

MAA OMWATI DEGREE COLLEGE HASSANPUR

EXAM NOTES

SUBJECT- Human Resource Management

Course Code: 26IMSI403DS03

CLASS-BBA 3RD SEM

UNIT 1

The Nature of HRM

Human Resource Management- An Introduction; Human Resource Business Partnership HRM; HRM policies, HRM in globally competitive environment; Functional HRM; strategic human resource management

UNIT 2

Plan, Acquire, Develop, Career Management

Employee life cycle approach, Human Resource Planning; Recruitment and Selection; Training and Development;

Competency Management; Career Management Talent Management, Managing the GIG employees and Virtual employees and team

UNIT 3

Engagement, Performance, Compensation Management, Industrial Relations, Compliance, Employment

Relations

Changing nature of Employee Engagement; Performance Management; Compensation and Benefits; Compensation

for Special Groups, Industrial Relations; Workplace Laws and Regulations; Employment Relations

UNIT 4

Technology, HR Analytics, Innovation

Human Resource Information and Analytics; Human Resource Management Innovations; Human Resource

Management in Small and Medium Enterprises; Human Resource Management in the Service Sector, Organization

Transformation and the Human Resource Leadership; Diversity, Equity and Inclusion;

Workplace Wellness,

sustainability goals and HRM, Green HRM and challenges.

UNIT–I: THE NATURE OF HUMAN RESOURCE MANAGEMENT

1. Human Resource Management – An Introduction

Meaning of Human Resource Management

Human Resource Management (HRM) is the systematic process of managing people in an organization to achieve organizational objectives effectively and efficiently.

Human resources are the people who contribute their **knowledge, skills, abilities, experience, creativity, and efforts** to an organization.

HRM covers the entire employee life cycle, including:

Human Resource Planning → Recruitment → Selection → Placement → Training → Performance Appraisal → Compensation → Career Development → Employee Relations → Retention → Separation

Definition of HRM

According to **Edwin B. Flippo**:

“Human Resource Management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources.”

Objectives of HRM

The major objectives are:

1. **Effective utilization of human resources**
2. **Recruitment of competent employees**
3. **Employee development**
4. **Improvement in employee performance**
5. **Employee motivation**
6. **Employee satisfaction**
7. **Good employee relations**
8. **Career development**
9. **Employee retention**
10. **Achievement of organizational goals**

2. Nature of HRM

The nature of HRM can be understood through its major characteristics.

1. People-Oriented

HRM focuses on people and their knowledge, skills, attitudes, motivation, and behaviour.

2. Goal-Oriented

HRM helps employees contribute toward the achievement of organizational goals.

3. Continuous Process

HRM continues throughout the employment relationship, beginning with recruitment and continuing until separation.

4. Development-Oriented

It develops employees through training, education, coaching, mentoring, and career development.

5. Universal Function

HRM is required in every organization, whether it is a business, government organization, college, hospital, bank, or NGO.

6. Dynamic

HR practices change according to technology, economic conditions, labour markets, laws, and employee expectations.

7. Strategic

Modern HRM contributes to long-term organizational planning and competitive advantage.

8. Integrative

HRM attempts to integrate the interests of employees with those of the organization.

3. Human Resource Business Partnership

Meaning

Human Resource Business Partnership (HRBP) is an approach in which HR professionals work closely with managers and business leaders to connect **people management with organizational and business objectives**.

Traditionally, HR departments mainly performed administrative activities such as maintaining employee records, processing salaries, and managing recruitment.

Under the HR Business Partnership approach, HR becomes a **strategic partner**.

Simple Meaning

HR Business Partnership means HR professionals work with business managers to solve organizational problems through effective management of people.

Objectives of HR Business Partnership

1. Align HR practices with business objectives.
2. Improve employee performance.
3. Support organizational growth.
4. Develop leadership and talent.
5. Manage organizational change.
6. Improve employee engagement.
7. Identify future workforce requirements.
8. Support managers in people-related decisions.
9. Build organizational capabilities.
10. Contribute to long-term business performance.

Role of an HR Business Partner

An HR Business Partner may perform the following roles:

1. Strategic Partner

Works with senior management to develop workforce strategies.

