossible to think of an organisation without the union. The firm may belong to either old or new economy, but it cannot prevent unionization in it.

7) Globalisation:

The impact of globalization is revolutionary. It has bought a new dimension in the global economy. As a result of globalization, foreign firms have started entering into the Indian

market which is a challenging situation for domestic firms. This challenge is going to be much tougher in the years to come. Globalization has compelled the Indian firms to think globally. Besides these it has also bought the challenges for managers who were accustomed to operate in vast sheltered markets with minimal or no competition either from domestic or foreign firms. Internet is acting as a catalyst in the process of globalization. Most of large MNCs are setting up green field projects in India or entering into joint ventures with local companies. The implications of a global economy on human resource management constitute the followings:

- HR practices like in US or Japanese firms have entered the Indian business. HR managers are influenced to adopt the ideas and practices followed in US or Japanese firms. Hiring practices, motivational approaches, compensation packages, training and development methods and techniques, appraisal systems and capability development are now being practiced in Indian firms as that of US or Japanese firms.
- Many foreign nationals are working here in India or many Indians are being sent as expatriates to other countries to work for the MNCs. Whatever may be the situation, both are challenging jobs for the HR manager. These expatriates (who may be the foreign nationals working in India or the Indians sent to abroad) need to be attracted, trained, compensated, promoted and motivated differently.
- BPO and call centers have created a unique problem for the HR managers.

All the time, MNCs try to form strategic alliances with the local firms. There is no doubt that Joint venture is beneficial to the MNCs, but local firms also stand to gain in terms of increased sales, expanded markets, sharing of technology and professionalization of management from it. But it is necessary to prepare/make a domestic company potentially fit to enter

into the alliance. No MNC ventures are interested in signing a partnership agreement with a local firm which is not known for its competence. It is the task of every manager, particularly the HR manager, to make a company competent so that it can gain the attention of MNCs who are always in the search of prospective alliance partners.

Indian firms need to move from one end of each continuum to the other end as shown below:

Rigid, hierarchical and tall structure	Flexible, flat and team based structures
Family centric, closed minded and secretive environment	Dispersed ownership, transparent and open minded
Caste ridden, superstitious, laid-track	Rational thinking and vibrant styles of management

It is possible to shift from the left to the right side of each continuum only through the catalytic action of HR manager.

Corporate Reorganisations:

In early 90's some new concepts like corporate mergers, takeovers and massive reorganizations have come up to fend off hostile take-over bids. The resulted circumstances from acquisitions, mergers, divestitures or the take- over threats have posed a greater challenge for HRM. Both the organisation and employees are affected from the process of reorganization. Employees are anxious and uncertain about their places in the new organisation.

The employees of both the 'taking over' as well as the 'taken over' companies will have anxious moments because there are the chances of losing jobs, emerging new roles and assignments in the job, transferring to new geographic locations, getting modified remuneration and benefits and the career possibilities and experiencing a change in the organizational power, status and prestige etc. An employee may get new peers, supervisors and

subordinates as his staff members. Ultimately it may happen that the company will loss its own identity and a new corporate culture will come up.

There is no hope of slacken the pace of mergers and acquisitions in the near future. Acquisitions, mergers, or divestitures have become the routine business operations of companies at present. But the key to success for any deal of merger or acquisition remains hide in the management quality of HR department.

Organizations may themselves go for internal restructuring like that of external corporate mergers and takeovers. Companies are forced to downsize and flatten their organizational structures due to the competition resulted out from the emergence of MNCs in the World. Reorganisations may provide increased growth opportunities to the well performers, fasten the process of decision making and market response and go for upgrading the skills within ranks. It may also facilitate the internal communication and interaction as well as reduce the manpower costs.Thus, it is seen that reorganisation is beneficial for the company.

However, downsizing and flatten of organizational structures may have lots of pitfall which the HR managers must take into consideration and these problems can be summarized as follows:

1. Reduced promotion chances for employees,
2. Increased workload as layers get trimmed,
3. Reduced morale during the transition phase , and
4. Increased training and development needs.

8) Organisational Restructuring :

It is a fact that the organizational forms in which people are employed shapes the practice of HRM. The structures of organizations are changing along with the fundamental changes in economy of a country and thus the relationships between them have also been transformed.

Giant corporations are loosing their potentiality to employ the people. It is a fact of past to have large production units. Large companies

are now consisting of business units that are managed independently. The latest trend is that organizations with the concept of 'Business process re- engineering', have started assembling their ancillary and expensive tasks to suppliers and automated the remaining functions.

