

HUMAN RESOURCE MANAGEMENT

**Dr. Narayana Srikanthreddy
Dr. Ramalingam Mageshkumar**



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CHAPTER 1

AN OVERVIEW OF THE ROLE OF HUMAN RESOURCES

Dr. Narayana Srikanthreddy, Assistant Professor
Department of Management, Presidency University, Bangalore, India
Email id- srikanthreddyn@presidencyuniversity.in

ABSTRACT:

The most important asset of an organization is managed in large part by human resources (HR). Recruitment and selection, training and development, performance management, pay and benefits administration, and employee relations are just a few of the duties that fall within the purview of the HR department. Over time, HR's job has changed from being primarily administrative to being a strategic partner who supports the success of the company. HR practitioners must be able to combine the requirements of workers with the objectives of the organization in today's fiercely competitive business climate. This calls for a thorough grasp of organizational culture, strong communication abilities, and the capacity to foresee and adapt to shifting workforce trends. In the end, a company's success rests on its capacity to find, keep, and develop great people, and the HR department is essential to making that happen.

KEYWORDS:

Communication, Compensation, Development, Employee Relations, Recruitment, Performance Management, Talent Management.

INTRODUCTION

You just received a job offer from a small corporation to work in the human resources division. Through a conference you attended, organized by the Society for Human Resource Management (SHRM), you learned about the position. Jennifer, the business's owner, had previously handled all aspects of human resource management (HRM). You can see she has some qualms about being paid well for a job she was able to do on her own. You spend time with the firm owner and meet the 10 workers on your first day in an effort to understand whatever human resource procedures are currently in place. Soon after the meeting starts, you see that she has an entirely different understanding of what HRM is, and you realise that it will be your responsibility to inform her of the importance of an HR manager. You see it as a personal task to teach her and to demonstrate to her the importance of this position inside the company.

You start by explaining to her that HRM is a strategic process that deals with the business' side of personnel, remuneration, retention, training, and employment legislation and policy. In other words, in addition to writing policies and procedures and hiring staff (the administrative function), your responsibilities as an HR manager will also include using strategic planning to guarantee that the appropriate candidates are selected for employment and are given the necessary training at the appropriate time. For instance, Jennifer responds, "Of sure. I know what the income will be in six months. We anticipate a 20 percent gain.

"Have you thought about how many people you will need due to this increase?" you inquire. "No, I guess I haven't gotten that far," Jennifer replies with an embarrassed expression on her face. Then you question her more about the company's training programmes, the software that enables workers to obtain pay information online, and the compensation guidelines. It seems like we have some work to do, she replies. I had no idea that all of that was associated with human resources. You give her a kind grin and begin talking about some company information so you can begin creating the strategic human resource management strategy right now.

Human Resources

Every organization, no matter how big or little, utilizes different types of capital to operate. Cash, jewels, and items used to produce revenue for a firm are all considered capital. A retail shop, for instance, employs registers and inventories, but a consulting company can have its own software or facilities. Whatever their sector, all businesses share the need for people to make their capital work for them. This will be the text's main topic throughout: generating income by using people's talents and skills [1].

Human Resource Management

Human resource management (HRM) is the process of hiring individuals, providing them with the necessary training and compensation, creating policies pertaining to them, and creating retention plans. Over the last 20 years, HRM has seen a great deal of development as a field, making it even more crucial in today's organizations. HRM used to be more of an administrative function than a strategic one that was essential to the organization's performance. It included processing payroll, sending birthday presents to workers, planning corporate trips, and ensuring sure paperwork were accurately filled out.

At the outset of this paper, it is important to emphasize that every manager has a responsibility in human resource management. Even if we do not have the title of HR manager, we nonetheless carry out all or at least part of the HRM duties. For instance, because the majority of managers are involved in employee remuneration, employee engagement, and employee retention, these issues fall under both management and HRM. As a consequence, both those who will manage a firm and those who aspire to become HR managers should read this book [2].

The Role of Human Resource Management

Despite the chosen career route, this knowledge is crucial since many HRM duties are also carried out by other department managers. Seven key responsibilities that HRM performs in organizations are generally acknowledged by professionals. The following sections provide descriptions of these:

i. Staffing

To complete duties and complete work in the organization, you need individuals. Humans are still required even with the most advanced technologies. As a result, staffing is one of the key responsibilities of HRM. The whole recruiting process, from advertising a position to negotiating a wage package, is included in staffing. There are four key stages in the staffing function:

- a) **Development of a Staffing Plan:** This plan allows HRM to see how many people they should hire based on revenue expectations.
- b) **Development of Policies to Encourage Multiculturalism at Work:** Multiculturalism in the workplace is becoming more and more important, as we have many more people from a variety of backgrounds in the workforce.
- c) **Recruitment:** This involves finding people to fill the open positions.
- d) **Selection:** In this stage, people will be interviewed and selected, and a proper compensation package will be negotiated. This step is followed by training, retention, and motivation.

Development of Workplace Policies

Every organization has rules that guarantee consistency and fairness throughout the organization. Creating the language used to describe these regulations is one of HRM's responsibilities. HRM, management, and executives are all engaged in the process of developing policy. For instance, the HRM specialist is likely to identify the need for a policy or a modification in a policy, get input on the policy, develop the policy, and then inform workers about it. It is important to stress that HR departments cannot and do not operate independently. Every action they do must include all other organizational departments. The following are some examples of workplace policies:

- a. Discipline process policy
- b. Vacation time policy
- c. Dress code
- d. Ethics policy
- e. Internet usage policy

Compensation and Benefits Administration

HRM experts must decide if pay is fair, in line with industry norms, and competitive enough to draw candidates to the company. Anything the employee gets in exchange for their labour is considered compensation. The salary must also be equivalent to what other workers doing similar occupations are earning, according to HRM experts. In order to do this, compensation systems that account for length of service with the company, years of experience, education, and similar factors must be established. Here are some instances of employee compensation:

- i. Health Benefits
- ii. Sick leave Bonuses
- iii. Tuition reimbursement

Retention

All legislation affecting the workplace must be known to human resource professionals. Some of the HRM professionals that deal with HRM Retention is the process of maintaining and encouraging workers to remain with the company. Employee retention is mostly

influenced by compensation, but there are other considerations as well. 90% of workers quit their jobs for one of the following reasons:

- i. The job they are performing
- ii. Challenges with their manager
- iii. Poor fit with organizational culture
- iv. Poor workplace environment

Despite this, 90% of managers believe that money is the primary factor in employee turnover. As a consequence, managers often attempt to alter pay packages to discourage employees from quitting, even when that isn't the case. Based on these four variables, "Retention and Motivation (Page 189)" and "Employee Assessment" offer several methods for keeping the best staff [3], [4].

Training and Development

After taking the effort to find and recruit new workers, we want to ensure that they not only get the necessary training but also continue to learn and advance in their positions. The organization's production increases as a consequence. Another important factor in employee motivation is training. Employee retention is higher when workers believe their talents are being developed at work because they are happy there. Training programme examples might include the following:

- i. Job skills training, such as how to run a particular computer program
- ii. Training on communication
- iii. Team-building activities
- iv. Policy and legal training, such as sexual harassment training and ethics training

Dealing with Laws Affecting Employment

Human resource people must be aware of all the laws that affect the workplace. An HRM professional might work with some of these laws:

- i. Discrimination laws
- ii. Health-care requirements
- iii. Compensation requirements such as the minimum wage
- iv. Worker safety laws
- v. Labor laws

The legal environment that HRM operates in is always evolving, thus HRM must be informed of any changes and inform the full management organization about them. HRM legislation will be discussed in each pertinent subject rather than as a separate chapter [5], [6].

Worker Protection

In all organizations, safety is a top priority. New laws are often made with the intention of establishing national or state standards to guarantee worker safety. The standards for worker safety in a workplace may also be impacted by unions and union contracts. The responsibility for monitoring whether the workplace complies with federal and union rules rests with the human resource manager. Issues relating to worker protection may include the following:

- i. Chemical hazards
- ii. Heating and ventilation requirements
- iii. Use of “no fragrance” zones
- iv. Protection of private employee information

Communication

In addition to these critical duties, effective management and communication abilities are essential for both general and human resource management success. "Successful Employee Communication" covers several topics [7].

Awareness of External Factors

The HR manager must take into account external variables that may have an impact on the organization in addition to controlling internal issues. Outside forces, also known as external factors, are those that the organization cannot directly control but which may have an influence on human resources either favorably or adversely. The following are examples of possible external factors:

- i. Globalization and offshoring
- ii. Changes to employment law
- iii. Health-care costs
- iv. Employee expectations
- v. Diversity of the workforce
- vi. Changing demographics of the workforce
- vii. A more highly educated workforce
- viii. Layoffs and downsizing
- ix. Technology used, such as HR databases
- x. Increased use of social networking to distribute information to employees

External variables that have an impact on HR include, for instance, the current trend in flexible work schedules that enable workers to determine their own schedules and telecommuting, which allows employees to work from home or a distant location for a defined length of time, such as one day per week. In order to create policies that satisfy both the goals of the organization and the needs of the people, HRM must be aware of these external concerns. Another such is the 2010 statute known as the Patient Protection and

Affordable Care Act. This bill's implementation will have a significant impact on HR. For instance, a business with more than fifty workers is required to provide health insurance or face a fine. According to estimates, 60 percent of firms already provide their workers with health insurance. Cost issues and leveraging health benefits as a recruiting technique are significant external problems since health insurance will be required. Any manager who makes decisions without taking into account external factors is likely to alienate staff, which will leave them demotivated and dissatisfied. Not comprehending the external influences may also result in breaching the law, which has a worrying range of ramifications.

Attending conferences and reading numerous online publications are two ways managers may stay informed about external pressures. For instance, the Society for Human Resource Management's website, SHRM Online, not only lists job openings in the industry but also addresses a number of current human resource topics that might aid the manager in making better judgements on people management. We go into further detail about some current external concerns that are influencing human resource management positions in "Today's HRM Challenges". Figure 1 illustrates some of the abilities mentioned in "The Role of HRM" that are necessary for HRM success.



Figure 1: Represented the Important Key Factors of the Successful HR Professional.

DISCUSSION

The role of Human Resources (HR) has evolved over time and now encompasses a broad range of responsibilities that are vital to the success of an organization. In this discussion, we will explore the different aspects of the HR role, its importance, and the challenges faced by HR professionals. One of the primary functions of HR is recruitment and selection. The HR

department is responsible for attracting and identifying top talent, screening and interviewing candidates, and making job offers. The recruitment process is critical because it directly impacts the organization's ability to compete and succeed in the marketplace. Another critical function of HR is training and development. HR professionals are responsible for creating and implementing training programs that help employees improve their skills and knowledge. This includes orientation programs for new employees, leadership development programs for managers, and professional development opportunities for all staff. Performance management is another important responsibility of HR. The HR department is responsible for establishing performance metrics, setting goals, and conducting performance evaluations. HR professionals also provide feedback and coaching to employees to help them improve their performance. Compensation and benefits are also critical functions of HR. HR professionals design and implement compensation and benefits packages that are competitive and attractive to top talent. They also ensure that employees receive the appropriate benefits, such as health insurance, retirement plans, and paid time off. Employee relations is another essential aspect of HR. HR professionals are responsible for creating and maintaining a positive work environment and resolving conflicts between employees. They also manage disciplinary action, including termination, and ensure that all legal requirements are met. In today's highly competitive business environment, the HR department has become a strategic partner in driving business success. HR professionals must be able to align their activities with the organization's overall strategy and objectives. They must also be able to anticipate and respond to changing workforce trends, such as remote work and employee wellness programs. The challenges faced by HR professionals include attracting and retaining top talent, managing employee expectations, and dealing with legal and regulatory compliance issues. HR professionals must be skilled in communication, problem-solving, and decision-making to succeed in this role. The role of Human Resources is critical to the success of an organization. HR professionals are responsible for managing the organization's most valuable asset, its people. They must be able to balance the needs of employees with the goals of the organization and anticipate and respond to changing workforce trends. While the HR role is challenging, it is also rewarding and essential to the long-term success of any organization[4], [8].

CONCLUSION

In conclusion, the role of Human Resources is vital to the success of any organization. HR professionals are responsible for managing the organization's most valuable asset, its people. They are involved in every aspect of the employee life cycle, from recruitment and selection to training and development, compensation and benefits, performance management, and employee relations. The role of HR has evolved over time, and today, HR professionals are strategic partners who play a crucial role in driving business success. While the HR role is challenging, it is also rewarding and essential to the long-term success of any organization. In a world where the workforce is continually evolving, HR professionals must remain adaptable and innovative in their approach to managing and supporting employees to stay competitive and ensure that the organization can achieve its objectives.

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CHAPTER 2

AN OVERVIEW OF THE SKILLS NEEDED FOR HRM

Mr. Kunal Saxena, Assistant Professor
Department of Management, Presidency University, Bangalore, India
Email id- drkunal@presidencyuniversity.in

ABSTRACT:

Managing the workforce and ensuring that the organization's goals are accomplished via efficient people management are the responsibilities of human resource management (HRM), a crucial role inside organizations. HR workers require a variety of talents to succeed in this position. These abilities include a thorough knowledge of the rules and laws governing employment, outstanding communication abilities, the capacity to cultivate close bonds with coworkers, and a thorough comprehension of the objectives and culture of the company. Additionally, data analysis, strategic planning, and problem-solving skills are required of HR specialists. They also need to be adept at handling disagreement inside the organization and change management. In conclusion, a professional in HRM must possess a wide range of talents and the flexibility to adapt to the changing demands of their organizations.

KEYWORDS:

Change management, Communication, Conflict Resolution, Data analysis, Strategic Planning, Workforce Management.

INTRODUCTION

A wide range of talents to handle a variety of scenarios is one of the key components of a good manager or human resource (HR) manager. HR expertise, such as understanding which forms must be completed, is just insufficient. To develop and manage people, you need a cutting-edge human resource division and a variety of capabilities. The most important talent is organization. Given that you are in charge of managing people's salaries, benefits, and careers, this expertise is necessary. For success in any work, but particularly if you take on a position in human resources, having organized computer files and solid time management skills are essential. Similar to most careers, managing human resources requires the ability to multitask, or work on many tasks at once. A normal human resources manager would have to handle an employee problem for a moment before switching to recruitment. Human resources concentrate on all parts of the organization, where multitasking is essential, unlike many management jobs that only focus on one activity or one sector of the firm.

As cliché as it may seem, people skills are essential in all forms of management and may even be the most crucial for success in any career. People management include the ability to handle a range of personalities, resolve conflicts, and coach others. People skills go hand in hand with communication abilities. A great manager and human resource management (HRM) expert is able to convey both positive and negative news, such as the hiring of a new employee or the firing of an employee, as well as everything in between, such changes to policy.

Understanding certain work areas, such as maintaining the personnel database, being aware of employment legislation, and being able to draught and construct a strategy plan that is in line with the company are essential for success in HRM or management. This book will cover each of these abilities. Another crucial competency for HR professionals is a strategic mindset. An individual with a strategic mindset is able to make long-term plans and keep an eye out for trends that may impact the environment in which the firm is functioning. Managers often give their own region too much attention at the expense of the company as a whole. In addition to working within his or her own field, the strategic HR professional is able to comprehend how HR fits into the overall picture of the company.

Human resources also need ethics and a sense of justice. Ethics is a notion that looks at a situation's moral right and wrongs. Take into account the fact that many HR managers handle dispute resolution and pay and union contract negotiations. Additionally, HR managers are responsible for making sure that the company's ethical guidelines are being followed. A sense of ethics is crucial while handling this information since many HR managers are obliged to deal with highly private information, such as pay information. "The Role of HRM " addresses ethics from an organizational standpoint.

In addition to the abilities we've already mentioned, understanding the specific business, being aware of the business plan, and having the ability to critically consider how HR may fit into the strategy are all strategies to guarantee that HR departments are essential components of the company. Like accounting or finance, human resources are a highly specialized field.

However, a lot of people get hired for HR positions even when they lack the necessary expertise. People with great talents are often promoted to management positions where they are then expected (if the firm is small) to handle activities related to employment, remuneration, and recruitment. For this reason, throughout the chapters, we shall use the terms management and HR management interchangeably. Additionally, both managers and HRM specialists need these abilities [1].

Having said that, if you're interested in a job in HRM, you may choose from three tests to show your knowledge of HRM-related subjects:

- i. **Human Resources Professional (PHR):** An HR professional must have at least two years of experience to sit for this test. The four-hour test has 225 multiple-choice questions covering a range of topics. Strategic management makes up 13% of the exam, followed by workforce planning (26%), human resource development (17%), incentives (16%), employee and labour relations (22%), and risk management (7%).
- ii. **SPHR stands for Senior Professional in Human Resources:** This test is intended for HR professionals that priorities strategy and design above execution. It is advised that the test-taker has six to eight years of professional experience and directs and supervises an HR department. The strategic component of HRM is more heavily emphasized in this exam.
- iii. **The GPHR stands for Global Professional in Human Resources:** This test is intended for HR professionals whose organizations often collaborate across borders and who carry out many of their activities on a worldwide scale. 165 multiple-choice questions are in this three-hour test. A two-year professional work

history is required to take the certification exam. The person who builds HR-related programs and procedures to accomplish company objectives, however, would be best suited to get this certification since the exam contains an international component.

Getting certificates has several advantages. In addition to showcasing the HR professional's skills, certification increases the professional's marketability in a highly competitive industry. Most businesses need a human resources division or a manager with HR expertise. Since there are so many different job titles and sectors, human resources can only give broad job titles:

- i.** Recruiter
 - ii.** Compensation analyst
 - iii.** Human resources assistant
 - iv.** Employee relations manager
 - v.** Benefits manager
 - vi.** Work-life coordinator
 - vii.** Training and development manager
 - viii.** Human resources manager
 - ix.** Vice president for human resources
- a)** A lot of skills are essential to managing human resources. To start with, it's important to be able to organize and multitask. An HR manager must handle files while also working continuously in many business units.
 - b)** HRM requires good communication abilities as well. In HRM, it's crucial to have the aptitude to train workers, deliver both good and bad news, and interact with a range of personalities.
 - c)** In any sort of management, but particularly in human resource management, specific work skills, such as computer proficiency, understanding of employment legislation, drafting and constructing strategic plans, and basic critical-thinking abilities, are crucial.
 - d)** The finest HR managers will have a keen sense of justice and high moral standards. The HR professional requires ethical skills and the capacity to retain confidentiality since they collaborate with a number of departments to manage disputes and negotiate wage and union contracts.
 - e)** Critical and creative thinking, as well as writing, are abilities that will aid the HR manager as well, since one of the main duties of an HR department is to connect the HR strategic plan with the company strategic plan.
 - f)** Since many persons find themselves in the position of HR manager, the term HR manager will be used often in this book. Although many other sorts of managers also

handle hiring, choosing, and paying employees, this book and the abilities detailed in this part are relevant to all majors.

- g) You may take certification examinations to increase your marketability in the HRM industry. The HR Certification Institute (HRCI) grants several certificates.

Different Challenges of HRM

The same is true for HRM; all organizational departments must demonstrate their worth and contributions to the broader company plan. HRM departments must demonstrate the value they provide to the organization via alignment with business goals as corporations become increasingly focused on cost-cutting. Understanding some of the difficulties faced by organizations and figuring out how to lessen their negative effects are the first steps towards being able to provide value. The remainder of this book will go into further depth about how to address these difficulties once this part has covered some of the HRM challenges [2], [3].

i. Containing Costs

Most business owners, when asked about their toughest obstacles, would probably say that controlling costs has a significant impact on whether or not their company succeeds. When the economy isn't performing well, the majority of firms today are most likely to make cutbacks to their human resources departments. Consider the costs associated with any business's human resources:

- a) Health-care benefits
- b) Training costs
- c) Hiring process costs

Any business's bottom line will be affected by these expenses. The challenge is determining how much, how many, or how often benefits should be provided while maintaining employee enthusiasm. A firm may save money by not providing 401(k) plans or perks, but if it wants to employ the finest candidates, a package without these elements is almost guaranteed to fail to do so. Cost containment, therefore, involves striking a balance. Offering too much might put pressure on the business's financial line, so an HR manager must do all within his or her power to attract and keep personnel. For instance, there are three strategies to reduce the price of medical care:

- a) Shift more of the cost of health care to employees.
- b) Reduce the benefits offered to cut costs.
- c) Change or better negotiate the plan to reduce health-care costs.

Companies spend around \$4,003 on health care annually for a lone employee and \$9,764 for a family. For workers who are single or have families, this equates to around 83 percent and 73 percent of total health care spending, respectively. Implementing a cafeteria plan is one potential method of health care plan containment. In many organizations, cafeteria arrangements have been the norm since the 1980s, when they first gained popularity. All workers are provided with a basic level of benefits under this sort of plan, as well as a predetermined amount to spend on flexible benefits like extra healthcare or vacation time. It

makes benefits more adaptable, enabling the employee to choose the benefits that are best for them depending on their family circumstances. In contrast to a woman who is unmarried and childless, a mother of two may decide to use her flexible benefits to pay for her children's health care [4], [5].

By providing training, expenses may also be reduced. Although it may seem contradictory since training does require an initial investment, it may actually result in financial savings over time. Think about the potential cost of a sexual harassment or wrongful termination case. For instance, the Equal Opportunity Employment Commission (EEOC) looked into a Sonic Drive-In on behalf of 70 female employees, and it became out that one of the managers there had exposed the victims to unwanted touching and remarks. The organization spent \$2 million on this litigation. This probably could have been avoided with some straightforward training up front, which would have cost less than the lawsuit. HR may significantly save expenses for the company as a whole by teaching staff members and management how to operate legally and ethically. We will go into more detail on how to set up, manage, and assess the effectiveness of a training programme in "Training and Development."

An organization's recruiting process and turnover expenses may be highly costly. The number of workers that leave a firm in a certain time frame is referred to as turnover. HR may directly support company-wide cost-containment initiatives by designing a hiring and selection process with cost reduction in mind. In fact, for a job paying \$60,000, the cost of acquiring a new employee or replacing an existing one (turnover) might reach \$9,777. 8 HR managers may control expenses for their company by making wise recruiting decisions from the beginning.

According to a poll cited in the Sales and Marketing Management newsletter, 95% of managers believe that poor communication is the root of lost sales. Meetings, instant chatting, texting, and emailing are all forms of corporate communication. Understanding communication channels, personality types, and communication styles may make us more cost-effective communicators and help us communicate more effectively overall. In HRM, we can make sure that our employees have the resources they need to communicate more effectively, so controlling expenses and saving money [6].

"Successful Employee Communication" will cover some of these strategies for improved communication. Offshoring has been a cost-containment strategy for US companies. Offshoring describes the cost-cutting practice of moving work elsewhere. By 2015, 3.3 million US jobs are anticipated to go abroad. 10 The majority of these employment, according to the US Census Bureau, are in manufacturing and information technology (IT). This problem is particular to HR since HRM is often in charge of creating training programs for new hires and firing domestic employees. Offshoring will be covered under "International HRM," while "Training and Development" will include new employee orientation. Human resources can undoubtedly provide answers as organizations look at different methods to reduce costs. Of course, cost reduction isn't only up to HRM and managers.

ii. Technology

As new technology is produced, it will continue to have a significant influence on human resources. Many businesses now use virtual workforces that work virtually from anywhere in the globe thanks to technology. Management of these human resources has some special

difficulties when workers are not just down the hall. For instance, technology increases the necessity for comprehending diversity or multiculturalism. Since many people will interact with others from different cultural backgrounds while at work, cultural sensitivity and understanding are the only ways to guarantee that the use of technology leads to greater productivity rather than lower productivity as a consequence of misunderstandings.

A workforce that expects to be mobile is likewise a product of technology. Due to the option to work remotely, many workers may ask for, or even demand, a flexible schedule in order to accommodate their own personal and family obligations. All managers may be concerned about productivity when it comes to flextime, and another problem is ensuring that other employees are treated fairly when one employee is given a flexible schedule. Flextime will be covered under "Compensation and Benefits" and "Retention and Motivation" as a means of rewarding workers.

The creation of virtual organisations, which don't have a physical presence and enable all workers to work from home or any other place, is a step further taken by many businesses. As you can expect, this raises questions about the organization's productivity and communication [7].

Human resources have been influenced by the usage of cellphones and social networking since so many businesses now communicate with their staff through these channels. Of all, technology is continuously evolving, so the approaches used now could not be the same in a year or even six months. It's staggering how many different databases are accessible to carry out HR operations.

Databases are used, for instance, to keep track of personnel information, pay, and training. Additionally, databases that monitor the employment and recruitment procedures are accessible.

iii. The Economy

A country's economy often experiences difficult periods, which also affect business. Layoffs and high unemployment are unquestionably management and HRM problems. When forced to downsize because of a challenging economy, union contracts serve as the leading source if a human resource management works for a unionized organization. "Working with Labour Unions" will go into further information about union contracts.

When a management is forced to make layoffs due to a weak economy, considerations such as union constraints, legal limitations on who may be fired, and the procedure to be followed should be at the top of the list. When it becomes essential to fire workers, performance difficulties and performance evaluation may come into play. Both "Managing Employee Performance" and "Employee Assessment" will cover these topics.

The HR manager could encounter a new sort of stress in a growing economy. In a strong economy, there can be a lot of employment to keep up with demand. For instance, in 2010, hiring days were conducted at McDonald's outlets all throughout Las Vegas to fill 600 vacancies. 12 Think about the process of employing thus many individuals so quickly. In instances requiring mass employment, the same recruitment and selection procedures employed under regular conditions will be beneficial. The sections "Recruitment" and "Selection" will cover both recruiting and selection.

iv. The Changing and Diverse Workforce

Human resources should be aware of how often the workforce changes. For instance, the national population was 308,745,538 according to the 2010 census, with 99,531,000 people employed full-time, a decrease from 2008 when this number was 106,648,000. The average weekly wage for full-time employees increased with worker education. Over 40% of the workforce is anticipated to retire over the next 10 years, and there won't be enough younger people to fill the vacancies left by the ageing workforce. According to the American Society of Training and Development, just 46 million people will replace the 76 million Americans who will retire in the next 20 years. As you can guess, this will provide a special staffing challenge for human resources professionals as well as managers as they search for exceptional individuals in a pool that is insufficiently populated to carry out essential tasks. The ageing baby boomers are to blame for this rise in retirement. The Census Bureau defines baby boomers as those who were born between 1946 and 1964.

The reason they are known as baby boomers is because there was a significant surge in births after the troops' return from World War II. In 2011, the year when the first baby boomers began to retire, there were 76 million baby boomers living in the United States. The baby boomer generation has had a significant influence on both our nation and human resource management. A significant portion of the working population is lost when baby boomers retire, and there aren't enough individuals to replace the open positions. Second, as baby boomers retire, their expertise is gone. Although most of this information isn't formalized or recorded, it nonetheless helps businesses succeed. Third, since seniors are living longer, everyone who is now employed must pay more for health care. Three out of five baby boomers are thought to not have enough money saved for retirement, which means that many of them will be dependent on Social Security benefits to cover their basic expenses [8].

There may not be enough current employees to meet the present Social Security demands, however, since the Social Security system is a pay-as-you-go system, meaning that people contributing to the system now are paying for current retirees. In actuality, there were employees to support each Social Security claimant in 1950, but there are now just 3.3 people doing so. The consequences might result in more current employees having to contribute to the support of retirees.

DISCUSSION

In order to accomplish the goals of the organization, human resource management (HRM), a crucial role inside organizations, manages and develops the workforce. To be successful in their positions, HR professionals need a wide variety of abilities. We will go into greater depth about the abilities required for HRM in this conversation. Understanding employment rules and regulations is one of the key abilities that HR professionals require. The organization's compliance with all relevant regulations, including equal opportunity and anti-discrimination statutes, is the responsibility of HR experts. They also need to be familiar with labour rules, such as those governing minimum wages and overtime restrictions. This ability is essential to safeguard the company from legal problems and make sure that workers are treated fairly and ethically. Another crucial ability for HR workers is communication. They must be able to communicate clearly with the organization's stakeholders, including the management and staff.

In order for workers to understand complicated ideas like benefit plans and performance management procedures, HR experts must be able to explain them simply. They must also possess the professionalism and empathy necessary to convey unfavourable news, like layoffs. Additionally, HR specialists need to be adept at forging close relationships with workers. This ability entails having a thorough awareness of the wants and requirements of the employees, encouraging openness and trust, and being able to provide assistance and direction. Improved retention, greater job satisfaction, and enhanced employee engagement may all result from positive working relationships between HR professionals and staff. Another essential skill for HR workers in the modern company environment is data analysis. To make wise judgements, HR professionals must be able to analyse workforce data, including employee turnover rates, demographic information, and performance indicators. Additionally, they must be able to analyse data to see patterns, such as concerns with employee engagement or skill shortages, and create plans of action to solve them.

Another essential ability for HR professionals is strategic planning. They must be able to match HR strategy with the objectives and mission of the company. Future workforce demands must be foreseen by HR experts, who must then create strategies to proactively meet them. Additionally, they must be able to modify their strategies in response to shifting business situations.

Additionally, HR practitioners need to be adept at managing change. Identification of the effects of change on workers, creation of a communication strategy, and provision of assistance throughout the transition are all parts of change management. To lessen the effect on the workforce and guarantee a seamless transition, HR professionals must be able to manage change successfully. For HR workers, conflict resolution is yet another crucial ability. They must have the ability to resolve disputes between coworkers or between coworkers and management. Understanding the issue's underlying causes, good communication, and creating solutions that satisfy all parties are necessary for conflict resolution [9], [10].

CONCLUSION

The management and development of the workforce is the responsibility of human resource management (HRM), which is a crucial role inside organizations for achieving organizational goals. To be successful in their positions, HR professionals need a wide variety of abilities. They need to be knowledgeable about labour laws and regulations, have outstanding communication skills, be able to forge strong bonds with others, and have the capacity for data analysis, strategic planning, change management, and dispute resolution. In order to assist and mentor people, make informed choices, connect HR strategies with the organization's objectives and vision, manage change successfully, and settle disputes, it is essential that the organization develops these abilities.

In order to adapt to the changing demands of their organizations and make sure they can provide value and assistance to the workforce; HR professionals must continuously learn and hone their abilities. For HRM, a wide range of abilities are required. A grasp of employment regulations, good communication skills, the capacity to forge lasting bonds with others, data analysis, strategic planning, change management, and conflict resolution are just a few of the many abilities that HR professionals must possess. The success of HR professionals and the organizations they work for depends on the development of these talents.

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CHAPTER 3

AN OVERVIEW OF THE DEVELOPING AND IMPLEMENTING STRATEGIC HRM PLANS

Dr. Ramalingam Mageshkumar, Assistant Professor
Department of Management, Presidency University, Bangalore, India
Email id- mageshkumar@presidencyuniversity.in

ABSTRACT:

To make sure they have the appropriate people, with the right abilities, in the right roles, at the right time, and at the right cost, organizations must develop and implement strategic HRM plans. This process includes determining the organization's HRM requirements and creating strategies to address those needs, as well as coordinating HRM plans with the broader company strategy. It also entails putting these concepts into practice via sensible HRM procedures and regulations. In order to develop and implement strategic HRM plans, there are several key components that must be considered. These components include the significance of strategic planning, the method of determining HRM needs, the creation of HRM strategies, and the implementation of these strategies through HRM practices and policies. Organizations may make sure that their workforce is aligned with their strategic goals, engaged and motivated, and has the skills and competences necessary to achieve business success by understanding the essential aspects involved in this process.

KEYWORDS:

Business Strategy, Competencies, Development, Engagement, HRM Practices, HRM Policies, Implementation.

INTRODUCTION

James, the manager of human resources, entered the post by accident. James had been employed at Techno, Inc. for three years when he was promoted to human resource management as the business expanded. The music industry's technology and software consultancy firm is called Techno, Inc. James spent a lot of time trying to find out how to manage an HR department since he didn't have a strong understanding of how to do so. He employed thirty staff in a month to cover the demand when Techno began experiencing tremendous development. James felt pretty proud of himself for being able to complete his work of satisfying the business's present demands. He'd spent hours considering recruiting tactics, crafting fantastic pay packages, and finally combing through resumes as a minor part of the hiring process. The organization now has the necessary personnel on hand to complete its tasks.

But after five months, it became clear that the quick development was simply temporary. When James visited with the company's management, they informed him that the contracts they had won were over and that, if they didn't let some employees go, there wouldn't be enough new business to cover payroll the next month. James was angry because he had gone to such lengths to employ people, and now they were going to be fired. Forget about the expenses his department incurred to make this happen, such as employing and training new employees. James felt bad for the folks who had given up other employment only five months

earlier only to be laid off as he met with the executives to decide who should be fired. After the meeting, James thought back on the circumstance and concluded that he would have hired people in a different way, perhaps on a contract basis rather than a full-time basis, if he had spoken with the company executives earlier. He also thought about the possibility that the corporation may have contracted with an outsourcing firm to do the hiring for him. Jason considered this and came to the conclusion that he required a strategic plan to ensure that his department was serving the requirements of the company. In order to ensure that Techno, Inc. has the appropriate number of employees with the appropriate talents, at the appropriate time in the future, he committed to collaborate with the corporate leaders to learn more about the firm's strategic strategy.

Strategic Planning

Human resource management was once known as the personnel department. In the past, the personnel department handled hiring, documentation, and hiring procedures. The National Cash Register Company is credited with founding the first human resources division in 1901. After a lockout, the corporation overcame a significant strike but ultimately beat the union. Following this challenging conflict, the business president made the decision to strengthen employee relations by setting up a personnel department to deal with complaints, dismissals, safety problems, and other employee-related matters. The agency also monitored any changes to regulations affecting the organization. The same insight that a department was required to foster employee happiness and increase productivity was becoming clear to many other businesses. Even though \$2.50 was a fair wage at the time, Henry Ford tried to reduce employee turnover in 1913 by raising wages from \$2.50 to \$5.00. This strategy didn't last long, and large corporations realized they needed to do more than hire and fire if they wanted to keep up with customer demand. But as these duties have developed over the last century, the human resources division has more recently been split into human resource management and human resource development. Because so many organizations nowadays rely on people to make a profit, human resource management should be included in the overall strategy plan of the firm in addition to being essential to an organization's success [1], [2].

The majority of respondents agree that these responsibilities often belong within HRM. Within the organization's overarching strategic plan, each of these factors plays a specific role:

- i. **Staffing:** Creating a strategic strategy for staffing entails figuring out how many individuals you would need to recruit. HRM then conducts the recruiting process to find and choose the best candidates for the open positions in accordance with the strategic strategy.
- ii. **Basic Workplace Policies:** HRM's task is to create the policies that will aid in achieving the objectives of the strategic plan. After the policies have been created, the HR department should create communication of these regulations including security, safety, scheduling, vacation periods, and flextime schedules. Of course, the HR managers collaborate closely with the organization's supervisors to create these rules.
- iii. **Compensation and Benefits:** An HR manager often oversees 401(k) plans, health insurance, and other incentives in addition to salaries. Both "Compensation and Benefits" and "Retention and Motivation" cover compensation and benefits.
- iv. **Retention:** HR managers are in charge of employee evaluations and retention planning, but other managers inside the company will also provide their opinions. Different retention tactics, from training to evaluation, are covered in "Successful

Employee Communication," "Managing Employee Performance," and "Employee Assessment."

- v. **Training and Development:** The HRM department is also in charge of assisting both existing workers and new hires in acquiring the skills necessary for their positions. In every organization, it's crucial to identify training requirements and plan and administer training programs. In "Successful Employee Communication," training and succession planning are covered in great depth. Planning for succession entails preparing existing workers to assume management responsibilities in the event that a manager does leave.
- vi. **Regulatory Issues and Worker Safety:** The HRM department is often responsible for staying informed of new laws pertaining to employment, health care, and other matters. While several laws are mentioned throughout the book, "Working with Labour Unions" and "Safety and Health at Work" focus on unions and workplace safety and health legislation.

In smaller businesses, the manager or owner is probably handling the HRM tasks. They recruit candidates, provide them training, and decide how much to pay them. Although larger businesses eventually carry out the same responsibilities, they can afford to hire experts or human resource managers to handle these business sectors since they have more personnel. As a manager or business owner, it is thus quite probable that you will be conducting HRM activities, hence it is important to grasp the strategic elements of HRM [3], [4].

HRM vs. Personnel Management

A human resource department will create a detailed and methodical action plan known as a human resource strategy. According to this definition, an HR strategy includes specific implementation strategies for both HRM strategic plans and HR plans. Consider the organisational goals as represented by the HRM strategic plan, and the precise actions taken to accomplish those goals as represented by the HR plan. In other words, although the HR plan may contain short-term goals that are linked to the broader strategic plan, the strategic plan may include long-term goals. Human resource departments were once known as personnel departments, as was indicated at the opening of this chapter. The use of the word "support" suggests that the department offered "support" to the rest of the company.

Since businesses today recognize that their people are their most valuable asset, particularly in the current global economy, human resources (HR) are given far more weight than they were twenty years ago.

Human resources include much more than people management, including strategic planning, which is the subject of this chapter. People management primarily involves tasks related to the recruiting process and legal compliance.

The Ulrich HR model, a popular approach to considering HRM strategic planning, offers a broad perspective on HRM's function inside the company. His concept is credited for sparking the shift in how HR was seen, making it less of a functional department and more of a partnership inside the company. Although his approach has evolved through time, the most recent iteration focuses on how HR initiatives may be strategically partnered with the entire global corporate strategy. ³ His recently updated approach examines the five key HR categories listed in Table 1:

- i. **Strategic Partner:** Partnership with the entire organization to ensure alignment of the HR function with the needs of the organization.

- ii. **Change Agent:** The skill to anticipate and respond to change within the HR function, but as a company as a whole.
- iii. **Administrative Expert and Functional Expert:** The ability to understand and implement policies, procedures, and processes that relate to the HR strategic plan.
- iv. **Human capital Developer:** Means to develop talent that is projected to be needed in the future.
- v. **Employee Advocate:** Works for employees currently within the organization.

Table 1: Represented the Differences between Personnel Management and HRM.

Personnel Management Focus	HRM Focus
Administering of policies	Helping to achieve strategic goals through people
Stand-alone programs, such as training	HRM training programs that are integrated with company's mission and values
Personnel department responsible for managing people	Line managers share joint responsibility in all areas of people hiring and management
Creates a cost within an organization	Contributes to the profit objectives of the organization

The goals, issues, difficulties, and opportunities facing the whole firm must be understood prior to the implementation of this model. For instance, the HR professional has to be aware of the dynamic nature of the HRM environment, which includes adjustments to the labour markets, corporate culture, and values, as well as changes to the consumers, shareholders, and economy. Once this has happened, HR may decide how to effectively serve the organization's requirements within these five key areas. When developing a solid HRM strategic plan, keep in mind these four factors, which are shown in Figure 1 and are based on the Ulrich model:

- i. **Make it Applicable:** Make it Relevant: Many times, individuals take an excessive amount of time to create plans, just to have them sit in a file and never be utilised. The HRM function's guiding principles have to be a sound strategic strategy. As elements of the company change, it need to be examined and modified. The strategy will be better if all employees in the HR department are involved and are communicating with one another.
- ii. **Be a Strategic Partner:** Alignment of corporate values in the HRM strategic plan should be a major objective of the plan. In addition, the HRM strategic plan should be aligned with the mission and objectives of the organization as a whole. For example, if the mission of the organization is to promote social responsibility, then the HRM strategic plan should address this in the hiring criteria [5].
- iii. **Involve People:** Be a strategy Partner: One of the main goals of the HRM strategy plan should be to align with business values. The purpose and goals of the organization as a whole should be in line with the HRM strategy plan. For instance, the HRM strategy plan should take this into account when determining the recruiting criteria if the organization's goal is to encourage social responsibility[6].

- iv. **Understand How Technology Can be used:** Organizations often lack the funds or the motivation to investigate software and identify implementation solutions that are affordable. When new technology is introduced, people might become anxious. The finest firms, however, are those who embrace technology and use it in the best ways possible. Numerous HRM software choices exist that help streamline, simplify, and improve HRM procedures. Good strategic strategies take into account this factor.

Because they are familiar with the company, HR managers are able to identify its requirements and create a strategy to address them. They also keep up with current affairs, so they are aware of any worldwide developments that could have an impact on their strategic strategy. For instance, they will modify their strategy plan if they learn that an economic slump is impending. In other words, the strategic plan must be a dynamic document that adapts to the changing demands of the company and the wider environment [7], [8].

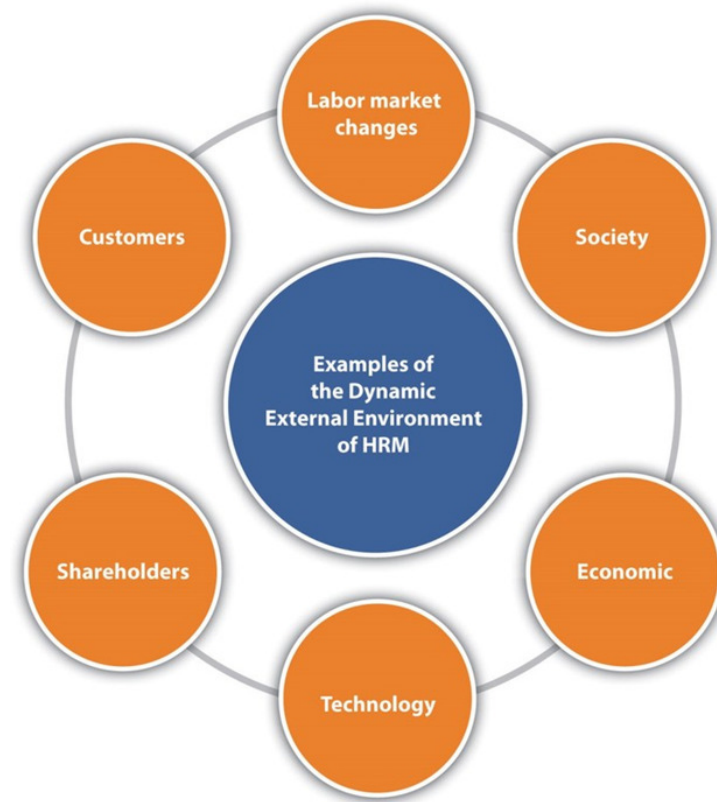


Figure 1: Represented the HRM Strategic Plan.

DISCUSSION

For organizations to accomplish their overarching business objectives, developing and putting into action strategic HRM strategies is essential. Aligning HR practices with the organization's strategic goals requires making sure that the staff is effectively managed and used to further the organization's objectives. The process of creating a strategic HRM strategy include establishing the long-term objectives of the organization, figuring out the workforce needs to accomplish those objectives, and describing the HR practices and policies required to manage and support the workforce successfully. This plan should be in line with the organization's overall business strategy and should be evaluated and modified on a regular basis to take into account changes in the organization's objectives and external environment.

The strategic HRM strategy must be efficiently executed after it has been created. This entails informing all staff members of the strategy and making sure that all HR procedures and policies are in line with its goals.

To ensure that the staff is appropriately taught, motivated, and engaged to fulfil the organization's objectives, HR experts must collaborate with other departments within the company. A strategic HRM plan's execution might be difficult since it calls for considerable organizational investment and long-term commitment. Additionally, it necessitates that HR practitioners be conversant with both contemporary HR best practices and the aims and strategic objectives of the organization. The ability to recruit and retain top talent is one of the advantages of creating and executing a comprehensive HRM strategy. Employee engagement and motivation are increased when HR practices are in line with the organization's objectives, which may boost output and increase work satisfaction [9], [10].

CONCLUSION

To summarize, for organizations to connect their HR practices with their overall company strategy, formulating and executing strategic HRM plans is an essential step. To successfully manage and assist the staff, it calls for establishing the organization's long-term objectives, assessing workforce needs, and specifying HR practices. To make sure that the plan is successfully communicated and that all HR policies and practices are in line with the plan's goals, HR experts need to collaborate closely with other departments. Although creating and putting into practice a strategic HRM strategy might be difficult, doing so can aid organizations in attracting and keeping top talent, boosting productivity, and achieving long-term success. Therefore, strategic HRM planning is crucial for businesses to invest in if they want to stay competitive in the fast-paced corporate world of today.