2. Change Agent

Helps employees and managers adapt to organizational changes.

3. Employee Advocate

Helps address employee concerns and workplace issues.

4. Talent Manager

Supports recruitment, development, succession planning, and retention.

5. Problem Solver

Uses HR knowledge and workforce information to address organizational problems.

6. Consultant

Provides advice to managers on employee-related matters.

Benefits of HR Business Partnership

- Better alignment between HR and business strategy
- Improved workforce planning
- Better managerial decision-making

- Improved employee development
- Greater focus on organizational performance
- Better management of organizational change
- Stronger leadership development

4. HRM Policies

Meaning of HRM Policies

HRM policies are general guidelines established by an organization to manage employees consistently and fairly.

They provide direction to managers and employees regarding various employment-related matters.

Simple Definition

HRM policies are written or established principles and guidelines that direct how an organization manages its human resources.

Objectives of HRM Policies

1. Provide clear guidelines to managers.
2. Ensure consistency in employee-related decisions.
3. Promote fairness and transparency.
4. Reduce confusion and conflicts.
5. Support organizational objectives.
6. Ensure compliance with applicable requirements.
7. Improve employee relations.
8. Establish standard HR practices.

Major Types of HRM Policies

1. Recruitment Policy

Specifies procedures for attracting and selecting employees.

2. Promotion Policy

Provides guidelines regarding employee advancement.

3. Compensation Policy

Deals with salary, wages, incentives, bonuses, and benefits.

4. Training and Development Policy

Provides guidelines for employee learning and skill development.

5. Performance Management Policy

Establishes procedures for evaluating employee performance.

6. Leave Policy

Specifies rules regarding different types of leave.

7. Attendance Policy

Defines expectations regarding attendance, working hours, and punctuality.

8. Employee Welfare Policy

Deals with employee welfare and workplace facilities.

9. Grievance Policy

Provides a formal mechanism for employees to raise and resolve complaints.

10. Health and Safety Policy

Establishes workplace health and safety practices.

11. Discipline Policy

Defines expected standards of employee conduct and procedures for dealing with violations.

12. Separation Policy

Deals with resignation, retirement, termination, and other forms of employee separation.

5. Principles of Good HRM Policies

Effective HR policies should be:

- **Clear**
- **Simple**

- **Fair**
- **Consistent**
- **Flexible**
- **Practical**
- **Employee-oriented**
- **Legally compliant**
- **Aligned with organizational objectives**

6. HRM in a Globally Competitive Environment

Meaning

Globalization has increased competition among organizations across countries. Organizations may operate in multiple countries and manage employees from different cultural, social, and professional backgrounds.

Therefore, HRM must manage employees in an environment characterized by:

- Global competition
- Technological development
- International workforce mobility
- Cultural diversity
- Changing employee expectations
- Rapid innovation

Impact of Globalization on HRM

1. Global Talent Competition

Organizations compete internationally for skilled employees.

2. Cultural Diversity

HR managers must manage employees belonging to different cultures, languages, values, and backgrounds.

3. International Recruitment

Organizations may recruit employees from different countries.

4. Technological Change

Digital technologies have changed recruitment, training, communication, performance management, and employee records.

5. International Compensation

Organizations operating internationally may need different compensation structures for employees in different countries.

6. Global Training

Employees may require training in international communication, cultural awareness, technology, and global business practices.

7. Global Leadership

Managers need skills to work effectively with geographically dispersed and culturally diverse teams.

8. Legal Differences

Organizations operating in different countries must consider applicable employment laws and regulations.

HRM Challenges in a Global Environment

Challenge	HR Response
Cultural diversity	Diversity and cultural-awareness programmes
Global competition	Talent development and retention
Technological change	Digital skills and continuous learning
Skill shortages	Recruitment and employee development
International assignments	Global mobility and support systems
Different employment regulations	Local compliance practices
Remote/global teams	Digital communication and collaboration
Changing employee expectations	Flexible and employee-oriented practices

7. Functional HRM

Meaning

Functional HRM refers to the traditional and operational functions performed by the HR department to manage employees effectively.

It focuses on the day-to-day management of human resources.

Major Functional Areas of HRM

1. Human Resource Planning

Determining the number and types of employees required by the organization.

