

# Rizvi College Of Arts, Science & Commerce Bandra (West)

ORGANISATIONAL BEHAVIOUR AND HUMAN RESOURCE  
MANAGEMENT

SEMESTER 2

By

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BMS DEPARTMENT

# TOPICS COVERED

- ▶ Personnel management
- ▶ Human resource management
- ▶ Manpower Planning (MPP)
- ▶ Job analysis
- ▶ Job description
- ▶ Recruitment
- ▶ Selection
- ▶ Motivation



# Personnel Management

- Traditionally the term personnel management was used to refer to the set of activities concerning the workforce which included staffing, payroll, contractual obligations and other administrative tasks.
- In this respect, personnel management encompasses the range of activities that are to do with managing the workforce rather than resources.
- Personnel Management is more administrative in nature and the Personnel Manager's main job is to ensure that the needs of the workforce as they pertain to their immediate concerns are taken care of.
- Further, personnel managers typically played the role of mediators between the management and the employees and hence there was always the feeling that personnel management was not in tune with the objectives of the management.

# Contd...

- According to Michael J. Jucius, Personnel Management is the field of management which has to do with planning, organizing, directing and controlling the functions of procuring, developing, maintaining and utilizing a labor force such that-
  - a) Objectives for which the company is established are attained economically and effectively,
  - b) Objectives of all levels of personnel are served to the highest possible degree,
  - c) Objectives of society are duly considered and served.

# pm v/s hrm

Dimension	PM	HRM
<b>Beliefs and Assumptions</b>		
Contract	Careful delineation of written contracts	Aim to be 'beyond contract' 'can do' outlook,
Rules	Importance of devising	impatience with 'rule'
Guide to Management action	Clear rules/mutuality procedures	'Business-need'
Behaviour referent	Norms/customs and practise	Values/Mission
Managerial task vis-a-vis labour	Monitoring	Nurturing
Nature of relations	Pluralist	Unitarist
Conflict	Institutionalised	De-emphasised
<b>Strategic Aspects</b>		
Key relations	Labour management	Customer
Initiatives	Piecemeal	Integrated
Corporate plan	Marginal to	Central to
Speed of decision	Slow	Fast
<b>Line Management</b>		
Management role	Transactional	Transformational leadership
Key managers	Personnel/IR Specialists	General/business/line managers
Communication	Indirect	Direct
Standardisation	High(e.g.Parity an issue)	Low(e.g.'parity' not seen as relevant)
Prized management skills	Negotiation	Facilitation
<b>Key Levers</b>		
Selection	Separate, marginal test	Integrated, key task
Pay	Job evaluation (fixed grades)	Performance-related
Conditions	Separately negotiated	Harmonisation
Labour management	Collective bargaining contracts	Towards individual contracts
Thrust of relations with stewards	Regulated through facilities and training	Marginalised (with exception of some bargaining for change models)
Job categories and grades	Many	Few
Communication	Restricted flow	Increased flow
Job design	Division of labour	Teamwork
Conflict handling	Reach temporary truces	Manage climate and culture
Training and development	Controlled access to courses	Learning companies
Focus of attention for interventions	Personnel procedures	Wide ranging cultural structural and personnel strategies



# Introduction to HRM

- What is Human Resource?

According to Leon Megginson, the term human resources can be defined as , “the total knowledge, skills, creative abilities, talents and aptitudes of an organization's workforce, as well as the values, attitudes and beliefs of the individuals involved.”

- What is HRM?

According to P Subba Rao, “HRM is managing the functions of employing, developing and compensating human resources resulting in creating and developing human relations and utilization of human resources with a view to contribute proportionately to the organizational, individual and social goals.”



# Analyzing the HRM context

## THE PEST MODEL:

- An interesting way to describe the external environment.
- It is a good tool to examine the general HRM context.
- It captures the four important elements that shape and influence broad HR decisions which are as follows:
  - Political
  - Economic
  - Social/Cultural
  - Technological

# Scope of HRM





# Objectives of HRM

- To create and utilize an able and motivated workforce, to accomplish the basic organizational goals.
- To establish and maintain sound organizational structure and desirable working relationships among all the members of the organization.
- To create facilities and opportunities for individual or group development so as to match it with the growth of the organization.
- To maintain high employee morale by sustaining and improving various conditions and facilities.
- To strengthen and appreciate the human assets continuously by providing appropriate training.