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CHAPTER 4

AN ANALYSIS OF THE STRATEGIC PLAN IN HUMAN RESOURCE

Dr. Varsha Pratibha, Associate Professo,
Department of MBA, Presidency University, Bangalore, India
Email Id-varsha.ps@presidencyuniversity.in

ABSTRACT:

The organization's aims and objectives for managing its personnel are outlined in the strategic plan for human resources, which takes a holistic approach. The strategy is intended to fulfil the organization's requirements for talent sourcing, development, management, and retention. It includes a variety of tactics and programs that advance the organization's overall effectiveness while advancing its vision, purpose, and values. The organization's primary strategies for ensuring that the appropriate people with the right abilities are in the right positions at the right times are included in the human resource strategic plan. This entails reviewing the present workforce, finding gaps and potential improvement areas, and creating activities and programs to encourage employee growth. The strategy also outlines tactics for recruiting and keeping top personnel, creating an inclusive and diverse workplace, and promoting a collaborative and innovative culture. In order to create a supportive and successful work environment, it emphasizes the need of good communication, feedback, and appreciation.

KEYWORDS:

Acquisition, Work Culture, Human Resource, Innovation, Management.

INTRODUCTION

HRM strategy plans need a number of components to be effective, as we discussed in "The Steps to Strategic Plan Creation". The strategic strategy for HRM should be distinguished from the HR plan in this instance. Consider the HRM strategic plan as the main goals the organization wishes to accomplish, and the HR strategy as the specific strategies to make sure the goals are met. The strategic plan is sometimes considered to be simply another report that has to be completed. It is preferable to carefully analyse the strategy before writing it rather than just diving in and doing it. Before drafting any HRM plans, undertake a strategic analysis to provide you some fundamental components to think about and explore.

Conduct a Strategic Analysis

A strategic analysis looks at three aspects of the individual HRM department:

- i. Knowledge of the purpose and values of the organization. If one is unaware of the organization's goals and values, planning for HRM is difficult. Aligning departmental goals with organizational goals is crucial for the HR manager, as we have previously discussed in this chapter. It is beneficial to have a discussion with corporate leaders, managers, and supervisors to make sure you fully get the goal and values of the

organization. Understanding the organizational life cycle is an additional crucial factor. The life cycle is something you may have learnt about in marketing or other business studies, and it also relates to HRM. An organization's introduction, development, maturation, and decline which might change over time are referred to as its life cycles. For instance, when an organization initially starts out, it is in the introduction phase, and to align HRM with the organization's aims, a new staffing, remuneration, training, and labor/employee relations strategy may be required. This can be in opposition to a company that is in the decline stage and is fighting to continue in operation. However, the same company may develop a new product, for instance, which may place it back in the growth phase. Table 1 highlights some of the tactics that could vary based on the organizational life cycle using the "Lifecycle Stages and HRM Strategy" concept [1].

- ii. Knowledge of the purpose and values of the HRM department. The purpose and values of each HRM department must be established. These departmental guiding principles will evolve along with the company's general goal and values. Frequently, the department's activities are included in the mission statement, which is less of a strategic approach. Creating a list of HR priorities, values, and objectives is an excellent place to start. The mission statement of a company should explain how its human resources aid it in achieving its corporate objectives. A terrible example of a mission statement might be something like, "The human resource department at Techno, Inc. provides resources to hiring managers and develops compensation plans and other services to assist the employees of our company." It may say something like this in a strategy statement: "HR's role is to guarantee that our human resources are more talented and motivated than those of our rivals, providing us a competitive edge. This will be accomplished by tracking and comparing our turnover rates, remuneration, and corporate sales statistics with those of our rivals. When the mission statement is articulated in this manner, it is simpler to approach the HR planning process strategically [2].
- iii. Knowledge of the difficulties the department is experiencing. If HRM managers are unable to forecast changes, they will find it difficult to adapt rapidly. In order to better prepare for these issues when they arise, the HRM manager should be aware of potential impending obstacles. The strategy plan and HRM plan are much improved as a result.

Table 1: Illustrated the Lifecycle Stages and HRM Strategy.

Life Cycle Stage	Staffing	Compensation	Training and Development	Labor/Employee Relations
Introduction	Attract best technical and professional talent.	Meet or exceed labor market rates to attract needed talent.	Define future skill requirements and begin establishing career ladders.	Set basic employee-relations philosophy of organization.

Growth	Recruit adequate numbers and mix of qualifying workers. Plan management succession. Manage rapid internal labor market movements.	Meet external market but consider internal equity effects. Establish formal compensation structures.	Mold effective management team through management development and organizational development.	Maintain labor peace, employee motivation, and morale.
Maturity	Encourage sufficient turnover to minimize layoffs and provide new openings. Encourage mobility as reorganizations shift jobs around.	Control compensation costs.	Maintain flexibility and skills of an aging workforce.	Control labor costs and maintain labor peace. Improve productivity.
Decline	Plan and implement workforce reductions and reallocations; downsizing and outplacement may occur during this stage.	Implement tighter cost control.	Implement retraining and career consulting services.	Improve productivity and achieve flexibility in work rules. Negotiate job security and employment-adjustment policies

Identify Strategic HR Issues

The HRM experts will examine the issues raised in the previous stage in this step. For instance, the department may decide to alter its purpose and values as a consequence of realizing that it is not strategically aligned with the company's goal and values. To identify some of the problems they are encountering, many organizations and departments may utilize a strategic planning technique called a SWOT analysis (strengths, weaknesses, opportunities, and threats).

Once the firm has undergone this examination, HR will be better able to meet its demands by comprehending the business plan. Table 2 showed a sample SWOT analysis for the HR department as an illustration of how a company's SWOT analysis may be utilized to create a SWOT analysis for the HR department [3], [4].

Once the company's SWOT has been aligned, HR may create its own SWOT analysis to identify where the company's strategic plan and HR's strategic plan differ. For instance, the company should keep up its various training programs if the HR manager determines that they are a department's strength.

If the organization's inability to pay employees fairly across all job titles is a weakness, an opportunity to examine and amend the compensation rules arises. In other words, the company's SWOT analysis gives a foundation for addressing certain organizational challenges, but it may be condensed to also target departmental concerns.

Table 2: Represented the Sample HR Department SWOT Analysis.

Strengths	Hiring Talented People
	Company Growth
	Technology Implementation for Business Processes
	Excellent Relationship between HRM and Management/executives
Weaknesses	No strategic plan for HRM
	No planning for up/down cycles
	No formal training processes
	Lacking of software needed to manage business processes, including go-to-market staffing strategies
Opportunities	Development of HRM staffing plan to meet industry growth
	HRM software purchase to manage training, staffing, assessment needs for an unpredictable business cycle
	Continue development of HRM and executive relationship by attendance and participation in key meetings and decision-making processes
	Develop training programs and outside development opportunities to continue development of in-house marketing expertise
Threats	Economy
	Changing technology

Prioritize Issues and Actions

The HRM manager should priorities the objectives based on the information acquired in the previous stage, and then create action plans to address these issues. Plans should be created to fulfil this requirement, for instance, if an organization determines that it lacks a thorough training program. The engagement of the organization's management and executives in this phase is crucial. Once you have a list of the difficulties you'll deal with, talk to the management and executives about them since they can have a different perspective on other concerns or other priorities than you do. Keep in mind that for HRM to be successful, it must collaborate with the organization and help it achieve its objectives. This has to be taken into account while designing HRM in all areas [5].

Draw Up an HRM Plan

The plans may be created after the HRM manager has met with executives and management and priorities have been decided upon. The creation of these strategies in further detail will be covered in "Writing the HRM Plan". Companies may have excellent strategic plans, but when the specifics are developed, it can be challenging to connect the strategic plan with the more specific plans. When creating the HRM strategic plan and HR plans, an HRM manager should always take the overall strategic plan into consideration.

Management should still produce HRM strategic plans and HR strategies even if a firm doesn't have an HR department. The organization may make sure the appropriate procedures are used to suit its changing demands by creating and observing these plans. The strategic plan considers the whole organization, the HRM strategic plan considers the entire department, and the HR plan targets particular problems in the human resource division [6].

HRM Plan

The creation of an HRM strategic plan should be founded on the organization's and the department's strategic plans, as discussed in "Strategic Planning." The HR specialist might start working on the HR strategy when the strategic plan has been prepared. This is distinct from the strategic plan in that it is more thorough and has a shorter time horizon. In "Recruitment," "Selection," "Compensation and Benefits," "Retention and Motivation," "Training and Development," "Successful Employee Communication," "Managing Employee Performance," and "Employee Assessment," the six components mentioned above are covered in further depth.

You have access to private information, such as salary information, as the HR manager. You see that two individuals with the same job title and duties are paid differently when you examine the salaries of each employee in the marketing division. When you look closer, you discover that the employee with the shortest term is really paid more than the one with a longer tenure.

They are both top performers, as seen by a quick glance at the performance reviews. You discover that the workers were recruited by two distinct managers, one of whom is no longer employed by the company [7].

The six parts of the HRM plan include the following:

- i. Establish the necessity for human resources. The strategic plan plays a significant role in this section. What rate of organization expansion or contraction is anticipated? What effects will this have on your staff? What is the state of the economy? What sales do you anticipate for the next year?
- ii. Choose a recruitment approach. Once you have a plan in place, you must put one in writing that details how you will hire the appropriate candidates at the appropriate time.
- iii. Selected workers. Interviewing and hiring are both parts of the selection process.
- iv. Establish training. What training requirements are emerging in light of the strategic plan? Are there any new programs that everyone needs to learn? Are there issues with how conflict is handled? The HR manager should discuss training plans in the HRM plan, regardless of the training themes.

- v. Establish the compensation. The management must choose pay scales and other forms of remuneration for this component of the HRM strategy, including health insurance, bonuses, and other incentives.
- vi. Evaluate performance. It is necessary to create sets of standards so that you can evaluate the performance of your personnel and keep up with their progress.

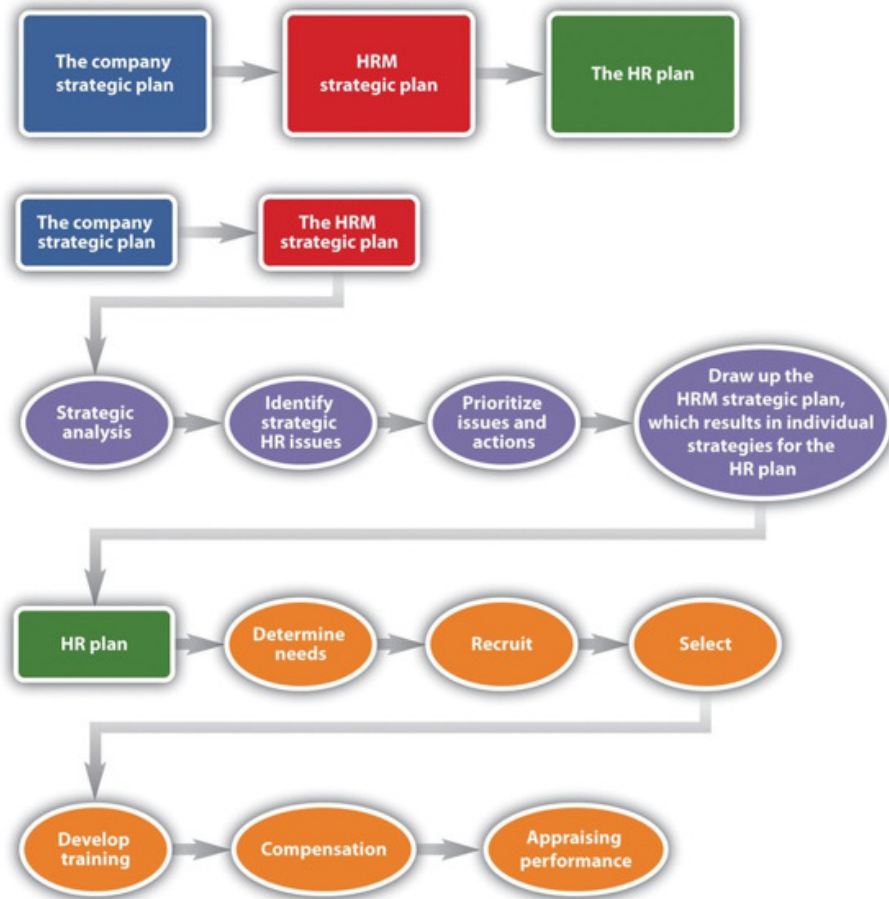


Figure 1: Represented the company strategic plan ties into the HRM strategic plan, and from the HRM strategic plan.

This book's chapters each focus on a different aspect of the HR strategy, however the following parts provide some fundamental information on how to prepare for each one [8].

DISCUSSION

An important tool for organizations to successfully manage their workforce and accomplish their objectives is the strategic plan for human resources. It is a thorough strategy that takes into account a variety of HRM issues, including personnel acquisition, development, retention, and management. The strategy focuses on boosting employee performance while outlining the organization's vision, purpose, and values. Talent acquisition is one of the key components of the human resources strategy plan. The correct individuals must be attracted to and hired by organizations for the proper positions. To find and entice top talent, they must employ a variety of recruiting tactics and have a firm grasp of the abilities and competences needed for each role. The strategy also stresses the value of creating a workforce that is inclusive of diversity and represents the communities it serves. Talent development is a key

component of the human resources strategy plan. For workers to execute their jobs successfully, organizations need to invest in training and development programs that help them learn new skills and information. A variety of learning opportunities, including coaching, mentorship, work shadowing, and formal training, should be included in the plan. Another crucial component of the human resources strategic plan is retention. Organizations must create plans and programs to encourage employee happiness, engagement, and retention. The strategy should include actions to address employee issues, provide chances for professional advancement, and acknowledge employee accomplishments. A heavy emphasis on communication, feedback, and appreciation is also necessary for effective human resource management. The strategic human resource strategy has to place a strong emphasis on the value of fostering an atmosphere that encourages open communication, feedback, and appreciation. The human resource strategic plan should also be a dynamic, growing structure that helps organizations to adjust to new situations and difficulties. To reflect changes in the external environment and the organization's aims and objectives, it should be evaluated and updated on a regular basis [9], [10].

CONCLUSION

In conclusion, a strategic plan for human resource management serves as an essential foundation for an organization's strategy for efficiently managing its staff. The plan's goals for workforce management are intended to be in line with the organization's vision, purpose, and values. It places a strong emphasis on the value of talent sourcing, cultivation, management, and retention, all of which are essential for attaining long-term corporate objectives. Organizations may make sure they have the appropriate people in the right jobs with the relevant skills and competences by taking a strategic approach to human resource management. The strategy offers a road map for efficient hiring and choosing, staff growth, and engagement, which raises worker output and performance. It also aids in establishing a productive workplace environment that promotes diversity, cooperation, and creativity. The organization's shifting requirements and goals should be reflected in the strategic plan for human resource management, which should be revised on a regular basis. It must to be a flexible architecture that can adjust to new situations and difficulties. The strategy should be adaptable enough to take into account fresh approaches to human resource management, allowing businesses to compete in their particular marketplaces. Organizations must have a well-defined strategic plan for human resource management in order to successfully manage their personnel and accomplish long-term business objectives. It offers a guide for enticing, nurturing, and keeping outstanding personnel, creating a healthy workplace culture, and guaranteeing the organization's continuous success and development.

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CHAPTER 5

AN ELABORATION OF THE HUMAN RESOURCE NEEDS

Dr. Narayana Srikanthreddy, Assistant Professor
Department of Management, Presidency University, Bangalore, India
Email id- srikanthreddyn@presidencyuniversity.in

ABSTRACT:

Human resource needs are an essential aspect of any organization, as they directly impact the ability to achieve strategic objectives. This abstract explores the concept of human resource needs, including the process of identifying and addressing those needs. It highlights the importance of a thorough analysis of the current workforce, future business goals, and external factors that may impact the organization's human capital. The abstract also discusses the different strategies organizations can use to meet their human resource needs, such as recruitment, retention, training and development, and succession planning. Ultimately, it emphasizes the critical role of human resource management in ensuring an organization's long-term success, particularly in today's dynamic and rapidly changing business environment.

KEYWORDS:

alent Acquisition, Employee Retention, Diversity, Performance Management, Succession Planning.

INTRODUCTION

The phrase "human resource needs" refers to a company's staffing needs, which involve figuring out how many people it needs to work at what level of expertise and experience to achieve its goals. Organizations confront a continually shifting world of technology, consumer requirements, and competition in today's dynamic business climate. Companies must make sure they have the appropriate personnel in the right roles if they want to flourish in this climate. A wide variety of operations, including workforce planning, recruiting, selection, training, and development, are involved in effective human resource management, which is essential to accomplishing this goal. Understanding an organization's human resource requirements in this situation is essential to guaranteeing the long-term viability of the business. The significance of human resource requirements and the variables affecting them will be examined in this essay.

The first step in creating an HR strategy is figuring out how many employees are required. This stage entails examining business activities over the previous year and posing several queries:

- a) Were enough people hired?
- b) Did you have to scramble to hire people at the last minute?
- c) What are the skills your current employees possess?

- d) What skills do your employees need to gain to keep up with technology?
- e) Who is retiring soon? Do you have someone to replace them?
- f) What are the sales forecasts? How might this affect your hiring?

In this first stage of the HR plan process, these are the questions to be addressed. This cannot be accomplished alone, as you would expect. To get a precise estimate of personnel requirements for the now and the future, other departments, managers, and executives should be involved. In "Recruitment," we go into further information about staffing.

A list of all present workers' qualifications, including their degree of schooling, will often be created by HR managers. The HR manager can now get an overall picture of the capabilities of the present workforce. If you are aware of the stage of growth your workers are in, you can use it as a tool to help them improve their skills and talents. For instance, by doing an inventory, you can learn that Richard will retire the next year but that no one in his department has been identified or prepared to fill his position. Keeping an inventory enables you to identify potential gaps and make plans to fill them. In Recruitment, this subject is covered in more detail.

HR managers will also carefully examine each position and all of its components. They may have a better understanding of the kind of abilities required to carry out a job effectively by doing this analysis. The HR manager may start working on recruitment, also known as a staffing plan, after they have completed the needs assessment and know precisely how many people, in what roles, and when they need to be recruited. Recruitment addresses this in more detail.

i. Recruit

An essential responsibility of the HR manager is recruitment. Recruitment offers further information. Major issues in the domain of recruitment include knowing how many individuals to employ, what capabilities they should have, and hiring them at the appropriate moment. The toughest issue in hiring might be finding people who not only have the necessary abilities for the position, but also the right attitude, demeanor, and fit. Depending on the position you are looking for, you may utilize social networking sites or conventional online marketing. Some businesses reward employees who suggest coworkers. No matter where you choose to do your hiring, it's crucial to remember that diversity should be taken into account and that the hiring process should be fair and equal. In Diversity and Multiculturalism, we go into deeper information on diversity.

Some businesses may decide to outsource their hiring procedures depending on time and availability. Some high-level posts may engage headhunters to find candidates both domestically and abroad.

A head hunter is someone who solely works with high-level roles and specializes in connecting job candidates with openings. Utilizing a company that specializes in recruiting employees for various roles, including temporary and permanent ones, is another choice. Some businesses choose to recruit temporary staff because they only foresee a temporary requirement, and it might be less costly to hire someone for a limited time frame. Recruitment is the process of gathering resumes from job candidates, regardless of how it is carried out. We then evaluate those resumes, conduct interviews, and choose the best candidate for the position [1].

ii. Select

It is now time to work towards choosing the best candidate for the role after reviewing resumes for the opening. Compensation and Benefits," it is important to talk about it here as well. While several studies have produced different findings, the bulk of them agree that the average cost of hiring a new manager is \$45,000. 6 Although this may appear excessive, take into account the following factors that affect the price:

- a) Time to review résumés
- b) Time to interview candidates
- c) Interview expenses for candidates
- d) Possible travel expenses for new hire or recruiter
- e) Possible relocation expenses for new hire
- f) Additional bookkeeping, payroll, 401, and so forth
- g) Additional record keeping for government agencies
- h) Increased unemployment insurance costs
- i) Costs related to lack of productivity while new employee gets up to speed

It's crucial to employ well since it's so pricey. After reviewing resumes, candidates for interviews are chosen based on how closely their abilities match those needed. First, phone interviews are conducted by many companies in order to further reduce the pool. The HR manager is often in charge of organizing the interviews and choosing the candidate's interview schedule. The interview process often takes longer up to eight weeks the more senior the post. Before making an offer to the new employee, reference checks, background checks, or testing may need to be done once the interviews have been completed. Typically, HR managers are in charge of this component. The HR manager will make the job offer to the candidate after confirming that they have satisfied all requirements. Salary, perks, and vacation time might all still be discussed at this stage. The next stage in HR management is compensation [2].

iii. Determine Compensation

It's considerably harder than it looks to determine what to pay someone. More information about this topic is provided under "Compensation and Benefits". Pay systems must be created that encourage workers and reflect justice to every employee of the company. Organizations, however, are limited in what they can give due of budgetary restrictions. Even governmental organizations need to consider compensation as part of their human resources strategy. For instance, Illinois State University increased professor salaries by 3% in 2011 despite other state budget cutbacks. They argued that the salary rise was required due to the difficulty in attracting and keeping teachers and employees due to competition. "Our employees have had a very good year," the university president remarked, "and hopefully this is a good shot in the arm that will keep our morale high."

In addition to maintaining a positive work environment, there are numerous factors that might affect how much someone should be paid for the correct job. First, as we've previously said, the organization's pay strategy might be influenced by the organization's life cycle. The market, economy, region, or location in which the firm is situated, as well as the availability and demand of certain abilities, are deciding factors in compensation strategy. For instance, due to Seattle's greater cost of living, a business operating there may pay more for the same work as its subsidiary in Missoula, Montana. The HR manager does ongoing research to

make sure the remuneration is reasonable and market-based. We go into further depth about the various pay structures, benefits, and bonuses that may be provided in "Compensation and Benefits." Training is a benefit that many organizations provide. Employee skill development might be compensated for. The next phase of the HR planning process is training [3], [4].

iv. Develop Training

Making ensuring our new hires are successful comes after we have planned our staffing, sought candidates, chosen personnel, and then paid them. This paper goes into further depth on training, and one way we can guarantee success is by teaching our staff in three key areas:

- a. **Company Culture:** An organization's culture is its method of doing things. Every firm operates a little bit differently; therefore, an employee will be prepared for success by knowing the corporate culture. This kind of instruction is often given during an orientation when a new employee is hired. Processes, clothing requirements, and time off requests are just a few examples of possible topics.
- b. **Job-Related Skills:** If you manage a retail establishment, your staff members must be able to operate the cash register. If you employ salespeople, their position requires them to have product expertise. Training is necessary in this area if your business employs a certain piece of software.
- c. **Human Relations Abilities:** Your employees require these non-job-specific abilities to do their tasks and to be effective workers in general. Communication abilities and conducting hiring interviews are necessary talents.
- d. **Conduct a Performance Evaluation:** The performance evaluation is the final thing an HR manager should plan. Although we go into more depth about performance reviews in "", they are absolutely worth mentioning here since they are an element of the strategic plan. A performance evaluation is a tool used to evaluate employee performance. The performance review is known by many different names, including the ones listed below:
 - a. Employee appraisal
 - b. Performance review
 - c. 360 reviews
 - d. Career development review

Whatever they are called, these evaluations may be a great tool for rewarding and encouraging people. The employee is measured using measures that are part of the performance review. The job description, which the HR manager creates, should serve as the foundation for these measurements. Different kinds of rating systems may be used, and it is often the responsibility of the HR manager to create both these and employee assessment forms. The HR manager often makes sure that every manager in the company receives training on how to complete performance assessment forms, but more significantly, how to talk to employees about their performance at work. The HR manager then keeps track of the deadlines for performance reviews and emails those managers to remind them that it is nearly time to complete an assessment [5], [6].

Tips in HRM Planning

As you have learnt from this chapter, knowing your company's strategic plan and HR's

function within the organization is necessary for human resource strategic planning. Knowing how many people should be employed, how many are required, and what sort of training they need to achieve the objectives of the organization helps the planning component fulfil the demands of the strategic plan. This section offers some pointers for effective strategic HR planning.

Link HRM Strategic Plan to Company Plan

A strategy plan for HRM must be effective by taking into account the nature of the firm. The demands of the company may alter based on the economy, the season, and sociological changes in our nation since every firm is unique. To better estimate how many employees are required, what kinds of training are required, and how to pay employees, for instance, HR managers need to be familiar with all these facets of the organization. The HR manager should address these problems in the strategic strategy they create. The HR manager should create departmental objectives and HR strategies based on the organization's overarching goals in order to solve these difficulties. In other words, HR should work in conjunction with the rest of the organization rather than alone. This should be reflected in the HRM strategy [7].

Monitor the Plan Constantly

Oftentimes a great strategic plan is written, taking lots of time, but isn't actually put into practice for a variety of reasons, such as the following:

- a. The plan wasn't developed so that it could be useful.
- b. The plan wasn't communicated with management and others in the HRM department.
- c. The plan did not meet the budget guidelines of the organization.
- d. The plan did not match the strategic outcomes of the organization.
- e. There was lack of knowledge on how to actually implement it.

Making a plan that will never be implemented is pointless. Making the plan a useful asset for the organization requires developing it and then making revisions as required. A strategic plan should be a dynamic document that adapts to changes in the organization or in the environment. People may get too used to a certain strategy or method of operation and then find it difficult to shift. Otherwise, the strategy won't be useful since it has to modify often.

Measure It

The manner that "success" will be assessed should be included in a strong strategic strategy and HR plan. Write something more specific than, "Meet the hiring needs of the organization," such, "Based on sales forecasts from our sales department, hire ten people this quarter with the skills to meet our ten job openings." This objective is clear enough to be measured. These quantitative data types also make it simpler to demonstrate the connection between HR and the organization and, even better, to demonstrate how HR contributes to the organization's bottom line. Similarly, if a business has as one of its strategic goals being a safe workplace, one of its goals may be to "develop training to meet the needs of the organization." Although this is a terrific objective, how will it be evaluated? How will you know whether you carried out your duty? With such a broad statement, measuring this could be challenging. A particular objective that can be assessed at the end of the year, such as develop a safety training workshop and have all employees complete it by the end of the year, is the opposite [8].

It might be challenging to build an entire strategy on projected results. As a consequence, the quality of an HRM department is shown by its ability to adapt swiftly to the demands of the organization. Consider a sales projection that called for fifteen additional recruits; however, you learn months later that the company is struggling to pay its employees. Deeper investigation reveals that the sales predictions were inflated, and you now have fifteen employees when you don't really need them. You may be sure you can adjust your strategy plan as needed by continuously monitoring the developments.

Be Aware of Legislative Changes

Being aware of what is going on legally is one of the biggest challenges in HRM, as we discuss in "The Role of Human Resources." Since most budgets are based on current laws, knowing when those laws change and how they will impact department budgets and planning will help us develop a sounder strategic plan. For instance, updating the budget and informing your accounting staff of the change is crucial to adding value to the company if your state's minimum wage increases and you employ people at the new rate.

DISCUSSION

The precise skills, expertise, and talents that an organization needs to accomplish its goals and objectives are referred to as human resource requirements. To make sure that an organization has the appropriate people, with the right abilities, in the right location at the right time, effective human resource management is crucial. Analyzing the organization's present workforce in depth is the first step in determining the organization's human resource requirements. The goal of this study is to find any potential gaps in the organization's capabilities by analyzing the skills, experience, and credentials of the workforce. Human resource managers also need to take into account any long-term corporate objectives and outside variables that might affect the organization's human capital, such shifts in the market or the state of the economy. Identifying the organization's human resource requirements is the first step in creating a plan to meet those needs.

Finding and recruiting people with the appropriate skills and experience is a key component of recruitment, which is one of the most important tactics for satisfying human resource demands. Retention is also crucial since it guarantees that the company can hold onto its best employees and reduce turnover. In order to fill skill shortages within the organization and make sure that staff have the information and resources they need to succeed, training and development are essential measures. Another important tactic for meeting human resource demands is succession planning, which entails selecting and educating the organization's future leaders. Human resource requirements are continually changing in the quickly transforming corporate world of today. In order to maintain their effectiveness, human resource strategies must be periodically reviewed and modified. Because of this, human resource managers must be informed about market trends and developments and take initiative to spot and meet new demands for human resources [9].

CONCLUSION

In conclusion, each organization's performance depends greatly on its ability to meet its human resource demands. A comprehensive examination of the organization's present workforce, future business objectives, and external variables that can have an influence on the organization's human capital is necessary for effective human resource management. It also entails creating plans to solve issues with hiring, retaining, training, and developing staff, as well as succession planning. Additionally, it is crucial to maintain human resource strategies current in order to guarantee that they continue to be successful as firms continue to

develop and confront new issues. Human resource managers need to be proactive in spotting and meeting new demands for human resources and keep up with trends and developments in the business. Meeting an organization's human resource requirements ultimately assures that it has the proper personnel, with the proper skills, at the proper location, and at the proper time to accomplish its goals. Meeting an organization's human resource requirements is crucial for its success since it gives organizations a competitive edge, increases employee happiness and retention, and improves employee satisfaction. Identifying the organization's human resource requirements, creating strategies to satisfy those needs, and routinely assessing and tweaking those plans as necessary are all parts of effective human resource management. In order to accomplish their goals and objectives, organisations may make sure they have the appropriate people, with the right abilities, in the right place at the right time.

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CHAPTER 6

AN OVERVIEW OF EQUAL EMPLOYMENT OPPORTUNITY COMMISSION FEDERAL LEGISLATION IN HRM

Mr. Kunal Saxena, Assistant Professor
Department of Management, Presidency University, Bangalore, India
Email id- drkunal@presidencyuniversity.in

ABSTRACT:

The Equal Employment Opportunity Commission (EEOC) is a federal agency that enforces laws prohibiting employment discrimination based on various factors such as race, color, religion, sex, national origin, age, disability, or genetic information. The EEOC was established as part of the Civil Rights Act in 1964 and has since played a critical role in promoting equal opportunity and protecting workers' rights in the United States. In the context of Human Resource Management (HRM), compliance with EEOC regulations is crucial for ensuring that hiring, promotion, and termination practices are fair and non-discriminatory. Employers who violate these laws can face significant legal consequences, such as lawsuits and fines. Therefore, HR professionals must be familiar with EEOC guidelines to maintain compliance and mitigate legal liabilities. Overall, the EEOC's work is vital to creating a workplace where everyone has an equal opportunity to succeed, regardless of their background or characteristics. The agency's efforts have helped shape federal legislation that safeguards the rights of employees and advances the principles of equal opportunity and fair treatment in the workplace.

KEYWORDS:

Age Discrimination, Civil Rights Act, Disability Discrimination, Employment discrimination, Equal Opportunity, Federal Agency.

INTRODUCTION

A federal organization in the United States called the Equal Employment Opportunity Commission (EEOC) is in charge of upholding laws that prohibit discrimination in the workplace on the basis of race, colour, religion, sex, national origin, age, handicap, or genetic information. Since its creation in 1964 as a result of the Civil Rights Act, the Equal Employment Opportunity Commission (EEOC) has been a key player in defending workers' rights and advancing equal opportunity at work. The EEOC is a crucial part of HRM (Human Resource Management) compliance with federal laws pertaining to equal employment opportunity. It offers recommendations for companies to adhere to in order to guarantee that their hiring, promotion, and termination procedures are reasonable and devoid of discrimination. Employers that break these regulations may be subject to penalties, legal action, and other legal repercussions. To maintain compliance and shield their companies from any legal risks, HR professionals must keep up with the latest EEOC rules and regulations.

Even though the EEOC is the more powerful regulatory organization, many laws pertaining to multicultural practices are a part of the EEOC family of laws. With the passage of Title VII of the Civil Rights Act in 1964, several of these statutes were created. This law, which is

implemented by the EEOC, addresses a number of instances when prejudice was pervasive. However, a trait or feature that employers are permitted to take into account when making choices throughout the selection process is bona fide occupational qualification. BFOQs include things like a maximum age restriction for airline pilots for safety reasons and the condition that the president of a Christian institution be a Christian.

The following are explicitly covered by EEOC statutes and are covered in depth in "Recruitment" and "Selection":

- a) Age
 - b) Disability
 - c) Equal pay
 - d) Genetic information
 - e) National origin
 - f) Pregnancy
 - g) Race/color
 - h) Religion
 - i) Retaliation
 - j) Sex
 - k) Sexual harassment
- i. Age**

Age discrimination is the practise of treating someone less favorably due to their age. The EEOC is in charge of enforcing the 1967-instituted Age Discrimination in Employment Act. Ages 40 and beyond are covered by this legislation. If the elder worker is forty years of age or older, favoritism of an older worker over a younger worker is not covered. Any facet of employment, including hiring, firing, salary, bonuses, promotions, layoffs, training, fringe benefits, and any other terms or conditions, are covered by the law. The legislation goes much farther by outlawing age-based harassment of individuals. Simple taunting or casual statements are not protected by this EEOC statute, but more severe insulting remarks concerning age are.

ii. Disability

The EEOC upholds the Americans with Disabilities Act, which forbids discrimination against people with disabilities. Discrimination based on disability occurs when a qualified individual is treated poorly due to a disability. For instance, an employee cannot be regarded unfavorably if they have managed AIDS. A disabled applicant or employee must get a reasonable accommodation from an employer, according to the law, unless doing so would be very difficult or expensive for the company. According to the EEOC, a reasonable accommodation is any modification to the workplace or to the usual course of business that allows a person with a handicap to benefit from equal employment opportunities. Making the workplace wheelchair accessible or providing equipment for someone with a hearing or visual impairment are examples of reasonable accommodations [1].

This legislation does not imply that businesses must recruit persons who are not competent.

The legislation is clear that the applicant must meet the requirements for the position and have the impairment that the law defines. According to the legislation, a disability might be any of the following:

- a. Physical or mental condition that limits a major life activity
- b. History of a disability
- c. Physical or mental impairment that is not transitory

The law places limits on employers when it comes to asking job applicants questions about medical history or asking a person to take a medical exam.

iii. Equal Pay/Compensation

This rule especially targets gender pay discrepancies and is based on the idea that everyone should receive the same compensation for the same sort of labor. To establish whether the job is the same task, job content is utilized rather than the job title. In addition to salary, it covers benefits including vacation pay and holiday pay as well as overtime compensation, bonuses, stock options, and profit sharing. If pay disparity is discovered, the employer is not permitted to lower the earnings of either sex in order to achieve pay parity. The option exists for an employee who files an equal pay complaint to go straight to court rather than the EEOC.

iv. Genetic Information

One of the most recent EEOC regulations, this one went into force in November 2009. According to the EEOC, genetic information includes medical information on immediate family members or details about how a disease or problem has shown itself in a member's family. An employer cannot, for instance, treat unfairly a worker whose family has a history of diabetes or cancer. This information may be used to discriminate against a worker who is more likely to get a sickness and might raise the cost of the company's health insurance. Additionally, the employer is prohibited from obtaining genetic data by asking for, demanding, or buying it. Receiving this information would be permissible under the following circumstances, though:

- a. A manager or supervisor overhears an employee talking about a family member's illness.
- b. Information is received based on wellness programs offered on a voluntary basis.
- c. If the information is required as documentation to receive benefits for the Family and Medical Leave Act. FMLA is discussed in "Pregnancy".
- d. If the information is commercial, such as the appearance of information in a newspaper, as long as the employer is not specifically searching those sources for the purpose of finding genetic information.
- e. If genetic information is required through a monitoring program that looks at the biological effects of toxic substances in the workplace.
- f. For those t. For example, genetic information must be kept separate from an employee's regular file. professions that require DNA testing, such as law enforcement agencies. In this case, the genetic information may only be used for analysis in relation to the specific case at hand.

v. National Origin

It is prohibited to treat someone unfairly because of where they are from, where they are from geographically, because of their dialect, or because they look to be of a certain ancestry. All facets of work, including hiring, firing, compensation, job assignments, promotions, layoffs, training, and fringe benefits, are covered by the statute safeguarding employees based on national origin. An employer may only demand that an employee know English if it is essential for them to do their jobs well. Only if it is necessary to guarantee the security or effectiveness of the employer's business activities is an English-only policy permitted. If the accent does not materially impair work performance, an employer may not make a hiring decision on it [2], [3].

vi. Pregnancy

The unfavorable treatment of a woman due to pregnancy, childbirth, or a condition associated with pregnancy or childbirth is covered under this provision of the EEOC. The EEOC is responsible for enforcing the 1978 amendment to the Civil Rights Act of 1964 known as the Pregnancy Discrimination Act. Pregnant women who are unable to do their duties must be treated equally to other temporary incapacitated workers. For instance, different assignments or changed duties should be provided. This legislation covers all aspects of employment, including hiring, firing, compensation, work duties, promotions, layoffs, training, and fringe benefits. The US Department of Labor also enforces the Family and Medical Leave Act, which prohibits discrimination against expectant mothers. 19 Companies with fifty or more workers are required under the FMLA to provide twelve weeks of unpaid leave for the following reasons:

- a. Birth and care of a newborn child
- b. Care of an adopted child
- c. Care for immediate family members with a serious health condition
- d. Medical leave for the employee who is unable to work because of a serious health condition

In addition to the company size requirement, the employee must have worked at least 1,250 hours over the past 12 months.

vii. Race/Color

When someone is treated unfairly due to their race or other racial features, it is considered to constitute this sort of discrimination. These traits might be seen in one's skin tone, hair texture, or facial features. When the individual discriminating is of the same race or colour as the person being discriminated against, discrimination may take place. People who are married to or affiliated with members of a certain race or color are likewise protected by EEOC legislation. This legislation, like the others we've examined, prohibits discrimination in all aspects of employment, including hiring, firing, salary, work assignments, promotions, layoffs, training, and fringe benefits [4].

viii. Religion

This section of the EEOC deals with discrimination against a person on the basis of their religious convictions. This regulation mandates that employers make a reasonable effort to respect the religious practices or beliefs of their workers, unless doing so would interfere with their ability to do business. A fair accommodation may be to provide flexible scheduling for certain religious observances, for instance. This rule also addresses modifications to

appearance, such as the wearing of a headscarf, religious garb, or, in the case of a Sikh, uncut hair and a beard. The employer should be informed that the employee or applicant requires this accommodation due to their religion, and the request should then be discussed. The employer must comply with the request if doing so won't be difficult. Requests that could jeopardize safety, reduce productivity, or violate the rights of other workers might not be granted.

ix. Sex and Sexual Harassment

The practice of treating someone poorly due to their sex is known as sex discrimination. This refers to hiring, firing, salary, job assignments, promotions, layoffs, training, and fringe benefits, just as other EEOC statutes do. This regulation is closely related to rules against sexual harassment, which include unwanted approaches and demands for sexual favours as well as various forms of verbal or physical sexual harassment. Sexual harassment may happen between males and females, males and males, males and females, and males and males. The victim might be either a man or a female. More information about harassment is included under Managing Employee Performance [5].

x. Retaliation

The EEOC collection of regulations prohibits firing, demoting, harassing, or retaliating against anyone as a result of their filing a complaint of discrimination, complaining about discrimination, or taking part in employment discrimination procedures. *Sanders v. Thomas* was perhaps one of the most well-known instances of sexual harassment and retaliation. Anucha Browne Sanders was dismissed by Isiah Thomas, the New York Knicks' head coach at the time, because she hired a lawyer to make complaints of sexual harassment. Due to Thomas' hostile workplace environment and additional \$5.6 million since Browne Sanders was dismissed for complaining, the jury awarded Browne Sanders \$11.6 million in punitive damages. 20 Madison Square Garden and James Dolan, the head of Cablevision, the organization that owns Madison Square Garden and the Knicks, were both required to contribute financially to the litigation. The defense team for Browne Sanders successfully claimed that Madison Square Garden's internal culture was hostile and vulgar, and that the company's former marketing director harassed Browne Sanders. In 2008, Thomas resigned as the company's president and coach. As in this instance, there are severe financial and reputational repercussions for both sexual harassment and retaliation after the filing of a harassment lawsuit. Understanding legislation regarding multiculturalism and all forms of discrimination is crucial for managers and HR professionals. In "Recruitment," certain forms of prejudice are examined explicitly as they relate to employment and recruitment.

xi. Military Service

People who are now serving or have formerly served in the military, Reserves, National Guard, or other uniformed services are protected under the Uniformed Services Employment and Reemployment Rights Act. The statute makes sure that these people are not treated differently in their civilian employment as a result of their service. Additionally, it forbids discrimination based on past, current, or future military service and mandates that they be hired back into their previous civilian positions after returning to duty[6], [7].

Key Takeaways

- a) The Equal Employment Opportunity Commission is a federal organization tasked with creating and enforcing legislation pertaining to diversity and multiculturalism in the workplace.

- b) The EEOC addresses discrimination in a number of contexts. The EEOC statute prohibits age discrimination and applies to anyone who are forty years of age or older.
- c) Employers are prohibited from discriminating against persons with disabilities and are required to provide reasonable adjustments, such as installing a wheelchair ramp, to meet their needs.
- d) Equal pay refers to the idea that, regardless of job title, everyone should be paid equally for doing the same kind of labor.
- e) The most recent amendment to EEOC rules forbids discrimination based on genetic data, such as a family history of cancer.
- f) The EEOC protects individuals from unfair treatment because of where they are from, where they are from geographically, or because they have an accent. English language proficiency cannot be a condition for employment unless it is essential for the organization's efficiency and safety.
- g) Pregnant women cannot be subjected to discrimination. Pregnancy-related limitations on performance should be considered a transient impairment that may be accommodated with different or modified duties [8].

DISCUSSION

Through the enforcement of federal laws that prohibit employment discrimination based on a variety of characteristics, the Equal Employment Opportunity Commission (EEOC) has a considerable impact on the profession of human resource management (HRM). As a consequence, HR professionals must follow EEOC standards to guarantee that their company's hiring, promotion, and termination procedures are reasonable and devoid of discrimination. Preventing employment discrimination based on race, color, religion, sex, national origin, age, handicap, or genetic information is one of the EEOC's main goals. HR professionals must make sure that none of these protected groups are subjected to discrimination throughout the recruiting process. Additionally, they must guarantee that workers are treated fairly and equally in regards to choices about their pay, benefits, advancement, and other employment-related matters. The EEOC also provides advice on how to handle problems including harassment and retaliation at work. In order to provide a work environment that is secure and free from any kind of harassment or discrimination, HR professionals must be proactive in addressing these problems. Additionally, they must guarantee that workers who report such occurrences are shielded from any kind of reprisal. Additionally, the EEOC mandates that companies keep certain documents to prove their adherence to federal regulations. HR professionals must make sure they have the required records to back up their hiring and promotion choices and show that their company complies with EEOC regulations [9], [10].

CONCLUSION

In order to ensure that hiring practices are impartial and non-discriminatory, the EEOC's participation in HRM is crucial. To maintain compliance and shield their company from any legal risks, HR professionals need to keep up with EEOC policies and standards. HR specialists are crucial in ensuring that their company complies with federal regulations relating to equal employment opportunity since employers that break these rules may face serious legal repercussions. Finally, it should be noted that the Equal Employment Opportunity Commission (EEOC) is a crucial federal organization that upholds the laws that prohibit employment discrimination based on a variety of grounds, including race, color,

religion, sex, national origin, age, handicap, or genetic information. The work of the EEOC is essential to establishing a workplace that is just, equal, and devoid of prejudice. Compliance with EEOC rules is significantly aided by human resource management (HRM). To make sure that their organization's recruiting, promotion, and termination practices are discrimination-free, HR professionals need to be conversant with EEOC regulations. Additionally, they need to deal with workplace harassment and retaliation concerns and make sure that workers are safeguarded from all forms of reprisal. HR professionals may shield their company from possible legal liabilities and foster a work climate that supports equal opportunity and fair treatment for all workers by staying in compliance with EEOC laws. The EEOC's work has influenced federal legislation that protects employee rights and supports the ideas of equality of opportunity and fair treatment at work.

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CHAPTER 7

AN OVERVIEW OF THE DIVERSITY AND MULTICULTURALISM IN HRM

Dr. Ramalingam Mageshkumar, Assistant Professor
Department of Management, Presidency University, Bangalore, India
Email id- mageshkumar@presidencyuniversity.in

ABSTRACT:

In today's globalized corporate climate, diversity and multiculturalism are essential components of human resource management (HRM). Differences in color, gender, age, ethnicity, religion, sexual orientation, and other distinctive characteristics that make people unique are all included in the idea of diversity. Contrarily, multiculturalism refers to the practice of appreciating, respecting, and using these differences at work. In this situation, HRM is essential in ensuring that businesses establish inclusive workplaces that value diversity and support multiculturalism. This abstract examines the significance of diversity and multiculturalism in human resource management, the advantages of nurturing these values at work, and the tactics that businesses may use to advance these values in their HR practices. In the end, organizations may harness the distinctive skills and viewpoints of their workforce, encourage creativity, and build more inclusive work cultures that support corporate success by embracing diversity and multiculturalism.