A higher profile of medium sized and small sized firms has resulted that affects the functioning of HRM in the following ways:-

1. It is possible to have more face-to-face communication in the firms and establishments of small size. Moreover, these firms also have adopted a more personalized style in carrying out their functions.
2. There is no doubt that smaller units execute only less complex and sophisticated systems of personnel management. Therefore they may find it difficult to sustain in the particular areas like developmental and specialized function of personnel management.
3. Interestingly the incidence of operating business in this kind of environment are adding up along with the human challenges. The practice of HRM has transformed from the traditional personnel management that was basically concerned with the administering systems of controlling people due to out-sourcing of jobs. But now the practice of HRM is to facilitate the processes which support the development of an enterprise.

Challenges that are coming in path of HRM and enterprise management are the outcomes of changing character of competition. The issue is no longer related with the size of a firm. In the international level, it is seen that major companies are operating through a complex web of strategic alliances of varying degrees of permanence.

The same pattern is visible in the domestic scenario where there is increased close relationship between the large (often transnational) corporations and their local suppliers. In the motor

vehicle and electronics sectors, for example , buyer – supplier relationships have been transformed by the need for co- operation in the pursuit of reliability, continuous quality, product improvements, and shorter developmental lead times. Such a relationship depends on regular exchanges of people and information.

It is a common picture (for example, in the motor industry) that a single large company is surrounded by the suppliers in its close geographical proximity. It is definitely helpful from the delivery and communication point of view and therefore the firms should consider such factors in choosing a location for their plants. It is possible to get an improvement in the firm first by developing the locality and the sector surrounding it as a whole. Thus it takes up the activities to develop specialized skilled in the labour (technical and managerial) that can be managed flexibly within the local labour market.

Managers generally, HR professionals, have to cope more and more with the implication of networked relation in place of hierarchical relationship which is still dominating the experience of most of the people in the organizations due to the changes in economic structure and patterns of competition.

9) Changing Demographics of Work-force :

The major challenge that has resulted from changing workforce demographics is the concern for dual career couples. Now a day, both the husband and wife are professionally qualified and thus they opt for professional career. To increase the talents in the employees, the organisations should go for job moves and physical relocation of employees. It is necessary to have an experience of various roles both by the men and women in the different organizational units to function well at the upper – level position of the organization. Frequent physical relocation is required. But the individual flexibility in accepting such assignments and the organizational flexibility in acquiring and developing talent may be hindered due to increasing number of dual- career professionals

in the society.

Another important issue of HRM is the growing number of employees who are young in the workforce. Usually organizations are recruiting fresh college graduates or diploma holders to fill up the vacancies. It is the common interest of newly established enterprises to prefer young men and women basically of 25 years. It will be a great challenging task for the Indians because the country has the largest number of young people in the world today who are going to be the work-force of tomorrow. In other way, it can be said that these Indian young people are the asset of future global economy because by the time they grow old, the population of all developed countries will get old. Then the rich countries will face a shortage of working age people when India will have a surplus. Then the situation will compel these rich countries to procure the workforce from this surplus population of India.

Increasing number of working mothers, a steady decline of blue-collar employees who are giving way to white-collar employees as well as increasing awareness and education among the workers can be cited as the other demographic changes in the workforce.

10) Changed Employee Expectations:

Employee expectations and attitudes are changing along with the changes in workforce demographics. Job security, lucrative remuneration, provision of employee quarter etc. are loosing its charm as the important motivators of today's workforce.

Employees demand empowerment that results in redefining jobs, both on the shop-floors and in board- rooms. Workmen are empowered to have more control over their jobs. It has made the need of inspectors in the organization less than that of before. Thus the class of inspectors may become redundant in the coming days. In other sense, empowerment means the permission that a worker has to bring his or her sons or daughters to the workplace, so that they can look around and gain the knowledge about work

methods. But still now this concept of empowerment is in nascent stage. Only the children of owners are lucky enough to avail this privilege.

Traditional relationship between employer and employee is broken down into top and bottom due to the expectation of equality. Seeing the electronic and telecommunication revolution, employees are expecting improvement in the quality of their work life. Innovation in information technology has accelerated the pace of changes that are going to be continued in the future also. This has also brought some innovations in practice of HRM of which the most probable one is the opportunity got by the employee is to work at home.