# Contd...

- To identify and satisfy individual and group needs by providing adequate wages, incentives, benefits and social security.
- To provide an opportunity for expression and voice in management.
- To provide fair, acceptable and efficient leadership.
- To provide facilities and conditions of work and creation of favorable atmosphere for maintaining stability of employment.

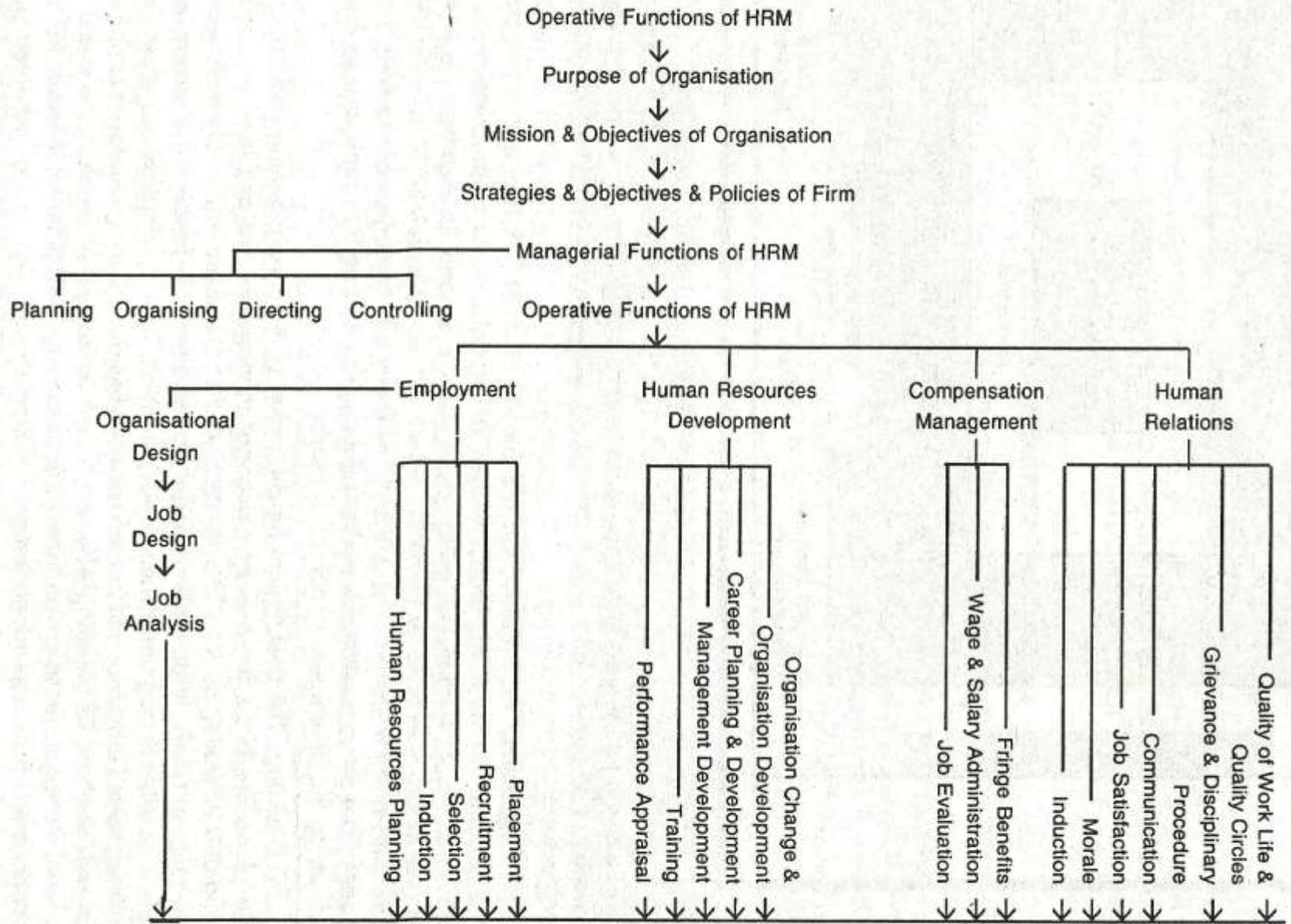


# Functions of HRM

The definition of HRM is based on what Managers do which is common to all organizations.