KEYWORDS:

Inclusion, Multiculturalism, Religion, Sexual Orientation, Workplace.

INTRODUCTION

Topics like diversity and multiculturalism are getting more and more attention in the HRM industry. Organizations are seeing the advantages of hiring people who represent the variety of our increasingly interconnected and varied world. This implies that HR managers need to be knowledgeable about methods for fostering diversity and overseeing a diverse staff. Employing people from varied origins is only one aspect of diversity and multiculturalism in HRM; another is fostering an inclusive workplace environment that supports and embraces diversity. In this situation, HR managers must create procedures and policies that promote inclusivity, equality, and respect for all workers, regardless of their sexual orientation, age, gender, or any other characteristic.

To effectively exploit the advantages of diversity while reducing the dangers of prejudice and discrimination, HR managers must have a thorough awareness of the possibilities and problems associated with managing a varied workforce. This introduction lays the groundwork for an examination of the significance of diversity and multiculturalism in HRM and how businesses may effectively deal with these problems to foster a more welcoming and effective workplace.

A \$500 referral incentive is available for introducing a friend who successfully joins the firm,

and you learn about this in an email from your human resources manager on a Tuesday afternoon as you are getting ready to go to lunch. You send an email to your buddy Daniel right away since you know he would be perfect for the position. A second email is sent out asking for friend recommendations for a new position a few months after Daniel is finally hired for the job. Daniel and you both suggest someone, and ultimately, that individual is recruited. Due to the organization's success with this recruiting strategy, job openings won't be publicised externally during the course of the next year. It seems like a fantastic method to find new employees, doesn't it? It may be, but it also has the potential to harm workplace diversity and multiculturalism. You may be wondering how.

While not universally true, individuals tend to associate with others that share their colour, socioeconomic status, and other characteristics of diversity, such as sexual orientation. In fact, naming a member of one's own race as a friend is considerably more probable than naming a member of another race, according to the National Institute of Child Health and Human Development in research published in the *American Journal of Sociology*.¹ Similar to this, individuals often chose companions who are of the same race from an early age. As a consequence, it is quite possible that Daniel, whom you propose for a job, is comparable to you in terms of variety. Then it is quite possible that Daniel is proposing someone who has qualities that you both share when he suggests someone for a job. This blatantly results in a lack of intercultural variety at work, which might cost businesses money.

Diversity and Multiculturalism

When there are significant distinctions between diversity and multiculturalism, the phrases are sometimes used interchangeably. The distinctions among individuals are what are referred to as diversity. These distinctions may be based on things like ethnicity, gender, sexual preference, religion, upbringing, social class, and many more. When discussing diversity from the standpoint of human resource management, the emphasis is often more on a set of rules to satisfy compliance requirements. Regarding complaints in this area, the Equal Employment Opportunity Commission is in charge. In "Equal Employment Opportunity Commission" and in more depth in "Recruitment" and "Selection," we go through the EEOC [1].

By emphasizing inclusivity, understanding, and respect as well as by examining uneven power in society, multiculturalism goes beyond diversity. According to most HR managers who responded to a survey titled "The 2007 State of Workplace Diversity Management Report," diversity at work is:

- a. Not well defined or understood at work,
- b. Focuses too much on compliance,
- c. Places too much emphasis on gender and ethnicity.

Power and Privilege

Diversity, as it is described in this chapter, emphasizes individual distinctions or "otherness" with the aim of ensuring that everyone is treated fairly. Multiculturalism examines a system of privileges based on race, gender, and sexual orientation known as power and privilege, even when it is the law and the correct thing to do. The benefits in this system are predicated on a society where one race, gender, and sexual orientation predominates in establishing social standards. The intriguing aspect about privilege and power is that, if you have them, you may not immediately be aware of them, which is why we might refer to it as invisible privilege. Here are a few instances:

- i. **Race Privilege:** Imagine that you and your buddy are out to dinner, and the waiter hands you the bill when the bill arrives. Even while it may not seem like a major deal, this presupposes that you are the one making the payment for the meal. If you enjoy this kind of invisible privilege, it may not appear to matter, but if you don't, it might be upsetting.
- ii. **Social Class Privilege:** When Hurricane Katrina struck New Orleans in 2005, many individuals from outside the storm's path questioned why so many residents remained there, without even considering the fact that some residents couldn't afford to fill up their cars with petrol to flee the city.
- iii. **Gender Privilege:** This alludes to advantages one gender enjoys over the other, such as the notion that a woman would adopt her husband's name after marriage.
- iv. **Sexual Orientation Privilege:** If I'm straight, I don't have to worry about what others would think if I have a photo of my boyfriend on my desk. I can discuss our trips or experiences without being concerned about what other people may think of my relationship. Many gay, lesbian, and transgender persons, as well as their relationships, do not experience this [2], [3].

Because it may be difficult to identify one's own advantage based on race, gender, or socioeconomic position, the privilege we enjoy is often thought of as invisible. Many individuals use the color-blind perspective, which asserts that "I treat everyone the same" or "I don't see people's skin colour." In this instance, the individual is displaying invisible privilege and disregarding the perks that come with being a member of a certain race, gender, or socioeconomic class. Although it would seem that this strategy would respect all individuals equally, it doesn't since it ignores their unique needs, assets, and viewpoints.

The fact that we may have advantage in one area but not another is an essential feature of power and privilege. For instance, while I am a Caucasian woman, I do not have access to gender privileges. It's important to highlight that this is not about "attacking white men," but rather about recognizing our own prejudices and systems of advantage so that we may be more inclusive with our colleagues, subordinates, and superiors.

What does all of this imply in terms of HRM, then? It implies that by combining our knowledge of many systems that support privilege and power, we may be able to minimize or even remove these problems. In addition to this, having a varied staff made up of individuals with a range of viewpoints is one of the finest things we can do for our organizations. Profitability and the capacity to provide superior customer service are a result of this variety.

Diversity and Multiculturalism

Many individuals believe that a person's gender, skin color, or socioeconomic status shouldn't matter when they consider diversity and multiculturalism. Thus, diversity may aid us in developing anti-discrimination measures, while multiculturalism can deepen our awareness of individual differences. In time, maybe, we can integrate the ideas to improve workplaces rather than seeing diversity as meeting quotas or following the law. Few publications genuinely explain why diversity in the workplace is vital, despite the fact that numerous books mention diversity-related policies. Here are a handful of the important ones.

- a. It is the law.
- b. We can better serve customers by offering a broader range of services, such as being able to speak a variety of languages and understanding other cultures.

- c. We can better communicate with one another and customers.
- d. With a multicultural perspective, we can create better ideas and solutions.

It's not merely required by law to encourage diversity in the workplace. Organisations may increase their profitability by fostering a diverse workplace and intercultural awareness. Diversity does, in fact, pay, according to Cedric Herring research titled *Does Diversity Pay?* According to the research, companies with more racial diversity in their workforces reported better sales revenues, more clients, bigger market shares, and higher relative profitability. Scott Page, the author of *The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools, and Societies*, has conducted more study on the subject. produced comparable outcomes. Because they bring various methods and viewpoints to the creation of solutions, Page discovered that individuals from different backgrounds collaborate more effectively than those from similar backgrounds. Contrary to popular belief, diversity is not just window decoration or a way to tick a box in order to attract more consumers. It's not a fad, said Eric Foss, chairman and CEO of Pepsi Beverages Company. It is not a month's notion. It is crucial and closely related to corporate strategy. Similar findings are seen in research conducted by the late Roy Adler of Pepperdine University. According to his 19-year analysis of 215 Fortune 500 businesses, female leaders are strongly associated with good profitability. In separate research by Project Equality, it was discovered that businesses with poor ratings on equal opportunity concerns made a profit of 7.9 percent, while those with excellent ratings and more equal chances made a profit of 18.3 percent. These figures demonstrate that multiculturalism and diversity are not a passing trend but rather a method of doing business that benefits clients and generates greater profitability [4].

As managers, it is our responsibility to grasp this and create policies that value both diversity and fostering intercultural understanding at work. However, many workers can be unwilling to engage in a conversation about diversity and multiculturalism. A lot of this may be due to their own privilege and power, but some resistance may also be a result of the unease that individuals have upon realizing that change is necessary and that the culture of the workplace is shifting. Some individuals may believe that "We've always done it this way" and be less open to adopting new practices. Jose Manuel Souto, the CFO for Visa in Latin America, gave what is perhaps one of the strongest remarks about diversity by a Fortune 500 business. According to him, "a diverse workforce is critical to providing the best service to our global clients, supporting our business initiatives, and creating a workplace environment that promotes respect and fairness."

Diversity Plans

While it is necessary to abide by state and federal legislation to guarantee diversity, an organization's culture and operational procedures may also support the development of a multicultural workplace. The majority of businesses have a formalized, written anti-harassment policy. Zappos' policy, for instance, declares that "The diversity of Zappos' workforce is a fantastic benefit. We are steadfastly dedicated to offering equal opportunity in all facets of work and will not put up with any kind of unlawful harassment or discrimination. Derogatory remarks based on racial or ethnic traits and unwanted sexual approaches are two examples of this kind of behavior. For further information, please see the relevant parts of the employee handbook [5].

Putting a policy into practice is a great beginning step, but what matters is how the business handles the formalized procedures and written rules. Let's imagine, for instance, that an organization has a policy on the inclusion of people with physical impairments, but on Friday afternoons, a lot of "schmoozing" and connection building occurs on the golf course.

Although the company's policy indicates that it does not discriminate, its practices and "traditions" reveal that it does and specifically targets people with disabilities. An entire group may be excluded from this process if this is where informal work and connection building occur, which will probably lead to lower pay and promotion rates. Similar to this, organizations with a "beer Friday" culture may discriminate against those whose faiths forbid alcohol use. None of these scenarios constitute overt discrimination, but a company's culture might help create an exclusive rather than a welcoming one.

Many organizations have created diversity management plans that are connected to the organization's formal diversity policy. In reality, manager- or director-level posts have been established in many bigger organizations, including Hilton, expressly to handle diversity policies and programs. According to workplace diversity expert Josh Greenberg, organizations with particular diversity strategies often have the ability to implement changes more swiftly than those without such plans. He claims that developing diversity strategies entails three essential steps:

- i. **Assessment of Diversity:** Employee satisfaction surveys, discussions, and open forums that can provide insight into the challenges and obstacles to diversity. Inclusion of all workers for input is necessary to create a useful plan.
- ii. **Development of the Diversity Plan:** Based on step 1, a series of attainable and measurable goals should be developed regarding workplace diversity.
- iii. **Implementation of the Plan:** The commitment of executives and management is necessary. Formulating action plans based on the goals developed in step 2 and assignment of implementation and measurement of those plans must follow. The action plan should be the responsibility of the entire organization, not just the director of diversity or human resources.

In "Recruitment and Selection", we discuss some of the HR plan considerations in company culture and "our way of doing things" that are worth considering when creating a diversity plan [6].

Recruitment and Selection

As you saw in the introduction to "Diversity and Multiculturalism," there are situations when organizations engage in discriminatory behavior even when they do not intend to. For instance, according to the Equal Employment Opportunity Commission, it is unlawful to post a job advertising that expresses a preference for a certain demographic or dissuades a candidate from submitting. A Facebook post stating that "recent college graduates wanted" could be encouraging to a varied workforce while being welcoming to a younger audience, therefore the message is not multicultural. Another example may be the use of word-of-mouth marketing to publicize employment opportunities. Let's say your staff is mostly Hispanic and you hire via word of mouth. The majority of new recruits will probably likewise be Hispanic. Even if it's against the law, you should take into account the lack of diversity these hiring practices would bring to your company.

To get the biggest and most varied reaction, make sure that job postings are placed elsewhere than only for your Facebook friends to view. In "Selection," we discuss prejudice in the hiring process. To understand how we may statistically assess prejudice in our hiring procedures, it is crucial to discuss the four-fifths guidelines here. The four-fifths rule, sometimes known as the 80 percent rule, may be used to estimate potential prejudice. According to the regulation, an unfavorable effect might be considered when any race, sex, or

ethnic group's selection rate is less than four-fifths of the rate for the group with the highest rate. Employment practises that may seem neutral but have a negative impact on a protected group are referred to as having an adverse impact. Assume, for instance, that 500 men and 100 women applied to be firemen. Suppose 250 males were employed in addition to 20 of those women. Calculate the following to assess unfavorable effect using the four-fifths rule:

- a. Selection rate for women: 20 percent
- b. Selection rate for men: 50 percent
- c. Then divide the highest selection rate: $.20/.50 = .4$

Because 0.4, or 40 percent, is less than four-fifths, there may be adverse impact in the selection process for firefighters.

Testing

If an employer requests an employment test, the exam must be directly related to the position. A company that employs personality tests in recruiting, for instance, must be able to demonstrate that the findings are nondiscriminatory and do not exclude a demographic. Additionally, if an interpreter or other reasonable accommodation is required and it won't put the organization in financial hardship, it should be provided. A test's format and potential to exclude certain groups of individuals, such as those who don't speak English as a first language, should also be taken into account. Multiculturalism and testing will be covered in more detail in "Selection" [7].

Pay and Promotion

Development of policies related to pay and promotion is key to fairness in a multicultural situation. It is widely published that women make about 77 percent of what men earn for similar jobs. Many studies have tried to determine a cause for this pay inequity, and here are some of the possible reasons studied and researched:

- a. **Hours Worked:** Studies have said that women tend to work fewer hours because of child-care and housework expectations.
- b. **Occupational Choice:** A study performed by Anne York at Meredith College 15 found that women tend to choose careers that pay less because they are worried about balancing family and career. In addition, numerous studies show that women choose careers on the basis of gender stereotypes and that this leads to lower pay.
- c. **Stereotypes:** The concept of male bias is a possibility. In many studies, people were more likely to choose male doctors over female doctors, even when experience and education were the same. 16 There appears to be a perception that men may be more competent in certain types of jobs.
- d. **Maternity and Family Leave:** Women leaving the workforce for a short or extended period of time may affect the perception of promotability in the workplace.
- e. **Salary Negotiation:** A study performed by Bowles and Babcock 17 showed that men were eight times more likely to negotiate salary than women. In addition, when women did negotiate, they received lower monetary returns. Consider a study performed by Cornell University, which found that women were often negatively affected in their job when they negotiated salary, as compared to men not being viewed negatively after negotiations.

Whatever the cause of the wage disparity, all managers should be aware of it when making recruiting and promotion decisions. Allowing managers to choose employee remuneration may also promote unfavourable stereotypes and result in legal violations. This issue may be resolved by establishing a standard compensation plan for all newly hired and promoted workers.

The bond between a mentor and mentee may also influence promotions. The majority of people in organisations have an informal mentor who assists them in moving "up the ranks." This informal mentoring arrangement often involves "pairing up" two people who have similar physical traits, are of the same gender, or have comparable mentalities. As a consequence, if an organisation, for instance, has a majority of males, it is possible that the female will not get informal mentoring, which may prevent advancement. Similarly, it is probable that an African American man won't establish an informal mentoring connection with his female coworkers if the workforce is dominated by Caucasian women. One method to solve this problem is to create a structured mentoring programme that makes sure everyone has a mentor. In the "Training and Development" chapter of the book, mentoring programmes are covered [8].

You may think about what actions you can take to foster a more diverse workplace now that you are aware of the HR areas that might be impacted by multiculturalism. Making a diversity strategy, as was covered before in this section, would be the first step. The next step would be to examine how the HR division operates and see what departmental actions might be implemented to encourage diversity. HR, for instance, may provide a training programme on privilege and power in the workplace. The first step in developing a genuinely multicultural community is raising awareness. The training might be expanded to incorporate legislation relating to diversity and prejudice talks if staff are aware of their own power and privilege. Then, talks may focus on how to enhance HR strategies like job analysis, recruiting, and selection to foster a diverse workplace. Consider the training from the standpoint of a discussion, rather than seeing it as one of many goals that must be achieved. The first step in this process of employee personal and professional growth is to initiate the dialogue.

- a. Some of the aspects to creating a training focused on multiculturalism might include the following:
 - b. Build a cultural knowledge about customs, religions, and histories.
 - c. Discuss treatment of people based on them as individuals, rather than as part of a "group," which can result in stereotyping.
 - d. Teach employees to listen actively, which can help raise cultural awareness.
 - e. Train employees to rethink current policies and how those policies might be exclusive to a certain group.
 - f. Work on resistance to change. Many employees think, "This is the way we have always done it, and now we have to change it because we have a group of working here now."
 - g. Does your leadership team have a multiculturalism perspective? Are many ethnic backgrounds and other multicultural traits represented?

Multiculturalism and the Law

We already know that a multicultural and varied staff is advantageous for an organization and

should be hired and promoted. However, there are still situations when discrimination at work occurs. As a consequence, a federal organization has been formed so that workers have a place to go if they believe they have been the victim of discrimination. "Diversity and Multiculturalism" is the subject. Please be aware that each of these subjects is also covered under "Recruitment," but it is still important to address them here.

a) Equal Employment Opportunity Commission

Federal legislation against job discrimination is enforced by the Equal job Opportunity Commission. The laws cover those that guard against discrimination on the basis of age, race, colour, religion, sex, national origin, and disability in all fields of work. The EEOC also provides protection against discrimination to those who have reported discrimination. The EEOC protects employers who have at least fifteen workers. This organization addresses discrimination in all aspects of employment, including hiring, firing, promotions, harassment, training, pay, and benefits. Investigations into allegations of discrimination against employers are permitted by the EEOC. The agency looks into the allegations, comes to a conclusion, and then works to resolve the complaint. The EEOC has the authority to bring a lawsuit on the complainants' behalf if they are unable to resolve the claim via settlement. The EEOC has 53 field offices spread around the country, including its headquarters in Washington, DC [9].

A annual form called the EEO-1 must be completed if a firm has more than 100 workers. This form verifies an organization's demographics based on several employment types. 18 An EEO-1 must also be submitted annually by a company with more than fifty employees who work for the federal government, with the deadline often falling in September. Additionally, businesses are required to display the EEOC notice, which you have undoubtedly already seen, maybe in the break room. In the case of an EEOC inquiry, businesses should have documents like hiring data on hand. It is important to note that, despite the previous discussion's mention of a legal compliance issue, the corporation would benefit by hiring a diverse staff. The goal of having a diverse staff is to improve, more lucrative workplace that better serves consumers, not merely to fulfil EEOC standards, so although we may talk about the legal elements, keep that in mind.

DISCUSSION

In today's globally integrated corporate world, diversity and multiculturalism have grown in significance. The term "diversity" refers to the variations in racial, gender, age, ethnic, religious, and other distinctive characteristics that make people special. Contrarily, multiculturalism refers to the practice of appreciating, respecting, and using these differences at work. We will discuss the significance of diversity and multiculturalism in human resource management (HRM), the advantages of fostering these values at work, and the tactics that organizations can use to advance these values in their HR practices. The significance of diversity and multiculturalism in HRM is crucial in ensuring that businesses create inclusive workplaces that value diversity and promote multiculturalism. Organizations may gain a lot from promoting diversity and multiculturalism at work, including greater financial results, more creativity, enhanced problem-solving skills, and higher employee engagement. Organizations may recruit and keep a diverse workforce by embracing diversity and multiculturalism, which can offer new views and ideas to the company. Organizations may use a variety of ways to encourage diversity and multiculturalism in their human resources practises. Making ensuring diversity is included into all facets of HRM, including as recruiting, selection, training and development, performance management, and remuneration, is one important method. A variety of tools and strategies, including targeted hiring, diversity training, mentoring and coaching programs, and employee resource groups, may be used by

HR professionals to promote diversity. Establishing an inclusive culture inside the organization is another crucial tactic. No of their history or individual traits, this entails fostering a workplace where all workers feel appreciated, respected, and supported. By promoting open communication, developing teamwork, and providing chances for workers to express their opinions and experiences, HR professionals may build inclusion. Additionally, they may make sure that practices and regulations, such as flexible work schedules and work-life balance rules, are inclusive and free of prejudice.

CONCLUSION

In conclusion, diversity and multiculturalism are crucial aspects of HRM that may help organizations in a variety of ways. Organizations may promote creativity, enhance problem-solving skills, and improve business results by cultivating an inclusive culture and using the distinctive talents and views of a diverse workforce. By incorporating diversity into all facets of HRM, fostering an inclusive workplace, and using a variety of tactics to enhance diversity and multiculturalism in the workplace, HR professionals play a crucial role in promoting diversity and multiculturalism. Organizations may foster more inclusive work cultures that foster commercial success and contribute to the creation of a society that is more equal and just by embracing diversity and multiculturalism. By incorporating diversity into all facets of HRM, cultivating an inclusive culture, and using a variety of tools and approaches to assist diversity and multiculturalism in the workplace, HR professionals may play a significant role in fostering diversity and multiculturalism. Organizations may harness the distinctive skills and viewpoints of their workforce, encourage creativity, and build more welcoming work cultures that support corporate success by embracing diversity and multiculturalism.

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CHAPTER 8

AN ANALYSIS OF THE RECRUITMENT PROCESS IN HUMAN RESOURCE

Dr. Varsha Pratibha, Associate Professor
Department of MBA, Presidency University, Bangalore, India
Email Id-varsha.ps@presidencyuniversity.in

ABSTRACT:

A crucial component of human resource management is the recruiting process, which entails finding, luring, and choosing eligible applicants for open positions. The hiring process begins with the determination of personnel requirements and the drafting of job descriptions. Next, applicants are found through a variety of methods, including job boards, referrals, social media, and recruiting firms. The next procedures include screening and interviewing potential employees to evaluate their backgrounds, skills, and cultural fit. The chosen applicant then goes through the onboarding process, which includes orientation, training, and cultural integration. For recruiting and keeping top personnel, enhancing organizational performance, and accomplishing corporate goals, a well-designed recruitment process is crucial. An overview of the recruiting process and its significance in human resource management is given in this abstract.

KEYWORDS:

Interview, Job Description, Job Posting, Onboarding, Recruitment Agency.

INTRODUCTION

An essential component of human resource management is the hiring procedure. Without careful strategic planning, it cannot be completed. The definition of recruitment is a procedure that creates a pool of competent job applicants for the organization to choose from. Companies must execute adequate staffing strategies and forecasts to ascertain the number of employees they will need before hiring. The organization's yearly budget as well as its short- and long-term intentions, such as the potential for growth, will serve as the foundation for the projection. The organizational life cycle will also be a consideration. In Developing and Implementing Strategic HRM Plans, the organization life cycle is covered. On both internal and external elements, forecasting is predicated. Among the internal factors are the following:

- i. Budget constraints
- ii. Expected or trend of employee separations
- iii. Production levels
- iv. Sales increases or decreases
- v. Global expansion plans

External factors might include the following:

- i. Changes in technology

- ii. Changes in laws
- iii. Unemployment rates
- iv. Shifts in population Shifts in urban, suburban, and rural areas
- v. Competition

Once the forecasting data are gathered and analyzed, the HR professional can see where gaps exist and then begin to recruit individuals with the right skills, education, and backgrounds. This section will discuss this step in HR planning.

Recruitment Strategy

Despite the fact that it may appear simple, finding the appropriate talent at the right time and place requires expertise and practice, but more importantly, it requires strategic preparation. The creation of staffing plans is covered in "Developing and Implementing Strategic HRM Plans ". Being strategic with your recruitment procedures requires an awareness of the labour market and the variables affecting its important elements.

Based on this knowledge, the HRM specialist should be prepared to fill any job openings that could arise. The components of creating a recruiting strategy are as follows:

- i. Refer to a staffing plan. This is discussed in "Developing and Implementing Strategic HRM Plans ".
- ii. Confirm the job analysis is correct through questionnaires.
- iii. Write the job description and job specifications.
- iv. Have a bidding system to recruit and review internal candidate qualifications for possible promotions.
- v. Determine the best recruitment strategies for the position.
- vi. Implement a recruiting strategy.

Recognizing a job opportunity is the first step in the recruiting process. The management and/or HRM now examine the job description for the available position. In "Job Analysis and Job Descriptions," we go through how to develop a job analysis and job description. If the job analysis and job description are complete, an organization may choose to start by evaluating the credentials of internal applicants. Candidates from inside the organization are those who are already employed there. Internal candidates who fulfil the requirements may be encouraged to apply, and the position may not even be advertised. Many businesses have explicit job advertising policies and internal applicant bidding mechanisms in place. For instance, to ensure that every employee has access to job posts, they may be posted to a listserv or another channel. The benefit of advertising available jobs to both internal and external candidates is to guarantee that the organization is diversified. "Diversity and Multiculturalism" discusses diversity. In "Selection," we go into further detail concerning internal and external candidates as well as bidding methods [1].

The ideal hiring practices for the role type are then established. For a high-level executive role, for instance, it can be chosen to work with an outside head-hunting company. Advertising on social networking sites may be the best course of action for a job at the entry level. To get the greatest outcomes, the majority of organizations will use a combination of techniques. In "Recruitment Strategies," we go through particular tactics.

Another thing to think about is how the hiring process will be handled in tight circumstances, as when there are few applications or a short deadline. Additionally, creating a procedure for the handling of applications and resumes will save time in the future. To explain the employment timeline to important managers, for instance, certain HRM specialists may utilize software like Microsoft Excel. After completing these activities, you should have a varied group of candidates to interview. However, it's crucial to have knowledge beforehand to make sure the appropriate candidates are hired. The job analysis and job description are useful tools in this situation. In "Job Analysis and Job Descriptions," we talk about this.

Job Analysis and Job Descriptions

The job analysis is a systematic method created to ascertain the duties that employees really carry out while working. The goal of a job analysis is to guarantee that the work and the employee are the correct match for one another and to decide how employee performance will be evaluated. Research is a key component of the job analysis, and may include assessing the work obligations of present employees, looking up job descriptions for positions held by rivals, and examining any additional duties that must be handled by the individual in the role. Prior to any work redesign, a job diagnostic survey should be utilized to identify the job's features, per study by Hackman and Oldham. In "Retention and Motivation," this is covered.

Data must be obtained and analyzed while keeping in mind Hackman and Oldham's approach before drafting a job analysis can begin. The steps involved in producing a job analysis are shown in Figure 1, "Process for Writing the Job Analysis." But remember, a job analysis is not the same as a job design. work design is the process of modifying or altering a work to make it more efficient, for as by changing duties when new technology becomes available. In "Retention and Motivation" and "Employee Assessment," we talk about work design.

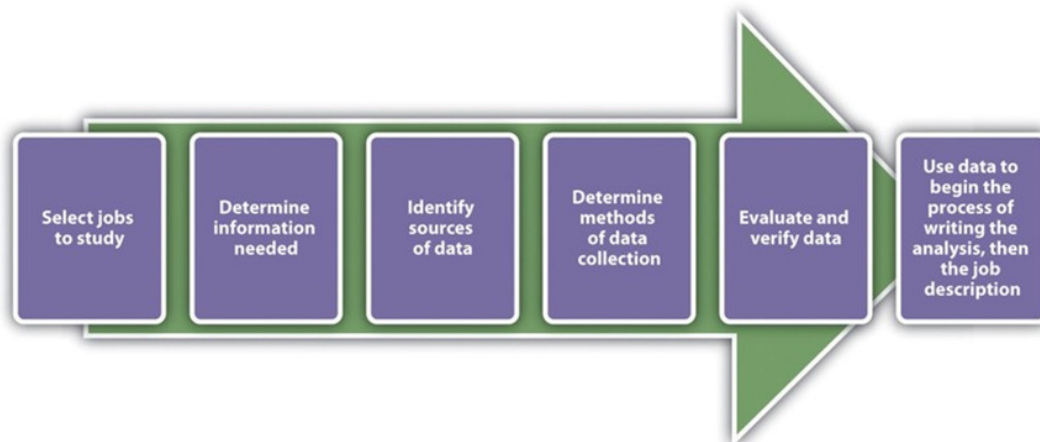


Figure 1: Illustrated the Process for Writing the Job Analysis.

Both the job description and the job requirements are created using the data acquired from the job analysis. An enumeration of a position's responsibilities, obligations, and tasks is called a job description. On the other side, job requirements go through the knowledge and skills a candidate needs in order to do the job. As job descriptions are often created to incorporate job requirements, the two are related. Before we can properly construct the job description and job requirements, we must first undertake a job analysis. The analysis should be seen as "everything an employee is required to do and expected to do."

Task-based analyses and competency- or skills-based analyses are the two kinds of job analyses that may be carried out. A competency-based analysis, on the other hand, focuses on the particular skills and knowledge that person needs to accomplish the job, while a task-based analysis concentrates on the tasks of the work. Information on the following may be included in a task-based analysis example:

- i.** Write performance evaluations for employees.
- ii.** Prepare reports.
- iii.** Answer incoming phone calls.
- iv.** Assist customers with product questions.
- v.** Cold-call three customers a day.

With task job analysis, the specific tasks are listed and it is clear. With competency based, it is less clear and more objective. However, competency-based analysis might be more appropriate for specific, high-level positions. For example, a competency- based analysis might include the following:

- i.** Able to utilize data analysis tools
- ii.** Able to work within teams
- iii.** Adaptable
- iv.** Innovative

The two are definitely different from one another. Task-based analyses put the emphasis on the specific work responsibilities, while competency-based analyses put the emphasis on how an individual may use their talents to execute the job. One is just employed for different reasons and sorts of work; none is superior than the other. For a receptionist, for instance, a task-based analysis may be employed, but for a vice president of sales, a competency-based analysis would be. However, think about how using a job analysis would affect the law. It could be more challenging to determine if someone has satisfied the requirements since a competency-based job analysis is more subjective [2]. You may get ready to create the job analysis after you've determined whether a competency-based or task-based analysis is more suitable for the position. Of course, you shouldn't do this on your own. To make this job helpful at all organizational levels, managers' input should be taken into account. A crucial aspect of being ready for your job analysis is organization. Will you, for instance, analyses every position in the company or will you concentrate on just one department? The analysis tool of choice should be made after you have decided how you will do the analysis. The majority of businesses employ questionnaires to identify each job title's responsibilities. Depending on the organization's size and time limits, some may conduct in-person interviews for this assignment. Depending on the industry, the following sorts of questions are often included in a job analysis questionnaire:

- i.** Employee information such as job title, how long in position, education level, how many years of experience in the industry.
- ii.** Key tasks and responsibilities.
- iii.** Decision making and problem solving this section asks employees to list situations in which problems needed to be solved and the types of decisions made or solutions provided.

- iv. Level of contact with colleagues, managers, outside vendors, and customers.
- v. Physical demands of the job, such as the amount of heavy lifting or ability to see, hear, or walk.
- vi. Personal abilities required to do the job that is, personal characteristics needed to perform well in this position.
- vii. Specific skills required to do the job for example, the ability to run a particular computer program.
- viii. Certifications to perform the job

Once all employees have completed the questionnaire, you can organize the data, which is helpful in creating job descriptions. If there is more than one person completing a questionnaire for one job title, the data should be combined to create one job analysis for one job title. There are a number of software packages available to help human resources perform this task, such as AutoGOJA.

Once the job analysis has been completed, it is time to write the job description and specifications, using the data you collected. Job descriptions should always include the following components:

- i. Job functions
- ii. Knowledge, skills, and abilities
- iii. Education and experience required
- iv. Physical requirements of the job

Once the job description has been written, obtaining approval from the hiring manager is the next step. Then the HR professional can begin to recruit for the position. Before we discuss specific recruitment strategies, we should address the law and how it relates to hiring. This is the topic of "The Law and Recruitment".

The Law and Recruitment

One of the most important parts of HRM is to know and apply the law in all activities the HR department handles. Specifically, with hiring processes, the law is very clear on a fair hiring that is inclusive to all individuals applying for a job. The laws discussed here are applied specifically to the recruiting of new employees.

i. Immigration Reform and Control Act

Congress approved the Immigration Reform and Control Act in 1986. Employers must confirm the immigration status of their personnel in accordance with this legislation. Additionally, it makes it unlawful to solicit or employ illegal immigrants. This statute aims to protect employment opportunities for those who are legally permitted to work in the US. The hiring process has consequences for human resources since it's crucial to know whether applicants can work in the United States before putting them through the selection process. This is why the question "Are you legally able to work in the United States?" appears on many application forms. However, since businesses cannot discriminate against legal foreigners looking for employment in the United States, dealing with the IRCA is a balancing act[3]. The IRCA applies to both subcontractors and the employees you recruit. If it is established that your company exerts control over the manner and timing of the

subcontractors' work, your company may still be held accountable. Undocumented janitors sued Walmart in 2005, claiming that the contracting business they worked for failed to pay them the minimum wage. 3 Walmart was judged liable for unpaid payments as well as the fact that their subcontractor had employed illegal employees since the store was seen to be a coemployer and in charge of many aspects of their employment. Even temporary workers are subject to identification and job eligibility verification by HR personnel. The reporting form used to assess a worker's identification and lawful employment status is the INS I-9 form.

If your business is subject to an audit, you would have to provide I-9 papers for each of your employees. To maintain compliance, it's crucial for employers that recruit temporary employees to handle information about when work permits are set to expire. Employers that use illegal labour may face fines ranging from \$100 to \$1,000 per hire. For the administration of this procedure, there is software available, such as HR Data Manager. Once all employee information has been entered, alerts regarding expiring work authorization visas are sent to the manager. The second component of the I-9 form must be completed within three days of the first day of employment, and employers must have the employee complete it on their first day of work. Three years from the date of hiring or for one year after termination, the paperwork must be retained on file. However, some states demand that the I-9 form be maintained on file for the duration of the employee's employment with the company. New guidelines for the electronic storage of forms were created in 2010. According to the US Department of Homeland Security, workers may electronically sign and save these papers [4].

ii. Patriot Act

The Patriot Act was passed as a result to the terrorist events on September 11, 2001, which increased the federal government's capacity to carry out domestic and foreign investigations and surveillance operations. In order to safeguard employee privacy rights while simultaneously establishing a mechanism that permitted the sharing of information requested by the government, firms had to enact new policies.

The legislation also altered the Electronic Communications Privacy legislation, facilitating greater access to electronic communications by the federal government. For instance, the government may access voicemail and email correspondence with only a search warrant. The Foreign Intelligence Surveillance legislation was also modified under the legislation. In cases when an employee is suspected of supporting terrorism, the government is permitted to inspect communications and is not required to inform the employer that it is doing so. Before the employment process gets started, HR experts and managers should inform candidates of these new standards [5].

Wrong Job Description

Aimee, a highly motivated salesperson, has come to you with a complaint. She states that she had her performance evaluation, but all the items on her evaluation didn't relate to her actual job. In the past two years, she explains, her job has changed because of the increase of new business development using technology. How would you handle this?

iii. EEO Set of Laws

Regarding the hiring procedure, it is important to bring them up once again. Federal legislation against job discrimination is enforced by the Equal Job Opportunity Commission. The EEOC mandates data collecting and examines discrimination allegations for organizations with more than fifteen workers, however there are constraints on the kind of

business covered. Employers are prohibited from discriminating in the hiring process under the EEO legislation on the basis of age, disability, genetic information, national origin, sex, pregnancy, race, and religion. Organizations often include an EEO statement in job postings. Here are a few instances:

- i. Irrespective of a person's race, gender, color, religion, sexual orientation, age, national origin, physical or mental disability, citizenship status, veteran status, or any other characteristic outlawed by state or local law, the company is fully committed to equal employment opportunity and to luring, keeping, developing, and promoting the most qualified employees. We are committed to offering a workplace free from harassment and discrimination and where workers are treated with respect and dignity.
- ii. It also offers, upon request, reasonable accommodations, such as auxiliary aids and services, to ensure that people with disabilities have an equal opportunity to participate in all programs and activities. These factors include race, colour, religion, national origin, age, height, weight, marital status, familial status, handicap/disability, sexual orientation, and veteran status.
- iii. It is the policy of to not discriminate in employment, student admissions, and student services on the basis of race, colour, religion, age, political affiliation or belief, sex, national origin, ancestry, disability, place of birth, general education development certification, marital status, sexual orientation, gender identity or expression, veteran status, or any other legally protected classification. This policy is in full compliance with all applicable laws. acknowledges that it has a duty to advance the ideals of equal opportunity in employment, admittance to schools, and student services by actively seeking out women and underrepresented groups.
- iv. No employee or candidate for employment shall be subjected to discrimination or harassment on the basis of their race, color, creed, religion, national origin, sex, sexual orientation, handicap, age, marital status, or eligibility for public assistance. shall take affirmative measures to make sure that there is no such prejudice in all practices. These employment practices may include, but are not limited to, the following: hiring, promoting, downgrading, transferring, advertising for job openings, selection, layoffs, disciplinary actions, and termination, as well as pay rates and other kinds of remuneration and training selection.

HR is expected to display notifications of EEOC regulations in a conspicuous area of the workplace in addition to include the EEO policy in the job announcement. The genuinely fide occupational criteria are an exemption to the EEOC's hiring standards, which are quite specific regarding discrimination. A BFOQ is a characteristic or trait that may be used to evaluate candidates and is deemed to be fairly required to the regular functioning of the company. A corporation must demonstrate that a certain employee could not execute the job tasks due to sex, age, religion, disability, or national origin in order to be granted a BFOQ exemption. BFOQ exceptions may take the following forms:

- i. A private religious school may require a faculty member to be of the same denomination.
- ii. Mandatory retirement is required for airline pilots at a certain age.
- iii. A clothing store that sells male clothing is allowed to hire only male models.

- iv. If an essence of a restaurant relies on one sex versus another, they may not be required to hire male servers.

However, many of the justifications for BFOQ would be rejected. For instance, neither consumer preference for a certain gender nor ethnicity has ever been a BFOQ. Generally speaking, expecting a BFOQ would apply while conducting the hiring process and creating job descriptions might be a mistake. Prior to creating a job description, it would be wise to consult legal advice.

unequal effect and unequal treatment are other factors to take into account while creating the job description. These are the two categories used to group incidents of job discrimination. Disparate effect happens when an organization uses a procedure to discriminate against a protected group as a whole rather than doing so on purpose. Among several instances of disproportionate impact, consider the following:

- i. Requirement of a high school diploma, which may not be important to employment, could discriminate against racial groups
- ii. A height requirement, which could limit the ability of women or persons of certain races to apply for the position
- iii. Written tests that do not relate directly to the job.
- iv. Awarding of pay raises on the basis of, say, fewer than five years of experience, which could discriminate against people older than forty

DISCUSSION

The recruitment process is an essential component of human resource management, and its success depends on the effective execution of several stages. In this discussion, we will delve into each stage of the recruitment process and highlight its significance. The first stage of the recruitment process is identifying staffing needs and creating a job description. This stage involves analyzing the organization's workforce requirements and creating a detailed job description that outlines the responsibilities, skills, and qualifications needed for the position. This stage is crucial because it sets the foundation for the entire recruitment process and ensures that the organization attracts the right candidates for the job. The next stage is sourcing candidates through various channels, such as job boards, social media, referrals, and recruitment agencies. The organization can also tap into passive candidates who are not actively seeking new job opportunities but may be interested in the organization's job offer[6].

This stage requires the organization to use different recruitment strategies and approaches to reach a broader pool of candidates. The third stage is screening and assessing candidates. This stage involves reviewing applications and resumes, conducting initial phone or video interviews, and using assessment tools to determine the candidate's qualifications, experience, and cultural fit. The goal of this stage is to narrow down the pool of candidates and select those who are best suited for the job. The fourth stage is the interview process. This stage involves conducting in-person or virtual interviews with selected candidates to further assess their qualifications, experience, and cultural fit. The interview process can be conducted by a single interviewer or a panel of interviewers, depending on the organization's size and recruitment needs. The final stage is onboarding. Once the candidate has been selected, they go through the onboarding process, which includes orientation, training, and assimilation into the organization's culture. This stage is crucial for the new employee to feel welcomed and to understand their role and responsibilities within the organization[7], [8].

CONCLUSION

In conclusion, the recruitment process is a crucial aspect of human resource management that plays a significant role in attracting and retaining top talent. The process involves several stages, including identifying staffing needs, sourcing candidates, screening and assessing applicants, conducting interviews, and onboarding selected candidates. Each stage is critical to ensure that the organization finds the right candidate for the job and provides them with the necessary support to integrate successfully into the organization. A well-designed recruitment process can help organizations to improve their workforce quality, productivity, and performance, ultimately leading to the achievement of business objectives. As such, it is crucial for organizations to invest time and resources in developing and implementing an effective recruitment process that aligns with their overall human resource strategy. The recruitment process is a critical aspect of human resource management, and its success depends on the effective execution of each stage. A well-designed recruitment process is essential for attracting and retaining top talent, improving organizational performance, and achieving business objectives. By following these stages, organizations can ensure that they find and hire the right candidates for their job vacancies.

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CHAPTER 9

AN ELABORATION OF THE RECRUITMENT STRATEGIES IN ORGANIZATION

Dr. Narayana Srikanthreddy, Assistant Professor
Department of Management, Presidency University, Bangalore, India
Email id- srikanthreddyn@presidencyuniversity.in

ABSTRACT:

Recruitment is a critical process for any organization looking to attract and hire talented individuals to achieve its business objectives. This paper examines various recruitment strategies used by organizations to attract top talent. The study provides an overview of the recruitment process and its significance, along with an analysis of the benefits and challenges of different recruitment strategies. The paper focuses on traditional recruitment methods such as job boards, referrals, and campus recruitment, as well as more recent approaches like social media recruiting and employer branding. Furthermore, the paper identifies the importance of aligning recruitment strategies with organizational goals and values to enhance the likelihood of attracting and retaining high-quality candidates. Finally, the study concludes with recommendations for organizations on selecting effective recruitment strategies to improve the quality of hires and ensure a sustainable competitive advantage.

KEYWORDS:

Campus Recruitment, Cultural Fit, Diversity, Inclusion, Employer Branding, Employee Referral Program.

INTRODUCTION

Now that we have discussed development of the job analysis, job description, and job specifications, and you are aware of the laws relating to recruitment, it is time to start recruiting. It is important to mention, though, that a recruitment plan should be in place. This plan can be informal, but you should outline where you plan to recruit and your expected time lines. For example, if one of your methods is to submit an ad to a trade publication website, you should know their deadlines. Also, of consideration is to ensure you are recruiting from a variety of sources to ensure diversity. Lastly, consider the economic situation of the country. With high unemployment, you may receive hundreds of applications for one job. In an up economy, you may not receive many applications and should consider using a variety of sources.

Some companies, such as Southwest Airlines, are known for their innovative recruitment methods. Southwest looks for “the right kind of people” and are less focused on the skills than on the personality of the individual. 4

When Southwest recruits, it looks for positive team players that match the underdog, quirky company culture. Applicants are observed in group interviews, and those who exhibit encouragement for their fellow applicants are usually those who continue with the recruitment process. This section will discuss some of the ways Southwest and many other Fortune 500 companies find this kind of talent.

i. Recruiters

Some organizations choose to have specific individuals working for them who focus solely on the recruiting function of HR. Recruiters use similar sources to recruit individuals, such as professional organizations, websites, and other methods discussed in this chapter. Recruiters are excellent at networking and usually attend many events where possible candidates will be present. Recruiters keep a constant pipeline of possible candidates in case a position should arise that would be a good match. There are three main types of recruiters:

- i. **Executive search firm.** These companies are focused on high-level positions, such as management and CEO roles. They typically charge 10–20 percent of the first year salary, so they can be quite expensive. However, they do much of the upfront work, sending candidates who meet the qualifications.
- ii. **Temporary recruitment or staffing firm.** Suppose your receptionist is going on medical leave and you need to hire somebody to replace him, but you don't want a long-term hire. You can utilize the services of a temporary recruitment firm to send you qualified candidates who are willing to work shorter contracts. Usually, the firm pays the salary of the employee and the company pays the recruitment firm, so you don't have to add this person to your payroll. If the person does a good job, there may be opportunities for you to offer him or her a full-time, permanent position. Kelly Services, Manpower, and Snelling Staffing Services are examples of staffing firms.
- iii. **Corporate recruiter.** A corporate recruiter is an employee within a company who focuses entirely on recruiting for his or her company. Corporate recruiters are employed by the company for which they are recruiting. This type of recruiter may be focused on a specific area, such as technical recruiting.
- iv. **A contingent recruiter is paid only when the recruiter starts working, which is often the case with temporary recruitment or staffing firms. A retained recruiter gets paid up front to perform a specific search for a company.**
- v. **While the HR professional, when using recruiters, may not be responsible for the details of managing the search process, he or she is still responsible for managing the process and the recruiters. The job analysis, job description, and job specifications still need to be developed and candidates will still need to be interviewed.**

ii. Campus Recruiting

Colleges and universities can be excellent sources of new candidates, usually at entry-level positions. Consider technical colleges that teach cooking, automotive technology, or cosmetology. These can be great sources of people with specialized training in a specific area. Universities can provide people that may lack actual experience but have formal training in a specific field. Many organizations use their campus recruiting programs to develop new talent, who will eventually develop into managers [1].