2. Recruitment

Attracting qualified candidates for vacant positions.

3. Selection

Selecting the most suitable candidate through methods such as:

- Application screening
- Tests
- Interviews
- Reference checks

4. Placement

Assigning selected employees to appropriate positions.

5. Training and Development

Improving employees' knowledge, skills, and abilities.

6. Performance Appraisal

Systematically evaluating employee performance.

7. Compensation Management

Managing:

- Salary
- Wages
- Incentives
- Bonuses
- Benefits

8. Employee Welfare

Providing facilities and programmes for employee well-being.

9. Employee Relations

Maintaining healthy relationships between employees and management.

10. Career Development

Helping employees plan and develop their careers.

11. Health and Safety

Ensuring a safe and healthy workplace.

12. Separation

Managing retirement, resignation, termination, and other forms of separation.

8. Strategic Human Resource Management (SHRM)

Meaning

Strategic Human Resource Management (SHRM) is the process of aligning HR policies and practices with the organization's **overall strategy and long-term objectives**.

Simple Definition

SHRM means managing human resources in a way that supports the organization's long-term goals and competitive position.

Traditional HRM vs Strategic HRM

Basis	Traditional HRM	Strategic HRM
Focus	Day-to-day HR activities	Long-term organizational strategy
Orientation	Administrative	Strategic
Time perspective	Mainly short-term	Long-term
HR role	Support function	Strategic partner
Employee development	Functional requirement	Strategic investment
Decision-making	HR department	HR + senior management
Performance	Individual HR outcomes	Organizational outcomes

Basis	Traditional HRM	Strategic HRM
Approach	Reactive	More proactive

9. Features of Strategic HRM

1. Strategy Alignment

HR strategy is aligned with the organization's overall business strategy.

2. Long-Term Orientation

It focuses on future workforce requirements.

3. Proactive Approach

HR attempts to anticipate future challenges instead of simply responding to them.

4. Employee Development

It treats employee knowledge and capabilities as important organizational resources.

5. Integration

HR practices such as recruitment, training, performance management, and compensation are integrated with one another.

6. Competitive Advantage

Strategic management of human resources can help an organization develop capabilities that competitors may find difficult to replicate.

7. Top Management Involvement

Senior management is involved in major workforce and HR decisions.

10. Importance of Strategic HRM

Strategic HRM helps organizations to:

1. Align employees with organizational goals.
2. Develop required organizational capabilities.
3. Improve employee performance.
4. Identify future talent requirements.

5. Develop leadership.
6. Improve employee retention.
7. Manage organizational change.
8. Support innovation.
9. Improve workforce productivity.
10. Build long-term organizational capability.

11. Relationship Between HRM and Organizational Strategy

The relationship can be represented as:

Organizational Mission & Vision



Business Strategy



HR Strategy



HR Policies & Practices



Employee Skills & Behaviour



Employee Performance



Organizational Performance

For example, if an organization follows an **innovation-oriented strategy**, HR may emphasize:

- Hiring creative employees
- Continuous learning
- Teamwork
- Innovation-based rewards
- Leadership development
- Knowledge sharing

12. HRM, HR Business Partnership, Functional HRM and SHRM – Relationship

These concepts are interconnected:

Functional HRM

→ Performs essential HR activities

HR Policies

→ Provide guidelines for HR activities

HR Business Partnership

→ Connects HR expertise with business needs

Strategic HRM

→ Aligns human resources with long-term organizational strategy

Overall Framework

Business Strategy



Strategic HRM



HR Business Partnership



HR Policies



Functional HR Activities



Employee Performance & Organizational Outcomes

13. Key Terms for Examination

Term	Meaning
HRM	Management of people to achieve organizational objectives
HR Business Partner	HR professional who works with managers to connect people practices with business needs
HR Policy	Guideline for managing employees
Functional HRM	Operational HR activities such as recruitment, training and compensation
Strategic HRM	Alignment of HR with organizational strategy
Global HRM	Management of human resources in an international environment
Talent Management	Attracting, developing and retaining talented employees
Employee Engagement	Employees' involvement and commitment toward their work and organization