Functions of HRM can be broadly classified into two categories:

- Managerial Functions
- Operative Functions





# Importance of HRM

- ▶ The Evolving Business Paradigm:
  - One of the factors behind organizations giving a lot of attention to their people is the nature of the firms in the current business environment.
  - The changed business landscape has come about as a result of a paradigm shift in the way businesses and firms view their employees as more than just resources and instead adopt a “people first” approach.

# CONTD...

- ▶ Strategic Management and HRM:
  - There is a need to align organizational goals with that of the HR strategy to ensure that there is alignment of the people policies with that of the management objectives.
  - This means that the HR department can no longer be viewed as an appendage of the firm but instead is a vital organ in ensuring organizational success.

# CONTD...

- ▶ Importance of HRM for Organizational Success:
  - The practice of HRM needs to be integrated with the overall strategy to ensure effective use of people and provide better returns to the organizations in terms of ROI (Return on Investment) for every rupee or dollar spent on them.
  - The idea here is to adopt a holistic perspective towards HRM that ensures that there are no piecemeal strategies and the HRM policy enmeshes itself fully with those of the organizational goals.



# Manpower Planning (MPP)/ human resource planning (HRP)

- ▶ What is MP/ HRP?

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

# Need for human resource planning (HRP)

Every organization has to plan for human resource due to:

- The shortage of certain categories of employees and/or variety of skills despite the problems of unemployment.
- The rapid changes in technology, marketing, management, etc., and the consequent need for new skills and new categories of employees.
- The change in organization design and structure affecting manpower demand.
- The labor laws affecting the demand for and supply of labor.
- The involvement of lead time in manning the job with most suitable candidate.

# Objectives of human resource planning (HRP)

- To recruit and retain the human resource of required quantity and quality;
- To foresee the employee turnover and make the arrangements for minimizing turnover and filling up of consequent vacancies;
- To meet the needs of the programmes of expansion, diversification, etc.;
- To assess the surplus or shortage of human resources and take measures accordingly;
- To minimize imbalances caused due to non-availability of human resources of right kind, right number in right time and right place;
- To estimate the cost of human resources; and
- To make the best use of its human resources.

# Benefits of human resource planning (HRP)

- ▶ It checks the corporate plan of the organization.
- ▶ HRP offsets uncertainties.
- ▶ It helps to anticipate the cost of salary enhancement, better benefits, etc.
- ▶ To foresee the need for redundancy and plan to check it.
- ▶ To plan for physical facilities, working conditions and the volume of benefits like canteen, conveyance, quarters, etc.
- ▶ It helps to take steps to improve human resource contributions in the form of increased productivity, sales, turnover, etc.

# Job Analysis



## ► What is Job Analysis?

The US Department of labor defined job analysis as “the process of determining, by observation and study, and reporting pertinent information relating to the nature of a specific job. It is the determination of the tasks which comprise the job of the skills, knowledge, abilities and responsibilities required of the worker of a successful performance and which differentiate one job from all others.”



# Need for Job Analysis

- Management should determine the kind of employee required for a job and the number of people to be employed.
- The organization should also find out the right man for the right job in right time.
- The knowledge of the job is essential to perform these functions.

# Process of job analysis

- ▶ Collection of Background Information:

Background information consists of organization charts, and existing job descriptions.

- ▶ Selection of Representative Position to be Analyzed:

It would be too difficult and time consuming to analyze all the jobs. So, the job analyst has to select some of the representative positions in order to analyze them.

- ▶ Collection of Job Analysis Data:

This step involves actually analyzing a job by collecting data on features of the job, required employee behavior and human requirements.



# Contd...

- ▶ Developing a Job Description:

This step involves describing the contents of the job in terms of functions, duties, responsibilities, operations, etc.

- ▶ Developing a Job Specification:

This step involves conversion of the Job description statements into a job specification. Job specification describes the personal qualities, traits, skills knowledge and background necessary for getting the job done.