For this type of program to work, it requires the establishment of relationships with campus communities, such as campus career services departments. It can also require time to attend campus events, such as job fairs. IBM, for example, has an excellent campus recruiting program. For IBM, recruiting out of college ensures a large number of people to grow with the organization. 6

Setting up a formal internship program might also be a way to utilize college and university contacts. Walgreens, for example, partners with Apollo College to recruit interns; this can

result in full-time employment for the motivated intern and money saved for Walgreens by having a constant flow of talent.

iii. Professional Associations

Professional associations are usually nonprofit organizations whose goal is to further a particular profession. Almost every profession has its own professional organization. For example, in the field of human resources, the Society for Human Resource Management allows companies to post jobs relating to HR. The American Marketing Association, also a professional organization, allows job postings as well. Usually, there is a fee involved, and membership in this association may be required to post jobs. Here are some examples of professional associations:

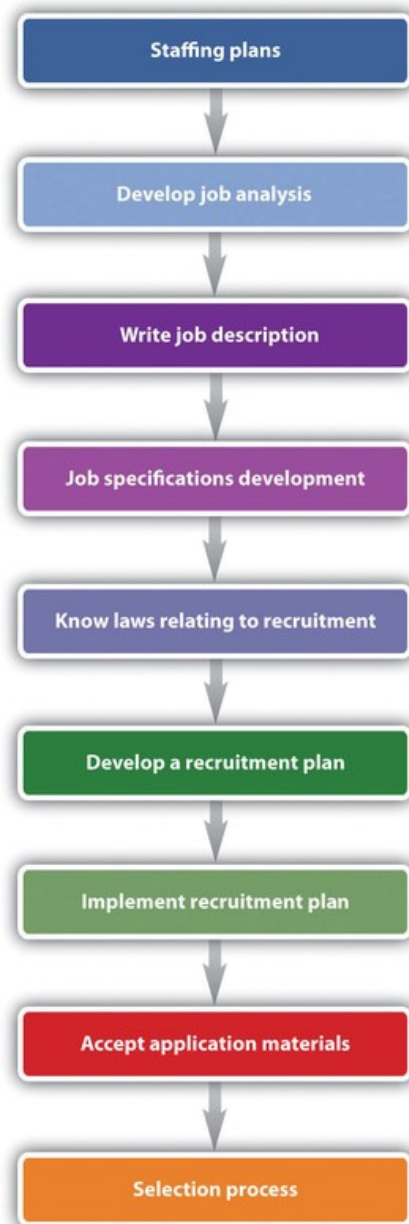


Figure 1: Represented the Overview of the Steps to the Recruitment Process

- a. Professional Nursing Association
- b. Society of Women Engineers
- c. International Federation of Accountants
- d. Institute of Management Consultants United Professional Sales Association
- e. National Lawyers Guild
- f. National Organization of Minority Architects
- g. International Federation of Journalists
- h. International Metalworkers Federation
- i. Association of Flight Attendants

Labor unions can also be excellent sources of candidates, and some unions also allow job postings on their website. We will discuss unions further in "Working with Labor Unions ". The key to using this as a successful recruitment strategy is to identify the organizations that relate to your business and to develop relationships with members in these organizations. This type of networking can help introduce you to people in your industry who may be looking for a job or know of someone who needs a job.

iv. Websites

If you have ever had to look for a job, you know there are numerous websites to help you do that. From the HR perspective, there are many options to place an ad, most of which are inexpensive. The downside to this method is the immense number of résumés you may receive from these websites, all of which may or may not be qualified. Many organizations, to combat this, implement software that searches for keywords in résumés, which can help combat this problem. We discuss more about this in "Selection ". Some examples of websites might include the following some examples of websites:

- a) **Your own company website**
- b) **Yahoo Hot Jobs**
- c) **Monster**
- d) **CareerBuilder**
- e) **Job Central**

v. Social Media

Facebook, Twitter, LinkedIn, YouTube, and MySpace are excellent places to obtain a media presence to attract a variety of workers. In 2007, Sodexo, which provides services such as food service and facilities management, started using social media to help spread the word about their company culture. Since then, they have saved \$300,000 on traditional recruiting methods. 7 Sodexo's fifty recruiters share updates on Twitter about their excellent company culture. Use of this media has driven traffic to the careers page on Sodexo's website, from 52,000 to 181,000 [2].

The goal of using social media as a recruiting tool is to create a buzz about your organization, share stories of successful employees, and tout an interesting culture. Even smaller

companies can utilize this technology by posting job openings as their status updates. This technique is relatively inexpensive, but there are some things to consider. For example, tweeting about a job opening might spark interest in some candidates, but the trick is to show your personality as an employer early on.

According to Bruce Morton of Allegis Group Services, using social media is about getting engaged and having conversations with people before they're even thinking about you as an employer. 8 Debbie Fisher, an HR manager for a large advertising agency, Campbell Mithun, says that while tweeting may be a good way to recruit people who can be open about their job hunt, using tools such as LinkedIn might be a better way to obtain more seasoned candidates who cannot be open about their search for a new job, because of their current employment situation. She says that LinkedIn has given people permission to put their résumé online without fear of retribution from current employers [3].

Creativity with a social media campaign also counts. Campbell Mithun hired thirteen interns over the summer using a unique twist on social media. They asked interested candidates to submit thirteen tweets over thirteen days and chose the interns based on their creativity. Many organizations, including Zappos, use YouTube videos to promote the company. Within the videos is a link that directs viewers to the company's website to apply for a position in the company.

Facebook allows free job postings in Facebook Marketplace, and the company Facebook page can also be used as a recruiting tool. Some organizations decide to use Facebook ads, which are paid on a "per click" or per impression basis. Facebook ad technology allows specific regions and Facebook keywords to be targeted. 9 Some individuals even use their personal Facebook page to post status updates listing job opportunities and asking people to respond privately if they are interested [4].

vi. Events

Many organizations, such as Microsoft, hold events annually to allow people to network and learn about new technologies. Microsoft's Professional Developer Conference, usually held in July, hosts thousands of web developers and other professionals looking to update their skills and meet new people. Some organizations, such as Choice Career Fairs, host job fairs all over the country; participating in this type of job fair may be an excellent way to meet a large variety of candidates. Other events may not be specifically for recruiting, but attending these events may allow you to meet people who could possibly fill a position or future position. For example, in the world of fashion, Fashion Group International hosts events internationally on a weekly basis, which may allow the opportunity to meet qualified candidates.

vii. Special/Specific Interest Groups

Special/specific interest groups, which may require membership of individuals, focus on specific topics for members. Often SIGs will have areas for job posting, or a variety of discussion boards where jobs can be posted. For example, the Women in Project Management SIG provides news on project management and also has a place for job advertisements. Other examples of SIGs might include the following:

- a) Oracle Developer SIG
- b) African American Medical Librarians Alliance SIG
- c) American Marketing Association Global Marketing SIG

- d) Special Interest Group for Accounting Information Systems
- e) Junior Lawyer SIG

Recruiting using SIGs can be a great way to target a specific group of people who are trained in a specific area or who have a certain specialty.

viii. Referrals

Most recruiting plans include asking current employees, “Who do you know?” The quality of referred applicants is usually high, since most people would not recommend someone they thought incapable of doing the job. E-mailing a job opening to current employees and offering incentives to refer a friend can be a quick way of recruiting individuals. Due to the success of most formalized referral programs, it is suggested that a program be part of the overall HRM strategic plan and recruitment strategy. However, be wary of using referrals as the only method for recruitment, as this can lead to lack of diversity in a workplace. Nepotism means a preference for hiring relatives of current employees, which can also lead to lack of diversity and management issues in the workplace [5].

For example, the University of Washington offers \$1,200 any time a current employee successfully refers a friend to work at their medical centers. Usually, most incentives require the new employee to be hired and stay a specified period of time. Some examples of incentives that can be used to refer a friend might include the following:

- a) A gift card to the employee
- b) A financial incentive
- c) Raffles for most referrals

These types of programs are called employee referral programs and tend to generate one of the highest returns on investment per hire. To make an ERP program effective, some key components should be put into place:

- a) Communicate the program to existing employees.
- b) Track the success of the program using metrics of successful hires.
- c) Be aware of the administrative aspect and the time it takes to implement the program effectively.
- d) Set measurable goals up front for a specialized program.

Accenture recently won the ERE Media Award for one of the most innovative ERPs. Its program has increased new hires from referrals from 14 percent to 32 percent, and employee awareness of the program jumped from just 20 percent to 99 percent. The uniqueness of their program lies with the reward the employee receives. Instead of offering personal financial compensation, Accenture makes a donation to the charity of the employee’s choice, such as a local elementary school. Their program also seeks to decrease casual referrals, so the employee is asked to fill out an online form to explain the skills of the individual they are referring. The company has also developed a website where current employees can go to track the progress of referrals. In addition, employee referral applications are flagged online and fast-tracked through the process in fact, every referral is acted upon. As you can see, Accenture has made their ERP a success through the use of strategic planning in the recruitment process[6], [7].

Costs of Recruitment

Part of recruitment planning includes budgeting the cost of finding applicants. For example, let's say you have three positions you need to fill, with one being a temporary hire. You have determined your advertising costs will be \$400, and your temporary agency costs will be approximately \$700 for the month. You expect at least one of the two positions will be recruited as a referral, so you will pay a referral bonus of \$500. Here is how you can calculate the cost of recruitment for the month:

cost per hire = advertising costs + recruiter costs + referral costs + social media costs + event costs.

$\$400 + \$700 + \$500 = \$1600/3 = \$533$ recruitment cost per hire.

In addition, when we look at how effective our recruiting methods are, we can look at a figure called the yield ratio. A yield ratio is the percentage of applicants from one source who make it to the next stage in the selection process. For example, if you received two hundred résumés from a professional organization ad you placed, and fifty-two of those make it to the interview state, this means a 26 percent yield. By using these calculations, we can determine the best place to recruit for a particular position. Note, too, that some yield ratios may vary for particular jobs, and a higher yield ratio must also consider the cost of that method, too. For an entry-level job, campus recruiting may yield a better ratio than, say, a corporate recruiter, but the corporate recruiter may have higher cost per hires [8].

DISCUSSION

Recruitment strategies play a crucial role in the success of any organization, as they directly impact the quality of hires and overall organizational performance. Organizations must adopt effective recruitment strategies to attract, hire, and retain high-quality candidates. This discussion focuses on the various recruitment strategies used by organizations to attract top talent. The traditional recruitment methods such as job boards, referrals, and campus recruitment have been widely used by organizations. Job boards offer a wide range of job opportunities and attract a broad audience, while referrals rely on existing employees to recommend qualified candidates.

Campus recruitment allows organizations to connect with potential candidates early on and build a talent pipeline. These methods remain popular because they have been proven effective in sourcing and hiring quality candidates. However, recent technological advancements and changes in the job market have led to the emergence of more innovative recruitment strategies. Social media recruiting, for example, is becoming increasingly popular as it allows organizations to connect with candidates through various social media platforms. Employer branding is also a popular recruitment strategy as it focuses on promoting the organization's culture and values to attract candidates who align with them. The importance of aligning recruitment strategies with organizational goals and values cannot be overstated. Organizations must identify their specific recruitment needs and tailor their strategies accordingly. For instance, if an organization values diversity and inclusion, it should prioritize recruitment strategies that promote those values, such as developing diversity-focused job postings and leveraging employee referral programs. Furthermore, effective recruitment strategies should be supported by robust recruitment metrics to measure their success. Metrics such as time-to-hire, cost-per-hire, and candidate satisfaction can help organizations evaluate the effectiveness of their recruitment strategies and identify areas for improvement [9], [10].

CONCLUSION

In conclusion, effective recruitment strategies are a critical component of any organization's success. Recruitment strategies have evolved over time, with traditional methods such as job boards, referrals, and campus recruitment still being widely used and effective recruitment strategies are essential for organizations looking to attract and retain top talent. While traditional recruitment methods remain popular, organizations must also adopt innovative strategies such as social media recruiting and employer branding to stay competitive in today's job market. It is crucial to align recruitment strategies with organizational goals and values and measure their effectiveness through recruitment metrics to ensure long-term success. However, recent technological advancements and changes in the job market have led to more innovative approaches such as social media recruiting and employer branding. Organizations must identify their specific recruitment needs and tailor their strategies accordingly, aligning them with organizational goals and values to attract candidates who align with them. Moreover, recruitment metrics such as time-to-hire, cost-per-hire, and candidate satisfaction can help organizations evaluate the effectiveness of their recruitment strategies and identify areas for improvement. By adopting effective recruitment strategies, organizations can attract and retain high-quality talent, improve organizational performance, and achieve a sustainable competitive advantage.

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CHAPTER 10

AN OVERVIEW OF THE SELECTION PROCEDURE IN ORGANIZATION

Mr. Kunal Saxena, Assistant Professor
Department of Management, Presidency University, Bangalore, India
Email id- drkunal@presidencyuniversity.in

ABSTRACT:

The selection procedure in an organization is a critical process that involves identifying and selecting the most suitable candidates for a particular job position. This process typically involves several steps, such as screening applications and resumes, conducting assessments, interviews, and reference checks. The selection procedure must be designed to be fair, transparent, and based on job-related criteria to identify the most qualified candidate while promoting diversity and inclusivity in the organization. A well-designed selection procedure can help an organization to reduce risks associated with hiring the wrong person, increase employee retention, and create a positive work culture. Continuous review and evaluation of the selection procedure are essential to ensure its effectiveness and alignment with current best practices.

KEYWORDS:

Candidate Screening, Diversity, Employee Retention, Hiring Process.

INTRODUCTION

The selection procedure in an organization is a crucial process that involves identifying and choosing the most suitable candidates for a particular job position. This procedure typically starts with the screening of applications and resumes, followed by a series of assessments, interviews, and tests. The primary goal of the selection procedure is to evaluate the candidate's skills, experience, and knowledge to ensure that they are a good fit for the job and the organization. A well-designed selection procedure can help an organization to identify the most qualified candidates, reduce the risks associated with hiring the wrong person, and create a diverse and inclusive workforce. This process requires a great deal of care and attention to ensure that the organization makes the right decisions in selecting the best candidate for the job.

Many of us have or will sit in a waiting room with our best clothes on awaiting a job interview. You can feel your palms sweat and thoughts race as you wait for your name to be called. You look around at the office environment and imagine yourself walking through those doors every day. People walk by and smile, and overall, you have a really good first impression of the organization. You hope they like you.

You tell yourself to remember to smile, while recalling all your experience that makes you the perfect person for this job. A moment of self-doubt may occur, as you wonder about the abilities of the other people being interviewed and hope you have more experience and make a better impression than they do. You hear your name, stand up, and give a firm handshake to the HR manager. The interview has begun.

As she walks you back to a conference room, you think you see encouraging smiles as you pass by people. She asks you to take a chair and then tells you what the interview process will be like. She then asks the first question, "Tell me about yourself." As you start discussing your experience, you feel yourself relax, just a little bit. After the interview finishes, she asks you to take a quick cognitive test, which you feel good about. She tells you she will be doing reference checks and will let you know by early next week.

To get to this point, the hiring manager may have reviewed hundreds of résumés and developed criteria she would use for selection of the right person for the job. She has probably planned a time line for hiring, developed hiring criteria, determined a compensation package for the job, and enlisted help of other managers to interview candidates. She may have even performed a number of phone interviews before bringing only a few of the best candidates in for interviews. It is likely she has certain qualities in mind that she is hoping you or another candidate will possess. Much work goes into the process of hiring someone, with selection being an important step in that process. A hiring process done correctly is time-consuming and precise. The interviewer should already have questions determined and should be ready to sell the organization to the candidate as well. This chapter will discuss the main components to the selection process [1].

The Selection Process

Once you have developed your recruitment plan, recruited people, and now have plenty of people to choose from, you can begin the selection process which is mention in Figure 1. The selection process refers to the steps involved in choosing people who have the right qualifications to fill a current or future job opening. Usually, managers and supervisors will be ultimately responsible for the hiring of individuals, but the role of human resource management is to define and guide managers in this process. Similar to the recruitment process discussed in "Recruitment ", the selection process is expensive. The time for all involved in the hiring process to review résumés, weight the applications, and interview the best candidates takes away time that those individuals could spend on other activities. In addition, there are the costs of testing candidates and bringing them in from out of town for interviews. In fact, the US Department of Labor and Statistics estimates the combined direct and indirect cost of hiring someone new can reach upwards of \$40,000. Because of the high cost, it is important to hire the right person from the beginning and ensure a fair selection process. For example, the Austin, Texas, fire department calculated it would cost \$150,000 to reinterview candidates, after the interview questions were leaked to the public, giving some candidates possibly unfair advantages in the interview process. The selection process consists of five distinct aspects:

- i. Criteria Development:** All individuals involved in the hiring process should be properly trained on the steps for interviewing, including developing criteria, reviewing résumés, developing interview questions, and weighting the candidates. The first aspect to selection is planning the interview process, which includes criteria development. Criteria development means determining which sources of information will be used and how those sources will be scored during the interview. The criteria should be related directly to the job analysis and the job specifications. This is discussed in "Recruitment ". In fact, some aspects of the job analysis and job specifications may be the actual criteria. In addition to this, include things like personality or cultural fit, which would also be part of criteria development. This process usually involves discussing which skills, abilities, and personal characteristics are required to be successful at any given job. By developing the criteria before reviewing any résumés, the HR manager or manager can be sure he or she is being

fair in selecting people to interview. Some organizations may need to develop an application or a biographical information sheet. Most of these are completed online and should include information about the candidate, education, and previous job experience [2], [3].

- ii. **Application and Résumé Review:** Once the criteria have been developed, applications can be reviewed. People have different methods of going through this process, but there are also computer programs that can search for keywords in résumés and narrow down the number of résumés that must be looked at and reviewed.
- iii. **Interviewing:** After the HR manager and/or manager have determined which applications meet the minimum criteria, he or she must select those people to be interviewed. Most people do not have time to review twenty or thirty candidates, so the field is sometimes narrowed even further with a phone interview. This is discussed in "Types of Interviews".



Figure 1: Represented the Selection Process at a Glance

- iv. **Test Administration:** Any number of tests may be administered before a hiring decision is made. These include drug tests, physical tests, personality tests, and cognitive tests. Some organizations also perform reference checks, credit report checks, and background checks. Types of tests are discussed in ". Once the field of candidates has been narrowed down, tests can be administered.
- v. **Making the Offer:** The last step in the selection process is to offer a position to the chosen candidate. Development of an offer via e-mail or letter is sometimes a more formal part of this process. Compensation and benefits will be defined in an offer. We discuss this in "Compensation and Benefits.

Criteria Development and Résumé Review

Before we begin to review résumés and applications, we must have a clear idea of the person we want to hire for the position. Obviously, the job specifications will help us know the minimum qualifications, such as education level and years of experience. However, additional criteria might include the attitude of the potential hire, the ability to take initiative, and other important personal characteristics and professional abilities that may not always be demonstrated in an application or résumé. A specific score on a personality test, quality of work samples, and other tools to determine qualifications should be included as part of the criteria. In other words, knowing exactly what you want before you even begin the process of looking through résumés will make this process much easier. In human resources, this is called KSAOs, or knowledge, skills, abilities, and other personal characteristics that make a person successful on the job. Some organizations, such as the United States Department of Veterans Affairs, require applicants to address each one of the KSAOs listed in the job position within their cover letter.

i. Criteria Development Considerations

Many HR professionals and managers develop the criteria for hiring, as well as the interview questions, before reviewing any résumés. This allows for a streamlined process with specific guidelines already set before reviewing a résumé. For example, criteria for a project management job might include the following:

- a) Two years of experience managing a \$2 million or more project budget
- b) A bachelor's degree in business or closely related field
- c) Ability to work on multiple projects at once
- d) Problem-solving ability
- e) Conflict-management ability to manage a team of five to six diverse workers
- f) Score of at least a 70 on cognitive ability test
- g) Score of excellent from most recent employer

By setting criteria ahead of time, the hiring team has a clear picture of exactly what qualifications they are looking for. As a result, it is easier to determine who should move forward in the selection process. For example, if someone does not have a bachelor's degree, given this is a criterion, their application materials can be filed away, perhaps for another job opening. Likewise, the HR manager can include those résumés with two or more years of experience and bachelor's degree in the interview pile and then develop interview questions that show the candidates' problem-solving, multitasking, and conflict-management abilities

[4]. Résumé parsing or résumé scanning software is readily available and can make the initial screening easier. For example, Sovren software allows the HR manager to include keywords such as bachelor's degree or management. This software scans all received résumés and selects the ones that have the keywords. While it still may be necessary to review résumés, this type of software can save time having to look through résumés that obviously do not meet the minimum qualifications.

ii. Validity and Reliability

The validity refers to how useful the tool is to measure a person's attributes for a specific job opening. A tool may include any and all of the following:

- a) Resume scanning software
- b) Reference checks
- c) Cognitive ability tests
- d) Work samples
- e) Credit reports
- f) Biographical information blanks weighted application forms
- g) Personality tests
- h) Interview questions

Biographical information blanks are a useful part of the application process. A BIB is a series of questions about a person's history that may have shaped his or her behavior. The BIB can be scored in the same way as an interview or a résumé, assuming the organization knows which types of answers are predictable for success in a given job. Similarly, a weighted application form involves selecting an employee characteristic to be measured and then identifying which questions on the application predict the desired behavior. Then scores are assigned to each predictor. Of course, the development of the scoring should be determined before any résumés and application forms have been reviewed. In other words, any tool you use to determine someone's qualifications for a job should have validity to determine they are the right fit for the job [5], [6].

Reliability refers to the degree in which other selection techniques yield similar data over time. For example, if you ask the same interview question of every applicant for the project management position, and the "right" answer always yields similar, positive results, such as the hiring of a successful employee every time, the question would be considered reliable. An example of an unreliable test might occur with reference checks. Most candidates would not include a reference on their résumé who might give them a poor review, making this a less reliable method for determining skills and abilities of applicants.

iii. Fit Issues

Fit includes not only the right technical expertise, education, and experience but also fit in company culture and team culture. For example, at Facebook headquarters in Palo Alto, California, engineers are selected based on their willingness to take risks, as risk taking is nurtured at Facebook. In addition to this component of their company culture, the company looks for the "hacker" personality, because a hacker is someone who finds ways around the constraints placed upon a system. At Amazon, the huge online retailer, a core value in their

company culture is a focus on developing leaders to grow with the organization. If a potential candidate is not interested in long-term career growth, he or she might not be deemed an appropriate strategic fit with the organization. In today's organizations, most people are required to work within teams. As a result, fit within a team is as important as company culture fit. Microsoft, for example, does an immense amount of teamwork. The company is structured so that there are marketers, accountants, developers, and many others working on one product at a time. As a result, Microsoft looks for not only company culture fit but also fit with other team members.

iv. Reviewing Resumes

Once we have developed our criteria for a specific job, we can begin the review process. Everyone prefers to perform this differently. For example, all the hiring decision makers may review all résumés, list the people they would like to meet in person, and then compare the lists. Another method might be to rate each candidate and interview only those above a certain score. This is discussed in "Selection Methods ". Obviously, much of the process will depend on the organization's size and the type of job. None of this process can be done fairly without first setting criteria for the job[7].

When looking at résumés to determine whom to interview, a manager should be concerned with the concepts of disparate impact and disparate treatment. Disparate impact is unintended discrimination against a protected group as a whole through the use of a particular requirement.

Disparate impact may be present in the interviewing process, as well as other employment-related processes such as pay raises and promotions. For example, a requirement of being able to lift 110 pounds might be considered as having disparate impact on women, unless the job requires this ability. Every criterion developed should be closely considered to see if it might have disparate impact on a protected group of individuals. For example, the requirement of a certain credit score might have a negative impact on immigrants, who may not have a well-developed credit rating. However, if being able to manage money is an important requirement of the job, this requirement might not be discriminatory.

Disparate treatment in hiring might include not interviewing a candidate because of one's perception about the candidate's age, race, or gender. The last consideration is the hiring of internal versus external candidates. An internal candidate is someone who already works within the organization, while an external candidate is someone who works outside the organization. A bidding process may occur to notify internal candidates of open positions. This is discussed "Recruitment ". Generally speaking, it is best to go through a formal interview process with all candidates, even if they work within the organization. This way, an HR professional can be assured that disparate treatment does not occur because of favoritism. For example, a senior executive of your organization just left, and you believe the manager in that department is qualified to take over the position. Suppose, though, that the manager has been lobbying you for the job for some time and has even taken you out to lunch to talk about the job. While this person has maintained high visibility and lobbied for the promotion, there may be equally qualified internal candidates who did not use the same lobbying techniques. Automatically offering the position to this internal candidate might undermine others who are equally qualified. So, while hiring internally can be a motivator, making assumptions about a particular person may not be a motivator to others. This is why it is best, even if you hire internally, to post a formal job announcement listing the job description and job qualifications, so everyone in the organization can have an equal opportunity to apply for the job [8].

Interviewing

Interviewing people costs money. As a result, after candidates are selected, good use of time is critical to making sure the interview process allows for selection of the right candidate. In an unstructured interview, questions are changed to match the specific applicant; for example, questions about the candidate's background in relation to their résumé might be used. In a structured interview, there is a set of standardized questions based on the job analysis, not on individual candidates' résumés. While a structured interview might seem the best option to find out about a particular candidate, the bigger concern is that the interview revolves around the specific job for which the candidate is interviewing. In a structured interview, the expected or desired answers are determined ahead of time, which allows the interviewer to rate responses as the candidate provides answers. This allows for a fair interview process, according to the US Office of Personnel Management. ⁶ For purposes of this section, we will assume that all interviews you perform will be structured, unless otherwise noted.

Types of Interviews

Interview processes can be time-consuming, so it makes sense to choose the right type of interview for the individual job. Some jobs, for example, may necessitate only one interview, while another may necessitate a telephone interview and at least one or two traditional interviews. Keep in mind, though, that there will likely be other methods with which to evaluate a candidate's potential, such as testing. Testing is discussed in "Testing". Here are different types of interviews:

- 1) **Traditional Interview:** This type of interview normally takes place in the office. It consists of the interviewer and the candidate, and a series of questions are asked and answered.
- 2) **Telephone Interview:** A telephone interview is often used to narrow the list of people receiving a traditional interview. It can be used to determine salary requirements or other data that might automatically rule out giving someone a traditional interview. For example, if you receive two hundred résumés and narrow these down to twenty-five, it is still unrealistic to interview twenty-five people in person. At this point, you may decide to conduct phone interviews of those twenty-five, which could narrow the in-person interviews to a more manageable ten or so people.
- 3) **Panel Interview:** A panel interview occurs when several people are interviewing one candidate at the same time. While this type of interview can be nerve racking for the candidate, it can also be a more effective use of time. Consider some companies who require three to four people to interview candidates for a job. It would be unrealistic to ask the candidate to come in for three or four interviews, so it makes sense for them to be interviewed by everyone at once.
- 4) **Information Interview:** Informational interviews are usually used when there is no specific job opening, but the candidate is exploring possibilities in a given career field. The advantage to conducting these types of interviews is the ability to find great people ahead of a job opening.
- 5) **Meal Interviews:** Many organizations offer to take the candidate to lunch or dinner for the interview. This can allow for a more casual meeting where, as the interviewer, you might be able to gather more information about the person, such as their manners and treatment of waitstaff. This type of interview might be considered an unstructured

interview, since it would tend to be more of a conversation as opposed to a session consisting of specific questions and answers.

- 6) **Group Interview:** In a group interview, two or more candidates interview at the same time. This type of interview can be an excellent source of information if you need to know how they may relate to other people in their job.
- 7) **Video Interviews:** Video interviews are the same as traditional interviews, except that video technology is used. This can be cost saving if one or more of your candidates are from out of town. Skype, for example, allows free video calls. An interview may not feel the same as a traditional interview, but the same information can be gathered about the candidate.
- 8) **Nondirective Interview:** In a nondirective interview, the candidate essentially leads the discussion. Some very general questions that are planned ahead of time may be asked, but the candidate spends more time talking than the interviewer. The questions may be more open ended; for example, instead of asking, “Do you like working with customers?” you may ask, “What did you like best about your last job?” The advantage of this type of interview is that it can give candidates a good chance to show their abilities; however, the downside is that it may be hard to compare potential candidates, since questions are not set in advance. It relies on more of a “gut feeling” approach.

It is likely you may use one or more of these types of interviews. For example, you may conduct phone interviews, then do a meal interview, and follow up with a traditional interview, depending on the type of job [9].

DISCUSSION

The selection procedure in an organization is a multi-step process that involves various methods and techniques to identify the most qualified candidate for a job position. The selection procedure starts with the screening of applications and resumes to identify the most suitable candidates for further evaluation. The next step in the selection procedure is typically an assessment of the candidate's skills, knowledge, and experience. This assessment can include various methods, such as aptitude tests, personality assessments, and job simulations, depending on the specific requirements of the job position. Following the assessment, the organization usually conducts one or more interviews with the candidate. These interviews can be conducted by one or more members of the organization, such as the hiring manager or HR personnel. The interviews are designed to evaluate the candidate's communication skills, job-specific knowledge, and suitability for the organization's culture and values. The final step in the selection procedure is typically the reference and background checks. These checks are essential to ensure that the candidate's claims of experience, education, and other qualifications are accurate and truthful. The organization may also conduct a criminal background check, depending on the nature of the job position. It is crucial to design and implement a selection procedure that is fair, transparent, and consistent. The selection procedure should be based on job-related criteria and should not discriminate against any candidate based on their age, gender, race, religion, or any other protected characteristic [10].

CONCLUSION

In conclusion, the selection procedure in an organization is a vital process that requires careful planning, implementation, and evaluation. The selection procedure should be designed to identify the most qualified candidate for a job position, while also promoting

diversity and inclusivity in the organization. By implementing a fair and transparent selection procedure, the organization can reduce the risks associated with hiring the wrong person, increase employee retention, and create a positive work culture. It is essential for organizations to continuously review and evaluate their selection procedures to ensure that they are effective and up-to-date with current best practices. Ultimately, a well-designed selection procedure can help an organization to achieve its goals and succeed in a competitive business environment.

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CHAPTER 11

AN ELABORATION OF THE DIFFERENT INTERVIEW QUESTIONS FOR CANDIDATES

Dr. Ramalingam Mageshkumar, Assistant Professor
Department of Management, Presidency University, Bangalore, India
Email id- mageshkumar@presidencyuniversity.in

ABSTRACT:

The process of interviewing candidates for job positions involves asking a variety of questions designed to assess their skills, experience, and overall suitability for the role. This abstract explores the different types of interview questions that employers can ask during the hiring process. From traditional behavioral questions to situational and competency-based inquiries, this paper will provide an overview of the various types of questions that can be used to gauge a candidate's qualifications and potential fit within an organization. Additionally, tips will be provided on how to structure and ask questions effectively to ensure the most valuable and informative interview possible.

KEYWORDS:

Behavioral Questions, Candidate Assessment, Hiring Process, Interview Structure, Job Interviews, Skills Assessment.

INTRODUCTION

Interviews are an essential part of the recruitment process, and the questions asked during an interview play a crucial role in determining a candidate's suitability for the role. Employers use interviews to assess a candidate's skills, experience, and overall fit for the job. Therefore, it is essential to ask the right questions to ensure that the candidate is the right fit for the organization. In this context, this paper will cover different types of interview questions that employers can ask to candidates. We will explore the purpose of each type of question and how they can be used to evaluate a candidate's qualifications and abilities. Whether you are an employer looking to improve your interview process or a job seeker preparing for an upcoming interview, this paper will provide valuable insights into the different interview questions that are commonly used and how to answer them effectively.

Most interviews consist of many types of questions, but they usually lean toward situational interviews or behavior description interviews. A situational interview is one in which the candidate is given a sample situation and is asked how he or she might deal with the situation. In a behavior description interview, the candidate is asked questions about what he or she actually did in a variety of given situations. The assumption in this type of interview is that someone's past experience or actions are an indicator of future behavior. These types of questions, as opposed to the old "tell me about yourself" questions, tend to assist the interviewer in knowing how a person would handle or has handled situations. These interview styles also use a structured method and provide a better basis for decision making. Examples of situational interview questions might include the following:

- a) If you saw someone stealing from the company, what would you do?

- b) One of your employees is performing poorly, but you know he has some personal home issues he is dealing with. How would you handle complaints from his colleagues about lack of performance?
- c) A coworker has told you she called in sick three days last week because she actually decided to take a vacation. What would you do?
- d) You are rolling out a new sales plan on Tuesday, which is really important to ensure success in your organization. When you present it, the team is lukewarm on the plan. What would you do?
- e) You disagree with your supervisor on her handling of a situation. What would you do?

Examples of behavior description interview questions might include the following:

- a) Tell me about a time you had to make a hard decision. How did you handle this process?
- b) Give an example of how you handled an angry customer.
- c) Give an example of how you handled an angry customer.
- d) Do you show leadership in your current or past job? What would be an example of a situation in which you did this?
- e) What accomplishments have given you the most pride and why?
- f) What plans have you made to achieve your career goals?

As you already know, there are many types of interview questions that would be considered illegal. Here are some examples:

- i. **National Origin:** You cannot ask seemingly innocent questions such as “That’s a beautiful name, where is your family from?” This could indicate national origin, which could result in bias. You also cannot ask questions about citizenship, except by asking if a candidate is legally allowed to work in the United States. Questions about the first language of the candidate shouldn’t be asked, either. However, asking “Do you have any language abilities that would be helpful in this job?” or “Are you authorized to work in the United States?” would be acceptable.
- ii. **Age:** You cannot ask someone how old they are, and it is best to avoid questions that might indicate age, such as “When did you graduate from high school?” However, asking “Are you over 18?” is acceptable.
- iii. **Marital Status:** You can’t ask direct questions about marital status or ages of children. An alternative may be to ask, “Do you have any restrictions on your ability to travel, since this job requires 50 percent travel?”
- iv. **Religion:** It’s illegal to ask candidates about their religious affiliation or to ask questions that may indicate a religion-affiliated school or university.
- v. **Disabilities:** You may not directly ask if the person has disabilities or recent illnesses. You can ask if the candidate is able to perform the functions of the job with or without reasonable accommodations.

- vi. **Criminal Record:** While it is fine to perform a criminal record check, asking a candidate if they have ever been arrested is not appropriate; however, questions about convictions and guilty pleadings are acceptable.
- vii. **Personal Questions:** Avoid asking personal questions, such as questions about social organizations or clubs, unless they relate to the job.

Besides these questions, any specific questions about weight, height, gender, and arrest record should be avoided [1].

HR professionals and managers should be aware of their own body language in an interview. Some habits, such as nodding, can make the candidate think they are on the right track when answering a question. Also, be aware of hallow effect or reverse halo effect. This occurs when an interviewer becomes biased because of one positive or negative trait a candidate possesses. Interview bias can occur in almost any interview situation. Interview bias is when an interviewer makes assumptions about the candidate that may not be accurate. These assumptions can be detrimental to an interview process. Contrast bias is a type of bias that occurs when comparing one candidate to others. It can result in one person looking particularly strong in an area, when in fact they look strong compared to the other candidates. A gut feeling bias is when an interviewer relies on an intuitive feeling about a candidate.

Generalization bias can occur when an interviewer assumes that how someone behaves in an interview is how they always behave. For example, if a candidate is very nervous and stutters while talking, an assumption may be made that he or she always stutters. Another important bias called cultural noise bias occurs when a candidate thinks he or she knows what the interviewer wants to hear and answers the questions based on that assumption. Nonverbal behavior bias occurs when an interviewer likes an answer and smiles and nods, sending the wrong signal to the candidate. A similar to me bias results when an interviewer has a preference for a candidate because he or she views that person as having similar attributes as themselves. Finally, recency bias occurs when the interviewer remembers candidates interviewed most recently more so than the other candidates.

Interview Process

Once the criteria have been selected and interview questions developed, it is time to start interviewing people. Your interviewing plan can determine the direction and process that should be followed:

- a) Recruit new candidates.
- b) Establish criteria for which candidates will be rated.
- c) Develop interview questions based on the analysis.
- d) Set a time line for interviewing and decision making.
- e) Connect schedules with others involved in the interview process.
- f) Set up the interviews with candidates and set up any testing procedures.
- g) Interview the candidates and perform any necessary testing.
- h) Once all results are back, meet with the hiring team to discuss each candidate and make a decision based on the established criteria.
- i) Put together an offer for the candidate.

As you can see, a large part of the interviewing process is planning. For example, consider the hiring manager who doesn't know exactly the type of person and skills she is looking to hire but sets up interviews anyway. It is difficult, if not impossible, to determine who should be hired if you don't know what you are looking for in the first place. In addition, utilizing time lines for interviewing can help keep everyone involved on track and ensure the chosen candidate starts work in a timely manner. Here are some tips to consider when working with the interview process:

- a) Make sure everyone is trained on the interviewing process. Allowing someone who has poor interviewing skills to conduct the interview will likely not result in the best candidate. In a worst-case scenario, someone could ask an illegal question, and once hired, the candidate can sue the organization. UCLA researchers⁸ calculated that plaintiffs win about half of hiring discrimination cases that go to trial, sometimes because of interviewers asking illegal questions. For example, "I see you speak Spanish, where did you study it?" is a seemingly harmless question that could be indirectly asking a candidate his or her ethnic background. To avoid such issues, it's important to train managers in the proper interviewing process [2].
- b) Listen to the candidate and try to develop a rapport with them. Understand how nervous they must be and try to put them at ease.
- c) Be realistic about the job. Do not try to paint a "rosy" picture of all aspects of the job. Being honest up front helps a candidate know exactly what they will be in for when they begin their job.
- d) Be aware of your own stereotypes and do not let them affect how you view a potential candidate.
- e) Watch your own body language during the interview and that of the candidate. Body language is a powerful tool in seeing if someone is the right fit for a job. For example, Scott Simmons, vice president at CristlKolder, interviewed someone for a CFO position. The candidate had a great résumé, but during the interview, he offered a dead-fish handshake, slouched, and fidgeted in his chair. The candidate didn't make eye contact and mumbled responses, and, of course, he didn't get the job,⁹ because his body language did not portray the expectations for the job position.
- f) Stick to your criteria for hiring. Do not ask questions that have not been predetermined in your criteria.
- g) Learn to manage disagreement and determine a fair process if not everyone on the interviewing team agrees on who should be hired. Handling these types of disagreements is discussed further in "Successful Employee Communication".

Once you have successfully managed the interview process, it is time to make the decision. "Testing" discusses some of the tools we can use to determine the best candidate for the job.

Testing and Selecting

Besides the interview, we can also look at several other aspects that may predict success on the job. If any test is to be criteria for measuring a candidate, this should be communicated to each person interviewing, and criteria should be developed on specific test scores and expectations before interviewing and testing begins.

a) Testing

A variety of tests may be given upon successful completion of an interview. These employment tests can gauge a person's KSAOs in relation to another candidate. The major categories of tests include the following:

- i. Cognitive ability tests
- ii. Personality tests
- iii. Physical ability tests
- iv. Job knowledge tests
- v. Work sample

A number of written tests can be administered. A cognitive ability test can measure reasoning skills, math skills, and verbal skills. An aptitude test measures a person's ability to learn new skills, while an achievement test measures someone's current knowledge. Depending on the type of job, one or both will be better suited.

A cognitive ability test measures intelligences, such as numerical ability and reasoning. The Scholastic Aptitude Test is an example of a cognitive ability test. It is important to note that some cognitive ability tests can have disparate impact. For example, in *EEOC v. Ford Motor Co. and United Automobile Workers of America*, African Americans were rejected from an apprentice program after taking a cognitive test known as the Apprenticeship Training Selection System. The test showed significant disparate impact on African Americans, and it was then replaced by a different selection procedure, after costing Ford \$8.55 million. Some sample test categories might include the following:

- i. Reasoning questions
- ii. Mathematical questions and calculations
- iii. Verbal and/or vocabulary skills

Aptitude tests can measure things such as mechanical aptitude and clerical aptitude. Usually, an aptitude test asks specific questions related to the requirements of the job. To become a New York City police officer, for example, an aptitude test is required before an application will be considered. The written exam is given as a computerized test at a computerized testing center in the city. The test measures cognitive skills and observational skills required for the job.

Personality tests such as Meyers-Briggs and the "Big Five" personality factors may be measured and then compared with successful employee scores. For example, The University of Missouri Health Care system recently launched a patient satisfaction initiative as part of its strategic plan. The plan includes training for current employees and personality testing for nursing, managerial, and physician candidates. The goal of the test is to assess talent and to see if the candidate has the potential to meet the expectations of patients. They hired a private company, Talent Plus, who conducts the test via phone interviews. However, many companies administer tests themselves, and some tests are free and can be administered online[3], [4]. The Big Five personality test looks at extroversion, agreeableness, conscientiousness, neuroticism, and openness. Self-assessment statements might include the following:

- i. I have an assertive personality.

- ii. I am generally trusting.
- iii. I am not always confident in my abilities.
- iv. I have a hard time dealing with change.

Some institutions also require physical ability tests; for example, to earn a position in a fire department, you may have to be able to carry one hundred pounds up three flights of stairs. If you use tests in your hiring processes, the key to making them useful is to determine a minimum standard or expectation, specifically related to the requirements of the job. An HR manager should also consider the legality of such tests. In the *EEOC v. Dial Corp.* case, 13 women were disproportionately rejected for entry-level positions. Prior to the test, 46 percent of hires were women, but after implementation of the test, only 15 percent of the new hires were women. The Equal Employment Opportunity Commission established that the test was considerably more difficult than the job, resulting in disparate impact. Physical ability tests need to show direct correlation with the job duties. A job knowledge test measures the candidate's level of understanding about a particular job. For example, a job knowledge test may require an engineer to write code in a given period of time or may ask candidates to solve a case study problem related to the job[5], [6].

Work sample tests ask candidates to show examples of work they have already done. In the advertising business, this may include a portfolio of designs, or for a project manager, this can include past project plans or budgets. When applying for a pharmaceutical representative position, a "brag book" might be required. 14 A brag book is a list of recommendation letters, awards, and achievements that the candidate shares with the interviewer. Work sample tests can be a useful way to test for KSAOs. These work samples can often be a good indicator of someone's abilities in a specific area. As always, before looking at samples, the interviewer should have specific criteria or expectations developed so each candidate can be measured fairly [7].

Once the interview is completed and testing occurs, other methods of checking KSAOs, including checking references, driving records, and credit history, can be performed. Some companies even use Facebook as a way of gauging the candidate's professionalism. Reference checking is essential to verify a candidate's background. It is an added assurance that the candidate's abilities are parallel with what you were told in the interview. While employment dates and job titles can be verified with previous employers, many employers will not verify more than what can be verified in the employment record because of privacy laws. However, if you do find someone who is willing to discuss more than just dates and job titles, a list of questions is appropriate. Some of these questions might include the following:

- i. What was the title and responsibilities of the position the candidate had while at your company?
- ii. Do you think the candidate was qualified to assume those responsibilities?
- iii. Does this person show up on time and have good attendance?
- iv. Would you consider this person a team player?
- v. What are the three strongest and weakest characteristics of this candidate?
- vi. Would you rehire this person?

If a candidate will be driving a company car or vehicle, such as a UPS truck, driving records may be checked. Criminal background checks may also be used if the position will include

interaction with the public. If the position requires handling of money, a credit check may be required, although a written notice is required to be given to the candidate before the credit check is carried out. In addition, written permission must be provided to the credit agency, and the applicants must receive a copy of the report and a copy of their rights under the Consumer Credit Reporting Reform Act. All these types of tests can be used to determine if someone has been honest about their past employment [8].