14. Short Revision Notes

HRM

HRM = Acquiring + Developing + Motivating + Maintaining + Retaining Employees

HR Business Partnership

HRBP = HR Expertise + Business Understanding + Strategic Support

HRM Policies

Policies = Guidelines + Consistency + Fairness + Direction

Global HRM

Global HRM = People Management + Global Competition + Cultural Diversity + Technology + International Environment

Functional HRM

Functional HRM = Recruitment + Selection + Training + Performance + Compensation + Welfare + Employee Relations

Strategic HRM

SHRM = Business Strategy + HR Strategy + Employee Capabilities + Organizational Performance

UNIT–II: PLAN, ACQUIRE, DEVELOP & CAREER MANAGEMENT

Detailed Notes on Human Resource Management

1. Introduction

The **Plan–Acquire–Develop–Career Management** approach explains how an organization manages its employees throughout their employment journey.

The major stages are:

PLAN → ACQUIRE → DEVELOP → MANAGE CAREER → RETAIN

- **Plan:** Determine future human resource requirements.
- **Acquire:** Recruit and select suitable employees.
- **Develop:** Provide training and improve competencies.

- **Career Management:** Provide opportunities for career growth.
- **Retain:** Create conditions that encourage employees to continue with the organization.

2. Employee Life Cycle Approach

Meaning

The **Employee Life Cycle (ELC)** refers to the different stages through which an employee passes during their relationship with an organization.

It begins when an organization identifies a need for an employee and continues through recruitment, employment, development, career progression, and eventually separation.

Employee Life Cycle

Workforce Planning



Recruitment



Selection



Onboarding



Development & Training



Performance Management



Career Growth



Engagement & Retention



Separation / Exit

Stages of Employee Life Cycle

1. Planning

The organization identifies:

- Number of employees required
- Skills required
- Future workforce needs
- New positions
- Existing skill gaps

2. Recruitment

The organization attracts potential candidates through:

- Job portals
- Advertisements
- Campus recruitment
- Employee referrals
- Recruitment agencies
- Social media

3. Selection

Suitable candidates are identified through:

- Application screening
- Tests
- Interviews
- Reference checks
- Other selection methods

4. Onboarding

New employees are introduced to:

- Organization
- Job responsibilities
- Policies
- Colleagues
- Workplace procedures
- Organizational culture

5. Training and Development

Employees receive opportunities to improve their:

- Knowledge
- Skills
- Abilities
- Competencies

6. Performance Management

Employee performance is monitored and discussed against established expectations.

7. Career Development

Employees are provided opportunities for:

- Promotion
- New responsibilities
- Skill development
- Leadership development
- Career planning

8. Engagement and Retention

Organizations try to maintain employee motivation and commitment through appropriate working conditions, recognition, development opportunities, compensation, and communication.

9. Separation

Employees may leave because of:

- Resignation
- Retirement
- Contract completion
- Termination
- Other reasons

Exit processes can include documentation, knowledge transfer, and exit interviews.

3. Human Resource Planning (HRP)

Meaning

Human Resource Planning is the process of estimating an organization's future human resource requirements and developing plans to meet those requirements.

Simple Definition

HRP means having the right number of people, with the right skills, in the right jobs, at the right time.

Objectives of HR Planning

1. Determine future manpower requirements.
2. Avoid shortage of employees.
3. Avoid unnecessary surplus of employees.
4. Identify skill gaps.
5. Support recruitment planning.

6. Support training and development.
7. Assist succession planning.
8. Improve utilization of human resources.
9. Support organizational expansion.
10. Prepare for future workforce changes.

Importance of HRP

1. Right Workforce

It helps organizations maintain an appropriate workforce.

2. Better Recruitment

Recruitment can be planned according to actual requirements.

3. Identification of Skill Gaps

Organizations can identify skills they currently lack.

4. Cost Control

Proper workforce planning can help avoid unnecessary staffing costs.

5. Future Preparation

It prepares the organization for expansion, technological change, retirement, and other workforce changes.

6. Career Planning

HRP supports employee development and succession planning.

HRP Process

Step 1: Analyze Organizational Objectives

Understand future business plans.

Step 2: Forecast Human Resource Demand

Estimate the number and types of employees required.