# Contd...

- ▶ Developing Employee Specification:

This step involves conversion of specifications of human qualities under job specification into an employee specification. Employee specification describes physical and educational qualifications, experience, etc which specify that the candidate with these qualities possesses the minimum human qualities listed in the job specification.



# Job description

- ▶ What is Job Description?

Job Description is an important document which is descriptive in nature and contains a statement of job analysis.

It tells us what should be done, why it should be done and where it should be performed.

# Content of Job Description

Service / Function

**Project Management**

Title

**Management Trainee**

Role description

Will be responsible for the successful execution and implementation of Research projects. This would involve working closely with Researchers / Clients in the US / UK - understanding Research Design, planning, co-ordinating and executing the project along with other team members. This profile requires the person to understand the clients' requirements and then facilitate the same by undertaking project planning, scheduling, translation of the survey requirements to the programmers and ensuring timely and high quality data collection / analysis.

Location,  
Working hours, Travel  
requirements

Mumbai  
US / UK time zone  
Maybe required to travel to US / UK for training / orientation / review

Salary

Rs. 400,000 p.a. – Rs.450,000 p.a.

Date of joining

January 2012, would undergo appropriate training thereafter



# Recruitment

- ▶ What is Recruitment?

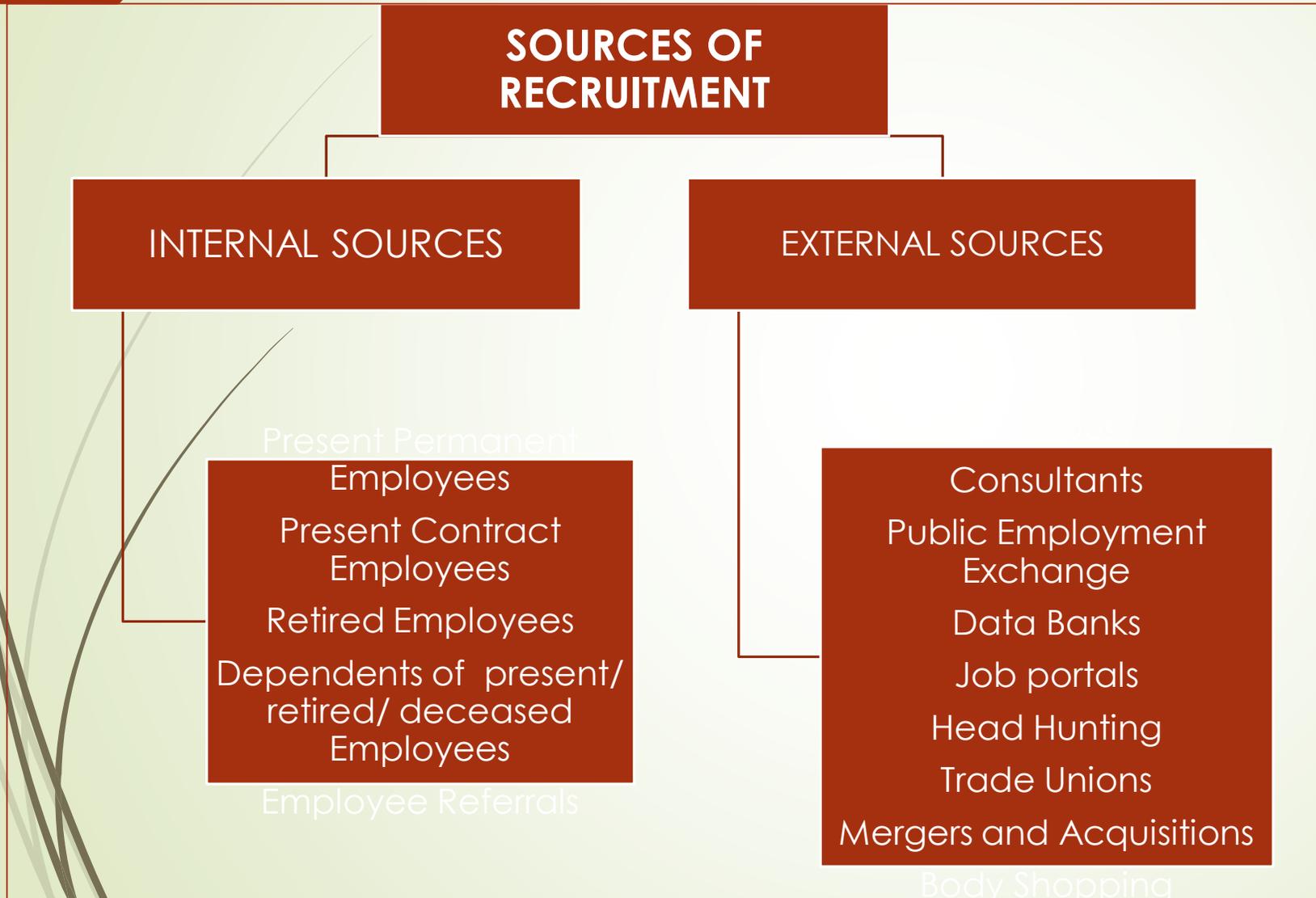
Recruitment is defined as, “a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient workforce.”