Some companies require drug testing, which causes some debate. While some organizations say this is a safety issue, others say it is an invasion of privacy. As long as drug tests are administered for a defensible reason, many organizations will continue to require them. Some organizations will also require physical examinations to ensure the candidate can perform the tasks required. A final form of testing is the honesty test. A number of “what would you do” questions are asked. The challenge with this type of test is that many people know the “right” answer but may not be honest in their responses.

Selection Methods

A clinical selection approach is probably the most common selection method, and it involves all who will be making the decision to hire a candidate. The decision makers review the data and, based on what they learn from the candidate and the information available to them, decide who should be hired for a job. Because interviewers have a different perception about the strengths of a candidate, this method leaves room for error. One consideration is disparate treatment, in which one’s biases may result in not hiring candidates based on their age, race, or gender. One way to handle this and limit the personal stereotypes and perceptions of the interviewers is to use a statistical method in hiring.

In the statistical method, a selection model is developed that assigns scores and gives more weight to specific factors, if necessary. For example, for some jobs, the ability to work in a team might be more important, while in others, knowledge of a specific computer program is more important. In this case, a weight can be assigned to each of the job criteria listed. For example, if the job is a project manager, ability to work with the client might be more important than how someone dresses for the interview. So, in the example shown in Figure 5.4 "Sample Selection Model, with Sample Scores and Weighting Filled In", dress is weighted 1, while being able to give bad news to a client is weighted 5. In the example, the rating is multiplied by the weight to get the score for the particular job criteria. This method allows for a fairer process and can limit disparate treatment, although it may not limit disparate impact.

A statistical method may work like this: you and the hiring team review the job analysis and job description and then determine the criteria for the job. You assign weights for each area and score ranges for each aspect of the criteria, rate candidates on each area as they interview, and then score tests or examine work samples. Once each hiring manager has scored each candidate, the hiring team can compare scores in each area and hopefully hire the best person in the best way. A sample candidate selection model is included in Figure 5.4 "Sample Selection Model, with Sample Scores and Weighting Filled In. With the statistical approach, there is more objectivity than with the clinical approach. Statistical approaches include the compensatory model, multiple cutoff models, and the multiple hurdle model. In the compensatory model, a similar method of scoring is used as the weighted model but permits a high score in an important area to make up for a lower score in another area. In our Figure 5.4 "Sample Selection Model, with Sample Scores and Weighting Filled In" example, ability to give bad news to a client might outweigh a test score. These decisions would be made before the interviews happen [9].

A multiple cutoff model requires that a candidate has a minimum score level on all selection criteria. In "Sample Selection Model, with Sample Scores and Weighting Filled In" example, the candidate may be required to have a score of at least 2 out of 5 on each criterion. In the multiple hurdle model, only candidates with high scores go to the next stages of the selection process. If this were the case, this candidate might make it to the next level of the selection process, since he or she scored at least a 4 on three criteria areas. Once the discussion on whom to hire has occurred and a person has been selected, the final phase of the process is to make an offer to the candidate. This is discussed in "Making the Offer".

DISCUSSION

Interviewing candidates is a crucial step in the hiring process that enables employers to assess a candidate's qualifications, skills, and overall fit within their organization. Employers must be equipped with the right types of questions to ask during an interview to extract the necessary information to make an informed decision. There are several types of interview questions that can be asked during an interview, including behavioral, situational, and competency-based questions. Behavioral questions are used to assess a candidate's past experiences, behaviors, and actions in specific situations. These types of questions can provide insight into a candidate's work style, personality, and problem-solving abilities. An example of a behavioral question could be "Can you tell me about a time when you had to handle a difficult situation with a co-worker or customer?" Situational questions are hypothetical scenarios designed to evaluate a candidate's decision-making skills and ability to problem-solve. These questions typically start with "What would you do if..." and can give employers an idea of how a candidate might handle specific situations in the workplace. Competency-based questions are aimed at assessing a candidate's skills and qualifications for the job. These questions can be more technical in nature and may focus on specific skills and knowledge required for the role. Examples of competency-based questions include "What experience do you have with programming languages like Python or Java?" or "Can you tell me about a project you worked on that involved data analysis?" Open-ended questions are another essential type of interview question that allows candidates to provide more detailed answers and provide insights into their thought process. These questions often start with "Tell me about..." and can provide valuable information about a candidate's motivation, goals, and interests. When structuring interview questions, employers should keep in mind that the goal is to get to know the candidate better and assess their qualifications for the role. They should also be careful to avoid asking inappropriate or illegal questions, such as questions related to race, religion, or age[10], [11].

CONCLUSION

In conclusion, choosing the right interview questions is crucial in evaluating a candidate's skills, experience, and fit for the job. Behavioral questions can help assess a candidate's past performance and work style, while situational questions provide insight into their decision-making skills. Competency-based questions can be more technical and focus on specific skills required for the role. Open-ended questions allow candidates to provide more detailed answers and reveal their motivations, goals, and interests. When preparing interview questions, employers should consider the job requirements and use a variety of question types to gain a comprehensive understanding of the candidate. It is also important to avoid asking inappropriate or illegal questions and ensure that the interview process is fair and objective. Overall, effective interviewing techniques can help employers make informed hiring decisions, leading to a more successful recruitment process and a stronger, more qualified workforce.

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CHAPTER 12

AN OVERVIEW OF THE MAKING THE OFFER LETTER FOR CANDIDATE

Dr. Varsha Pratibha, Associate Professor
Department of MBA, Presidency University, Bangalore, India
Email Id-varsha.ps@presidencyuniversity.in

ABSTRACT:

Making the offer letter to a candidate is an essential step in the recruitment process, as it sets the terms and conditions of employment and officially invites the candidate to join the organization. Crafting a well-written and compelling offer letter can help attract top talent and ensure a smooth hiring process. This abstract discusses the key elements of an offer letter, including the job title, salary, benefits, start date, and any contingencies or conditions. It also covers best practices for communicating the offer, such as using clear and concise language and emphasizing the company's culture and values. Additionally, the abstract highlights the importance of personalization and customization in offer letters, as they can help create a positive impression and build a strong relationship with the candidate. Overall, a well-crafted offer letter can set the tone for a positive employment relationship and help the organization attract and retain top talent.

KEYWORDS:

Employment, Hiring, Job Title, Offer Letter, Personalization, Recruitment.

INTRODUCTION

Oftentimes once the decision is made to hire a candidate, HR professionals feel their job is finished. But making the offer to the chosen candidate can be equally as important as the interview process. If the offer is not handled properly, you can lose the candidate, or if the candidates take the job, he or she could start off on the wrong foot. According to Paul Falcone, vice president for human resources at the Fortune 500 company Time Warner, detailed information should be asked of the candidate before the offer is even made. He says that as soon as the offer is made, power is shifted to the candidate. To handle this, he suggests asking salary questions in the interview, including the following:

“If we were to make a job offer today, when would you be in a position to accept or reject the offer?” If the candidate answers “right now,” this indicates they do not have other job offers on the table or if they do, you are their first choice. “At what point, dollar wise, would you accept our job offer and at what point, dollar wise would you reject the offer?” The advantage of using this strategy is that it gets to the point of understanding the candidate’s expectations. If the interviewee does not respond right away, you can clarify by asking, “I am asking this question because I would like to gauge your interest level. Share with me the ideal salary offers versus at what point you would be willing to walk away from this opportunity.”

Asking these questions can assist in qualifying candidates, based on salary expectations. For example, if a candidate requests 20 percent more than you are able to pay for the job, this discussion can be had before the offer is even made, perhaps making this candidate no longer

viable [1]–[3]. Once you have determined in the interview process that the salary expectation is in the range of what you can offer, the first step is to make the offer as soon as the decision is made. In a tight labor market, waiting a week or two may impact your ability to hire your first choice. You probably already have a salary range in mind and can begin to narrow down the offer based on the individual’s KSAOs. Based on the range of salary you can offer, consider the following questions when making the offer to a candidate:

- i.** What is the scarcity of the particular skills set?
- ii.** What are the “going” wages in your geographic area?
- iii.** What are the current economic conditions?
- iv.** What is the current pay for similar positions in your organization?
- v.** What is your organizational compensation strategy?
- vi.** What is the fair market value of the job?
- vii.** What is the level of the job within the organization?
- viii.** What are your budget constraints?
- ix.** How soon will the employee be productive in the organization?
- x.** Are there other candidates equally qualified that might have lower salary expectations?
- xi.** What are the national and regional unemployment rates?
- xii.** If you cannot pay more, can you offer other perks such as a signing bonus or flexible work schedule?

Once the offer has been made, it is reasonable to give the candidate some time to decide, but not too long, as this can result in losing other candidates should this candidate reject the job offer. It is likely the candidate may come back and ask for higher salary or benefits.

- i.** Be prepared. Know exactly what you can and can’t offer.
- ii.** Explain the career growth the organization can provide.
- iii.** Address the benefits of the candidate’s joining the organization.
- iv.** Discuss the entire offer, including other benefits offered to the employee.
- v.** View the negotiation as a win-win situation.
- vi.** Be able to provide salary research of similar positions and competitors for the same job title.

Once the phone call is made and the candidate accepts the offer, an e-mail or formal letter should follow, outlining details of the employment agreement. The employment agreement or offer letter should include the following:

- i.** Job title
- ii.** Salary
- iii.** Other compensation, such as bonuses or stock options

- iv. Benefits, such as health-care coverage,
- v. Vacation time/paid holidays Start date
- vi. Non-compete agreement expectations
- vii. Additional considerations such as relocation expenses

Once the pay and benefits package has been successfully negotiated and the offer letter sent, you should clarify acceptance details in writing and receive confirmation of the start date. It is not unusual for people in higher-level positions to need a month or even two to transition from their old jobs. During this period, make sure to stay in touch and even complete the new hire paperwork in the meantime [4]–[6].

DISCUSSION

Making the offer letter for a candidate is an important step in the recruitment process that should not be taken lightly. It's a crucial document that outlines the terms and conditions of the job offer and invites the candidate to join the organization. Crafting a well-written and compelling offer letter can help attract top talent, set the tone for a positive employment relationship, and ensure a smooth hiring process. One of the essential elements of an offer letter is the job title. It's essential to make sure that the job title accurately reflects the position and level of responsibility. A clear and concise job title can help set the expectations for the candidate and avoid any confusion down the road. Another critical element of the offer letter is the salary. It's essential to be transparent and honest about the salary being offered and ensure that it aligns with the market rates for similar roles. A fair and competitive salary can help attract top talent and ensure that the candidate is satisfied with the compensation package. The benefits offered by the organization are also an important consideration. This can include health insurance, retirement plans, paid time off, and other perks. Including a comprehensive benefits package in the offer letter can help attract and retain top talent and ensure that the candidate feels valued by the organization. The start date is another crucial element of the offer letter. It's important to clearly communicate the expected start date and any contingencies or conditions that may affect the start date. This can include background checks, drug tests, and other pre-employment requirements. It's also important to emphasize the company culture and values in the offer letter. This can help create a positive impression and build a strong relationship with the candidate. Including information about the organization's mission, vision, and core values can help the candidate feel connected to the company's purpose and goals. Finally, personalization and customization can help make the offer letter more compelling and engaging. Tailoring the letter to the specific candidate's needs and preferences can help create a positive impression and build a strong relationship from the outset[7], [8].

CONCLUSION

In conclusion, creating a well-crafted offer letter for a candidate is a critical part of the recruitment process. It's a document that sets the terms and conditions of employment, communicates the organization's values and culture, and officially invites the candidate to join the team. Key elements of the offer letter include the job title, salary, benefits, start date, and any contingencies or conditions.

Personalization and customization can also help create a positive impression and build a strong relationship with the candidate. By taking the time to craft a clear, concise, and compelling offer letter, organizations can attract top talent, set the tone for a positive employment relationship, and ensure a smooth hiring process.

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CHAPTER 13

AN OVERVIEW OF THE COMPENSATION AND BENEFITS IN ORGANIZATION

Dr. Shakeela Banu, Adjunct Faculty, Department of General Management,
CMS Business School, JAIN (Deemed to-be University), Bangalore, India,
Email Id-dr.shakeelabanu@cms.ac.in

ABSTRACT:

Compensation and benefits play a critical role in attracting and retaining employees in organizations. This paper explores the various types of compensation and benefits, including base pay, incentives, and benefits packages. It also examines the importance of equity and fairness in compensation structures and the impact of pay on employee motivation and performance. Additionally, the paper discusses the challenges that organizations face in designing and implementing effective compensation and benefits programs and provides recommendations for addressing these challenges. The findings suggest that a well-designed compensation and benefits program can contribute significantly to employee satisfaction, engagement, and retention, ultimately leading to improved organizational performance.

KEYWORDS:

Compensation, Equity, Incentives, Organizational Performance, Rewards, Satisfaction.

INTRODUCTION

As you sit down to review the compensation package your company offers, one thing that stands out is that your compensation package no longer matches the core values of your organization. When your organization merged five years ago with a similar firm that specializes in online shoe retailing, your company had to hire hundreds of people to keep up with growth. As a result and what happens with many companies the compensation plans are not revised and revisited as they should be. The core values your company adopted from the merging company focused on customer service, freedom to work where employees felt they could be most productive, and continuing education of employees, whether or not the education was related to the organization. The compensation package, providing the basic salary, health benefits, and 401 plans, seems a bit old-fashioned for the type of company yours has become.

After reviewing your company's strategic plan and your human resource management strategic plan, you begin to develop a compensation plan that includes salary, health benefits, and 401 plans, but you feel it might be smart to better meet the needs of your employees by making some changes to these existing plans. For example, you are considering implementing a team bonus program for high customer service ratings and coverage for alternative forms of medicine, such as acupuncture and massage. Instead of guessing what employees would like to see in their compensation packages, you decide to develop a compensation survey to assess what benefits are most important to your employees. As you begin this task, you know it will be a lot of work, but it's important to the continued recruitment, retention, and motivation of your current employees.

Goals of a Compensation Plan

So far, we have discussed the process for strategic plan development and the recruitment and selection process. The next aspect of HRM is to develop compensation plans that will help in the recruitment and retention of employees. Most of us, no matter how much we like our jobs, would not do them without a compensation package. When we think of compensation, often we think of only our paycheck, but compensation in terms of HRM is much broader [1].

A compensation package can include pay, health-care benefits, and other benefits such as 401 plans, which will all be discussed in this chapter. Before we discuss specifics, you should be aware of courses and certifications that can be earned through the World at Work Society of Certified Professionals, specifically related to compensation. World at Work offers several certifications in the area of compensation:

- i. Certified Compensation Professional
- ii. Certified Benefits Professional
- iii. Certified Sales Compensation Professional
- iv. Certified Executive Compensation Professional

These certifications involve taking a multiple-choice exam online or at one of the World at Work testing locations. The exams test for knowledge, experience, and skills in each of the compensation certification areas and can be a valuable asset to you when applying for HR positions. The certifications are based on many of the aspects of this chapter, including understanding the goals of compensation packages for employees, which is our focus for this section.

First, the compensation package should be positive enough to attract the best people for the job. An organization that does not pay as well as others within the same industry will likely not be able to attract the best candidates, resulting in a poorer overall company performance. Once the best employees and talent come to work for your organization, you want the compensation to be competitive enough to motivate people to stay with your organization. Although we know that compensation packages are not the only thing that motivates people, compensation is a key component. We discuss other motivations in "Managing Employee Performance ". Third, compensation can be used to improve morale, motivation, and satisfaction among employees. If employees are not satisfied, this can result not only in higher turnover but also in poor quality of work for those employees who do stay. A proper compensation plan can also increase loyalty in the organization.

Pay systems can also be used to reward individual or team performance and encourage employees to work at their own peak performance. In fact, in the 2011 list of the Best Companies to Work For by Fortune magazine, all the companies who topped the list had satisfied employees not only with their pay, but their entire benefits package. With an appropriate pay system, companies find that customer service is better because employees are happier. In addition, having fairly compensated, motivated employees not only adds to the bottom line of the organization but also facilitates organizational growth and expansion. Motivated employees can also save the company money indirectly, by not taking sick days when the employee isn't really sick, and companies with good pay packages find fewer disability claims as well.

So far, our focus on HRM has been a strategic focus, and the same should be true for development of compensation packages. Before the package is developed for employees, it's

key to understand the role compensation plays in the bottom line of the organization. For example, in 2010, the US military spent 22 percent of its budget on personnel salaries. One-fifth of the total budget or more is not uncommon for most US organizations, depending on the industry.

Developing a Compensation Package

There are a few basic aspects of compensation packages we should discuss before moving into the specific aspects of compensation. These foundations can assist in the development of a compensation strategy that meets the goals of your organization and is in line with your strategic plan.

Before beginning work on your compensation packages, some analysis should be done to determine your organization's philosophy in regard to compensation. Before development of your compensation philosophies, there are some basic questions to address on your current compensation packages[2], [3].

- i. From the employee's perspective, what is a fair wage?
- ii. Are wages too high to achieve financial health in your organization?
- iii. Do managers and employees know and buy-into your compensation philosophy?
- iv. Does the pay scale reflect the importance of various job titles within the organization?
- v. Is your compensation good enough to retain employees?
- vi. Are state and federal laws being met with your compensation package?
- vii. Is your compensation philosophy keeping in line with labor market changes, industry changes, and organizational changes?

Once these basic questions are addressed, we can see where we might have "holes" in our compensation package and begin to develop new philosophies in line with our strategic plan, which benefits the organization. Some possible compensation policies might include the following:

- i. Are salaries higher or lower depending on the location of the business? For example, orthopedic surgeons are paid higher in the North Central states than in Hawaii, according to the Medscape Physical report of 2011. Reasons could include cost of living in the area and fewer qualified people in a given area, giving them leverage to ask for a higher salary.
- ii. Are salaries lower or higher than the average in your region or area? If the salary is lower, what other benefits will the employee receive to make up for this difference? For example, wages might not be as high, but offering flextime or free day care might offset the lower salary.
- iii. Should there be a specific pay scale for each position in the organization, or should salaries be negotiated on an individual basis? If there is no set pay scale, how can you ensure individual salary offers are fair and nondiscriminatory?
- iv. What balance of salary and other rewards, such as bonuses, should be part of your compensation package? For example, some organizations prefer to offer a lower salary, but through bonuses and profit sharing, the employee has the potential to earn more.

- v. When giving raises, will the employee's tenure be a factor, or will pay increases be merit based only, or a combination of both?

Let's discuss some internal and external factors in determining compensation in more detail.

Internal and External Pay Factors

One major internal factor is the compensation strategy the company has decided to use. Sixty-two percent of organizations have a written, documented compensation policy. Some organizations choose a market compensation policy, market plus, or market minus philosophy. A market compensation policy is to pay the going rate for a particular job, within a particular market based on research and salary studies. The organization that uses a market plus philosophy will determine the going rate and add a percentage to that rate, such as 5 percent. So if a particular job category median pays \$57,000, the organization with a market plus of 5 percent philosophy will pay \$59,850. A market minus philosophy pays a particular percentage less than the market; so, in our example, if a company pays 5 percent less, the same job would pay \$54,150. The University of Arizona, for example, posts its compensation philosophy on its website:

In order to fulfill its mission, the University of Arizona shall maintain a compensation program directed toward attracting, retaining, and rewarding a qualified and diverse workforce. Within the boundaries of financial feasibility, employee compensation shall be externally competitive and internally equitable, and shall be based upon performance as recognized within the work unit [4].

In addition to their compensation philosophy, the university lists compensation objectives, such as "average salaries will be targeted at the average salary levels of employees in comparable positions in our various labor markets."

This is an example of a market compensation policy. An example of an organization with a market plus philosophy is Cisco Systems, listed as one of the top-paying companies on Fortune's annual list. ⁶ For example, they pay \$131,716 for software engineers, while at Yahoo! software engineers are paid an average of \$101,669, using a market philosophy. The pay at Cisco reflects its compensation philosophy and objectives:

Cisco operates in the extremely competitive and rapidly changing high-technology industry. The Board's Compensation Committee believes that the compensation programs for the executive officers should be designed to attract, motivate, and retain talented executives responsible for the success of Cisco and should be determined within a framework based on the achievement of designated financial targets, individual contribution, customer satisfaction, and financial performance relative to that of Cisco's competitors. Within this overall philosophy, the Compensation Committee's objectives are to do the following:

- i. Offer a total compensation program that is flexible and takes into consideration the compensation practices of a group of specifically identified peer companies and other selected companies with which Cisco competes for executive talent.
- ii. Provide annual variable cash incentive awards that take into account Cisco's overall financial performance in terms of designated corporate objectives, as well as individual contributions and a measure of customer satisfaction.
- iii. Align the financial interests of executive officers with those of shareholders by providing appropriate long-term, equity-based incentives

An example of an organization with a market minus philosophy is Whole Foods. The executive compensation for Whole Foods is a maximum of nineteen times the average store worker, very low by Fortune 500 executive pay standards, which average 343 times. According to John Mackey, Whole Foods CEO, paying on a market minus philosophy makes good business sense: "Fewer things harm an organization's morale more than great disparities in compensation. When a workplace is perceived as unfair and greedy, it begins to destroy the social fabric of the organization." Another example of an organization with a market minus philosophy is Southwest Airlines. Despite the lower pay, the organization boasts just a 1.4 percent turnover rate, which can be attributed not to pay but to the workplace culture and, as a result, loyalty to the company.

There are many reasons why an organization would choose one philosophy over another. A market minus philosophy may tie into the company's core values, as in Whole Foods, or it may be because the types of jobs require an unskilled workforce that may be easier and less expensive to replace. A company may use a market plus philosophy because the industry's cutting-edge nature requires the best and the brightest. Other internal pay factors might include the employer's ability to pay, the type of industry, and the value of the employee and the particular job to the organization. In addition, the presence of a union can lead to mandated pay scales. Unions are discussed in "Working with Labor Unions". External pay factors can include the current economic state. For example, in June 2011, the US unemployment rate was 9.2 percent, which is quite high for the country. As a result of surplus workers, compensation may be reduced within organizations because of oversupply of workers. Inflation and cost of living in a given area can also determine compensation in a given market [5].

Once an organization has looked at the internal and external forces affecting pay, it can begin to develop a pay system within the organization. We discuss how to develop a pay system in "Types of Pay Systems".

Types of Pay Systems

Once you have determined your compensation strategy based on internal and external factors, you will need to evaluate jobs, develop a pay system, and consider pay theories when making decisions. Next, you will determine the mix of pay you will use, taking into consideration legal implications:

i. Job Evaluation Systems

As mentioned, when we discussed internal and external factors, the value of the job is a major factor when determining pay. There are several ways to determine the value of a job through job evaluation. Job evaluation is defined as the process of determining the relative worth of jobs to determine pay structure. Job evaluation can help us determine if pay is equitable and fair among our employees. There are several ways to perform a job evaluation. One of the simplest methods, used by smaller companies or within individual departments, is a job ranking system. In this type of evaluation, job titles are listed and ranked in order of importance to the organization. Paired comparison can also occur, in which individual jobs are compared with every other job, based on a ranking system, and an overall score is given for each job, determining the highest-valued job to the lowest-valued job.

Example of a Paired Comparison for a Job Evaluation four jobs are compared based on a ranking of 0, 1, or 2. Zero indicates the job is less important than the one being compared, means the job is about the same, and means the job is more important. When the scores are added up, it is a quick way to see which jobs are of more importance to the organization. Of course, any person creating these rankings should be familiar with the duties of all the jobs.

While this method may provide reasonably good results because of its simplicity, it doesn't compare differences between jobs, which may have received the same rank of importance.

In a job classification system, every job is classified and grouped based on the knowledge and skills required for the job, years of experience, and amount of authority for that job. The US military is perhaps the best known for this type of classification system. The navy, for example, has job classification codes, such as HM. Then the jobs are divided into specialties, such as HM-8483, the classification for surgical technologist, and HM-8451 for a hospital man-X-ray technician. The federal government and most state governments use this type of system. Tied to each job are the basic function, characteristics, and typical work of that job classification, along with pay range data [6].

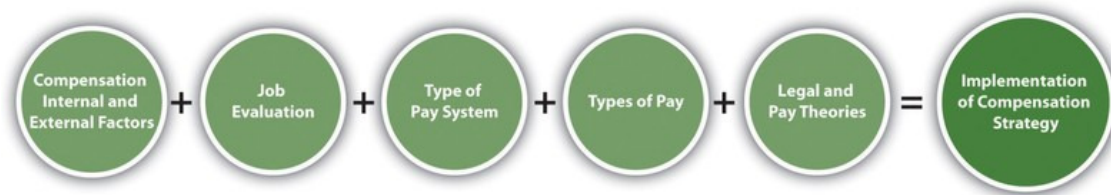


Figure 1: Illustrated the Process for Implementing Compensation Strategy

Another type of job evaluation system is the point-factor system, which determines the value of a job by calculating the total points assigned to it. The points given to a specific job are called compensable factors. These can range from leadership ability to specific responsibilities and skills required for the job. Once the compensable factors are determined, each is given a weight compared to the importance of this skill or ability to the organization. When this system is applied to every job in the organization, expected compensable factors for each job are listed, along with corresponding points to determine which jobs have the most relative importance within the organization. Tompkins County in New York uses a point-factor system. Some of their compensable factors include the following:

- a) Knowledge
- b) Autonomy
- c) Supervision
- d) Psychological demands
- e) Interpersonal skills
- f) Internal and external contacts

In this point-factor system, autonomy ranks the highest and is given a weight of twenty-nine, while knowledge is given a rate of twenty, for example. Each of the compensable factors has a narrative that explains how points should be distributed for each factor. In this system, one hundred points are given for knowledge for a bachelor's degree and two to three years of experience, and eighty points are given if an employee has an associate's degree or high school diploma and two to three years of experience. The points are then multiplied by the weight to give a final score on that compensable factor. After a score is developed for each, the employee is placed on the appropriate pay level for his or her score, as illustrated in Figure 6.3 "Example of a Point-Factor System".

Another option for job evaluation is called the Hay profile method. This proprietary job evaluation method focuses on three factors called know-how, problem solving, and

accountability. Within these factors are specific statements such as “procedural proficiency.” Each of these statements is given a point value in each category of know-how, problem solving, and accountability. Then job descriptions are reviewed and assigned a set of statements that most accurately reflect the job. The point values for each of the statements are added for each job description, providing a quantitative basis for job evaluation and eventually, compensation. An advantage of this method is its quantitative nature, but a disadvantage is the expense of performing an elaborate job evaluation [7].

Pay Systems

The first method to pay grade is to develop a variety of pay grade levels. Then once the levels are developed, each job is assigned a pay grade. When employees receive raises, their raises stay within the range of their individual pay grade, until they receive a promotion that may result in a higher pay grade. The advantage of this type of system is fairness. Everyone performing the same job is within a given range and there is little room for pay discrimination to occur. However, since the system is rigid, it may not be appropriate for some organizations in hiring the best people. Organizations that operate in several cities might use a pay grade scale, but they may add percentages based on where someone lives. For example, the cost of living in Spokane, Washington, is much lower than in New York City. If an organization has offices in both places, it may choose to add a percentage pay adjustment for people living within a geographic area for example, 10 percent higher in New York.

One of the downsides to pay grading is the possible lack of motivation for employees to work harder. They know even if they perform tasks outside their job description, their pay level or pay grade will be the same. This can incubate a stagnant environment. Sometimes this system can also create too many levels of hierarchy. For large companies, this may work fine, but smaller, more agile organizations may use other methods to determine pay structure. For example, some organizations have moved to a delayering and banding process, which cuts down the number of pay levels within the organization. General Electric delayered pay grades in the mid-1990s because it found that employees were less likely to take a reassignment that was at a lower pay grade, even though the assignment might have been a good development opportunity. So, delayering enables a broader range of pay and more flexibility within each level. Sometimes this type of process also occurs when a company downsizes. Let’s assume a company with five hundred employees has traditionally used a pay grade model but decided to move to a more flexible model. Rather than have, say, thirty pay levels, it may reduce this to five or six levels, with greater salary differentials within the grades themselves. This allows organizations to better reward performance, while still having a basic model for hiring managers to follow.

Rather than use a pay grade scale, some organizations use a going rate model. In this model, analysis of the going rate for a particular job at a particular time is considered when creating the compensation package. This model can work well if market pressures or labor supply-and-demand pressures greatly impact your particular business. For example, if you need to attract the best project managers, but more are already employed and most companies are paying \$75,000 for this position you will likely need to pay the same or more, because of labor supply and demand. Many tools are available, such as salarywizard.com, to provide going rate information on particular jobs in every region of the United States [8].

Another pay model is the management fit model. In this model, each manager makes a decision about who should be paid what when that person is hired. The downside to this model may be potential discrimination, halo effects, and resentment within the organization. Of course, these factors can create morale issues, the exact thing we want to avoid when

compensating employees. In addition to the pay level models we just looked at other considerations might include the following:

- a) **Skill-based Pay:** With a skill-based pay system, salary levels are based on an employee's skills, as opposed to job title. This method is implemented similarly to the pay grade model, but rather than job title, a set of skills is assigned a particular pay grade.
- b) **Competency-based Pay:** Rather than looking at specific skills, the competency-based approach looks at the employee's traits or characteristics as opposed to specific skills set. This model focuses more on what the employee can become as opposed to the skills he or she already has.
- c) **Broad banding:** Broad banding is similar to a pay grade system, except all jobs in a particular category are assigned a specific pay category. For example, everyone working in customer service, or all administrative assistants, are paid within the same general band. McDonald's uses this compensation philosophy in their corporate offices, stating that it allows for flexibility in terms of pay, movement, and growth of employees.
- d) **Variable pay System:** This type of system provides employees with a pay basis but then links the attainment of certain goals or achievements directly to their pay. For example, a salesperson may receive a certain base pay but earn more if he or she meets the sales quota.

You have been working for your organization for five years. After lots of hard work, you are promoted to sales manager. One of your first tasks is to develop goals for your sales team, then create a budget based on these goals. First, you look at the salaries of all the sales staff to find major pay discrepancies. Some salespeople, who perform equally well, are paid much lower than some sales staff whom you consider to be nonperformers. As you dig deeper, you see this is a problem throughout the sales team. You are worried this might affect motivation for your team if they find out what others are making. How would you handle this?

Pay Theories

Now that we have discussed pay systems, it is important to look at some theories on pay that can be helpful to know when choosing the type of pay system your organization will use. The equity theory is concerned with the relational satisfaction employees get from pay and inputs they provide to the organization. It says that people will evaluate their own compensation by comparing their compensation to others' compensation and their inputs to others' inputs. In other words, people will look at their own compensation packages and at their own inputs and compare that with others. If they perceive this to be unfair, in that another person is paid more but they believe that person is doing less work, motivational issues can occur. For example, people may reduce their own inputs and not work as hard. Employees may also decide to leave the organization as a result of the perceived inequity. In HR, this is an important theory to understand, because even if someone is being paid fairly, they will always compare their own pay to that of others in the organization. The key here is perception, in that the fairness is based entirely on what the employee sees, not what may be the actual reality. Even though HR or management may feel employees are being paid fairly, this may not be the employee's belief. In HR, we need to look at two factors related to pay equity: external pay equity and internal pay equity. External pay equity refers to what other people in similar organizations are being paid for a similar job. Internal pay equity focuses on employees within the same organization. Within the same organization, employees may look

at higher level jobs, lower-level jobs, and years with the organization to make their decision on pay equity. Consider Walmart, for example. In 2010, Michael Duke, CEO of Walmart, earned roughly \$35 million in salary and other compensation, 12 while employees earned minimum wage or slightly higher in their respective states. While Walmart contends that its wages are competitive in local markets, the retail giant makes no apologies for the pay difference, citing the need for a specialized skill set to be able to be the CEO of a Fortune 500 company. There are hundreds of papers addressing the issue of pay equity between upper-level managers and employees of an organization. To make a compensation strategy work, the perceived inputs and outputs need to match fairly. The expectancy theory is another key theory in relation to pay. The expectancy theory says that employees will put in as much work as they expect to receive. In other words, if the employee perceives they are going to be paid favorably, they will work to achieve the outcomes. If they believe the rewards do not equal the amount of effort, they may not work as hard [9].

The reinforcement theory, developed by Edward L. Thorndike, says that if high performance is followed by some reward, that desired behavior will likely occur in the future. Likewise, if high performance isn't followed by a reward, it is less likely the high performance will occur in the future. Consider an extreme example of the reinforcement theory in the world of finance. On Wall Street, bonuses for traders and bankers are a major part of their salary. The average bonus in 2010 was \$128,530, which does not take into account specific commissions on trades, which can greatly increase total compensation.

One interesting consideration is the ethical implications of certain pay structures, particularly commission and bonus plans. For example, after the US government bailed out American International Group with \$170 billion in 2009, it was reported AIG would still provide some \$165 million in bonuses to the same business unit that brought the company to near collapse, because of contractual issues. Traditionally, a bonus structure is designed to reward performance, rather than be a guaranteed part of the compensation plan, as was the case with AIG. Bonus and commission plans should be utilized to drive desired behavior and act as a reward for the desired behavior, as the reinforcement theory states.

DISCUSSION

Compensation and benefits are critical components of an organization's human resource management strategy. A well-designed compensation and benefits program can help attract and retain talented employees, improve employee satisfaction, and ultimately enhance organizational performance. One key element of compensation is base pay, which is the fixed amount of money paid to an employee for their work. Incentives, such as bonuses and commissions, can also be used to motivate employees and reward high performance. Additionally, benefits packages, including health insurance, retirement plans, and paid time off, are essential components of a comprehensive compensation program. Equity and fairness are critical considerations in designing compensation structures.

Employees expect to be compensated fairly for their work, and discrepancies in pay can lead to employee dissatisfaction and turnover. Organizations must ensure that their compensation structures are transparent and that they provide equal pay for equal work. Compensation plays a crucial role in employee motivation and performance. Research has shown that higher pay can lead to increased job satisfaction and better job performance. However, it's important to note that money isn't the only motivator. Recognition, opportunities for career growth, and a positive work environment can also influence employee motivation and performance. Designing and implementing effective compensation and benefits programs can be challenging. Organizations must consider factors such as budget constraints, legal

requirements, and the competitive labor market. Additionally, they must ensure that their programs align with their organizational goals and values [10].

CONCLUSION

In conclusion, compensation and benefits are key factors in attracting, retaining, and motivating employees in organizations. A comprehensive compensation program that includes base pay, incentives, and benefits can contribute significantly to employee satisfaction, engagement, and retention, ultimately leading to improved organizational performance. Designing and implementing effective compensation and benefits programs can be challenging, but organizations must ensure that they align with their goals and values while providing fair and equitable pay structures. Organizations must also recognize that money is not the only motivator and must consider other factors such as recognition, opportunities for career growth, and a positive work environment. In today's competitive labor market, organizations must continuously evaluate and adjust their compensation and benefits programs to ensure that they remain attractive to top talent. By doing so, they can create a motivated and engaged workforce that drives success for the organization.

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CHAPTER 14

AN ELABORATION OF THE PAY DECISION CONSIDERATIONS

Dr. Shalini, Assistant Professor, Department of General Management,
CMS Business School, JAIN (Deemed to-be University), Bangalore, India,
Email Id- shalini_rao@cms.ac.in

ABSTRACT:

The process of making pay decisions is a complex and multifaceted task that requires careful consideration of a variety of factors. In this context, this paper provides an overview of the key pay decision considerations that employers and managers should take into account when determining employee compensation. The paper begins by discussing the importance of market forces and labor market conditions in setting pay levels, as well as the role of job analysis and evaluation in determining job worth. It then examines the impact of individual performance and seniority on pay decisions, and explores the use of variable pay and incentives as a means of motivating and rewarding employees. The paper concludes by highlighting the importance of fairness and equity in pay decisions, and the need to balance the interests of employers and employees in order to create a sustainable and effective pay structure. Overall, this paper aims to provide a useful resource for employers and managers seeking to navigate the complex landscape of pay decision making.

KEYWORDS:

Compensation, Equity, Fairness, Incentives, Job Analysis, Labor Market.

INTRODUCTION

Besides the motivational aspect of creating a pay structure, there are some other considerations. First, the size of the organization and the expected expansion of the organization will be a factor. For example, if you are the HR manager for a ten-person company, you likely use a going rate or management fit model. While this is appropriate for your company today, as your organization grows, it may be prudent to develop a more formal pay structure. Ascendum Corporation, based in Seattle, Washington, found this to be the case. When the company started with fewer than fifteen employees, a management fit model was used. As the company ballooned to over five hundred employees in four cities, a pay banding model had to be put into place for fairness.

If your organization also operates overseas, a consideration is how domestic workers will be paid in comparison to the global market. One strategy is to develop a centralized compensation system, which would be one pay system for all employees, regardless of where they live. The downside to this is that the cost of living may be much less in some countries, making the centralized system possibly unfair to employees who live and work in more expensive countries. Another consideration is in what currency employees will be paid. Most US companies pay even their overseas workers in dollars, and not in the local currency where the employee is working.

Currency valuation fluctuations could cause challenges in this regard. We further discuss some global compensation policies in "International HRM ". How you communicate your pay system is extremely important to enhance the motivation that can be created by fair and

equitable wage. In addition, where possible, asking for participation from your employees through the use of pay attitude surveys, for example, can create a transparent compensation process, resulting in higher performing employees. Organizations should develop market pay surveys and review their wages constantly to ensure the organization is within expected ranges for the industry.

Types of Pay

After a pay system has been developed, we can begin to look at specific methods of paying our employees. Remember that when we talk about compensation, we are referring to not only an actual paycheck but additional types of compensation, such as incentive plans that include bonuses and profit sharing. We can divide our total pay system into three categories: pay, incentives, and other types of compensation. Pay is the hourly, weekly, or monthly salary an employee earns. An incentive, often called a pay-for-performance incentive, is given for meeting certain performance standards, such as meeting sales targets. The advantage to incentive pay is that company goals can be linked directly to employee goals, resulting in higher pay for the employee and goal achievement by the organization. The following are desirable traits of incentive plans:

- i. Clearly communicated
- ii. Attainable but challenging
- iii. Easily understandable
- iv. Tied to company goals

Table 1: Illustrated the "Types of Pay" illustrates the three types of Compensation.

Pay	Attributes
Salary	Fixed compensation calculated on a weekly, biweekly, or monthly basis. No extra pay for overtime work.
Hourly Wage	Employees are paid on the basis of number of hours worked.
Piecework System	Employees are paid based on the number of items that are produced.
Types of Incentive Plans	Attributes
Commission Plans	An employee may or may not receive a salary but will be paid extra.
Bonus Plans	Extra pay for meeting or beating some goal previously determined. Bonus plans can consist of monetary compensation, but also other forms such as time off or gift certificates.
Profit- Sharing Plans	Annual bonuses paid to employees based on the amount of profit the organization earned.
Stock Options	When an employee is given the right to purchase company stock at a particular rate in time. Please note that a stock "option" is different from the actual giving of stock, since the option infers the employee will buy the stock at a set rate, obviously, usually cheaper than the going rate.

Fringe Benefits	This can include a variety of options. Sick leave, paid vacation time, health club memberships, daycare services.
Health Benefits	Most organizations provide health and dental care benefits for employees. In addition, disability and life insurance benefits are offered.
401 Plans	Some organizations provide a retirement plan for employees. The company would work with a financial organization to set up the plan so employees can save money, and often, companies will “match” a percentage of what the employee contributes to the plan.

Laws Relating to Pay

As you have already guessed from our earlier chapter discussions, people cannot be discriminated against when it comes to development of pay systems. One issue hotly debated is the issue of comparable worth. Comparable worth states that people should be given similar pay if they are performing the same type of job. Evidence over the years shows this isn't the case, with women earning less than men in many industries. On average, a woman earns 79 cents for every \$1.00 a man earns. For women of color, the gap is wider at 69 cents for African-American women and 59 cents for Latina women. 16 Many publications state that women earn less than men for a few reasons:

- a) Women work fewer hours because of family care and maternity leave.
- b) The career path or job choice of women tends to be lower as a whole.
- c) There is a bias favoring man as the “breadwinners,” and therefore they are paid more.
- d) Women are valued less than men in the workplace.
- e) Women don't negotiate salaries as well as men do.

While the reasons are certainly debatable, there is evidence that young women entering the workforce actually earn more than their male counterparts, owing to higher levels of education. As you may remember "Diversity and Multiculturalism", the EEOC covers discrimination in the workplace, including pay discrimination based on race, color, religion, sex, and national origin. The Equal Pay Act of 1963 makes it illegal to pay different wages to men and women if they perform equal work in the same workplace.

More recent legislation on pay includes the Lilly Ledbetter Fair Pay Act of 2009, the first law signed by President Obama. This bill amends the Civil Rights Act stating that the 180-day statute of limitations for filing an equal pay lawsuit regarding pay discrimination resets with each discriminatory paycheck. The bill stemmed from a lawsuit against Goodyear Tire and Rubber Company by Lilly Ledbetter, who claimed that her nineteen-year career at the company consisted of unfair pay, compared to male workers in the organization. Her complaint was time barred by the US Supreme Court, and the new act addressed the time constraint in which people have to file claims.

The Fair Labor Standards Act, or FLSA, was established in 1938 and set a minimum wage for jobs, overtime laws, and child labor laws. FLSA divides workers into exempt and nonexempt status, and jobs under exempt status do not fall under the FLSA guidelines. An exempt employee is usually paid a salary and includes executive, professional, outside sales, and administrative positions. A nonexempt employee is usually an hourly employee. For nonexempt employees, some states may implement a higher minimum wage than that

established by the federal government. For example, in 2011, the minimum wage is \$8.67 per hour in Washington State, while the federal minimum wage is \$7.25 per hour. Obviously, as an HR manager or manager, it is your responsibility to ensure everyone is being paid the minimum wage. This law also requires overtime pay if employees work over forty hours per week [1].

Organizations must also post the FLSA poster in a visible part of the workplace, outlining these laws. Child labor also falls under FLSA. The goal of these laws is to protect the education of children, prohibit the employment of children in dangerous jobs, and limit the number of working hours of children during the school year and other times of the year. According to the FLSA, tipped employees are those earning \$30 or more per month in tips, such as servers in a restaurant. Employers whose employees receive more than \$30 in tips may consider tips as part of wages, but they also must pay \$2.12 an hour in direct wages. They must also be able to show that the employee receives at least the applicable minimum wage. If the tips and direct wage do not meet the minimum wage, the employer must pay the difference.

Also relating to pay is the Federal Unemployment Tax Act. FUTA provides for payments of unemployment compensation to workers who have lost their jobs. Most employers pay a federal and a state unemployment tax, and portions of these funds go toward unemployment benefits should the worker lose his or her job. The Federal Employees Compensation Act provides federal employees injured in the performance of their jobs compensation benefits, such as disability. Please note that this is elective for private companies but required of federal agencies.

Other Types of Compensation

As you already know, there is more to a compensation package than just pay. There are many other aspects to the creation of a good compensation package, including not only pay but incentive pay and other types of compensation. First, we will discuss benefits that are mandated by the federal government, and then we will discuss types of voluntary benefits, including both incentive pay and other types of compensation [2].

i. Mandated: Social Security and Medicare

The Social Security Act of 1935 requires employers to withdraw funds from workers' paychecks to pay for retirement benefits. This is called a payroll tax. Please note that all organizations are legally compelled to offer this benefit. After several revisions, we now call this OASDHI or the Old Age, Survivors, Disability, and Health Insurance Program. To be insured, employees must work forty quarters, with a minimum of \$1,000 earned per quarter. Once this money is put aside, anyone born after 1960 will receive benefits at 67. The OASDHI tax in 2011 is 4.2 percent on earnings for employees, up to \$106,800 and 6.2 percent for the employer up to the same limits.

This covers both retirement income as well as medical benefits, called Medicare, once the employee reaches retirement age.

ii. Mandated: Unemployment Insurance and Workers' Compensation

Unemployment insurance is required under the Social Security Act of 1935 and is also called the Federal Unemployment Tax Act. This program's goals include providing some lost income for employees during involuntary unemployment, helping workers find a new job, incentivizing employers to continue employment, and developing worker skills if they are laid off. The majority of this plan is funded by employers' payroll taxes, which account for .8

percent per employee. The rate is actually 6.2 percent of compensation, but employers are allowed a tax credit for these payments, which results in the net .8 percent. With this benefit, employees receive unemployment benefits and/or job training when they are laid off or let go from a current job. However, employees would be ineligible to receive these benefits if they quit their job, as it must be involuntary. Just like Social Security, this payroll tax on employers is required.