Step 3: Forecast Human Resource Supply

Assess available employees inside and outside the organization.

Step 4: Identify Gap

Compare demand with supply.

Demand > Supply = Employee Shortage

Supply > Demand = Employee Surplus

Step 5: Develop HR Action Plans

Possible actions include:

- Recruitment
- Training
- Promotion
- Transfer
- Redeployment
- Outsourcing
- Workforce reduction where appropriate

Step 6: Monitor and Review

HR plans should be reviewed as organizational conditions change.

4. Recruitment

Meaning

Recruitment is the process of identifying, attracting, and encouraging qualified people to apply for job vacancies.

Objectives of Recruitment

- Attract qualified candidates.
- Create a suitable applicant pool.
- Fill vacancies efficiently.
- Support organizational growth.
- Reach appropriate talent sources.

Sources of Recruitment

A. Internal Sources

Recruitment from within the organization.

Examples:

- Promotion
- Transfer
- Internal job posting
- Employee referrals

B. External Sources

Recruitment from outside the organization.

Examples:

- Job portals
- Campus recruitment
- Employment agencies
- Advertisements
- Professional networks
- Social media
- Walk-in applications

5. Selection

Meaning

Selection is the process of choosing the most suitable candidate from the applicants available for a particular job.

Recruitment vs Selection

Recruitment	Selection
Attracts candidates	Chooses candidates
Positive process	Screening and decision process
Creates applicant pool	Identifies suitable candidate
Comes before selection	Follows recruitment

Selection Process

Application → Screening → Test → Interview → Reference/Background Check → Final Decision → Job Offer → Placement

The exact process varies according to the organization and job.

6. Training and Development

Training

Training is a planned process through which employees acquire knowledge, skills, and behaviours needed to perform their current jobs effectively.

Development

Development is a broader and longer-term process aimed at preparing employees for future responsibilities and career growth.

Training vs Development

Training	Development
Mainly current job	Current and future roles
Usually short/medium term	Generally longer term
Job-specific	Broader capabilities
Improves current performance	Prepares for future responsibilities

Objectives of Training and Development

1. Improve employee performance.
2. Develop technical skills.
3. Improve quality and productivity.
4. Prepare employees for new technologies.
5. Develop managerial skills.
6. Reduce performance gaps.
7. Support career growth.
8. Improve adaptability.

Methods of Training

On-the-Job Methods

- Coaching
- Job rotation
- Apprenticeship

- Mentoring
- Demonstration

Off-the-Job Methods

- Lectures
- Workshops
- Seminars
- Case studies
- Role plays
- Simulations
- E-learning

7. Competency Management

Meaning of Competency

A **competency** is a combination of knowledge, skills, abilities, behaviours, and other characteristics that contribute to effective performance in a role.

Example

A competent HR manager may require:

- HR knowledge
- Communication skills
- Analytical ability
- Problem-solving
- Leadership
- Interpersonal skills
- Ethical behaviour

Competency Management

Competency Management is the systematic process of identifying, assessing, developing, and applying employee competencies according to organizational requirements.

Competency Management Process

Identify Competencies

↓

Define Competency Standards

↓

Assess Employees

↓
Identify Gaps
↓
Training & Development
↓
Evaluate Progress

Types of Competencies

1. Core Competencies

Competencies expected from employees across the organization.

2. Functional Competencies

Technical or job-specific competencies required for a particular position.

3. Behavioural Competencies

Behaviours such as:

- Teamwork
- Leadership
- Communication
- Adaptability
- Problem-solving

4. Managerial Competencies

Competencies required by managers, such as:

- Decision-making
- Planning
- Leadership
- Delegation
- Strategic thinking

8. Career Management

Meaning

Career Management is the process of planning and managing an individual's career development with the support of the organization.

It involves identifying career goals and developing the knowledge, skills, and experience required to achieve them.

Objectives o Career Management

1. Identify career goals.
2. Develop employee capabilities.
3. Prepare employees for higher responsibilities.
4. Improve employee motivation.
5. Support succession planning.
6. Improve employee retention.
7. Match employee aspirations with organizational opportunities.