Also, today's average worker demands better treatment, challenging jobs and career advancement. Look at the workers' unions of Otis, Hindustan Lever, ICI, TOMCO, Blue Star, Webel Electro, and Central Bank. They rewrite their agenda to include quality and better customer service and are even accusing the management of malpractices. The HR manager must, therefore, redraw the profile of the worker and discover new methods of hiring, training, remunerating and motivating employees.



CHECK YOUR PROGRESS

Q3: Fill in the blanks.

(i) Labour turnover rate is .....in organisation, where there is a union.

(ii) Acquisitions and mergers are part of the.....

(iii) When both husband and wife works it is called as..... career couples.



13.6 LET US SUM UP

In this unit we have discussed the three important issues of Human Resource Management i.e.

(1) The new role of human resource manager

(2) The concerns of human resource management

(3) A new professional approach.

The major challenges of Human Resource Management are:

1) Outsourcing Human Resource activities

2) BPO and Call centers

3) To balance work-life

4) To make Human Resource activities ethical

5) To manage diversity

6) Attitude towards unions

7) Globalisation

8) Organisational restructuring

9) Changing demographics of work-force

10) Changed employee expectations



13.7 FURTHER READING

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13.8 ANSWERS TO CHECK YOUR PROGRESS

Ans. to Q. No. 1:

1. Outsourcing Human Resource activities
2. BPO and Call centers
3. To balance work-life
4. To make Human Resource activities ethical
5. To manage diversity
6. Attitude towards unions
7. Globalisation
8. Organisational restructuring
9. Changing demographics of work-force

Ans. to Q. No. 2: BPO means the contracting out or handing over of activities formerly performed in- house to the outside firms so that the main firm can concentrate fully on its most important functions.

Ans. to Q. No. 3:

(i) Low, (ii) Corporate reorganisation, (iii) dual

13.9 MODEL QUESTIONS

Q.1: In what way has increased international competition influenced Human Resource Management?

Q.2: Identify and discuss the major forces influencing Human Resource Management in future. In your answer, address how these challenges are likely to affect the practice of Human Resource Management.

Q.3: Write short notes on:

i) B.P.O. ii) To balance work life

iii) Outsourcing H.R. activities iv) Globalisation

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UNIT 14: CASE STUDIES IN HRM

UNIT STRUCTURE:

14.1 Learning Objectives

14.2 Introduction

14.3 Meaning of case study

14.4 Case No:1 - Selection process of Hindustan Liver Ltd

14.5 Case No:2 - Performance Appraisal Policies

14.6 Case No:3 - Employee Benefit

14.7 Case No:4 - Job Analysis

14.8 Case No:5 - Salary Inequalities

14.9 Let Us Sum Up

14.10 Further Reading

14.1 LEARNING OBJECTIVES

After going through this unit you, will be able to:

- explain different cases related to different aspect of Human Resources Management
- give the answers of different questions of the case study

14.2 INTRODUCTION

In the previous units of this subject we have discussed various important subject matter of Human Resource Management. In this unit, an attempt is being taken to discuss s a few important case study.

14.3 MEANING OF CASE STUDY

A case is a description of a situation involving problems to be solved. The basic approach in a case analysis should be to get on the problem and provides data and information for analysis the problem, the actual learning may result from analysis itself. So, after completion of this unit student can clear the practical concept of some important situations human resource management.

14.4 CASE NO.1 SELECTION PROCESS OF HINDUSTAN LIVER LIMITED.

Hindustan liver limited, considers selection as an event in the total process of acquiring and developing managers. The company believes that the selection process must be consistent with other events in the total process for it to be effective. It is gratifying to mention that Hindustan lever has been one of the best favoured companies by the prospective candidates for managerial positionis. The selection process of the company can be broken into three steps: such as- Screening of application forms, preliminary interview, and final selection.

Screening of (Applications Forms):

In the first step the company usually receive large number of application for the positions advertised or through campus interview. Thereafter such applications are screened. Such applications contain usually brief information about the candidates. The selected candidates are then required to fill in a detailed application form. This form is quite elaborate and seeks factual information about the cantidate and also about his attitudes andn personality. A more stricter screening of applications is made this step. The company believes that mere application form may not be very reliable source for selecting or rejecting candidates. So, the company tries to give a brief preliminary interview to as many candidates as a administratively possible.

Preliminary interview:

Preliminary interview is conducted for about ten to twenty minutes usually by one manager. During this brief personal contract, some time is spent in discussing the nature of the job, the future career possibility of the applicant and the company's policy in this regard. Often a second interview is conducted before the applicant is rejected or selected for further consideration.