Some employers also offer workers' compensation benefits. If an employee is hurt on the job, he or she would receive certain benefits, such as a percentage of pay. Jobs are classified into risk levels, and obviously the higher the risk level, the higher the cost of insurance. This is not a federally mandated program, but for some occupations in some states, it may be a requirement [3], [4].

iii. Mandated: COBRA

While the government does not require companies to provide health-care and medical benefits to employees, the Consolidated Omnibus Budget Reconciliation Act requires companies to allow employees to extend their group coverage for up to thirty-six months. The restrictions for this plan include the requirement of a qualifying event that would mean a loss of benefits, such as termination or reduction in hours. For example, if an employee works forty hours a week with medical insurance, but the schedule is reduced to twenty hours, no longer qualifying him or her for benefits, COBRA would be an option.

iv. Voluntary: Incentive Pay Systems

As we discussed earlier, there are several types of incentive pay systems that can be tied directly to business objectives and the employees' ability to help the company meet those objectives. They include commissions, bonuses, profit sharing, stock options, team pay, and merit pay. Commissions are usually calculated on the basis of a percentage and earned based on the achievement of specific targets that have been agreed upon by the employee and employer. For example, many salespeople receive commissions from each item sold. Many commission incentive plans require employees to meet a minimum level of sales, who then are paid a commission on each sale beyond the minimum. A straight commission plan is one in which the employee receives no base pay and entire pay is based on meeting sales goals. Many plans, however, include a base pay and commission for each sale. Base pay is the guaranteed salary the employee earns.

Several types of bonuses can be given to employees as incentive pay. Meeting certain company goals or successfully completing a project or other objectives can be tied to a bonus, which is a one-time payment to an employee. A spot bonus is an unplanned bonus given to an employee for meeting a certain objective. These types of bonuses do not always have to be money; they can be other forms such as a gift certificate or trip. Fifty-eight percent of World at Work members said that they provide spot bonuses to employees for special recognition above and beyond work performance [5].

Some organizations choose to reward employees financially when the organization as a whole performs well, through the use of profit sharing as an incentive. For example, if an organization has a profit-sharing program of 2 percent for employees, the employees would earn 2 percent of the overall profit of the company. As you have guessed, this can be an excellent incentive for employees to both work as a team and also monitor their own personal performance so as not to let down the team. For example, in 2011, US automaker General Motors gave one of its highest profit-sharing payouts ever. Forty-five thousand employees received \$189 million in a profit-sharing bonus, which equaled about \$4,200 per person. 20

While profit sharing can be a great incentive, it can also be a large expense that should be carefully considered. Employee ownership of the organization is similar to profit sharing but with a few key differences. In this type of plan, employees are granted stock options, which allow the employees to buy stock at a fixed price. Then if the stock goes up in value, the employee earns the difference between what he or she paid and the value of the stock. With this type of incentive, employees are encouraged to act in the best interest of the organization. Some plans, called employee stock ownership plans, are different from stock options, in that in these plans the employee is given stock as reward for performance.

In a smaller organization, team pay or group incentives can be popular. In this type of plan, if the group meets a specified goal, such as the increase of sales by 10 percent, the entire group receives a reward, which can consist of additional pay or bonus. Please note that this is different from individualized bonuses, discussed earlier, since the incentive is a reward for the group as opposed for the individual.

Merit pay is a pay program that links pay to how well the employee performs within the job, and it is normally tied to performance appraisals. Merit base is normally an annual pay increase tied to performance. The problem with merit pay is that it may only be received once per year, limiting incentive flexibility. To make merit pay work, performance guidelines should be predetermined. Some organizations offer cost of living annual increases, which is not tied to merit but is given to employees as an annual inflationary increase [6].

v. Voluntary: Medical Insurance

According to the Bureau of Labor Statistics, 62 percent of companies in 2010 offered health-care benefits to employees. ²³ The yearly cost for employee medical insurance averages \$9,552, according to the 2009 Towers Perrin survey. ²⁴ With such a significant cost to companies, it is up to HR managers to contain these costs, while not negatively affecting employee motivation. Medical insurance usually includes hospital expenses, surgical expenses, and routine health-care visits. Most insurance plans also allow for wellness visits and other alternative care within the plans. Many employers also offer vision and dental care benefits as part of their benefits packages. Disability insurance is also provided by some employers as well. We will discuss each of these in detail next.

One important law to keep in mind regarding medical insurance is the Health Insurance Portability and Accountability Act of 1996. It provides federal protections for personal health information held by covered entities, such as employers. In other words, employers cannot divulge or share health care information they may have on an employee.

As the HR professional, it will likely be your responsibility to choose the health-care plan that best meets the needs of your employees. Some options include the following:

- a) **Fee-for-service Plans:** In this type of plan, people pay for medical expenses out of pocket, and then are reimbursed for the benefit level. For example, if your insurance plan covers doctor visits, you could see any doctor, pay the bill, and then submit payment to your insurer for reimbursement. Most companies will have a base plan, which covers more serious issues requiring hospitalization, while the major medical part of the plan would cover routine services, such as doctor's visits. As you can imagine, the disadvantage of this type of plan can be twofold: first, the initial expense for the employee, and second, the time it may take to receive reimbursement for employees. Remember that medical insurance can help retain and motivate employees and help you recruit new employees, so consideration of the disadvantages is important.

- b) Health Maintenance Organizations:** The HMO will likely have greater coverage than the fee-for-service plan, but it limits the ability of employees to see the doctors they choose, which is mentioned in Figure 1. There may be a limited number of physicians and specialists for the employee to see, and going outside the plan and seeing another doctor may result in an out-of-pocket expense for the employee. Most HMOs cover a wide range of medical issues and will usually require a copayment by the employee. Some may have minimum deductibles they must meet before the HMO will cover in full. For example, if you are part of an HMO with a deductible of \$500 and copayments of \$25, you would need to see the doctor for a value of \$500 before you can begin to just make the \$25 copayment for visits. Some HMOs will not allow members to see a specialist, such as a dermatologist, without prior approval from the primary care physician.



Figure 1: Represented the Considerations When Choosing Medical Insurance.

- c) Preferred Provider Organization:** This type of medical plan is similar to HMOs but allows employees to see a physician outside the network. They will likely still have to pay a deductible as mentioned above, but PPOs do allow employees more freedom to see specialists, such as dermatologists. When choosing the best type of plan for your organization, the following aspects should be considered:
- i. The cost of the plan
 - ii. The type of coverage
 - iii. The quality of the care
 - iv. Administration of the plan

First, the cost is usually a major consideration for the HR professional. Developing a budget for health-care costs, initiating bids from possible providers, and then negotiating those bids is a key factor in controlling this cost for employers.

Second, asking for employees' opinions about the type of coverage they would prefer is a way to ensure your plan meets the needs of your employees. Next, consider the quality of care your employees will receive and, finally, how simple will the plan be for your HR department to administer. For example, many HMO plans offer fully automated and online services for employees, making them easy to administer.

Disability insurance provides income to individuals should they be injured or need long-term care resulting from an illness. Short-term disability insurance provides benefits to someone if they are unable to work for six months or less, while long-term disability insurance covers the employee for a longer period of time. Normally, disability insurance provides income to the employee that is 60–80 percent of their normal salary [7].

Fig. 6.6: One of the biggest challenges in health-care benefits planning is to manage the growing cost of health insurance premiums for employees while still managing cost containment for the organization. Source: Economic Policy Institute, "The State of Working America: Health

vi. Voluntary: 401 Plans

As the scenery of the workforce has changed, benefits have changed, too. One such recent change is the movement of employee pension plans to 401 plans. While some organizations still offer pension plans, such plans are far rarer. A pension plan is a set dollar amount an employee will receive when they retire from their organization. This type of plan was popular when most people worked their entire life at the same company. However, many pension plans have gone bankrupt, and the United States has an agency to protect people from losing pension benefits. The Pension Benefit Guaranty Corporation was created by the Employee Retirement Income Security Act to protect pension benefits in private sector pension plans. If a pension plan ends or isn't able to pay all benefits, PBGC's insurance program pays the benefit that should have been provided. Financing for this plan comes from insurance premiums paid by the companies whose plans PBGC protects.

As more mobility in the workplace has occurred, most organizations no longer offer pension plans, but instead, they offer 401 plans. While a pension plan can motivate employee loyalty, 401 plans are far more popular. According to the US Bureau of Labor Statistics, employer-provided retirement plans, such as 401 plans, were available to 74 percent of all full-time workers in the United States, while 39 percent of part-time workers had access to retirement benefits.

A 401 plan is a plan set up by the organization in which employees directly deposit money from their paycheck. The funds are tax deferred for the employee until retirement. If an employee leaves the job, their 401 plan goes with them. As an extra incentive, many organizations offer to match what the employee puts into the plan, usually based on a percentage. For example, an employee can sign up to contribute 5 percent of salary into a 401 plan, and the company will contribute the same amount. Most companies require a vesting period that is, a certain time period, such as a year, before the employer will match the funds contributed. Usually, 401 plans are easy to administer, after the initial setup has occurred. If the employer is matching employee contributions, the expense of such a plan can be great, but it also increases employee retention. Some considerations when choosing a 401 plan are as follows:

- i. Is the vendor trustworthy?
- ii. Does the vendor allow employees to change their investments and account information online?
- iii. How much are the management fees?

It is first important to make sure the vendor you are considering for administration of your 401 plans has a positive reputation and also provides ease of access for your employees. For example, most 401 plans allow employees to change their address online and move investments from a stock to a bond.

Twenty-four-hour access has become the expectation of most employees, and as a result, this is a major consideration before choosing a plan. Most 401 plans charge a fee to manage the investments of your employees. The management fees can vary greatly, so receiving a number of bids and comparing these fees is important to ensure your employees are getting the best deal.

It is important to mention the Employee Retirement Income Security Act here, as this relates directly to administration of your 401 plans. First, ERISA does not require employers to offer a pension or 401 plan, but for those who do, it requires them to meet certain standards when administering this type of plan. Some of these standards include the following:

- i. Requires participants receive specific information about the plan, such as plan features and funding.
- ii. Sets minimum standards for participation and vesting.
- iii. Requires accountability of plan's fiduciary responsibilities.
- iv. Requires payment of certain benefits, should the plan be terminated
- vii. **Voluntary: Paid Time Off**

Time off is a benefit we should address, since this type of benefit varies greatly, especially in other parts of the world. French companies, for example, are mandated by law to provide five weeks of paid vacation time to employees. ²⁶ In the United States, the number of days off provided is a major budget item worth considering.

viii. **Paid Holidays**

Many companies offer a set number of paid holidays, such as New Year's Day, Memorial Day, Christmas, Independence Day, and Thanksgiving.

ix. **Sick Leave**

The number of sick leave days can vary greatly among employers. The average in the United States is 8.4 paid sick days offered to employees per year.

x. **Paid Vacation**

With full-time employment, many organizations also offer paid vacation to employees, and it is generally expected as part of the compensation package. According to a survey performed by Salary.com, the average number of paid vacation days in the United States is nine days for one year of service, fourteen days for five years of service, and seventeen days for ten years of service to the organization. Organizations vary greatly in how vacation time is accrued. Some organizations give one hour for a certain number of days worked, while others require

a waiting period before earning any paid time off. In addition, some organizations allow their employees to carry over unused vacation time from one year to the next, while other employees must use their vacation every year or risk losing it.

xi. Paid Time Off

One option is to provide a set number of days off, which can be used for vacation time, holidays, and/or sick leave. To promote longevity, some organizations offer paid sabbaticals. For example, after five years of employment, the employee may take a paid sabbatical for one month.

xii. A Final Note on Compensation and Benefits Strategy

When creating your compensation plan, of course the ability to recruit and retain should be an important factor. But also, consideration of your workforce needs is crucial to any successful compensation plan. The first step in development of a plan is to ask the employees what they care about. Some employees would rather receive more pay with fewer benefits or better benefits with fewer days off. Surveying the employees allows you, as the HR professional, to better understand the needs of your specific workforce. Once you have developed your plan, understand that it may change to best meet the needs of your business as it changes over time.

Once the plan is developed, communicating the plan with your employees is also essential. Inform your employees via an HR blog, e-mails, and traditional methods such as face to face. Your employees might not always be aware of the benefits cost to the company, so making sure they know is your responsibility. For example, if you pay for 80 percent of the medical insurance premiums, let your employees know. This type of communication can go a long way to allowing the employees to see their value to you within the organization [8].

DISCUSSION

Pay decisions are a critical aspect of managing employees and ensuring that an organization is competitive and sustainable in the long run. In order to make effective pay decisions, employers and managers must consider a wide range of factors that impact employee compensation. One of the primary considerations when making pay decisions is the prevailing market forces and labor market conditions. This involves analyzing the supply and demand for labor in a particular industry and region, and setting pay levels that are competitive and attractive to potential employees. Failure to offer competitive pay can lead to high turnover rates, difficulty in attracting talent, and reduced productivity. Job analysis and evaluation are also essential components of effective pay decision making. This involves assessing the skills, responsibilities, and requirements of different jobs within an organization, and assigning a relative worth or value to each job. This process helps ensure that pay levels are based on objective criteria rather than subjective judgments, and can also help to identify areas where training or skill development may be needed. The impact of individual performance and seniority on pay decisions is another important consideration. Employers and managers may use performance-based pay or other incentives to reward employees who consistently meet or exceed performance expectations, while also taking into account the length of time an employee has been with the organization. Incentives and variable pay are often used to motivate and reward employees for achieving specific goals or objectives. These can include bonuses, profit-sharing plans, or other performance-based compensation arrangements. Employers and managers must carefully consider the cost-benefit tradeoffs of these approaches, as well as their potential impact on employee motivation and job satisfaction. Finally, fairness and equity are critical considerations when making pay decisions. Employees must feel that their compensation is fair and equitable in

relation to their peers and to the value they bring to the organization. Failure to achieve this can lead to employee dissatisfaction, reduced productivity, and potentially even legal challenges.

CONCLUSION

In conclusion, making effective pay decisions requires a comprehensive understanding of the various factors that impact employee compensation. Employers and managers must take into account market forces, job analysis, individual performance, seniority, incentives, and equity considerations when determining pay levels. A thorough and objective approach to pay decision making can help ensure that employees are fairly compensated, motivated, and productive, while also supporting the long-term sustainability of the organization. By considering all of these factors and striking the right balance, employers and managers can create a pay structure that is effective, competitive, and aligned with the needs of both the organization and its employees.

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CHAPTER 15

AN ELABORATION OF THE RETENTION AND MOTIVATION IN HUMAN RESOURCE

Dr. Sumbul Samreen, Assistant Professor,
Department of General Management, CMS Business School, JAIN (Deemed to-be University),
Bangalore, India,
Email Id- dr.sumbul_samreen@cms.ac.in

ABSTRACT:

The success of any organization depends largely on its ability to retain and motivate its employees. In today's competitive job market, organizations face significant challenges in attracting and retaining top talent. Employee retention has become a critical issue for human resource professionals, as the cost of replacing employees is high and can have a negative impact on organizational productivity and profitability. This paper provides an overview of the key factors that influence employee retention and motivation, including compensation and benefits, career development opportunities, work-life balance, and organizational culture. The paper also examines various strategies that organizations can implement to improve employee retention and motivation, including employee recognition programs, flexible work arrangements, and career development initiatives. By understanding the factors that influence employee retention and motivation, organizations can develop effective strategies to attract and retain top talent and ultimately achieve their business objectives.

KEYWORDS:

Career Development, Employee Recognition, Human Resource, Motivation, Organizational Culture.

INTRODUCTION

As an HR consultant, your job normally involves reviewing HR strategic plans and systems of small to medium size companies, then making recommendations on how to improve. Most of the companies you work with do not have large HR departments, and they find it less expensive to hire you than to hire a full-time person. Your current client, Pacific Books, is a small online retailer with forty-seven employees. Pacific Books has had some challenges, and as the economy has improved, several employees have quit. They want you to look into this issue and provide a plan to improve retention.

Pacific Books currently has just one person managing payroll and benefits. The individual managers in the organization are the ones who handle other HR aspects, such as recruiting and developing compensation plans. As you speak with the managers and the payroll and benefits manager, it is clear employees are not happy working for this organization. You are concerned that if the company does not improve its employee retention, they will spend an excessive amount of time trying to recruit and train new people, so retention of the current employees is important.

As with most HR issues, rather than just guessing what employees want, you develop a survey to send to all employees, including management. You developed the survey-on-

Survey Monkey and asked employee satisfaction questions surrounding pay and benefits. However, you know that there are many other things that can cause someone to be unhappy at work, so to take this survey a step further, you decide to ask questions about the type of work employees are doing, management style, and work-life balance. Then you send out a link to all employees, giving them one week to take the survey.

When the results come in, they are astounding. Out of the forty-seven employees, forty-three selected “dissatisfied” on at least four or more areas of the five-question survey. While some employees are not happy with pay and benefits, the results say that other areas of the organization are actually what are causing the dissatisfaction. Employees are feeling micromanaged and do not have freedom over their time. There are also questions of favoritism by some managers for some employees, who always seem to get the “best” projects. When you sit down with the CEO to discuss the survey results, at first, she defends the organization by saying the company offers the highest salaries and best benefits in the industry, and she doesn’t understand how someone can be dissatisfied. You explain to her that employee retention and motivation is partly about pay and benefits, but it includes other aspects of the employee’s job, too. She listens intently and then asks you to develop a retention and motivation plan that can improve the organization.

The Costs of Turnover

According to the book *Keeping the People Who Keep You in Business* by Leigh Branham, 1 the cost of losing an employee can range from 25 percent to 200 percent of that employee’s salary. Some of the costs cited revolve around customer service disruption and loss of morale among other employees, burnout of other employees, and the costs of hiring someone new. Losing an employee is called turnover [1].

There are two types of turnover, voluntary turnover and involuntary turnover. Voluntary turnover is the type of turnover that is initiated by the employee for many different reasons. Voluntary turnover can be somewhat predicted and addressed in HR, the focus of this chapter. Involuntary turnover is where the employee has no choice in their termination for example, employer-initiated due to nonperformance. This is discussed further in "Successful Employee Communication".

It has been suggested that replacement of an employee who is paid \$8 per hour can range upwards of \$4,000. 2 Turnover can be calculated by separations during the time period /total number of employees midmonth $\times 100 =$ the percentage of turnover. For example, let’s assume there were three separations during the month of August and 115 employees midmonth. We can calculate turnover in this scenario by $3 / 115 \times 100 = 2.6\%$ turnover rate.

This gives us the overall turnover rate for our organization. We may want to calculate turnover rates based on region or department to gather more specific data. For example, let’s say of the three separations, two were in the accounting department. We have ten people in the accounting department. We can calculate that by accounting: $2 / 10 \times 100 = 20\%$ turnover rate.

The turnover rate in accounting is alarmingly high compared to our company turnover rate. There may be something happening in this department to cause unusual turnover. Some of the possible reasons are discussed in "Reasons for Voluntary Turnover". In HR, we can separate the costs associated with turnover into indirect costs and direct costs. Direct turnover costs include the cost of leaving, replacement costs, and transition costs, while indirect turnover costs include the loss of production and reduced performance. The following are some examples of turnover costs:

- a) Recruitment of replacements
- b) Administrative hiring costs
- c) Lost productivity associated with the time between the loss of the employee and hiring of replacement
- d) Lost productivity due to a new employee learning the job
- e) Lost productivity associated with coworkers helping the new employee
- f) Costs of training
- g) Costs associated with the employee's lack of motivation prior to leaving
- h) Sometimes, the costs of trade secrets and proprietary information shared by the employee who leaves
- i) Public relations costs

To avoid these costs, mention in Table 1, development of retention plans is an important function of the HR strategic plan. Retention plans outline the strategies the organization will use to reduce turnover and address employee motivation [2].

Table 1: Represented the Turnover Costs.

Direct	Indirect
Recruitment costs	Lost knowledge
Advertising costs for new position	Loss of productivity while new employee is brought up to speed
Orientation and training of new employee	Cost associated with lack of motivation prior to leaving
Severance costs	Cost associated with loss of trade secrets
Testing costs	
Time to interview new replacements	
Time to recruit and train new hires	

Reasons for Voluntary Turnover

Before we discuss specific details on retention planning, it is important to address the reasons why people choose to leave an organization to begin with. One mistake HR professionals and managers make is to assume people leave solely on the basis of their unhappiness with their compensation packages [3].

Once we find out what can cause voluntary turnover, we can develop retention strategies to reduce turnover. Some of the common reasons employees leave organizations can include the following:

- i. **A poor match between the job and the skills of the employee:** This issue is directly related to the recruitment process. When a poor match occurs, it can cause frustration for the employee and for the manager. Ensuring the recruitment phase is viable and sound is a first step to making sure the right match between job and skills occurs.
- ii. **Lack of growth:** Some employees feel “stuck” in their job and don’t see a way to have upward mobility in the organization. Implementing a training plan and developing a clearly defined path to job growth is a way to combat this reason for leaving.
- iii. **Internal pay equity:** Some employees, while they may not feel dissatisfied with their own pay initially, may feel dissatisfaction when comparing their pay with others. Remember the pay equity theory discussed in "Compensation and Benefits "? This theory relates to one reason why people leave.
- iv. **Management:** Many employees cite management as their reason for leaving. This can be attributed to overmanaging people, managers not being fair or playing favorites, lack of or poor communication by managers, and unrealistic expectations of managers.
- v. **Workload:** Some employees feel their workloads are too heavy, resulting in employees being spread thin and lacking satisfaction from their jobs, and possibly, lack of work-life balance as a result. We know that some people will move or perhaps their family situation changes. This type of turnover is normal and expected. Figure 1 "Common Reasons for Employee Turnover" shows other examples of why people leave organizations.

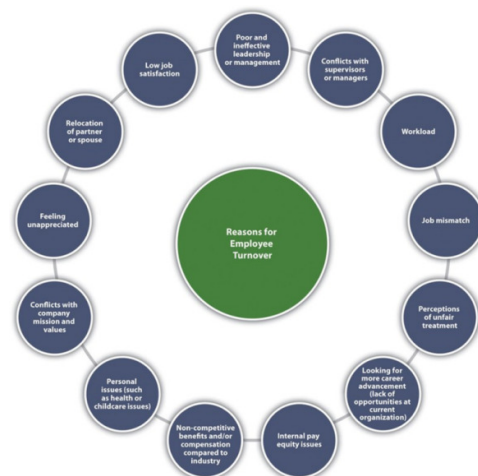


Figure 1: Represented the Common Reasons for Employee Turnover.

As HR professionals and managers, we want to be sure we have plans in place to keep our best people. One such plan is the retention plan, which we will discuss in "Retention Plans".

Retention Plans

Effective high-performance work systems is the name given to a set of systematic HR practices that create an environment where the employee has greater involvement and responsibility for the success of the organization. A high-performance work system is a strategic approach to many of the things we do in HR, including retention. Generally speaking, a HPWS gets employees involved in conceiving, designing, and implementing processes that are better for the company and better for the employee, which increases retention. Figure 7.4 "HR Components of a HPWS" gives an example of HR's part in creating these systems [4].



Figure 2: Illustrated the HR Components of a HPWS.

Keeping HPWS in mind, we can begin to develop retention plans. The first step in this process is to understand some of the theories on job satisfaction and dissatisfaction. Next, we can gather data as to the satisfaction level of our current employees. Then we can begin to implement specific strategies for employee retention.

i. Theories on Job Dissatisfaction

There are a number of theories that attempt to describe what makes a satisfied employee versus an unsatisfied employee. While you may have learned about these theories in another class, such as organizational behavior, they are worth a review here to help us better understand employee satisfaction from an HR perspective.

ii. Progression of Job Withdrawal

The first step to developing a retention plan is understanding some of the theories surrounding job satisfaction. One of the basic theories is the progression of job withdrawal theory, which is mentioned in Figure 3 developed by Dan Farrell and James Petersen. It says that people develop a set of behaviors in succession to avoid their work situation. These behaviors include behavior change, physical withdrawal, and psychological withdrawal. Within the behavior change area, an employee will first try to change the situation that is causing the dissatisfaction. For example, if the employee is unhappy with the management style, he or she might consider asking for a department move. In the physical withdrawal phase, the employee does one of the following:

- i. Leaves the job
- ii. Takes an internal transfer
- iii. Starts to become absent or tardy

If an employee is unable to leave the job situation, he or she will experience psychological withdrawal. They will become disengaged and may show less job involvement and commitment to the organization, which can create large costs to the organization, such as dissatisfied customers [5].

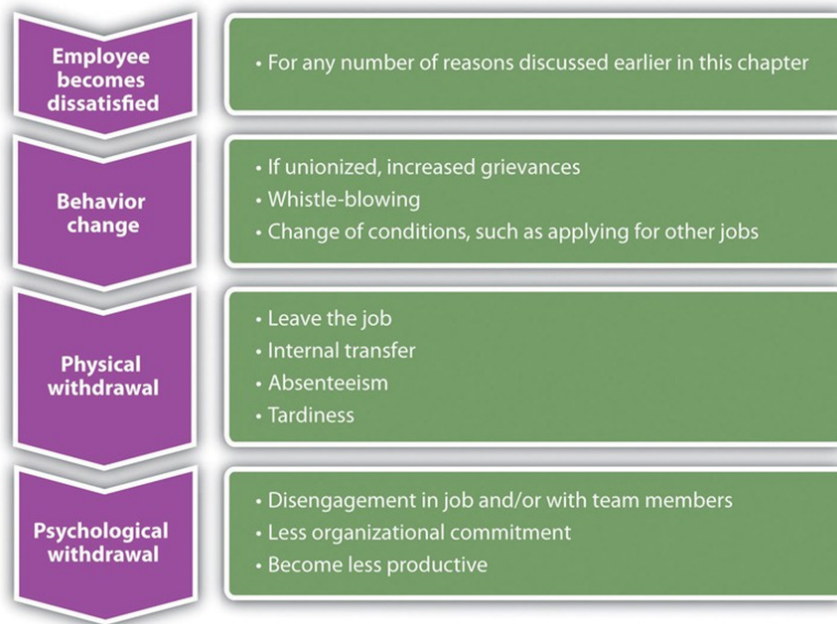


Figure 3: Illustrated the Process of Job Withdrawal

iii. Hawthorne Studies

Between 1927 and 1932, a series of experiments were conducted by Elton Mayo in the Western Electric Hawthorne Works company in Illinois. Mayo developed these experiments to see how the physical and environmental factors of the workplace, such as lighting and break times, would affect employee motivation.

This was some of the first research performed that looked at human motivation at work. His results were surprising, as he found that no matter which experiments were performed,

worker output improved. His conclusion and explanation for this was the simple fact the workers were happy to receive attention from researchers who expressed interest in them. As a result, these experiments, scheduled to last one year, extended to five years to increase the knowledge base about human motivation. The implication of this research applies to HR and managers even today. It tells us that our retention plans must include training and other activities that make the employee feel valued [6], [7].

iv. Maslow's Hierarchy of Needs

In 1943, Abraham Maslow developed what was known as the theory of human motivation. His theory was developed in an attempt to explain human motivation. According to Maslow, there is a hierarchy of five needs, and as one level of need is satisfied, it will no longer be a motivator. In other words, people start at the bottom of the hierarchy and work their way up. Maslow's hierarchy consists of the following:

- i.** Self-actualization needs
- ii.** Esteem needs
- iii.** Social needs
- iv.** Safety needs
- v.** Physiological needs

Physiological needs are our most basic needs, including food, water, and shelter. Safety needs at work might include feeling safe in the actual physical environment, or job security. As humans, we have the basic need to spend time with others. Esteem needs refer to the need we have to feel good about ourselves. Finally, self-actualization needs are the needs we have to better ourselves. The implications of his research tell us, for example, that as long as an employee's physiological needs are met, increased pay may not be a motivator. Likewise, employees should be motivated at work by having all needs met. Needs might include, for example, fair pay, safety standards at work, opportunities to socialize, compliments to help raise our esteem, and training opportunities to further develop ourselves [8], [9].

DISCUSSION

Employee retention and motivation are two of the most important issues that human resource professionals must address in order to maintain a productive and successful organization. High employee turnover can be costly for an organization in terms of lost productivity, recruitment and training expenses, and decreased morale among remaining employees. Therefore, it is essential for organizations to implement strategies that improve retention and motivation in order to maintain a talented workforce. One of the key factors that influence employee retention and motivation is compensation and benefits. Employees who feel that they are being fairly compensated for their work are more likely to stay with the organization and remain motivated. Additionally, offering benefits such as health insurance, retirement plans, and flexible work arrangements can also help to improve retention and motivation. Career development opportunities are another important factor in employee retention and motivation. Providing employees with opportunities to learn and grow within the organization can help to increase their job satisfaction and commitment to the company.

This can include offering training programs, mentorship opportunities, and advancement opportunities within the organization. Work-life balance is also a critical factor in employee retention and motivation. Employees who feel that they have a healthy work-life balance are more likely to remain motivated and committed to their jobs. This can be achieved by

offering flexible work arrangements such as telecommuting or flexible hours. Organizational culture is another important factor in employee retention and motivation. A positive work environment that values employee contributions and encourages open communication can help to improve retention and motivation. Organizations can also implement employee recognition programs and other initiatives to acknowledge and reward employees for their hard work [10].

CONCLUSION

In conclusion, retention and motivation are key factors that contribute to the success of any organization. High employee turnover can be costly and can have a negative impact on organizational productivity and profitability. Human resource professionals must develop effective strategies to retain and motivate employees in order to maintain a talented and productive workforce. This can include offering competitive compensation and benefits, career development opportunities, work-life balance, and a positive organizational culture. By understanding the factors that influence retention and motivation, organizations can implement strategies to attract and retain top talent and ultimately achieve their business objectives. It is important for organizations to prioritize employee retention and motivation in order to achieve long-term success and maintain a competitive advantage in today's job market.

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CHAPTER 16

AN ELABORATION OF DIFFERENT THEORIES IN HUMAN RESOURCE

Dr. Syed Kasim, Associate Professor, Department of General Management,
CMS Business School, JAIN (Deemed to-be University), Bangalore, India,
Email Id-dr.syed_kasim@cms.ac.in

ABSTRACT:

Human Resource Management (HRM) is a complex field that has undergone significant evolution and development over the years. A number of theories have emerged to explain and guide the practices of HRM. This abstract provides an overview of different theories in HRM, including the Human Capital Theory, Resource-Based View, Social Exchange Theory, Agency Theory, and Contingency Theory. The Human Capital Theory posits that the skills, knowledge, and experience possessed by employees are valuable assets to an organization, and HRM practices should aim to enhance these assets. The Resource-Based View emphasizes the importance of unique and valuable resources, including human resources, in creating competitive advantage for organizations. The Social Exchange Theory highlights the importance of relationships and interactions between employees and employers, suggesting that HRM practices should promote positive relationships and reciprocal exchanges. The Agency Theory suggests that conflicts of interest exist between employees and employers and HRM practices should aim to align these interests.

KEYWORDS:

Human Resource Management, Human Capital Theory, Resource-Based View, Social Exchange Theory, Agency Theory, Contingency Theory.

INTRODUCTION

Human resource management (HRM) is a crucial element in any organization, as it involves managing the people who make up the workforce. To effectively manage human resources, managers and HR professionals need to have a strong understanding of the different theories that underpin HRM practices. These theories provide a framework for understanding how to attract, develop, and retain employees, as well as how to align HR practices with the overall goals of the organization. There are several different theories in HRM, including the behavioral approach, the contingency approach, the resource-based view, and the stakeholder theory. Each of these theories has its own unique perspective on HRM, and understanding these theories can help managers and HR professionals make more informed decisions about how to manage their employees. In this paper, we will explore these different theories in greater detail, examining their key principles and how they can be applied in practice to achieve organizational success.

Herzberg Two-Factor Theory

In 1959, Frederick Herzberg published *The Motivation to Work*,⁷ which described his studies to determine which aspects in a work environment caused satisfaction or

dissatisfaction. He performed interviews in which employees were asked what pleased and displeased them about their work. From his research, he developed the motivation-hygiene theory to explain these results. The things that satisfied the employees were motivators, while the dissatisfiers were the hygiene factors. He further said the hygiene factors were not necessarily motivators, but if not present in the work environment, they would actually cause demotivation. In other words, the hygiene factors are expected and assumed, while they may not necessarily motivate. His research showed the following as the top six motivation factors:

- a) Achievement
- b) Recognition
- c) The work itself
- d) Responsibility
- e) Advancement
- f) Growth

The following were the top six hygiene factors:

- a) Company policies
- b) Supervision
- c) Relationship with manager
- d) Work conditions
- e) Salary
- f) Relationship with peers

The implication of this research is clear. Salary, for example, is on the hygiene factor list. Fair pay is expected, but it doesn't actually motivate someone to do a better job. On the other hand, programs to further develop employees, such as management training programs, would be considered a motivator. Therefore, our retention plans should be focused on the area of fair salary of course, but if they take the direction of Herzberg's motivational factors, the actual motivators tend to be the work and recognition surrounding the work performed [1].

McGregor

Douglas McGregor proposed the X-Y theory in his 1960 book called *The Human Side of Enterprise*. 8 McGregor's theory gives us a starting point to understanding how management style can impact the retention of employees. His theory suggests two fundamental approaches to managing people. Theory X managers, who have an authoritarian management style, have the following fundamental management beliefs:

- a) The average person dislikes work and will avoid it.
- b) Most people need to be threatened with punishment to work toward company goals.
- c) The average person needs to be directed.
- d) Most workers will avoid responsibility.

Theory Y managers, on the other hand, have the following beliefs: Most people want to make an effort at work.

- a) People will apply self-control and self-direction in pursuit of company objectives.
- b) Commitment to objectives is a function of expected rewards received.
- c) People usually accept and actually welcome responsibility.
- d) Most workers will use imagination and ingenuity in solving company problems.

As you can see, these two belief systems have a large variance, and managers who manage under the X theory may have a more difficult time retaining workers and may see higher turnover rates. As a result, it is our job in HR to provide training opportunities in the area of management, so our managers can help motivate the employees. Training is a large part of the retention plan. This will be addressed in more detail in "Implementing Retention Strategies " [2], [3].

Carrot and Stick

It is unknown for sure where this term was first used, although some believe it was coined in the 1700s during the Seven Years' War. In business today, the stick approach refers to "poking and prodding" to get employees to do something. The carrot approach refers to the offering of some reward or incentive to motivate employees. Many companies use the stick approach, as in the following examples:

- a) If you don't increase your sales by 10 percent, you will be fired.
- b) Everyone will have to take a pay cut if we don't produce 15 percent more than we are currently producing.

As you can see, the stick approach takes a punitive look at retention, and we know this may motivate for a short period of time, but not in the long term. The carrot approach might include the following:

- a) If you increase sales by 10 percent, you will receive a bonus.
- b) If production increases by 15 percent, the entire team will receive an extra day off next month.

The carrot approach takes a much more positive approach to employee motivation but still may not be effective. For example, this approach can actually demotivate employees if they do not feel the goal is achievable. Also, if organizations use this as the only motivational technique, ignoring physiological rewards such as career growth, this could be a detriment as well. This approach is used as a retention method, usually as part of a compensation plan. All the employee satisfaction theories we have discussed have implications for the development of our retention plans and reduction of turnover. These theories can be intertwined into the specific retention strategies we will implement [4].

Sources of Employee Satisfaction Data

After we have an understanding of why employees leave and employee satisfaction theories, research is our next step in developing a retention plan that will work for your organization. There isn't a "one size fits all" approach to retention planning, so the research component is essential to formulate a plan that will make a difference in turnover rates. Research can be performed in two ways. First, exit interviews of employees who are leaving the organization

can provide important retention information. An exit interview is an interview performed by HR or a manager that seeks information as to what the employee liked at the organization and what they see should be improved. Exit interviews can be a valuable way to gather information about employee satisfaction and can serve as a starting point for determining any retention issues that may exist in the organization. However, the exit survey data should be reviewed over longer periods of time with several employees, so we can be sure we are not making retention plans based on the feedback of only a few people.

The second way to perform research is through employee satisfaction surveys. A standardized and widely used measure of job satisfaction is the job descriptive index survey. While JDI was initially developed in 1969 at Bowling Green State University, it has gone through extensive revisions, the most recent one in 2009. JDI looks at five aspects of job satisfaction, including present job, present pay, and opportunities for promotion, supervision, and coworkers. Each of the five facets contains nine or eighteen questions; the survey can be given in whole or measure only one facet. The value of the scale is that an HR manager can measure job satisfaction over a period of time and compare current results to past results and even compare job satisfaction at their company versus their industry. This allows the HR manager to consider changes in the organization, such as a change in compensation structure, and see how job satisfaction is impacted by the change [5], [6].

Any type of survey can provide information on the employee's satisfaction with their manager, workload, and other satisfaction and motivational issues. A "Sample Employee Satisfaction Survey". However, a few things should be considered when developing an employee satisfaction survey:

- a) Communicate the purpose and goal of the survey.
- b) Once the survey is complete, communicate what changes have been made as a result of the survey.
- c) Assure employees their responses will be anonymous and private.
- d) Involve management and leadership in the survey development.
- e) Ask clear, concise questions that get at the root of morale issues.

Once data have been gathered and analyzed, we can formulate our retention plans. Our plan should always be tied to the strategic goals of the organization and the HPWS previously developed, and awareness of motivational theories should be coupled with the plans. Here are the components of a retention plan:

- a) JDI survey results, other survey results, and exit interview findings
- b) Current retention plans, strengths, and weaknesses
- c) Goals of a retention plan
- d) Individual strategies to meet retention and turnover reduction goals.

In "Implementing Retention Strategies ", we will discuss the implementation of specific retention strategies.

Implementing Retention Strategies

As we have addressed so far in this chapter, retention and reduction of turnover is paramount to a healthy organization. Performing research, such as calculating turnover rates, doing exit

interviews, and surveying employees' satisfaction, are the first steps. Once this is done, understanding motivational theories and the application of them in the retention plan can help reduce turnover. Next, we can apply specific retention strategies to include in our plans, while keeping our budget in mind. Some of the retention strategies discussed have already or will be discussed in their own chapters, but they are certainly worth a mention here as part of the overall plan [7].

i. Salaries and Benefits

As we know from "Compensation and Benefits ", a comprehensive compensation plan that includes not only pay but things such as health benefits and paid time off is the first retention strategy that should be addressed. The compensation plan should not only help in recruitment of the right people but also help retain employees. Utilizing a pay banding system, in which the levels of compensation for jobs are clearly defined, is one way to ensure fairness exists within internal pay structures.

As we know from this chapter, compensation is not everything. An employee can be well paid and have great benefits but still not be satisfied with the organization.

Some of the considerations surrounding pay as a way to retain employees include the following:

- a) **Instituting a standard process:** Many organizations do not have set pay plans, which can result in unfairness when onboarding or offering pay increases. Make sure the process for receiving pay raises is fair and defensible, so as not to appear to be discriminatory. This can be addressed in both your compensation planning process as well as your retention plan.
- b) **A pay communication strategy:** Employees deserve to know how their pay rates are being determined. Transparency in the process of how raises are given and then communicating the process can help in your retention planning process.
- c) **Paid time off:** Is your organization offering competitive PTO? Consider implementing a PTO system that is based on the number of hours an employee works. For example, rather than developing a policy based on hours worked for the company, consider revising the policy so that for every X number of hours worked, PTO is earned. This can create fairness for the salaried employee, especially for those employees who may work more than the required forty hours.

Please refer to "Compensation and Benefits" for more information on pay and benefits, and analyze how your compensation plans could be negatively affecting your retention [8].

ii. Training and Development

To meet our higher-level needs, humans need to experience self-growth. HR professionals and managers can help this process by offering training programs within the organization and paying for employees to attend career skill seminars and programs. In addition, many companies offer tuition reimbursement programs to help the employee earn a degree. Dick's Drive-In, a local fast-food restaurant in Seattle, Washington, offers \$18,000 in scholarships over four years to employees working twenty hours per week. There is a six-month waiting period, and the employee must continue to work twenty hours per week. In a high turnover industry, Dick's Drive-In boasts one of the highest retention rates around.

iii. Performance Appraisals

Employee Assessment addresses performance appraisals. The performance appraisal is a formalized process to assess how well an employee does his or her job. The effectiveness of this process can contribute to employee retention, in that employees can gain constructive feedback on their job performance, and it can be an opportunity for the manager to work with the employee to set goals within the organization. This process can help ensure the employee's upper-level self-actualization needs are met, but it also can address some of the motivational factors discussed by Herzberg, such as achievement, recognition, and responsibility.

iv. Succession Planning

Succession planning is a process of identifying and developing internal people who have the potential for filling positions. As we know, many people leave organizations because they do not see career growth or potential. One way we can combat this in our retention plan is to make sure we have a clear succession planning process that is communicated to employees. Succession planning is sometimes called the talent bench, because successful companies always have talented people "on the bench" or ready to do the job should a key position become vacant. The goals of most succession plans include the following:

- a) Identify high-potential employees capable of advancing to positions of higher responsibility.
- b) Ensure the development of these individuals to help them be "ready" to earn a promotion into a new position.
- c) Ensure diversity in the talent bench by creating a formal succession planning process.

Succession planning must be just that: planned. This allows clear communication to the employees on how they can further develop within the organization, and it helps them see what skills they should master before that time comes. "Training and Development " will provide more information on how to develop and implement a succession plan [9].

v. Flextime, Telecommuting, and Sabbaticals

According to a Salary.com survey, the ability to work from home and flexible work schedules are benefits that would entice an employee to stay in their job. 13 The ability to implement this type of retention strategy might be difficult, depending on the type of business. For example, a retailer may not be able to implement this, since the sales associate must be in the store to assist customers. However, for many professions, it is a viable option, worth including in the retention plan and part of work-life balance, which we will discuss in "Work-Life Balance ". Some companies, such as Recreational Equipment Incorporated, based in Seattle, offer twelve weeks of unpaid leave per year for the employee to pursue volunteering or traveling opportunities. In addition, with fifteen years of service with the company, paid sabbaticals are offered, which include four weeks plus already earned vacation time.

vi. Management Training

As we discuss in Reasons for Voluntary Turnover a manager can affect an employee's willingness to stay on the job. In a recent Gallup poll of one million workers, a poor supervisor or manager is the number one reason why people leave their jobs. 14 Managers who bully, use the theory X approach, communicate poorly, or are incompetent may find it difficult to motivate employees to stay within the organization. While in HR we cannot control a manager's behavior, we can provide training to create better management. Training

of managers to be better communicators and motivators is a way to handle this retention issue. We will discuss training further in Training and Development.

vii. Conflict Management and Fairness

Perceptions on fairness and how organizations handle conflict can be a contributing factor to retention. Outcome fairness refers to the judgment that people make with respect to the outcomes they receive versus the outcomes received by others with whom they associate with. When people are deciding if something is fair, they will likely look at procedural justice, or the process used to determine the outcomes received. There are six main areas employees will use to determine the outcome fairness of a conflict:

- a) **Consistency:** The employee will determine if the procedures are applied consistently to other persons and throughout periods of time.
- b) **Bias Suppression:** The employee perceives the person making the decision does not have bias or vested interest in the outcome.
- c) **Information Accuracy:** The decision made is based on correct information.
- d) **Correctability:** The decision is able to be appealed and mistakes in the decision process can be corrected.
- e) **Representativeness:** The employee feels the concerns of all stakeholders involved have been taken into account.
- f) **Ethicality:** The decision is in line with moral societal standards.

For example, let's suppose JoAnn just received a bonus and recognition at the company party for her contributions to an important company project. Another employee, Sam, might compare his inputs and outputs and determine it was unfair that JoAnn was recognized because he had worked on bigger projects and not received the same recognition or bonus. When we look at how our retention strategies are developed, we want to be sure they can apply to everyone in the organization; otherwise, it may cause retention problems. Some of the procedures questioned could include the following:

- a) How time off is requested
- b) How assignments of the "best" projects are given
- c) Division of work
- d) Promotion processes
- e) Pay processes

While some of these policies may seem minor, they can make a big difference in retention. Besides development of fair policies, we should be sure that the policies are clearly communicated and any processes are communicated as well. These types of policies should be revisited yearly and addressed in the retention plan if it appears they are causing employee dissatisfaction.