# Objectives of recruitment

- To attract people with multi-dimensional skills and experiences that suit the present and future organizational strategies;
- To induct outsiders with a new perspective to lead the company;
- To infuse fresh blood at all levels of the organization;
- To search for talent globally and not just within the company; and
- To anticipate and find people for positions that do not exist yet.

# Sources of recruitment



# Questions to be addressed while Hiring People:

- Has the vacancy been agreed by a responsible manager?
- Is there an up-to-date job description for the vacancy?
- What are the conditions of employment for the vacancy (salary, hours of work, fringe benefits, perquisites, holidays, etc.)?
- Has an employee specifications/candidate's profile (in terms of physique, intelligence, aptitude, qualifications experience, etc.) been prepared?
- Has a notice of the vacancy been circulated internally?

# Contd...

Has a job advertisement been agreed? Have details of the vacancy been forwarded to relevant agencies?

- ▶ Do all potential candidates (internal or external) know where to apply and in what form?
- ▶ What are arrangements for drawing up a shortlist of candidates?
- ▶ What about the interviewing dates and arrangements for selection of candidates?
- ▶ Have the short listed candidates or waitlisted candidates been informed sufficiently in advance and asked to furnish detailed references?
- ▶ Have unsuitable candidates or waitlisted candidates be informed of their position in a polite way thanking them for their interest and attendance?



# Selection

- ▶ What is Selection?

Selection is the intention to choose the best qualified and suitable job candidate for each unfilled job.

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

# Factors affecting selection decisions

The goal of selection is to sort out or eliminate those judged unqualified to meet the job and organizational requirements, whereas the goal of recruitment is to create a large pool of persons available and willing to work.

- Thus, it is said that recruitment tends to be positive while selection tends to be somewhat negative.
- The following factors affect the selection decision of candidates:
  - Profile matching
  - Organizational and social environment
  - Successive Hurdles
  - Multiple correlation

# Steps in scientific selection process

- 
- Job Analysis
  - Recruitment
  - Application Form
  - Written Examination
  - Preliminary Interview
  - Business Games
  - Tests
  - Final Interview
  - Medical Examination
  - Reference Checks
  - Line Manager's Decision
  - Employment

# Motivation

- ▶ What is Motivation?

“Motivation represents an unsatisfied need which creates a state of tension or disequilibrium, causing the individual to move in a goal directed pattern towards restoring a state of equilibrium by satisfying the need.”

Motivation is a process that starts with a physiological or psychological deficiency or need that activates behavior or a drive that is aimed at a goal or incentive.



# Types of Motivation

- ▶ Positive versus Negative
  - ▶ Rational versus Emotional
  - ▶ Intrinsic versus Extrinsic
- 



# Theories of Motivation

- ▶ Maslow's Need Hierarchy
- ▶ Alderfer's ERG
- ▶ Herzberg's Two Factor
- ▶ McGregor's Theory X and Y

# Motivational strategies

## Empowering Employees:

- *Empowerment* occurs when individuals in an organization are given autonomy, authority, trust, and encouragement to accomplish a task.
- In an attempt to empower and to change some of the old bureaucratic ideas, managers are promoting corporate intrapreneurships.
- **Intrapreneurship** encourages employees to pursue new ideas and gives them the authority to promote those ideas.