Final Selection:

Final selection process is quite collaborate. This stage consists of two aspects groups discussion and final interview. Group discussion is conducted in two stages. In the first grup discussion, the chairman of the

panel of selectors requests the group to select a subject which can be economic, political, social educational or even a lighter subject. The subject is decided by the group itself out of the various topics given to it. When the topic is finalized, the members of the group discuss it. In the second group discussion, a case is given. The case is distributed in advance. The evaluation of the group discussion is done by a board consisting of the personnel director, the director of the division in which the applicants have to be absorbed, a senior manager of the same division, and a sseior manager of other division. The board evaluates the candidates along the following factors. Style of self introduction by the candidate, general knowledge and knowledge of his subject, clarity of thought and logic, lucidity of expression, tolerance of others views, persuasiveness and leadership qualities. Each selector is given a blank sheet to evaluate the candidates. He evaluates the candidates individually.

After the group discussion, personal interview is conducted by the board. On completion of the individual interviews, the board members discuss about the candidates among themselves and arrive at a consensus.

Question:

1. What type of selection should be adopted by the company?
2. What is considered in time of screening the application forms?
3. What is the basic objective of the preliminary interview.
4. What should be the size of groups for final selection.
5. Why a case is distributed in advance amongst the candidates in final selection?
6. What is the information on the basis of which the personal interview is conducted?

Solution:

1. The company should adopt a systematic and integrated selection process to select the best possible candidates. Selection tests should be standardized and unbiased methods of soliciting information about the prospective employees.

2. Minimum qualifications prescribed to ascertain the eligibility of candidates are to be considered in time of screening the application form.
3. The basic objective of preliminary interview is to decide whether the candidates is worthy of further consideration. So preliminary interview is hold for short listing the candidates for further process of selection. Generally organization receives applications from large number of candidates. They all meet the basic requirements of the job, but all cannot be called for final interview because it is very time consuming process. Preliminary interview. So, the preliminary interview will save lot of time and money.
4. For the final selection the size of the group should be limited between six to ten applications against one vacancy.
5. A case is distributed in advance among the candidates before the final selection, so that the candidates can compose their thoughts, ideas about the case.
6. Personal interview is conducted on the basic of information supplied by the candidates in their application form, which may be the applicant past performance and attitudes, revealed in the form, educational and experience etc.

14.5 CASE NO: 2 PERFORMANCE APPRAISAL POLICIES

Berkely Investments is a reputed finance company having 15 branches in different part of the country. In the home office there are more than 200 employees. This company has a performance rating under which the employees are rated at six months intervals by a committee of two executives. Graphic scales have been used as means of appraisal. The qualities considered are responsibility, initiative, interest in work, leadership potential. Co-operative attitude and community activity. After the performance is evaluated, the ratings are discussed with the concerned employees by their immediate boss and are used to counsel them, to influence promotions

and salary adjustments and as a criteria for assigning further raining for them.

Recently three employees of the company called on the company's president to express their dissatisfy faction with the ratings they had received. Their scores and composite ratings had been discussed with them. Because their ratings were comparatively low, they had been denied annual increments in salary. Approximately, two thirds of all employees received such increments. The aggrieved employees argued that their ratings did not accurately represent their qualifications or performance. They insisted that "community activity" was not actually a part of their job and that what they do off the job is none of the company's business. They expressed their opinion that employees should organize union and insist that salary increase be automatic.

The threat of a union caused concern to the officers of the company, this particular experience convinced the top officers that ratings may represent a serious hazard to satisfactory relationship with employees. Even the chief executive facts that performance appraisal is a dangerous source of friction and its hazards outweigh its values so it should be discontinued altogether.

Questions:

1. How far do you agree with the management tht performance appraisal should be discontinued?
2. If you were the HR manager, how would you tackle the situation.
3. What modifications would you suggest in the performance appraisal system of the company

14.6 CASE NO:3 EMPLOYEE BENEFIT

"You HR people seem to have no other work." Shouted Praveen the Managing director of Apex Financial series. "You keep coming with great ideas on how to spend money. Where is the money? Now get me the hard facts on why we should change our benefits plan? Continued Praveen. He has reason to lose is cool. Chetan, the HR manager felt it was time to review the benefits and hence he mooted the idea before his boss. Chetan

did not expect Praveen to be so intemperate, but he was a fit comforted when chetan was asked to get back with facts to justify revision of benefits. Back in his office, chetan called in Maya, his deputy, for help.