In addition to a sense of fairness within the organization, there should be a specific way of managing conflict. If the organization is unionized, it is likely a grievance process is already in place to handle many types of conflicts. We will discuss this process in greater detail in "Working with Labor Unions ". There are four basic steps to handle conflict. First, the individuals in conflict should try to handle the conflict by discussing the problem with one

another. If this doesn't work, a panel of representatives from the organization should hear both sides of the dispute and make a recommendation. If this doesn't work, the organization may want to consider mediation and, in extreme cases, arbitration. In mediation, a neutral third party from outside the organization hears both sides of a dispute and tries to get the parties to come to a resolution, while in arbitration, an outside person hears both sides and makes a specific decision about how things should proceed [10].

DISCUSSION

Human Resource Management (HRM) is a multidimensional and complex field that encompasses a range of practices aimed at managing human resources in organizations. Different theories in HRM have emerged to explain and guide HRM practices. These theories offer different perspectives on the management of human resources and provide a theoretical framework to understand the dynamics between employees and employers. The Human Capital Theory is one of the most popular theories in HRM, which suggests that employees' skills, knowledge, and experience are valuable assets that contribute to an organization's success. According to this theory, organizations should invest in employee development to enhance their human capital and gain a competitive advantage. This theory has been widely adopted by organizations to design training and development programs and to align their HRM practices with organizational goals. Another influential theory in HRM is the Resource-Based View, which emphasizes the importance of unique and valuable resources, including human resources, in creating a competitive advantage for organizations.

According to this theory, organizations should focus on developing and leveraging their unique resources to achieve a sustainable competitive advantage. This theory has been useful in explaining the importance of strategic HRM and has guided organizations to make strategic decisions about their HRM practices. The Social Exchange Theory highlights the importance of relationships and interactions between employees and employers, suggesting that HRM practices should promote positive relationships and reciprocal exchanges. This theory has been particularly useful in understanding the dynamics of employee relations and employee engagement. Organizations have used this theory to design HRM practices that promote employee engagement, motivation, and commitment.

The Agency Theory suggests that conflicts of interest exist between employees and employers, and HRM practices should aim to align these interests. This theory has been influential in understanding the dynamics of employee-employer relationships, particularly in the context of performance management and incentive systems. Organizations have used this theory to design HRM practices that align employee and employer interests, such as performance-based pay and other incentives. Finally, the Contingency Theory suggests that there is no one best approach to HRM, and practices should be tailored to fit the specific needs and circumstances of an organization. This theory has been useful in understanding the importance of context in HRM practices and has guided organizations to design HRM practices that are relevant to their specific organizational context.

CONCLUSION

In conclusion, Human Resource Management is a dynamic and complex field that encompasses a range of practices aimed at managing human resources in organizations. Different theories in HRM have emerged to explain and guide HRM practices, including the Human Capital Theory, Resource-Based View, Social Exchange Theory, Agency Theory, and Contingency Theory. Each theory offers a different perspective on the management of human resources and provides a theoretical framework to understand the dynamics between employees and employers. Understanding these theories is essential for organizations to

design effective HRM practices that align with their goals and objectives. HRM practices that are aligned with organizational goals and that take into account the specific context of the organization can lead to improved organizational performance, increased employee engagement, and a sustainable competitive advantage. Therefore, organizations should continually evaluate their HRM practices to ensure they are aligned with the latest HRM theories and practices to remain competitive in today's ever-changing business landscape.

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CHAPTER 17

AN ELABORATION OF JOB DESIGN, JOB ENLARGEMENT AND EMPOWERMENT

Dr. M.K. Lodi, Adjunct Faculty, Department of General Management,
CMS Business School, JAIN (Deemed to-be University), Bangalore, India,
Email Id-mk.lodi@cms.ac.in

ABSTRACT:

Job design is the process of defining the tasks, responsibilities, and duties of a particular job in a manner that is efficient and effective. Job enlargement is a job design strategy that involves increasing the number of tasks or responsibilities of a particular job to provide greater variety and challenge to the employee. Empowerment, on the other hand, involves giving employees the autonomy and authority to make decisions and take actions within their job roles. These three concepts are interrelated and can be used to improve job satisfaction, employee motivation, and organizational performance. Job design and enlargement can increase the variety and complexity of tasks, leading to greater engagement and job satisfaction. Empowerment can provide employees with a sense of ownership and responsibility for their work, which can lead to increased motivation and commitment to organizational goals. However, implementing these concepts requires careful consideration and planning. Job design and enlargement must be done in a manner that does not lead to job overload or burnout, and empowerment must be accompanied by appropriate training and support to ensure that employees have the skills and knowledge to make effective decisions.

KEYWORDS:

Decision Making, Employee Motivation, Empowerment, Job Design, Job Enlargement, Job Satisfaction.

INTRODUCTION

As we have discussed previously, one of the reasons for job dissatisfaction is the job itself. Ensuring we are appropriately matching skills with the job when we do our initial hiring is important. Revisiting the recruitment plan and selection process should be a consideration. Job enrichment means to enhance a job by adding more meaningful tasks to make the employee's work more rewarding. For example, if a retail salesperson is good at creating eye-catching displays, allow him or her to practice this skill and assign tasks revolving around this. Job enrichment can fulfill the higher level of human needs while creating job satisfaction at the same time. In fact, research in this area by Richard Hackman and Greg Oldham 18 found that employees need the following to achieve job satisfaction:

- a) Skill variety, or many different activities as part of the job
- b) Task identity, or being able to complete one task from beginning to end
- c) Task significance, or the degree to which the job has impact on others, internally or externally
- d) Autonomy, or freedom to make decisions within the job
- e) Feedback, or clear information about performance

In addition, job enlargement, defined as the adding of new challenges or responsibilities to a current job, can create job satisfaction. Assigning employees to a special project or task is an example of job enlargement. Be cautioned, though, that some employees may resent additional work, and job enlargement could actually be a demotivator. Otherwise, knowing the employee and his or her goals and adding work that can be an end to these goals is the best way to achieve retention through job enlargement [1].

Employee empowerment involves employees in their work by allowing them to make decisions and act upon those decisions, with the support of the organization. Employees who are not micromanaged and who have the power to determine the sequence of their own work day, for example, tend to be more satisfied than those who are not empowered. Empowerment can include the following:

- a) Encourage innovation or new ways of doing things.
- b) Make sure employees have the information they need to do their jobs; for example, they are not dependent on managers for information in decision making.
- c) Use management styles that allow for participation, feedback, and ideas from employees.

Pay-for-Performance Strategies

Compensation and Benefits, we discussed several pay-for-performance strategies we can implement to motivate our employees. A pay-for-performance strategy means that employees are rewarded for meeting preset objectives within the organization. For example, in a merit-based pay system, the employee is rewarded for meeting or exceeding performance during a given time period. Rather than a set pay increases every year, the increase is based on performance. Some organizations offer bonuses to employees for meeting objectives, while some organizations offer team incentive pay if a team achieves a specific, predetermined outcome. For example, each player on the winning team of the 2010 NFL Super Bowl earned a team bonus of \$83,000, while the losing team of the Super Bowl took home \$42,000. Players also earn money for each wild card game and playoff game. Some organizations also offer profit sharing, which is tied to a company's overall performance. Gain sharing, different from profit sharing, focuses on improvement of productivity within the organization. For example, the city of Loveland in Colorado implemented a gain-sharing program that defined three criteria that needed to be met for employees to be given extra compensation. The city revenues had to exceed expenses, expenses had to be equal to or less than the previous year's expenses, and a citizen satisfaction survey had to meet minimum requirements [2].

To make sure a pay-for-performance system works, the organization needs to ensure the following:

- a) Standards are specific and measurable.
- b) The system is applied fairly to all employees.
- c) The system is communicated clearly to employees.
- d) The best work from everyone in the organization is encouraged.
- e) Rewards are given to performers versus nonperformers.
- f) The system is updated as the business climate changes.
- g) There are substantial rewards for high performers.

As we have already addressed, pay isn't everything, but it certainly can be an important part of the employee retention plan and strategy.

Work-Life Balance

Work-life balance discussions originated during the 1960s and 1970s and pertained mostly to working mothers' meeting the demands of family and work. During the 1980s, the realization that meeting a work-life balance is important resulted in companies such as IBM implementing flextime and home-based work solutions. The growing awareness of the work-life balance problem continued into the 1990s, when policies were developed and implemented but not acted upon by managers and employees, according to Jim Bird in *Employment Relations Today*. Today, work-life balance is considered an important topic, so much so that the World at Work Society offers special certifications in this area. The World at Work certification programs focus on creation of successful programs to attract, retain, and motivate employees. Karol Rose, author of *Work Life Effectiveness*, says that most companies look at a systems approach of work-life balance, instead of a systems and individual approach. The systems approach to work-life balance includes policies and procedures that allow people flexibility, such as telecommuting and flextime options [3].

According to Rose, looking at the individual differences is equally as important as the systems approach. Brad Harrington, the director of Boston College's Center for Work and Family, stresses this issue: "Work-life balance comes down, not to an organizational strategy, but to an individual strategy." For example, a single parent has a different work-life balance need than someone without children. In other words, as HR professionals, we can create work-life balance systems, but we should also look at individual approaches. For example, at Recreational Equipment Incorporated, they use the systems approach perspective and offer paid time off and sabbaticals, but their employee assistance program also offers access to services, referrals, and free consulting for the individual to find his or her perfect work-life balance. For this, REI receives a number nine ranking on Fortune's list of best companies to work for in the area of work-life balance.

The company culture can contribute greatly to work-life balance. Some organizations have a culture of flexibility that fares well for workers who do not want to feel tethered to an office, while some workers prefer to be in the office where more informal socializing can occur. While some companies promote work-life balance on paper, upper management needs to let employees know it is OK to take advantage of the alternatives to create a positive work-life balance. For example, companies place different levels of value on work-life options such as telecommuting. An organization may have a telecommuting option, but the employees must feel it is OK to use these options.

Even in a company that has work-life balance systems, a manager who sends e-mails at 10 p.m. on Saturday night could be sending the wrong message to employees about the expectations, creating an environment in which work-life balance is not practiced in reality. O'Neill, a surf gear company in California, sends a strong message to its employees by offering half-day Fridays during the summer, so employees can get a head start on the weekend [4]. Jim Bird, in his work-life balance paper in *Employment Relations Today*, suggests implementing a work-life balance training program that is dual purpose. In other words, implement trainings in which the employee can develop both personal skills and interests that can translate into higher productivity at work. Besides the training program, Bird suggests creating a monthly work-life newsletter as an educational tool to show the company's commitment to work-life balance. The newsletter can include interviews from respected employees and tips on how to create a work-life balance.

Finally, training managers on the importance of work-life balance and how to create a culture that embraces this is a key way to use work-life balance as a retention strategy [5].

Other Retention Strategies

According to Fortune's "100 Best Companies to Work For," 24 retention strategies that are more unusual might be part of your retention plan. Some strategies from the list might include the following:

- a) On-site daycare or daycare assistance
- b) Gym memberships or on-site gyms
- c) Concierge service to assist in party planning or dog grooming, for example
- d) On-site dry-cleaning drop-off and pickup
- e) Car care, such as oil changes, on-site once a week
- f) On-site doggie daycare
- g) On-site yoga or other fitness classes
- h) "Summer Fridays," when all employees work half days on Fridays during the summer
- i) Various support groups for cancer survivors, weight loss, or support in caring for aging parents.
- j) Allowance for fertility treatment benefits
- k) On-site life coaches.
- l) Peer-to-peer employee recognition programs.
- m) Management recognition programs

While some of these options may not work in your organization, we must remember to be creative when our goal is to retain our best employees and reduce turnover in our organizations. The bottom line is to create a plan and make sure the plan is communicated to all employees.

- a) Flextime and telecommuting options are worth considering as an addition to your retention plan. These types of plans allow the employee flexibility when developing his or her schedule and some control of his or her work. Some companies also offer paid or unpaid sabbaticals after a certain number of years with the company to pursue personal interests.
- b) Since one of the reasons people are dissatisfied at their job is because of the relationship with their manager, providing in-house training to all management team members to help them become better communicators and better managers can trickle down to the employee level, creating better relationships and resulting in better retention and less turnover.
- c) Reviewing company policies to ensure they are fair can contribute to better retention. For example, how projects are assigned or the process for requesting vacation time can contribute to dissatisfaction if the employee feels the processes are not fair.

- d) Review the job design to ensure the employee is experiencing growth within their job. Changing the job through empowerment or job enlargement to help the growth of the employee can create better retention.
- e) Other, more unique ways of retaining employees might include offering services to make the employee's life easier, such as dry cleaning, daycare services, or on-site yoga classes.

Cases and Problems

- a) A high-performance work system is a set of systematic HR practices that create an environment where the employee has greater involvement and responsibility for the success of the organization. The overall company strategy should impact the HPWS HR develops in regard to retention.
- b) Retention plans are developed to address employee turnover, resulting in a more effective organization.
- c) Some of the reasons why employees leave can include a poor match between job and skills, no growth potential, pay inequity among employees, the fairness and communication style of management, and heavy workloads.
- d) The first step in developing a retention plan is to use exit interviews and/or surveys to find out the satisfaction level of employees. Once you have the data, you can begin to write the plan, making sure it is tied to the organizational objectives.
- e) A retention plan normally consists of survey and exit interview analysis, any current plans and strengths and weaknesses of those plans, the goal of the retention plan, and the specific strategies to be implemented.
- f) There are many motivation theories that attempt to explain people's motivation or lack of motivation at work.
- g) The Hawthorne studies were a series of studies beginning in 1927 that initially looked at physical environments but found that people tended to be more motivated when they felt cared about. The implications to retention are clear, in that employees should feel cared about and developed within the organization.
- h) Maslow's theory on motivation says that if someone already has a need met, giving them something to meet more of that need will no longer motivate. Maslow divided the needs into physiological, safety, social, esteem, and self-actualization needs. Many companies only motivate based on the low-level needs, such as pay. Development of training opportunities, for example, can motivate employees on high-level self-actualization needs.
- i) Herzberg developed motivational theories based on actual motivation factors and hygiene factors. Hygiene factors are those things that are expected in the workplace and will demotivate employees when absent but will not actually motivate when present. If managers try to motivate only on the basis of hygiene factors, turnover can be high. Motivation on both factors is key to a good retention plan.

- j) McGregor's theory on motivation looked at managers' attitudes toward employees. He found that theory X managers had more of a negative view of employees, while theory Y managers had a more positive view. Providing training to the managers in our organization can be a key retention strategy, based on McGregor's theory.
- k) The carrot-and-stick approach means you can get someone to do something by prodding or offering some incentive to motivate them to do the work. This theory implies these are the only two methods to motivate, which we know isn't true. The implication of this in our retention plan is such that we must utilize a variety of methods to retain employees.
- l) Once you determine the employee's level of satisfaction through exit interviews and surveys and understand motivational theories, you can develop specific retention strategies.
- m) Of course, salary and benefits are a major component of retention strategies. Consistent pay systems and transparent processes as to how raises occur must be included in a retention plan.
- n) Training and development meet the higher-level needs of the individual. Many companies offer paid tuition programs, reimbursement programs, and in-house training to increase the skills and knowledge of the employee.
- o) Performance appraisals provide an avenue for feedback and goal setting. They also allow for employees to be recognized for their contributions.
- p) Succession plans allow employees to see how they can continue their career with the organization, and they clearly detail what employees need to do to achieve career growth-without leaving your organization.
- q) Flextime and telecommuting options are worth considering as an addition to your retention plan. These types of plans allow the employee flexibility when developing his or her schedule and some control of his or her work. Some companies also offer paid or unpaid sabbaticals after a certain number of years with the company to pursue personal interests [6], [7].

DISCUSSION

Job design, job enlargement, and empowerment are important concepts in the field of organizational behavior and management. These concepts are used to improve employee motivation, job satisfaction, and organizational performance. In this discussion, we will explore each of these concepts in more detail and discuss their advantages and disadvantages. Job design is the process of defining the tasks, responsibilities, and duties of a particular job in a manner that is efficient and effective. The main objective of job design is to create a job that is both fulfilling for the employee and beneficial to the organization. There are several different approaches to job design, including job rotation, job enrichment, and job simplification. Job rotation involves periodically rotating employees between different jobs or departments within an organization. This provides employees with a variety of experiences and prevents them from becoming bored or burned out in a single job. Job enrichment involves adding more responsibilities, tasks, or decision-making authority to a job to increase its complexity and challenge. Job simplification, on the other hand, involves reducing the complexity of a job by breaking it down into smaller, simpler tasks.

The advantages of job design include increased job satisfaction and motivation, improved employee engagement and commitment, and enhanced organizational performance. However, the disadvantages of job design include the risk of creating jobs that are too complex or too simple, which can lead to burnout or disengagement, and the cost and time required to implement changes to job design and job enlargement is a job design strategy that involves increasing the number of tasks or responsibilities of a particular job to provide greater variety and challenge to the employee. This can be done by combining several smaller jobs into a larger one, or by adding new tasks or responsibilities to an existing job. The advantages of job enlargement include increased employee engagement, greater job satisfaction, and improved organizational performance. By providing employees with a greater variety of tasks and responsibilities, they are less likely to become bored or disengaged in their work. However, the disadvantages of job enlargement include the risk of creating jobs that are too complex or too overwhelming for employees, which can lead to burnout or turnover. Empowerment involves giving employees the autonomy and authority to make decisions and take actions within their job roles.

This can include giving employees the power to make decisions about how to perform their jobs, as well as providing them with the resources and support they need to succeed. The advantages of empowerment include increased employee motivation and commitment, greater job satisfaction, and improved organizational performance. By giving employees a sense of ownership and responsibility for their work, they are more likely to be engaged and committed to their jobs. However, the disadvantages of empowerment include the risk of creating employees who are too independent or who make decisions that are not aligned with organizational goals. Overall, job design, job enlargement, and empowerment are important concepts in the field of organizational behavior and management. By implementing these concepts effectively, organizations can improve employee motivation, job satisfaction, and organizational performance. However, it is important to carefully consider the advantages and disadvantages of each approach and to implement changes in a thoughtful and strategic manner [8], [9].

CONCLUSION

In conclusion, job design, job enlargement, and empowerment are three important concepts that can be used to improve employee motivation, job satisfaction, and organizational performance. These approaches can help to create jobs that are more engaging, challenging, and fulfilling for employees, while also providing them with greater autonomy and responsibility in their work. However, it is important to carefully consider the advantages and disadvantages of each approach and to implement changes in a thoughtful and strategic manner. By doing so, organizations can create a more motivated and committed workforce that is better equipped to meet the challenges of the modern business environment.

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CHAPTER 18

AN ANALYSIS OF THE TRAINING AND DEVELOPMENT

Dr. Kumar Muhul, Professor, Department of General Management,
CMS Business School, JAIN (Deemed to-be University), Bangalore, India,
Email Id-dr.kumar_muhul@cms.ac.in

ABSTRACT:

Training and development play a crucial role in the success of an organization. This abstract provides an overview of the importance of training and development for employees and the organization. It discusses the various types of training and development methods, including on-the-job training, classroom training, e-learning, mentoring, and coaching. Additionally, it covers the benefits of employee training and development, such as increased productivity, improved employee morale, and reduced turnover rates. The abstract also highlights the challenges that organizations may face while implementing training and development programs and offers suggestions for overcoming these challenges. Lastly, it emphasizes the importance of measuring the effectiveness of training and development programs to ensure their success and return on investment.

KEYWORDS:

Development Programs, E-learning, Employee, Mentorship, Organization, Productivity.

INTRODUCTION

Imagine this: You have a pile of work on your desk and as you get started, your Outlook calendar reminds you about a sexual harassment training in ten minutes. You groan to yourself, not looking forward to sitting in a conference room and seeing PowerPoint slide after PowerPoint slide. As you walk to the conference room, you run into a colleague who is taking the same training that day and commiserate on how boring this training is probably going to be. When you step into the conference room, however, you see something very different. Computers are set up at every chair with a video ready to start on the computer. The HR manager greets you and asks you to take a seat. When the training starts, you are introduced on each of the computers to a series of sexual harassment example scenarios. The videos stop, and there is a recorded discussion about what the videos portrayed.

Your colleagues in the Washington, DC, office is able to see the same training and, via video conferencing, are able to participate in the discussions. It is highly interactive and interesting. Once the training is finished, there are assignments to be completed via specific channels that have been set up for this training. You communicate about the material and complete the assignments in teams with members of your Washington, DC, office. If you want to review the material, you simply click on a review and the entire session or parts of the training can be reviewed. In fact, on your bus ride home from work, you access the channels on your iPhone, chatting with a colleague in your other office about the sexual harassment training assignment you have due next week. You receive an e-mail from your HR manager asking you to complete a training assessment located in a specific channel in the software, and you happily comply because you have an entirely new perspective on what training can be.

This is the training of today. No longer do people sit in hot, stuffy rooms to get training on boring content. Training has become highly interactive, technical, and interesting owing to the amount of multimedia we can use. Sun Microsystems, for example, has developed just the kind of software mentioned above, called Social Learning eXchange . This type of training allows people across the country to connect with each other, saving both money and time. In fact, Sun Microsystems received a Best Practices Award from Training Magazine for this innovative software in 2010. The SLX software allows training to be delivered in an interactive manner in multiple locations. The implications of this type of software are numerous. For example, SLX is used at Sun Professional Services division by delivering instructional videos on tools and software, which employees can view at their own pace. There is also a channel in the software that allows the vice president to communicate with employees on a regular basis to improve employee communications. In another example, this software can be used to quickly communicate product changes to the sales team, who then begin the process of positioning their products to consumers. Training videos, including breakout sessions, can save companies money by not requiring travel to a session.

These can even be accessed using application technology on cell phones. Employees can obtain the training they need in the comfort of their own city, office, or home. An estimated \$1,400 per employee is spent on training annually, with training costs consuming 2.72 percent of the total payroll budget for the average company. With such a large amount of funds at stake, HR managers must develop the right training programs to meet the needs; otherwise, these funds are virtually wasted. This chapter is all about how to assess, develop, implement, and measure an effective training program.

Steps to Take in Training an Employee

Any effective company has training in place to make sure employees can perform his or her job. During the recruitment and selection process, the right person should be hired to begin with. But even the right person may need training in how your company does things. Lack of training can result in lost productivity, lost customers, and poor relationships between employees and managers. It can also result in dissatisfaction, which means retention problems and high turnover. All these end up being direct costs to the organization. In fact, a study performed by the American Society for Training and Development found that 41 percent of employees at companies with poor training planned to leave within the year, but in companies with excellent training, only 12 percent planned to leave. To reduce some costs associated with not training or undertraining, development of training programs can help with some of the risk. This is what this chapter will address. For effective employee training, there are four steps that generally occur. First, the new employee goes through an orientation, and then he or she will receive in-house training on job-specific areas. Next, the employee should be assigned a mentor, and then, as comfort with the job duties grows, he or she may engage in external training. Employee training and development is the process of helping employees develop their personal and organization skills, knowledge, and abilities [1].

Employee Orientation

The first step in training is an employee orientation. Employee orientation is the process used for welcoming a new employee into the organization. The importance of employee orientation is two-fold. First, the goal is for employees to gain an understanding of the company policies and learn how their specific job fits into the big picture. Employee orientation usually involves filling out employee paperwork such as I-9 and 401 program forms.

The goals of an orientation are as follows:

- i. To reduce start-up costs. If an orientation is done right, it can help get the employee up to speed on various policies and procedures, so the employee can start working right away. It can also be a way to ensure all hiring paperwork is filled out correctly, so the employee is paid on time.
- ii. To reduce anxiety. Starting a new job can be stressful. One goal of an orientation is to reduce the stress and anxiety people feel when going into an unknown situation.
- iii. To reduce employee turnover. Employee turnover tends to be higher when employees don't feel valued or are not given the tools to perform. An employee orientation can show that the organization values the employee and provides tools necessary for a successful entry.
- iv. To save time for the supervisor and coworkers. A well-done orientation makes for a better prepared employee, which means less time having to teach the employee.
- v. To set expectations and attitudes. If employees know from the start what the expectations are, they tend to perform better. Likewise, if employees learn the values and attitudes of the organization from the beginning, there is a higher chance of a successful tenure at the company.

Some companies use employee orientation as a way to introduce employees not only to the company policies and procedures but also to the staff. For an example of an orientation schedule for the day. Some companies have very specific orientations, with a variety of people providing information to the new hires. This can create a welcoming environment, besides giving the employee the information, they need. This is an example of one such orientation [2].

In-House Training

In-house training programs are learning opportunities developed by the organization in which they are used. This is usually the second step in the training process and often is ongoing. In-house training programs can be training related to a specific job, such as how to use a particular kind of software. In a manufacturing setting, in-house training might include an employee learning how to use a particular kind of machinery. Many companies provide in-house training on various HR topics as well, meaning it doesn't always have to relate to a specific job. Some examples of in-house training include the following:

- a) Ethics training
- b) Sexual harassment training
- c) Multicultural training
- d) Communication training
- e) Management training
- f) Customer service training
- g) Operation of special equipment
- h) Training to do the job itself
- i) Basic skills training

As you can tell by the list of topics, HR might sometimes create and deliver this training, but often a supervisor or manager delivers the training [3].

Mentoring

After the employee has completed orientation and in-house training, companies see the value in offering mentoring opportunities as the next step in training. Sometimes a mentor may be assigned during in-house training. A mentor is a trusted, experienced advisor who has direct investment in the development of an employee. A mentor may be a supervisor, but often a mentor is a colleague who has the experience and personality to help guide someone through processes. While mentoring may occur informally, a mentorship program can help ensure the new employee not only feels welcomed but is paired up with someone who already knows the ropes and can help guide the new employee through any on-the-job challenges. To work effectively, a mentoring program should become part of the company culture; in other words, new mentors should receive in-house training to be a mentor.

Mentors are selected based on experience, willingness, and personality. IBM's Integrated Supply Chain Division, for example, has successfully implemented a mentorship program. The company's division boasts 19,000 employees and half of IBM's revenues, making management of a mentorship program challenging. However, potential mentors are trained and put into a database where new employees can search attributes and strengths of mentors and choose the person who closely meets their needs. Then the mentor and mentee work together in development of the new employee. "We view this as a best practice," says Patricia Lewis-Burton, vice president of human resources, Integrated Supply Chain Division. "We view it as something that is not left to human resources alone. In fact, the program is imbedded in the way our group does business." Some companies use short-term mentorship programs because they find employees training other employees to be valuable for all involved. Starbucks, for example, utilizes this approach. When it opens a new store in a new market, a team of experienced store managers and baristas are sent from existing stores to the new stores to lead the store-opening efforts, including training of new employees [4], [5].

External Training

External training includes any type of training that is not performed in-house. This is usually the last step in training, and it can be ongoing. It can include sending an employee to a seminar to help further develop leadership skills or helping pay tuition for an employee who wants to take a marketing class. To be a Ford automotive technician, for example, you must attend the Ford ASSET Program, which is a partnership between Ford Motor Company, Ford dealers, and select technical schools.

i. To Train or Not to Train

Towanda Michaels is the human resource manager at a medium-size pet supply wholesaler. Casey Claps is a salesperson at the organization and an invaluable member of the team. Last year, his sales brought in about 20 percent of the company revenue alone.

ii. Everybody likes Casey:

Training is an important part of the company, and an e-mail was sent last month that said if employees do not complete the required safety training by July 1, they would be let go. It is July 15, and it has just come to Towanda's attention that Casey has not completed the online safety training that is required for his job. When she approaches him about it, he says, "I am the best salesperson here; I can't waste time doing training. I already know all the safety rules anyway."

Other Key Factors

- a) Employee training and development is the framework for helping employees develop their personal and organizational skills, knowledge, and abilities. Training is important to employee retention.
- b) There are four steps in training that should occur. Employee orientation has the purpose of welcoming new employees into the organization. An effective employee orientation can help reduce start-up costs, reduce anxiety for the employee, reduce turnover, save time for the supervisor and colleagues, and set expectations and attitudes.
- c) An in-house training program is any type of program in which the training is delivered by someone who works for the company. This could include management or HR. Examples might include sexual harassment training or ethics training. In-house training can also include components specific to a job, such as how to use a specific kind of software. In-house training is normally done as a second and ongoing step in employee development.
- d) A mentor form of training pairs a new employee with a seasoned employee. This is usually the third step in employee training. A mentor program for training should include a formalized program and process.
- e) External training is any type of training not performed in-house; part of the last training step, external training can also be ongoing. It can include sending employees to conferences or seminars for leadership development or even paying tuition for a class they want to take.

Types of Training

There are a number of different types of training we can use to engage an employee. These types are usually used in all steps in a training process. The training utilized depends on the number of resources available for training, the type of company, and the priority the company places on training. Companies such as The Cheesecake Factory, a family restaurant, make training a high priority. The company spends an average of \$2,000 per hourly employee. This includes everyone from the dishwasher and managers to the servers. For The Cheesecake Factory, this expenditure has paid off. They measure the effectiveness of its training by looking at turnover, which is 15 percent below the industry average. 8 Servers make up 40 percent of the workforce and spend two weeks training to obtain certification. Thirty days later, they receive follow-up classes, and when the menu changes, they receive additional training. 9 Let's take a look at some of the training we can offer our employees. As you will see from the types of training below, no one type would be enough for the jobs we do. Most HR managers use a variety of these types of training to develop a holistic employee.

a) Technical or Technology Training

Depending on the type of job, technical training will be required. Technical training is a type of training meant to teach the new employee the technological aspects of the job. In a retail environment, technical training might include teaching someone how to use the computer system to ring up customers. In a sales position, it might include showing someone how to use the customer relationship management system to find new prospects. In a consulting business, technical training might be used so the consultant knows how to use the system to input the number of hours that should be charged to a client. In a restaurant, the server needs to be trained on how to use the system to process orders. Let's assume your company has

decided to switch to the newest version of Microsoft Office. This might require some technical training of the entire company to ensure everyone uses the technology effectively. Technical training is often performed in-house, but it can also be administered externally.

b) Quality Training

In a production-focused business, quality training is extremely important. Quality training refers to familiarizing employees with the means of preventing, detecting, and eliminating nonequality items, usually in an organization that produces a product. In a world where quality can set your business apart from competitors, this type of training provides employees with the knowledge to recognize products that are not up to quality standards and teaches them what to do in this scenario.

Numerous organizations, such as the International Organization for Standardization, measure quality based on a number of metrics. This organization provides the stamp of quality approval for companies producing tangible products. ISO has developed quality standards for almost every field imaginable, not only considering product quality but also certifying companies in environmental management quality. ISO9000 is the set of standards for quality management, while ISO14000 is the set of standards for environmental management. ISO has developed 18,000 standards over the last 60 years. 10 With the increase in globalization, these international quality standards are more important than ever for business development. Some companies, like 3M, 11choose to offer ISO training as external online training, employing companies such as QAI to deliver the training both online and in classrooms to employees. Training employees on quality standards, including ISO standards, can give them a competitive advantage. It can result in cost savings in production as well as provide an edge in marketing of the quality-controlled products. Some quality training can happen in-house, but organizations such as ISO also perform external training.

c) Skills Training

Skills training, the third type of training, includes proficiencies needed to actually perform the job. For example, an administrative assistant might be trained in how to answer the phone, while a salesperson at Best Buy might be trained in assessment of customer needs and on how to offer the customer information to make a buying decision. Think of skills training as the things you actually need to know to perform your job. A cashier needs to know not only the technology to ring someone up but what to do if something is priced wrong. Most of the time, skills training is given in-house and can include the use of a mentor. An example of a type of skills training is from AT&T and Apple, who in summer 2011 asked their managers to accelerate retail employee training on the iPhone 5, which was released to market in the fall.

d) Soft Skills Training

Our fourth type of training is called soft skills training. Soft skills refer to personality traits, social graces, communication, and personal habits that are used to characterize relationships with other people. Soft skills might include how to answer the phone or how to be friendly and welcoming to customers. It could include sexual harassment training and ethics training. In some jobs, necessary soft skills might include how to motivate others, maintain small talk, and establish rapport.

In a retail or restaurant environment, soft skills are used in every interaction with customers and are a key component of the customer experience. In fact, according to a computer world magazine survey, executives say there is an increasing need for people who have not only the

skills and technical skills to do a job but also the necessary soft skills, such as strong listening and communication abilities. Many problems in organizations are due to a lack of soft skills, or interpersonal skills, not by problems with the business itself. As a result, HR and managers should work together to strengthen these employee skills. Soft skills training can be administered either in-house or externally [6].

e) Professional Training and Legal Training

In some jobs, professional training must be done on an ongoing basis. Professional training is a type of training required to be up to date in one's own professional field. For example, tax laws change often, and as a result, an accountant for H&R Block must receive yearly professional training on new tax codes. Lawyers need professional training as laws change. A personal fitness trainer will undergo yearly certifications to stay up to date in new fitness and nutrition information.

Some organizations have paid a high cost for not properly training their employees on the laws relating to their industry. In 2011, Massachusetts General Hospital paid over \$1 million in fines related to privacy policies that were not followed. As a result, the organization has agreed to develop training for workers on medical privacy. The fines could have been prevented if the organization had provided the proper training to begin with.

f) Team Training

Do you know the exercise in which a person is asked to close his or her eyes and fall back, and then supposedly the team members will catch that person? As a team-building exercise, this is an example of team training. The goal of team training is to develop cohesiveness among team members, allowing them to get to know each other and facilitate relationship building. We can define team training as a process that empowers teams to improve decision making, problem solving, and team-development skills to achieve business results. Often this type of training can occur after an organization has been restructured and new people are working together or perhaps after a merger or acquisition. Some reasons for team training include the following:

- i.** Improving communication
- ii.** Making the workplace more enjoyable
- iii.** Motivating a team
- iv.** Getting to know each other
- v.** Getting everyone "onto the same page," including goal setting
- vi.** Teaching the team self-regulation strategies
- vii.** Helping participants to learn more about themselves
- viii.** Identifying and utilizing the strengths of team members
- ix.** Improving team productivity
- x.** Practicing effective collaboration with team members

Team training can be administered either in-house or externally. Ironically, through the use of technology, team training no longer requires people to even be in the same room.

g) Managerial Training

After someone has spent time with an organization, they might be identified as a candidate for promotion. When this occurs, managerial training would occur. Topics might include those from our soft skills section, such as how to motivate and delegate, while others may be technical in nature. For example, if management uses a particular computer system for scheduling, the manager candidate might be technically trained. Some managerial training might be performed in-house while other training, such as leadership skills, might be performed externally. For example, Mastek, a global IT solutions and services provider, provides a program called “One Skill a Month,” which enables managers to learn skills such as delegation, coaching, and giving feedback. The average number of total training days at Mastek is 7.8 per employee and includes managerial topics and soft skills topics such as e-mail etiquette. The goal of its training programs is to increase productivity, one of the organization’s core values [7].

h) Safety Training

Safety training is a type of training that occurs to ensure employees are protected from injuries caused by work-related accidents. Safety training is especially important for organizations that use chemicals or other types of hazardous materials in their production. Safety training can also include evacuation plans, fire drills, and workplace violence procedures. Safety training can also include the following:

- i.** Eye safety
- ii.** First aid
- iii.** Food service safety
- iv.** Hearing protection
- v.** Asbestos
- vi.** Construction safety
- vii.** Hazmat safety

The Occupational Safety and Health Administration, or OSHA, is the main federal agency charged with enforcement of safety and health regulation in the United States. OSHA provides external training to companies on OSHA standards. Sometimes in-house training will also cover safety training.

- i.** Quality training is a type of training that familiarizes all employees with the means to produce a good-quality product. The ISO sets the standard on quality for most production and environmental situations. ISO training can be done in-house or externally.
- ii.** Skills training focuses on the skills that the employee actually needs to know to perform their job. A mentor can help with this kind of training.
- iii.** Soft skills are those that do not relate directly to our job but are important. Soft skills training may train someone on how to better communicate and negotiate or provide good customer service.
- iv.** Professional training is normally given externally and might be obtaining certification or specific information needed about a profession to perform a job. For example, tax accountants need to be up to date on tax laws; this type of training is often external.

- v. Team training is a process that empowers teams to improve decision making, problem solving, and team-development skills. Team training can help improve communication and result in more productive businesses.
- vi. To get someone ready to take on a management role, managerial training might be given.
- vii. Safety training is important to make sure an organization is meeting OSHA standards. Safety training can also include disaster planning.

DISCUSSION

Training and development refer to the processes and methods used by organizations to improve the knowledge, skills, and abilities of their employees. These processes aim to enhance the performance of employees and the overall productivity of the organization. There are various types of training and development methods available, including on-the-job training, classroom training, e-learning, mentoring, and coaching. On-the-job training involves teaching employees' new skills while they are performing their regular duties. This method is useful for employees who learn best by doing, and it allows them to apply their new knowledge immediately in the workplace. Classroom training, on the other hand, involves teaching employees in a formal setting, such as a conference room or a training center. This method is useful for introducing new concepts and theories and providing employees with a comprehensive understanding of their job requirements. E-learning is another popular training and development method that uses technology to deliver training programs. It allows employees to access training materials from anywhere and at any time, which is convenient for both employees and the organization. Mentoring and coaching involve assigning an experienced employee or a professional coach to guide and train the employees to improve their skills and knowledge. Employee training and development offer several benefits to both the employees and the organization. For employees, it can improve their job satisfaction, increase their confidence, and provide them with opportunities for career advancement. For organizations, it can increase employee productivity, reduce turnover rates, and enhance the company's reputation and competitiveness. However, implementing training and development programs can also pose some challenges to organizations. These challenges include lack of resources, difficulty in measuring the effectiveness of training programs, and resistance from employees to change. To overcome these challenges, organizations can use various strategies such as allocating sufficient resources, involving employees in the training and development process, and measuring the effectiveness of the training programs using appropriate metrics [8].

CONCLUSION

In conclusion, training and development are essential components of any successful organization. The benefits of employee training and development include increased productivity, improved employee morale, reduced turnover rates, and enhanced competitiveness. Organizations can use various training and development methods, such as on-the-job training, classroom training, e-learning, mentoring, and coaching, to improve the knowledge, skills, and abilities of their employees. However, implementing training and development programs can pose challenges, such as lack of resources and difficulty in measuring the effectiveness of the programs. To overcome these challenges, organizations need to allocate sufficient resources, involve employees in the training and development process, and measure the effectiveness of the training programs using appropriate metrics. Ultimately, investing in employee training and development can yield significant returns for the organization, and it is a critical factor in achieving long-term success.

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CHAPTER 19

AN OVERVIEW OF THE TRAINING DELIVERY METHODS IN ORGANIZATION

Minerva Das, Assistant Professor, Department of General Management,
CMS Business School, JAIN (Deemed to-be University), Bangalore, India,
Email Id- minerva_das@cms.ac.in

ABSTRACT:

The effectiveness of employee training and development programs is vital for organizations to achieve their strategic goals and remain competitive in today's fast-paced business environment. To ensure the success of such programs, organizations must carefully select and implement appropriate training delivery methods. This paper reviews various training delivery methods, including instructor-led training, online learning, mobile learning, blended learning, and simulations. The advantages and disadvantages of each method are discussed, along with the factors that influence the choice of delivery method. Additionally, the paper highlights the importance of assessing the effectiveness of training programs and suggests best practices for evaluating training outcomes. Finally, the paper concludes with recommendations for organizations to optimize their training delivery methods for maximum impact and return on investment.

KEYWORDS:

Employee Development, Mobile Learning, Online Learning, Organizational Training, Training Delivery.

INTRODUCTION

Training Delivery Methods refer to the different ways in which training is delivered to learners. There are a variety of methods available, ranging from traditional classroom-based training to more modern and flexible methods such as online courses and mobile learning. Each method has its advantages and disadvantages, and the choice of method will depend on factors such as the learning objectives, the needs of the learners, and the available resources. Effective training delivery is crucial to ensure that learners receive the knowledge and skills they need to perform their job functions effectively. In this context, understanding the various training delivery methods and how they can be used to support effective learning is essential for trainers and educators. This paper will explore some of the most commonly used training delivery methods and their benefits and limitations. Depending on the type of training occurring, you may choose one delivery method over another. This section discusses the types of delivery methods we can use to execute the types of training. Keep in mind, however, that most good training programs will use a variety of delivery methods.

i. On-the-Job Coaching Training Delivery

On-the-job coaching is one way to facilitate employee skills training. On-the-job coaching refers to an approved person training an employee on the skills necessary to complete tasks. A manager or someone with experience shows the employee how to perform the actual job. The selection of an on-the-job coach can be done in a variety of ways, but usually the coach is selected based on personality, skills, and knowledge. This type of skills training is

normally facilitated in-house. The disadvantage of this training revolves around the person delivering the training. If he or she is not a good communicator, the training may not work. Likewise, if this person has “other things to do,” he or she may not spend as much time required to train the person and provide guidance. In this situation, training can frustrate the new employee and may result in turnover.

ii. Mentoring and Coaching Training Delivery

Mentoring is also a type of training delivery. A mentor is a trusted, experienced advisor who has direct investment in the development of an employee. Mentoring is a process by which an employee can be trained and developed by an experienced person. Normally, mentoring is used as a continuing method to train and develop an employee. One disadvantage of this type of training is possible communication style and personality conflict. It can also create overdependence in the mentee or micromanagement by the mentor. This is more different than on-the-job coaching, which tends to be short term and focuses on the skills needed to perform a particular job.

iii. Brown Bag Lunch Training Delivery

Brown bag lunches are a training delivery method meant to create an informal atmosphere. As the name suggests, brown bag lunch training is one in which the training occurs during lunchtime, employees bring their food, and someone presents training information to them. The trainer could be HR or management or even another employee showing a new technical skill. Brown bag lunches can also be an effective way to perform team training, as it brings people together in a more relaxed atmosphere. Some companies offer brown bag lunch training for personal development as well. For example, HR might want to bring in a specialist on 401 plans, or perhaps an employee provides a slide presentation on a trip he or she has taken, discussing the things learned on the trip. One disadvantage to this type of training can be low attendance and garnering enough interest from employees who may not want to “work” during lunch breaks. There can also be inconsistency in messages if training is delivered and not everyone is present to hear the message.

iv. Web-Based Training Delivery

Web-based training delivery has a number of names. It could be called e-learning or Internet-based, computer-based, or technology-based learning. No matter what it is called, any web-based training involves the use of technology to facilitate training. There are two types of web-based learning. First, synchronous learning uses instructor-led facilitation. Asynchronous learning is self-directed, and there is no instructor facilitating the course. There are several advantages to web-based training. First, it is available on demand, does not require travel, and can be cost efficient. However, disadvantages might include an impersonal aspect to the training and limited bandwidth or technology capabilities.

Web-based training delivery lends itself well to certain training topics. For example, this might be an appropriate delivery method for safety training, technical training, quality training, and professional training. However, for some training, such as soft- skills training, job skills training, managerial training, and team training, another more personalized method may be better for delivery.

However, there are many different platforms that lend themselves to an interactive approach to training, such as Sun Microsystems’ Social Learning eXchange training system, which has real-time video and recording capabilities. Hundreds of platforms are available to facilitate web- based training. DigitalChalk, for example, allows for both synchronous and

asynchronous training and allows the instructor or human relations manager to track training progress and completion. Some companies use SharePoint, an intranet platform, to store training videos and materials. Blackboard and Angel allows human resource managers to create training modules, which can be moderated by a facilitator or managed in a self-paced format. In any of the platforms available, media such as video and podcasts can be included within the training. Considerations for selecting a web-based platform include the following:

- a) Is there a one-time fee or a per-user fee?
- b) Do the majority of your employees use a Mac or a PC, and how does the platform work with both systems?
- c) Is there enough bandwidth in your organization to support this type of platform?
- d) Is the platform flexible enough to meet your training needs?
- e) Does the software allow for collaboration and multimedia?
- f) Is there training for the trainer in adoption of this system? Is technical support offered?

v. **Job Shadowing Training Delivery**

Job shadowing is a training delivery method that places an employee who already has the skills with another employee who wants to develop those skills. Apprenticeships use job shadowing as one type of training method. For example, an apprentice electrician would shadow and watch the journeyman electrician perform the skills and tasks and learn by watching. Eventually, the apprentice would be able to learn the skills to do the job alone. The downside to this type of training is the possibility that the person job shadowing may learn “bad habits” or shortcuts to performing tasks that may not be beneficial to the organization.

vi. **Job Swapping Training Delivery**

Job swapping is a method for training in which two employees agree to change jobs for a period of time. Of course, with this training delivery method, other training would be necessary to ensure the employee learns the skills needed to perform the skills of the new job. Job swap options can be motivational to employees by providing a change of scenery. It can be great for the organization as well to cross-train employees in different types of jobs. However, the time spent learning can result in unproductive time and lost revenue.

vii. **Vestibule Training Delivery**

In vestibule training, training is performed near the worksite in conference rooms, lecture rooms, and classrooms. This might be an appropriate method to deliver orientations and some skills-based training. For example, to become a journeyman electrician, an apprentice performs job shadowing, on-the-job training, and vestibule training to learn the law and codes related to electricity installation. During the busy holiday season, Macy’s uses vestibule training to teach new hires how to use the cash register system and provides skills training on how to provide great customer service.