# Contd...

## Providing an effective Reward System:

People receive rewards in one of the following two ways:

**Extrinsic rewards** are externally administered. They are valued outcomes given to someone by another person, typically a supervisor or higher level manager. Common workplace examples are pay bonuses, promotions, time off, special assignments, office fixtures, awards, verbal praise, and so on.

**Intrinsic rewards** are self-administered. Think of the “natural high” a person may experience after completing a job. That person feels good because she has a feeling of competency, personal development, and self-control over her work.

# Contd...

An effective reward system has four elements:

- Rewards need to satisfy the basic needs of all employees.
- Rewards need to be included in the system and be comparable to ones offered by a competitive organization in the same area.
- Rewards need to be available to people in the same positions and be distributed fairly and equitably.
- The overall reward system needs to be multifaceted. Because all people are different, managers must provide a range of rewards—pay, time off, recognition, or promotion. In addition, managers should provide several different ways to earn these rewards.

# Contd...

- ▶ Redesigning jobs:

The concept of *job redesign*, requires a knowledge of and concern for the human qualities people bring with them to the organization, applies motivational theories to the structure of work for improving productivity and satisfaction.

- ▶ **Job Enlargement:** Often referred to as *horizontal job loading*, job enlargement increases the variety of tasks a job includes. Although it doesn't increase the quality or the challenge of those tasks, job enlargement may reduce some of the monotony, and as an employee's boredom decreases, his or her work quality generally increases.

# Contd...

- **Job Rotation:** This practice assigns people to different jobs or tasks to different people on a temporary basis. The idea is to add variety and to expose people to the dependence that one job has on other jobs. Job rotation can encourage higher levels of contributions and renew interest and enthusiasm. The organization benefits from a cross-trained workforce.
- **Job Enrichment:** Also called *vertical job loading*, this application includes not only an increased variety of tasks, but also provides an employee with more responsibility and authority. If the skills required to do the job are skills that match the jobholder's abilities, job enrichment may improve morale and performance.

# Contd...

## ► Creating Flexibility:

Today's employees value personal time. Because of family needs, a traditional nine-to-five workday may not work for many people. Therefore, **flextime**, which permits employees to set and control their own work hours, is one way that organizations are accommodating their employees' needs. Some of the options organizations are trying are as follows:

- **Compressed Workweek:** It is a form of flextime that allows a full-time job to be completed in less than the standard 40-hour, five-day workweek. Its most common form is the 4/40 schedule, which gives employees three days off each week.

# Contd...

- **Job Sharing:** It occurs when one full-time job is split between two or more persons. Job sharing often involves each person working one-half day, but it can also be done on weekly or monthly sharing arrangements. When jobs can be split and shared, organizations can benefit by employing talented people who would otherwise be unable to work full-time.
- **Telecommuting or Flexiplace:** It is a work arrangement that allows at least a portion of scheduled work hours to be completed outside of the office, with work-at-home as one of the options. Telecommuting frees the jobholder from needing to work fixed hours, wearing special work attire, enduring the normal constraints of commuting, and having direct contact with supervisors.

# Contd...

## Self Motivation:

- Stay Active
- Hang Around with Motivated People
- Have a Goal
- Let Others Know Your Goal
- Get a Role Model
- Realize that we All have Bumps in the Road
- Read Motivational Quotes
- Take Bite Sized Pieces
- Do the Hardest Thing First
- Make it Fun

# Incentives schemes

## ► What is Incentives Schemes?

According to Hummel and Nickerson, “It refers to all the plans that provide extra pay for extra performance in addition to regular wages for a job.”

Incentives do not create but only aim to increase the national momentum towards productivity.

Wage incentives are extra financial motivation.

# Objectives of incentive schemes

- To improve the profit of a firm through a reduction in the unit costs of labor and materials or both;
- To avoid or minimize additional capital investment for the expansion of production capacity;
- To increase a worker's earnings without dragging the firm into a higher wage rate structure regardless of productivity and
- To use wage incentives as a useful tool for securing a better utilization of manpower, better production scheduling and performance control, and a more effective human resource policy.