Career Management Process

Self-Assessment



Career Goals



Career Opportunities



Development Plan



Training & Experience



Performance Review



Career Progression

9. Talent Management

Meaning

Talent Management is a systematic approach to attracting, identifying, developing, engaging, and retaining employees whose capabilities are important to organizational performance.

Major Components

Attract → Identify → Develop → Engage → Retain → Succession

Objectives of Talent Management

- Attract capable employees.
- Identify high-potential employees.
- Develop critical skills.
- Prepare future leaders.
- Improve employee engagement.
- Retain important talent.
- Support succession planning.

Talent Management Process

1. Talent Identification

Identify employees with required or potential capabilities.

2. Talent Development

Provide:

- Training
- Coaching
- Mentoring
- Job rotation
- Challenging assignments

3. Talent Deployment

Place employees in roles where their capabilities can be effectively used.

4. Talent Retention

Use appropriate compensation, career opportunities, recognition, development, and workplace practices.

5. Succession Planning

Identify and develop potential candidates for important future positions.

10. Managing Gig Employees

Meaning of Gig Employees

Gig employees are individuals who perform work through short-term, temporary, freelance, project-based, or contract arrangements rather than traditional long-term employment relationships.

Examples include:

- Freelancers
- Independent professionals
- Project-based workers
- Contract workers
- Platform-based workers

Characteristics of Gig Work

1. Flexible work arrangements
2. Short-term or project-based work
3. Multiple clients or organizations may be involved
4. Greater worker autonomy in some arrangements
5. Digital platforms may facilitate work
6. Payment may be linked to projects, tasks, or assignments

Advantages of Gig Employees for Organizations

- Access to specialized skills
- Workforce flexibility
- Ability to scale resources according to projects
- Access to wider talent pools
- Potentially faster hiring for specialized assignments

Challenges of Managing Gig Employees

1. Engagement

Gig workers may have limited long-term organizational attachment.

2. Communication

Remote and temporary arrangements can create communication challenges.

3. Knowledge Retention

Organizations may lose knowledge when a project worker leaves.

4. Performance Management

Traditional appraisal systems may not always suit project-based workers.

5. Legal and Contractual Issues

Organizations need appropriate arrangements regarding contracts, payment, confidentiality, intellectual property, and applicable requirements.

6. Organizational Culture

Temporary workers may have fewer opportunities to become deeply integrated into organizational culture.

Strategies for Managing Gig Employees

- Clear contracts and expectations
- Well-defined deliverables
- Effective digital communication
- Timely payments
- Appropriate onboarding
- Access to necessary information and tools
- Regular performance feedback
- Respectful treatment
- Proper knowledge-transfer procedures

11. Managing Virtual Employees

Meaning

Virtual employees are employees who perform their work remotely and communicate with colleagues and managers primarily through digital technologies.

They may work:

- From home
- From another city
- From another country
- From co-working spaces
- Through hybrid arrangements

Characteristics of Virtual Work

- Remote communication
- Digital collaboration
- Geographically dispersed teams
- Flexible working arrangements
- Dependence on technology

Challenges of Managing Virtual Employees

1. Communication

Lack of face-to-face interaction may create misunderstandings.

2. Coordination

Different locations and working hours can make coordination difficult.

3. Performance Monitoring

Managers need to focus on outcomes rather than physical presence.

4. Employee Isolation

Remote employees may experience reduced social interaction with colleagues.

5. Technology Problems

Poor internet connectivity or inadequate digital tools can affect productivity.

6. Data Security

Remote access can create additional information-security requirements.

Strategies for Managing Virtual Employees

1. Clear Communication

Establish communication channels and response expectations.

2. Goal-Based Performance Management

Focus on measurable outputs and agreed objectives.

3. Regular Meetings

Use appropriate online meeting platforms.

4. Digital Collaboration

Use shared documents, project-management tools, and communication systems.

5. Trust and Autonomy

Give employees reasonable autonomy while maintaining accountability.

6. Virtual Team Building

Create opportunities for interaction and collaboration.

7. Technical Support

Provide necessary technology, training, and support.