Many organizations use vestibule training for technical training, safety training, professional training, and quality training. It can also be appropriate for managerial training, soft skills training, and team training. As you can tell, this delivery method, like web-based training delivery, is quite versatile. For some jobs or training topics, this may take too much time away from performing the actual “job,” which can result in lost productivity [1].

viii. International Assignment Training

Since we are working within a global economy, it might be necessary to provide training to employees who are moving overseas or working overseas. Up to 40 percent of international assignments are terminated early because of a lack of international training. 24 Ensuring success overseas is reliant upon the local employee's learning how to navigate in the new country. The following topics might be included in this type of training:

- i. Cultural differences and similarities
- ii. Insight and daily living in the country
- iii. Social norms and etiquette
- iv. Communication training, such as language skills

This training is best delivered by a professional in the region or area in which the employee will be working. We discuss this topic in more detail in International HRM.

Designing a Training Program

The next step in the training process is to create a training framework that will help guide you as you set up a training program. Information on how to use the framework is included in this section.

i. Training Program Framework Development

When developing your training plan, there are a number of considerations. Training is something that should be planned and developed in advance. The training program development model are mention in Figure 1.

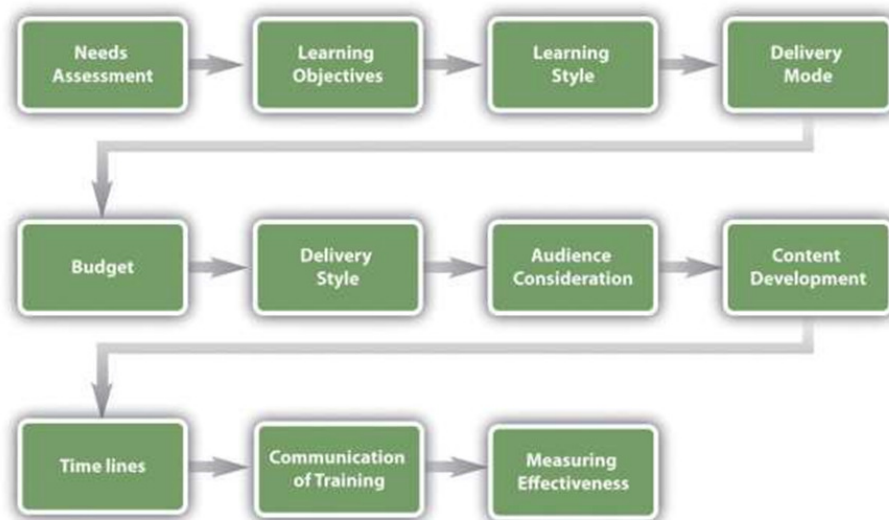


Figure 1: Illustrated the Training Program Development Model.

The considerations for developing a training program are as follows:

- a) **Needs assessment and learning objectives:** This part of the framework development asks you to consider what kind of training is needed in your organization. Once you have determined the training needed, you can set learning objectives to measure at the end of the training.

- b) **Consideration of learning styles:** Making sure to teach to a variety of learning styles is important to development of training programs.
- c) **Delivery mode:** What is the best way to get your message across? Is web-based training more appropriate, or should mentoring be used? Can vestibule training be used for a portion of the training while job shadowing be used for some of the training, too? Most training programs will include a variety of delivery methods.
- d) **Budget:** How much money do you have to spend on this training?
- e) **Delivery style:** Will the training be self-paced or instructor led? What kinds of discussions and interactivity can be developed in conjunction with this training?
- f) **Audience:** Who will be part of this training? Do you have a mix of roles, such as accounting people and marketing people? What are the job responsibilities of these individuals, and how can you make the training relevant to their individual jobs?
- g) **Content:** What needs to be taught? How will you sequence the information?
- h) **Timelines.** How long will it take to develop the training? Is there a deadline for training to be completed?
- i) **Communication:** How will employees know the training is available to them?
- j) **Measuring effectiveness of training:** How will you know if your training worked? What ways will you use to measure this?

ii. Needs Assessment

The first step in developing a training program is to determine what the organization needs in terms of training. There are three levels of training needs assessment: organizational assessment, occupational assessment, and individual assessment:

- a) **Organizational assessment:** In this type of needs assessment, we can determine the skills, knowledge, and abilities a company needs to meet its strategic objectives. This type of assessment considers things such as changing demographics and technological trends. Overall, this type of assessment looks at how the organization as a whole can handle its weaknesses while promoting strengths.
- b) **Occupational assessment:** This type of assessment looks at the specific tasks, skills knowledge, and abilities required to do jobs within the organization.
- c) **Individual assessment:** An individual assessment looks at the performance of an individual employee and determines what training should be accomplished for that individual.

We can apply each of these to our training plan. First, to perform an organizational assessment, we can look at future trends and our overall company's strategic plan to determine training needs. We can also see how jobs and industries are changing, and knowing this, we can better determine the occupational and individual assessments. Researching training needs can be done through a variety of ways. One option is to use an online tool such as Survey Monkey to poll employees on what types of training they would like to see offered[2], [3]. As you review performance evaluations turned in by your managers, you may see a pattern developing showing that employees are not meeting expectations. As a result, this may provide data as to where your training is lacking. There are also types of training that will likely be required for a job, such as technical training, safety training, quality

training, and professional training. Each of these should be viewed as separate training programs, requiring an individual framework for each type of training. For example, an employee orientation framework will look entirely different from an in-house technical training framework[4], [5].

Training must be tied to job expectations. Any and all training developed should transfer directly to the skills of that particular employee. Reviewing the HR strategic plan and various job analyses may help you see what kind of training should be developed for specific job titles in your organization [6].

iii. Learning Objectives

After you have determined what type of training should occur, learning objectives for the training should be set. A learning objective is what you want the learner to be able to do, explain, or demonstrate at the end of the training period. Good learning objectives are performance based and clear, and the end result of the learning objective can be observable or measured in some way. Examples of learning objectives might include the following:

- a) Be able to explain the company policy on sexual harassment and give examples of sexual harassment.
- b) Be able to show the proper way to take a customer's order.
- c) Perform a variety of customer needs analyses using company software.
- d) Understand and utilize the new expense-tracking software.
- e) Explain the safety procedure in handling chemicals.
- f) Be able to explain the types of communication styles and strategies to effectively deal with each style.
- g) Demonstrate ethics when handling customer complaints.
- h) Be able to effectively delegate to employees.

Once we have set our learning objectives, we can utilize information on learning styles to then determine the best delivery mode for our training.

iv. Learning Styles

Understanding learning styles is an important component to any training program. For our purposes, we will utilize a widely accepted learning style model. Recent research has shown that classifying people into learning styles may not be the best way to determine a style, and most people have a different style depending on the information being taught. In a study by Pashler et al.,²⁵ the authors look at aptitude and personality as key traits when learning, as opposed to classifying people into categories of learning styles. Bearing this in mind, we will address a common approach to learning styles next [7].

- a) **Visual learner:** A visual learner usually has a clear "picture" of an experience. A visual learner often says things such as "I can see what you are saying" or "This looks good." A visual learner is best reached using graphics, pictures, and figures.
- b) **Auditory learner:** An auditory learner learns by sound. An auditory learner might say, "If I hear you right" or "What do you hear about this situation?" The auditory learner will learn by listening to a lecture or to someone explaining how to do something.

- c) **Kinesthetic learner:** A kinesthetic learner learns by developing feelings toward an experience. These types of learners tend to learn by doing rather than listening or seeing someone else do it. This type of learner will often say things such as “This feels right.”

Most individuals use more than one type of learning style, depending on what kinds of information they are processing. For example, in class you might be a visual learner, but when learning how to change a tire, you might be a kinesthetic learner.

v. **Delivery Mode**

Depending on the type of training that needs to be delivered, you will likely choose a different mode to deliver the training. An orientation might lend itself best to vestibule training, while sexual harassment training may be better for web-based training.

When choosing a delivery mode, it is important to consider the audience and budget constrictions. For example, Oakwood Worldwide, a provider of temporary housing, recently won the Top 125 Training Award for its training and development programs. It offers in-class and online classes for all associates and constantly add to its course catalog. This is a major recruitment as well as retention tool for its employees. In fact, the company credits this program for retaining 25 percent of its workforce for ten years or more. Table 1 looks at each of the types of training and suggests appropriate options for delivery modes.

Table 1: Represented the Types of Training and Delivery

DeliveryMethod	TypeofTrainingSuggested
On-the-jobcoaching	Technicaltraining
	Skillstraining
	Managerialtraining
	Safetytraining
Mentor	Technicaltraining
	Skills training
	Managerial training
	Safety training
Brown bag lunch	Quality training
	Soft skills training

	Professional training
	Safety training
Web-based	Technical training
	Quality training
	Skills training
	Soft skills training
	Professional training
	Team training
	Managerial training
	Safety training
Job shadowing	Technical training
	Quality training
	Skills training
	Safety training
Job swapping	Technical training

	Quality training
	Skills training
	Professional training
	Team training
	Managerial training
	Safety training
Vestibule training	Technical training
	Quality training
	Skills training
	Soft skills training
	Professional training

vi. Budget

How much money do you think the training will cost? The type of training performed will depend greatly on the budget. If you decide that web-based training is the right delivery mode, but you don't have the budget to pay the user fee for the platform, this wouldn't be the best option. Besides the actual cost of training, another cost consideration is people's time. If employees are in training for two hours, what is the cost to the organization while they are not able to perform their job? A spreadsheet should be developed that lists the actual cost for materials, snacks, and other direct costs, but also the indirect costs, such as people's time.

vii. Delivery Style

Taking into consideration the delivery method, what is the best style to deliver this training? It's also important to keep in mind that most people don't learn through "death by PowerPoint"; they learn in a variety of ways, such as auditory, kinesthetic, or visual. Considering this, what kinds of ice breakers, breakout discussions, and activities can you incorporate to make the training as interactive as possible? Role plays and other games can make the training fun for employees. Many trainers implement online videos, podcasts, and other interactive media in their training sessions. This ensures different learning styles are met and also makes the training more interesting [8].

viii. Audience

Considering your audience is an important aspect to training. How long have they been with the organization, or are they new employees? What departments do they work in? Knowing the answers to these questions can help you develop a relevant delivery style that makes for better training. For example, if you know that all the people attending the training are from the accounting department, examples you provide in the training can be focused on this type of job. If you have a mixed group, examples and discussions can touch on a variety of disciplines.

DISCUSSION

Employee training and development programs are crucial for organizations to enhance their workforce's knowledge, skills, and abilities, and to remain competitive in the ever-changing business environment. To ensure the effectiveness of such programs, organizations need to carefully select and implement appropriate training delivery methods. The most commonly used training delivery methods in organizations are instructor-led training, online learning, mobile learning, blended learning, and simulations. Instructor-led training involves a trainer delivering content to a group of learners in a physical classroom setting. This method provides face-to-face interaction, opportunities for questions and discussions, and the ability to customize content to meet the needs of learners. However, it can be expensive and time-consuming to deliver, and it may not be feasible in today's remote work environment. Online learning, on the other hand, allows learners to access training content through a web-based platform from anywhere and at any time. This method is cost-effective and flexible and can reach a large number of learners simultaneously.

However, it may not provide the same level of interaction and engagement as instructor-led training. Mobile learning is a subset of online learning that allows learners to access training content on their mobile devices. This method is ideal for learners who are always on the move and prefer to access content in small chunks. However, it may not be suitable for complex or lengthy training programs. Blended learning is a combination of instructor-led training and online learning. This method provides the best of both worlds, allowing for face-to-face interaction and online flexibility. Blended learning can be customized to meet the specific needs of learners and can be more cost-effective than traditional instructor-led training. Simulations are another training delivery method that can be used to replicate real-life situations and provide learners with hands-on experience in a safe and controlled environment. This method is ideal for training on complex or high-risk tasks and can help learners develop problem-solving and decision-making skills. However, it can be expensive to develop and deliver. When choosing a training delivery method, organizations must consider various factors such as the nature of the training content, the size and location of the workforce, the available resources, and the learning preferences of the learners. It is also crucial to assess the effectiveness of the training programs and evaluate the outcomes to ensure that they are meeting the intended objectives [9], [10].

CONCLUSION

In conclusion, training delivery methods play a crucial role in the success of employee training and development programs in organizations. There are several training delivery methods available, including instructor-led training, online learning, mobile learning, blended learning, and simulations, each with its own advantages and disadvantages. When choosing a training delivery method, organizations must consider various factors such as the nature of the training content, the size and location of the workforce, the available resources, and the learning preferences of the learners. It is also important to assess the effectiveness of the

training programs and evaluate the outcomes to ensure that they are meeting the intended objectives. By selecting the appropriate training delivery method and evaluating the outcomes, organizations can optimize their training programs to ensure that they are meeting the needs of their workforce and driving organizational success. Ultimately, investing in effective training programs and delivery methods can help organizations improve employee performance, increase productivity, and achieve their strategic goals.

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CHAPTER 20

AN OVERVIEW OF THE OBJECTIVE OF THE TRAINING

Dr. Irum Khan, Assistant Professor, Department of General Management,
CMS Business School, JAIN (Deemed to-be University), Bangalore, India,
Email Id- dr.irum_khan@cms.ac.in

ABSTRACT:

Training is a crucial component of any organization's growth and development. The objective of training in organizations is to improve individual and team performance, enhance employee satisfaction and retention, and achieve overall organizational goals. Effective training programs are essential for organizations to stay competitive in a constantly evolving business environment. Training not only helps employees to learn new skills but also enables organizations to address skill gaps, improve productivity, and increase employee engagement and motivation. The objective of training is not limited to job-related skills, but also encompasses soft skills such as communication, leadership, and teamwork, which are essential for employees to succeed in their roles and contribute to the organization's success. Therefore, the objective of training in organizations is to equip employees with the necessary skills and knowledge to perform their roles effectively and efficiently, improve overall performance, and achieve organizational goals.

KEYWORDS:

Employee, Engagement, Goals, Leadership, Organization, Performance.

INTRODUCTION

Training is a vital component of any organization's growth and development. It is a process that equips employees with the necessary skills, knowledge, and abilities to perform their roles effectively and efficiently. The objective of training in organizations is to improve individual and team performance, enhance employee satisfaction and retention, and achieve overall organizational goals. Effective training programs are essential for organizations to stay competitive in a constantly evolving business environment. It provides employees with opportunities to learn new skills, keep up with industry trends, and improve their performance. Additionally, training also helps organizations to address skill gaps, improve productivity, and increase employee engagement and motivation. The objective of training in organizations is not limited to just job-related skills. It can also include soft skills such as communication, leadership, and teamwork, which are crucial for employees to succeed in their roles and contribute to the organization's success. After we have completed the training, we want to make sure our training objectives were met. One model to measure effectiveness of training is the Kirkpatrick model, developed in the 1950s. His model has four levels:

- i. Reaction: How did the participants react to the training program?
- ii. Learning: To what extent did participants improve knowledge and skills?
- iii. Behavior: Did behavior change as a result of the training?
- iv. Results: What benefits to the organization resulted from the training?

Each of Kirkpatrick's levels can be assessed using a variety of methods. We will discuss those next.



Figure 1: Represented the Kirkpatrick's Four Levels of Training Evaluation

Review the performance of the employees who received the training, and if possible review the performance of those who did not receive the training. For example, in your orientation training, if one of the learning objectives was to be able to request time off using the company intranet, and several employees who attended the training come back and ask for clarification on how to perform this task, it may mean the training didn't work as well as you might have thought. In this case, it is important to go back and review the learning objectives and content of your training to ensure it can be more effective in the future.

Many trainers also ask people to take informal, anonymous surveys after the training to gauge the training. These types of surveys can be developed quickly and easily through websites such as Survey Monkey. Another option is to require a quiz at the end of the training to see how well the employees understand what you were trying to teach them. The quiz should be developed based on the learning objective you set for the training. For example, if a learning objective was to be able to follow OSHA standards, then a quiz might be developed specifically related to those standards.

There are a number of online tools, some free, to develop quizzes and send them to people attending your training. For example, Wondershare Quiz Creator 29 offers a free trial and enables the manager to track who took the quiz and how well they did. Once developed by the trainer, the quiz can be e-mailed to each participant and the manager can see how each trainee did on the final quiz. After you see how participants do on the quiz, you can modify the training for next time to highlight areas where participants needed improvement.

It can be easy to forget about this step in the training process because usually we are so involved with the next task: we forget to ask questions about how something went and then take steps to improve it. One way to improve effectiveness of a training program is to offer rewards when employees meet training goals. For example, if budget allows, a person might receive a pay increase or other reward for each level of training completed.

One way to improve effectiveness of a training program is to offer rewards when employees meet training goals. For example, if budget allows, a person might receive a pay increase or other reward for each level of training completed. Once the training framework has been

developed, the training content can be developed. The training plan serves as a starting point for training development.

Training Framework	Plan
Needs Assessment	Formalized New Employee Orientation
Delivery Mode	Vestibule
Budget (per person)	Lunch: \$15 Notebook: \$20
Delivery Style	Discussion, PowerPoints, Icebreaker
Audience	New hires from all departments
Goals and Learning Objectives	<ul style="list-style-type: none"> • Be able to explain company history and structure • Understand operational company policies • Meet department heads
Timeline	4 hours for training, new employee orientation offered on the 5th and 15th of every month
Communication	E-mail to hiring managers and to new employee
Measurement Method	Interactive team quiz

Training Framework	Plan
Needs Assessment	Sexual harassment training
Delivery Mode	Web based
Budget (per person)	User fee: \$10
Delivery Style	Online modules and online assignments
Audience	Required for all employees
Goals and Learning Objectives	<ul style="list-style-type: none"> • Understand what constitutes sexual harassment • Know what to do if you are sexually harassed at work
Timeline	1.5 hours, offered every Tuesday at 10:00 a.m. and every Thursday at 3:30 p.m. during the month of February
Communication	Company Listserv, announcement to department heads at weekly meeting
Measurement Method	Online end-of-course quiz

Training Framework	Plan
Needs Assessment	Product training
Delivery Mode	Vestibule
Budget (per person)	Materials only online: \$0
Delivery Style	PowerPoint, Role playing
Audience	Salespeople
Goals and Learning Objectives	<ul style="list-style-type: none"> • Understand the features of product xx • Be able to explain the benefits of product xx
Timeline	New product release is October 1st, so training will be in September. 1 hour. Delivered during regular weekly sales meeting
Communication	E-mail list message to salespeople, work with sales manager
Measurement Method	Sales figures for product xx

Figure 2: Represented the Different Training Framework.

i. Career Development Programs and Succession Planning

Another important aspect to training is career development programs. A career development program is a process developed to help people manage their career, learn new things, and take steps to improve personally and professionally. Think of it as a training program of sorts,

but for individuals. Sometimes career development programs are called professional development plans.

As you can see, the employee developed goals and made suggestions on the types of training that could help her meet her goals. Based on this data, the manager suggested in-house training and external training for her to reach her goals within the organization.

Career development programs are necessary in today's organizations for a variety of reasons. First, with a maturing baby-boom population, newer employees must be trained to take those jobs once baby boomers retire. Second, if an employee knows a particular path to career development is in place, this can increase motivation. A career development plan usually includes a list of short- and long-term goals that employees have pertaining to their current and future jobs and a planned sequence of formal and informal training and experiences needed to help them reach the goals. As this chapter has discussed, the organization can and should be instrumental in defining what types of training, both in-house and external, can be used to help develop employees.

To help develop this type of program, managers can consider a few components:

- i. **Talk to employees:** Although this may seem obvious, it doesn't always happen. Talking with employees about their goals and what they hope to achieve can be a good first step in developing a formal career development program.
- ii. **Create specific requirements for career development:** Allow employees to see that if they do A, B, and C, they will be eligible for promotion. For example, to become a supervisor, maybe three years of experience, management training, and communication training are required. Perhaps an employee might be required to prove themselves in certain areas, such as "maintain and exceed sales quota for eight quarters" to be a sales manager. In other words, in career development there should be a clear process for the employees to develop themselves within the organization.
- iii. **Use cross-training and job rotation:** Cross-training is a method by which employees can gain management experience, even if for short periods of time. For example, when a manager is out of the office, putting an employee "in charge" can help the employee learn skills and abilities needed to perform that function appropriately. Through the use of job rotation, which involves a systematic movement of employees from job to job within an organization, employees can gain a variety of experiences to prepare them for upward movement in the organization[1], [2].
- iv. **Utilize mentors:** Mentorship can be a great way for employees to understand what it takes to develop one's career to the next level. A formal mentorship program in place with willing mentees can add value to your career development program [3].

There are many tools on the web, including templates to help employees develop their own career development plans. Many organizations, in fact, ask employees to develop their own plans and use those as a starting point for understanding long-term career goals. Then hopefully the organization can provide them with the opportunities to meet these career goals. In the late 1980s, many employees felt that career opportunities at their current organizations dwindled after seeing the downsizing that occurred. It gave employees the feeling that companies were not going to help develop them, unless they took the initiative to do so

themselves. Unfortunately, this attitude means that workers will not wait for career opportunities within the company, unless a clear plan and guide is put into place by the company.

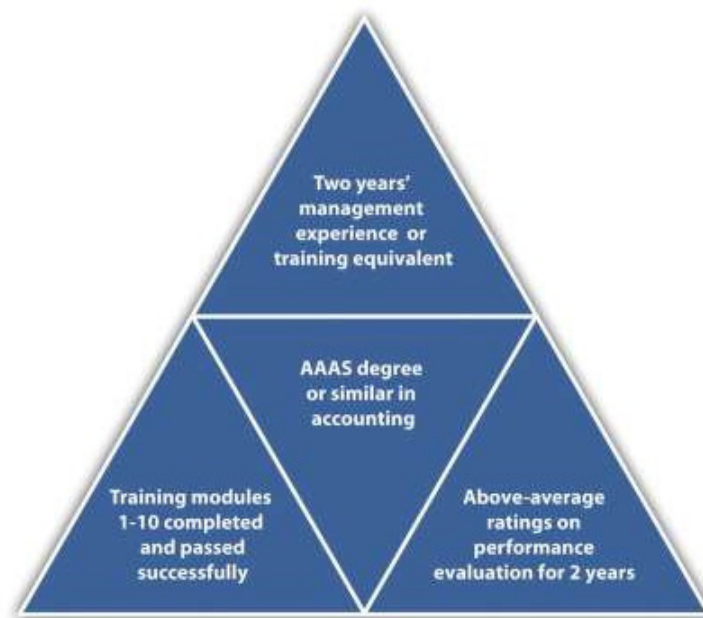


Figure 3: Represented the Career Development Sample Process.

Here is an example of a process that can be used to put a career development program in place:

- a) Meet individually with employees to identify their long-term career interests.
- b) Identify resources within the organization that can help employees achieve their goals. Create new opportunities for training if you see a gap in needs versus what is currently offered.
- c) Prepare a plan for each employee, or ask them to prepare the plan.
- d) Meet with the employee to discuss the plan.
- e) During performance evaluations, revisit the plan and make changes as necessary.
- f) Identifying and developing a planning process not only helps the employee but also can assist the managers in supporting employees in gaining new skills, adding value, and motivating employees[4], [5].

DISCUSSION

The objective of training in organizations is to equip employees with the skills and knowledge they need to perform their roles effectively and efficiently, thereby improving overall performance and achieving organizational goals. Effective training programs are critical to the success of any organization as they provide employees with the opportunity to learn new skills, keep up with industry trends, and enhance their performance. One of the key objectives of training is to address skill gaps. In today's rapidly changing business environment, new technologies and work processes are constantly emerging, making it essential for employees to have access to regular training and development opportunities. By

identifying areas where employees lack skills or knowledge, organizations can develop tailored training programs that target these areas, thus improving performance and overall organizational effectiveness. Another objective of training is to improve productivity. By providing employees with the skills and knowledge they need to work more efficiently, organizations can increase productivity and reduce costs. This is particularly important in industries where labor costs are high, and productivity is a key driver of profitability. Training programs can also increase employee engagement and motivation. When employees feel that their employer is investing in their professional development, they are more likely to feel valued and engaged in their work. This can lead to increased job satisfaction and reduced turnover, which in turn can lead to cost savings for the organization. Soft skills training is also an essential component of any training program. While job-related skills are crucial, soft skills such as communication, leadership, and teamwork are equally important for employees to succeed in their roles and contribute to the organization's success. By providing employees with training in these areas, organizations can foster a positive work culture that values collaboration and effective communication [6]–[8].

CONCLUSION

In today's constantly evolving business environment, effective training programs are critical to the success of any organization. The objective of training in organizations is to improve individual and team performance, enhance employee satisfaction and retention, and achieve overall organizational goals. By equipping employees with the necessary skills and knowledge, organizations can address skill gaps, improve productivity, increase employee engagement and motivation, and foster a positive work culture. Soft skills training is also an essential component of any training program, as it promotes effective communication, leadership, and teamwork, which are crucial for employee success and organizational success. In summary, the objective of training in organizations is to enhance the capabilities of employees and achieve organizational goals, making it a key component of organizational growth and development.

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CHAPTER 21

AN ELABORATION OF SUCCESSFUL EMPLOYEE COMMUNICATION

Dr. Salma Begum, Assistant Professor, Department of General Management,
CMS Business School, JAIN (Deemed to-be University), Bangalore, India,
Email Id- salma.begum@cms.ac.in

ABSTRACT:

Effective communication is a critical component of building a successful workplace culture, fostering employee engagement, and increasing productivity. This paper discusses the importance of successful employee communication in organizations and identifies key factors that contribute to effective communication. The paper also provides practical strategies and tips for employers and managers to improve their communication skills, including active listening, clarity in messaging, and the use of multiple channels of communication. Furthermore, the paper highlights the role of technology in employee communication, including the use of video conferencing and instant messaging tools. By implementing these strategies and embracing communication as a core organizational value, employers and managers can foster a culture of openness, collaboration, and mutual respect, resulting in a more engaged and motivated workforce.

KEYWORDS:

Active Listening, Communication Skills, Employee Communication, Effective Communication, Workplace Communication.

INTRODUCTION

Casey is seated at his desk reviewing his human resource strategic plan when Lily walks in, obviously upset. Her facial expressions show she is upset, and after she enters, she crosses her arms while standing in front of Casey's desk. Casey thinks Lily is a very hard worker and does an excellent job managing people as the manager of her marketing department. Lately, she has been having trouble with some of her employees. "Casey," she says, "I really need to vent. Can I sit down and talk with you?" Casey offers Lily a seat and she sits down. She tells Casey that Sam, a marketing manager, made snide and underhanded comments during a meeting this morning. "For example, when I asked the status on one of our projects, Sam said snidely, 'Why don't you ask one of your marketing assistants? They are doing such a great job, after all.' I suspect he is upset with something I wrote on my blog last week.

As you know, I started the blog to continually let employees know of changes in the department and to provide feedback. In last week's blog, I wrote about what a great job the marketing assistants are doing in my department." Lily goes on, "So I pulled him aside after the meeting and asked him about his comment. He said that he was upset that I had given feedback to the marketing assistants because he feels that as their manager, it is his job to do that. He felt I had stepped on his toes and the toes of other marketing managers." Casey thinks about the situation and asks Lily if she apologized. Lily responds, "I didn't feel like I needed to. I do think the marketing assistants are doing a good job, and I don't need to apologize for mentioning that. I am just trying to raise morale among them. You know, two

marketing assistants have quit in the last three months.” Casey leans back in his chair and gives some thought as to how to advise Lily. He suggests that Lily speak with Sam directly and tell him that her intention was only positive and not meant to be harmful, and see what happens. Lily thinks about that and says she will try to see Sam later today. When she leaves, Casey sits back and thinks about how communication is one of the biggest challenges in any job, but especially in human resources.

i. Communication Strategies

Communication, as you see in our opening scenario, is key to a successful career as a human resource manager or as a manager. While communication is likely discussed in several of your business classes, it should also be addressed in an HRM book, since much of what we do in HR is based on effective communication. How many times do miscommunications happen on a daily basis, either in your personal life or at your job? The good news is that we can all get better at communication. The first thing we need to do is learn how we can communicate with our employees.

Then we will want to look at our own communication style and compare that with other styles. Have you ever spoken with someone you just didn’t “get”? It is probably because you have different communication styles. We address this in Communication Styles . Body language is also a key contributor to communication; in fact, as was suggested in the late 1960s by researcher Albert Mehrabian, body language makes up 93 percent of our communication. 1 Part of communication is also looking at the way we manage people. Depending on our style of management, we may use a variety of management styles to communicate things we need done or to give performance feedback. One major way companies communicate with employees is through the use of meetings. Some meetings can be very effective, but as you probably already know, many meetings aren’t very productive. We will discuss some strategies to help you run a more effective meeting [1].

ii. Communication and Emotional Intelligence

One of the most important aspects to good communication is emotional intelligence. Emotional intelligence is different from IQ. First, EI predicts much of life success, much more than IQ, in fact. The great thing about EI is that it can actually improve over time, unlike IQ, which stays the same over a lifetime. According to Daniel Goleman, 3 a researcher on EI, there are five main aspects or domains to EI:

- a) Knowing your emotions
- b) Managing your emotions
- c) Motivating yourself
- d) Recognizing and understanding other people’s emotions
- e) Managing relationships

First, let’s discuss knowing your emotions. If we don’t know how we feel about something, it can be difficult to communicate. It may seem obvious to know what we are feeling from moment to moment, but oftentimes we do not. How we feel impacts our body language as well as our verbal communication. For example, let’s say you just got home from work and had a really crummy day. When you get home, you find that your spouse has not unloaded the dishwasher yet, as you had agreed. Tie this with a crummy day, and you might communicate differently about it than if you had a great day.

On the other hand, if you recognize that you are tired and a bit cranky, your awareness of these emotions allows you to manage them. The third aspect of EI, motivating yourself, goes without saying in a management or human resource role. This is the key not only to career success but also to personal success [2].

The last two domains of EI revolve around being able to see and understand emotions in other people, which in turn can benefit the relationship. Let's say, in the situation above, you get home and the dishwasher isn't unloaded, but you recognize immediately through body language and facial expressions that your spouse is extremely upset by something. Seeing this emotion in someone else may help you decide if you should mention the dishwasher or not at this specific time. But what if you didn't recognize this emotion and raised your voice to your spouse about the unloaded dishwasher? It will probably result in an argument. Using this example, I am sure you can see how this translates into the workplace. Emotional intelligence allows us to work better with people, understand them, and communicate with them.

iii. Communication Directions

As you already know, communication in companies is key to having a successful organization. Those companies who communicate well with their employees end up with more loyal and motivated workers. Those that don't communicate well, though, see increased turnover, absenteeism, dissatisfied customers, higher product defect rates, lack of focus on business objectives, and lack of innovation. Proper communication can result in a sense of belonging and self-worth, leading to less turnover and absenteeism, which is mentioned in the opening scenario. These issues are also discussed in Retention and Motivation.

In Communication Styles, we discuss some of the ways we can stay connected with our employees. Four main types of communications occur within a company: upward communication, downward communication, diagonal communication, and horizontal communication. Each type of communication can serve a different purpose in human resources, and many messages may be sent in a variety of ways [3].

Upward communication is when the lower levels of an organization communicate with the upper levels of an organization. Some examples might be an employee satisfaction survey using online survey tools such as Survey Monkey. These kinds of tools can be used to determine the changes that should occur in a company. Oftentimes human resource departments may develop a survey such as this to find out how satisfied the employees are with things such as benefits. Then the organization can make changes based on the satisfaction level of the employees. Employees might also engage in upward communication in a given work situation. They might tell their manager their plate is full and they can't take on any new projects. This is considered upward communication, too.

Downward communication is the opposite of upward communication, in that the communication occurs from the upper levels of an organization down to the lower levels of the organization. A manager explaining how to do a task to an employee would be considered downward communication. Development of training programs to communicate safety in the organization might be another example. A change in a pay or bonus structure would be communicated using the downward approach as well [4].

A diagonal communication approach occurs when interdepartmental communication occurs with people at different levels of the organization. When the human resources assistant speaks with the marketing manager about the hiring of a new employee in marketing, this would be considered diagonal communication. Horizontal communication occurs when people of the same level in an organization, for example, a marketing manager and a human

resource manager, communicate usually to coordinate work between departments. An accounting manager might share information with a production manager so the production manager knows how much budget they have left.

Within all the communication methods we discussed, there are a variety of approaches. Of course, the most obvious is the informal communication that occurs. An e-mail may be sent or a phone call made. Meetings are another way to communicate information. Companies can also use more formal means to communicate. A blog would be an example. Many companies use blogs to communicate information such as financial numbers, changes to policy, and other “state of the business” information. This type of information is often downward communication. However, blogs are not just for upper management anymore. Companies are using microblogs more and more to ensure that people in various departments stay connected with each other, especially when tasks tend to be very interdependent [5].

Companies also use social networking sites to keep in touch, such as Twitter and Facebook. For example, Alcatel-Lucent, a 77,000-employee telecommunications company in Europe, found that using social media keeps a large number of employees connected and tends to be a low or no-cost method of communicating. Rather than sending e-mail to their employees telling them to expect updates via these methods, the news is spread via word of mouth as most of the employee’s blog or use Facebook or other social media to communicate.

In fact, Alcatel-Lucent has over eight hundred groups in its system, ranging from business related to ones social in nature. Use of this type of technology can result in upward, downward, horizontal, and diagonal communication all at once. Companies also use intranets to communicate information to their employees. An intranet is an internal website, meaning that others generally cannot log in and see information there. The intranet may include information on pay and vacation time as well as recent happenings, awards, and achievements.

iv. Communication Styles

In addition to the communication that occurs within organizations, each of us has our own individual communication style. Many organizations give tests that may indicate their candidate’s preferred style, providing information on the best job fit. Our communication styles can determine how well we communicate with others, how well we are understood, and even how well we get along with others. As you can imagine, our personality types and our communication styles are very similar. Keep in mind, though, that no one person is “always” one style. We can change our style depending on the situation. The more we can understand our own dominant communication style and pinpoint the styles of others, the better we can communicate. The styles are expresser, driver, relater, and analytical. Let’s discuss each of these styles next [6].

People with an expresser communication style tend to get excited. They like challenges and rely heavily on hunches and feelings. Depending on the type of business, this can be a downfall as sometimes hard data should be used for decision-making purposes. These people are easily recognized because they don’t like too many facts or boring explanations and tend to be antsy if they feel their time is being wasted with too many facts.

People with a driver style like to have their own way and tend to be decisive. They have strong viewpoints, which they are not afraid to share with others. They like to take charge in their jobs but also in the way they communicate. Drivers usually get right to the point and not waste time with small talk.

People with a relater style like positive attention and want to be regarded warmly. They want others to care about them and treat them well. Because relaters value friendships, a good way to communicate well with them is to create a communication environment where they can feel close to others. People with an analytical communication style will ask a lot of questions and behave methodically. They don't like to be pressured to make a decision and prefer to be structured. They are easily recognized by the high number of questions they ask.

Table 1: Represented the Different Communication Style

	Passive	Assertive	Aggressive
Definition	Communication style in which you put the rights of others before your own, minimizing your own self-worth	Communication style in which you stand up for your rights while maintaining respect for the rights of others	Communication style in which you stand up for your rights but you violate the rights of others
Implication statements	my feelings are not important	we are both important	your feelings are not important
	I don't matter	we both matter	you don't matter
	I think I'm inferior	I think we are equal	I think I'm superior
Verbal styles	apologetic	I statements	you statements
	overly soft or tentative voice	firm voice	loud voice
Nonverbal styles	looking down or away	looking direct	staring, narrow eyes

	stooped posture, excessive head nodding	relaxed posture, smooth and relaxed movements	tense, clenched fists, rigid posture, pointing fingers
Potential consequences	lowered self-esteem	higher self-esteem	guilt
	anger at self	self-respect	anger from mothers
	false feelings of inferiority	respect from mothers	lowered self-esteem
	disrespect from mothers	respect from others	disrespect from mothers

Let's discuss an example of how these communication styles might interact. Let's assume an analytical communicator and a relater are beginning a meeting where the purpose is to develop a project time line. The analytical communicator will be focused on the time line and not necessarily the rapport building that the relater would be focused on. The conversation might go something like this:

Relater:

What are you doing this weekend? I am going to my son's baseball game. It is supposed to be hot—I am looking forward to it.

Analytical:

That's great. OK, so I was thinking a start date of August 1st for this project. I can get Kristin started on a to-do list for the project.

Relater:

That would be great. Kristin is a really hard worker, and I'm sure she won't miss any details.

Analytical:

Yes, she's OK. So, your team will need to start development now with a start day coming up. How are you going to go about this?

How do these two personality styles walk away from this conversation? First, the relater may feel ignored or rejected, because the analytical communicator didn't want to discuss weekend details. The analytical communicator may feel annoyed that the relater is wasting time talking about personal things when they have a goal to set a project time line. These types of small miscommunications in business are what can create low morale, absenteeism, and other workplace issues. Understanding which style we tend to use can be the key in determining how we communicate with others. Here is another, personal example of these communication styles and how a conversation might go:

Expresser, to his partner:

I am really excited for our hiking trip this weekend.

Driver:

I still think we should leave on Thursday night rather than Friday.

Expresser:

I told you; I don't think I can get all day Friday off. Besides, we won't have much time to explore anyway, if we get there on Thursday, it will already be dark.

Driver:

It won't be dark; we will get there around 7, before anyone else, if we leave after work.

Expresser:

I planned the trip. I am the one who went and got our food and permits, I don't see why you have to change it.

Driver:

You didn't plan the trip; I am the one who applied for the permits.

In this situation, you can see that the expresser is just excited about the trip and brings up the conversation as such. The driver has a tendency to be competitive and wants to win, hence his willingness to get there Thursday before everyone else. The expresser, on the other hand, tried to sell his ideas and didn't get the feedback he felt he deserved for planning the trip, which made the communication start to go south. In addition to our communication personalities, people tend to communicate based on one of three styles. First, a passive communicator tends to put the rights of others before his or her own. Passive communicators tend to be apologetic or sound tentative when they speak. They do not speak up if they feel like they are being wronged [7]. An aggressive communicator, on the other hand, will come across as standing up for his or her rights, while possibly violating the rights of others. This person tends to communicate in a way that tells others they don't matter, or their feelings don't matter. An assertive communicator respects his rights and the rights of others when communicating. This person tends to be direct but not insulting or offensive. The assertive communicator stands up for his or her own rights but makes sure the rights of others aren't affected.

Have you heard of a passive-aggressive communicator? This person tends to be passive but later aggressive by perhaps making negative comments about others or making snide or underhanded comments. This person might express his or her negative feelings in an indirect way, instead of being direct. For example, you are trying to complete a project for a client and the deadline is three days away. You and your team are working frantically to finish. You ask one of your employees to come in to work on Saturday morning to finish up the loose ends, so the project will be ready to present to the client on Monday. Your employee agrees, but when you show up on Monday, the project isn't ready to present. You find out that this person had plans on Saturday but wasn't direct with you about this. So the project didn't get completed, and you had to change the appointment with the client. Later, you also find out that this employee was complaining to everyone else that you had asked her to come in on Saturday. As you can see from this example, passive-aggressive behavior doesn't benefit anyone. The employee should have been direct and simply said, "I can't come in on Saturday, but I can come in Sunday or work late Friday night." Ideally, we want to be assertive

communicators, as this shows our own self-esteem but at the same time respects others and isn't misleading to others, either. When dealing with someone who exhibits passive-aggressive behavior, it is best to just be direct with them. Tell that person you would rather she be direct than not show up. Oftentimes passive-aggressive people try to play the martyr or the victim. Do not allow such people to press your buttons and get you to feel sorry for them. This gives them control and can allow them to take advantage [8].

v. Nonverbal Communication

Now that we have discussed the types of communication in organizations and different verbal communication styles, it is only appropriate to discuss body language as well. Most successful HR professionals are excellent at reading and understanding nonverbal language, especially during the interview process. This is discussed in Selection. The interviewer's nonverbal language can also help or hinder a candidate, so we want to be careful of our nonverbal language when interviewing someone. Nonverbal language accounts for a large part of communication. Without seeing and hearing the nonverbal clues, it is easier to have misunderstandings. Nonverbal language can include facial expressions, eye contact, standing or sitting posture, and the position of our hands. Our tone of voice, loudness or softness, and gestures can also be part of body language. The better we can get at knowing what our own body language is telling others and reading others' body language, the better we can get at communicating well with others.

Another note to consider on body language is how body language can be different across cultures. For example, the OK sign means "great" or "fine" in the United States, but in Brazil, Germany, and Russia, this sign would be considered both rude and offensive. In Japan, this sign means you want the store to give you change in coins. When traveling, we often take for granted that gestures, and even interpersonal distance, or how far apart we stand from another person, are the same at home, but obviously this is not the case. Different nonverbal language can be different wherever you go, so reading up on the place you will visit can ensure you won't offend anyone while there. Having this information can also help us train our employees for overseas assignments. This is discussed in Training and Development and International HRM.

Listening

Listening is obviously an important part of communication. There are three main types of listening. Competitive or combative listening happens when we are focused on sharing our own point of view instead of listening to someone else. Impassive listening, we are interesting in hearing the other person and assume we hear and understand what the person says correctly, without verifying. In active listening, we are interested in what the other person has to say and we are active in checking our understanding with the speaker. For example, we may restate what the person has said and then verify our understanding is correct. The feedback process is the main difference between passive listening and active listening [9].

Management Styles

Management style ties in very closely with communication style. There isn't necessarily one management style that is better than another; they are simply different and might be used in a variety of situations. HR managers can provide training on each of these areas since management style impacts the ability and motivation of employees to do their jobs. This is addressed in Retention and Motivation ".

vi. Task Style versus People-Centered Style

When we look at the styles of management, we see that most styles fall into one of two categories, a task-oriented management style or a people-centered style. A manager with a task-oriented style will focus on the technical or task aspects of the job. The concern for this manager is that employees know what is expected of them and have the tools needed to do their job. A people-oriented style is more concerned with the relationships in the workplace. The manager emphasizes the interpersonal relations, as opposed to the task. The manager is most concerned about the welfare of the employee and tends to be friendly and trusting. Understanding these two main differences in management style, we will now look at other possible styles a manager might use [10].

DISCUSSION

Effective communication is a critical component of building a successful workplace culture and achieving organizational goals. It is a process of exchanging information, ideas, and thoughts between individuals, groups, or departments within an organization. Successful employee communication ensures that employees have a clear understanding of their roles, responsibilities, and expectations, and feel valued and respected by their managers and colleagues. The importance of successful employee communication cannot be overstated. Poor communication can lead to misunderstandings, conflicts, and low morale among employees, which can have a negative impact on productivity and employee engagement. On the other hand, effective communication can foster a positive work environment, build trust and collaboration among team members, and improve overall organizational performance. There are several key factors that contribute to successful employee communication. Active listening is one of the most critical communication skills for managers and leaders to have. This involves paying attention to the speaker, asking clarifying questions, and demonstrating empathy to ensure that the message is fully understood. Clarity in messaging is also important. Communication should be clear, concise, and free of jargon or technical terms that may be unfamiliar to employees. The use of multiple channels of communication, such as face-to-face conversations, emails, and instant messaging, can help ensure that messages are received and understood by all employees. Technology has played a significant role in employee communication in recent years. Video conferencing and instant messaging tools have made it easier for remote workers and distributed teams to communicate effectively. However, it is important to use technology judiciously and ensure that it does not replace face-to-face communication entirely.

CONCLUSION

In conclusion, successful employee communication is a vital aspect of organizational success. Effective communication fosters a positive work environment, builds trust and collaboration, and improves overall organizational performance. It is important for employers and managers to prioritize employee communication and develop strategies that promote open and effective communication among employees. These strategies should include active listening, clarity in messaging, the use of multiple communication channels, and the judicious use of technology. By implementing these strategies, employers and managers can create a culture of communication that empowers employees, fosters engagement and productivity, and ultimately leads to the achievement of organizational goals.

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