Questions:

1. Assume you are a part of the HR team assigned by chetan and Maya to survey the present range fo benefits offered by Apex Financial services.
   - **i)** Design the questionnaire to survey
     - **a)** Employee perception of the company's present benefits programme.
     - **b)** The ranking employees give to existing or alternative benefits and.
     - **c)** Any changes employees want to be introduced to the present programme.
   - **ii)** Conduct a survey among the employees.
   - **iii)** Using Maslow's hieracly of needs analyse the employee ranking of benefits.
2. Prepare a report for chetan and Maya on your findings.

14.7 CASE: 4 JOB ANALYSIS

A large, well known candian company had fully depreciated the equipment used to make specialized automobile companies for north-American automobile producers. Although the equipment had been well maintained and worked well, it required considerable hands on labour to use. The result was high labour costs that made the company's brake assemblies, axle maents, and related products unprofitable. A decision was made to replace the equipment with more highly automated, numerically controlled machine tools. Since the economic value of the old equipment exceeded its value as scrap, the equipment was shipped to the company's Brazilian operations, where labour costs were considerable lower.

Upon arrival and set up of a new facility, the company received numerous profitable orders from Brazil's rapidly growing automobile industry. Though the labour hours per product remained about the same the lower Brazilian

labour rates allowed the new facility to be profitable. Soon a second shift was added and problems began.

The equipment experienced a growing "downtime" because of machine failures. Quality- particularly on part dimensions declined dramatically.

At as staff meeting the Brazilian plant manager met with his staff, including several industrial engineers who had been trained in Canada and the United States. The engineers argued that the problems were almost certainly caused by maintenance since the machiner5y had worked well in Canada and initially in Brazil. The HR director agreed the maintenance on the ole machinery was probably involved but also noted that many of the on-machine instructions and maintenance mammals had not been translated into Portuguese. He also observed that the problems began after the second shift was hired.

Questions:

1. From the discussion of job analysis information and job design, what actions would you recommend to HR department?
2. Given the problems associated with the second shift, what differences would you look for between first shift and second shift workers?
3. Since the Canadian workers had considerable experience with eh equipment and the workers had considerable with the equipment and the workers particularly in second shilf in Brazil had little, what implications do you se for job design?

14.8 CASE: 5 SALARY INEQUALITIES

Amrit Electrical is a family owned companies approximately 250 employees. Mr. Rajesh Kaitan recently took over as president of the company. A short time after joining the company, he started to notice that discussion with the Hr director led him to believe that salaried employees pay was very much a matter of individual bargaining. Factory workers were not a part of the problem because they were unionized and their wages were set by collective bargaining. An examination of the salaried payroll showed that there were 75 employees ranging in pay from that of the president to that of receptionist.

A closer examination showed that 20 of the salaried employees were females. Five of these were front time factory superiviors and one was the HR director. The other fourteen were non-management.

This examination also showed that the HR director was underpaid and that the five female supervisors were paid somewhat less than any of the male supervisors. However, there were no similar supervisory jobs in which there were both male and female supervisors. When questioned, the HR director said that she thought that the female supervisors were paid at a lower rate mainly because they were women and because they supervised less skilled employees than did male supervisors. However Mr. Khaitan was not convinced that this was true. He decided to hire a compensation consultant to help him. Together they decided that all 75 salaried jobs should be in the same job evaluation cluster, that a modified job evaluation method should be used and that the hob descriptions recently completed by the HR director were correct and usable in the study, the jo9b evaluation also showed that the Hr director and the five female supervisors were being under paid relative to comparable male employees.

Mr. Khaitan was not sure, what to do. If he gave these4 female an immediate salary increase large enough to bring them upto where they should be, he was afraid the male supervisors would be upset and the female supervisors might comprehend the situation and demand arrears of pay. The Hr director agreed to take a sizeable salary increase with the no arrears of pay. So this part of the problem was solved. Mr. Khaitan believed that he had three choices relative to the female supervisors: (1) To gradually increase their salaries (ii) So increase their salaries immediately (iii) So do nothing.

Questions:

1. What would you do if you were Mr. Khaitan?
2. How do you think the company got into a situation like this in the first place?



14.9 LET US SUM UP

With a view to making the subject HRM meaningful, five important case studies have been given in this unit. Keeping in view the benefits of students, the answers of the questions of the first case study is given. Of course, the students can give different answers from their own views. Before giving the answers the students should very carefully define and analyze the problem. Thereafter, they should identify the possible alternatives and through proper analysis the all alternatives; they should choice the best and suitable alternatives.



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