12. Gig Employees vs Virtual Employees

Basis	Gig Employees	Virtual Employees
Employment	Often temporary/contract/project-based	May be regular or contract employees
Work location	Can be physical or remote	Usually remote
Duration	Often short-term/project-based	Can be long-term
Relationship	May work for multiple clients	Usually connected to one organization
Main feature	Flexible work arrangement	Remote work arrangement
HR focus	Contract, deliverables, payment, engagement	Communication, performance, collaboration

Important: A gig employee can also be a virtual employee. The two concepts describe different dimensions of work.

13. Relationship Between All Topics in Unit II

The entire unit can be understood as an integrated HR process:

PLAN

Human Resource Planning

↓

ACQUIRE

Recruitment → Selection → Placement

↓

DEVELOP

Training → Development → Competency Management



CAREER MANAGEMENT

Career Planning → Career Development → Promotion



TALENT MANAGEMENT

Identify → Develop → Engage → Retain → Succession



MODERN WORKFORCE

Gig Employees + Virtual Employees



ORGANIZATIONAL PERFORMANCE

14. Quick Revision Table

Topic	Key Meaning
Employee Life Cycle	Stages an employee passes through in an organization
HR Planning	Forecasting future human resource requirements
Recruitment	Attracting potential candidates
Selection	Choosing suitable candidates
Training	Improving skills for current work
Development	Preparing employees for future responsibilities
Competency Management	Managing knowledge, skills, abilities and behaviours
Career Management	Planning and developing employee careers
Talent Management	Attracting, developing and retaining important talent
Gig Employees	Short-term, freelance, contract or project-based workers
Virtual Employees	Employees working remotely using digital technologies

UNIT-II

PLAN, ACQUIRE, DEVELOP & CAREER MANAGEMENT

1. Introduction

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PLAN → ACQUIRE → DEVELOP → MANAGE CAREER → RETAIN

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Meaning

The **Employee Life Cycle (ELC)** refers to the different stages through which an employee passes during their relationship with an organization.

It begins when an organization identifies a need for an employee and continues through recruitment, employment, development, career progression, and eventually separation.

Employee Life Cycle

Workforce Planning



Recruitment



Selection



Onboarding



Development & Training



Performance Management



Career Growth



Engagement & Retention



Separation / Exit

Stages of Employee Life Cycle

1. Planning

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3. Selection

Suitable candidates are identified through:

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- Interviews
- Reference checks
- Other selection methods

4. Onboarding

New employees are introduced to:

- Organization
- Job responsibilities
- Policies
- Colleagues
- Workplace procedures
- Organizational culture

5. Training and Development

Employees receive opportunities to improve their:

- Knowledge
- Skills
- Abilities
- Competencies

6. Performance Management

Employee performance is monitored and discussed against established expectations.

7. Career Development

Employees are provided opportunities for:

- Promotion
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- Skill development
- Leadership development
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Organizations try to maintain employee motivation and commitment through appropriate working conditions, recognition, development opportunities, compensation, and communication.

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2. Avoid shortage of employees.
3. Avoid unnecessary surplus of employees.
4. Identify skill gaps.
5. Support recruitment planning.
6. Support training and development.
7. Assist succession planning.
8. Improve utilization of human resources.
9. Support organizational expansion.
10. Prepare for future workforce changes.

Importance of HRP

1. Right Workforce

It helps organizations maintain an appropriate workforce.

2. Better Recruitment

Recruitment can be planned according to actual requirements.

3. Identification of Skill Gaps

Organizations can identify skills they currently lack.

4. Cost Control

Proper workforce planning can help avoid unnecessary staffing costs.

5. Future Preparation

It prepares the organization for expansion, technological change, retirement, and other workforce changes.

6. Career Planning

HRP supports employee development and succession planning.

HRP Process

Step 1: Analyze Organizational Objectives

Understand future business plans.

Step 2: Forecast Human Resource Demand

Estimate the number and types of employees required.

Step 3: Forecast Human Resource Supply

Assess available employees inside and outside the organization.

Step 4: Identify Gap

Compare demand with supply.

Demand > Supply = Employee Shortage

Supply > Demand = Employee Surplus

Step 5: Develop HR Action Plans

Possible actions include:

- Recruitment
- Training
- Promotion
- Transfer
- Redeployment
- Outsourcing
- Workforce reduction where appropriate

Step 6: Monitor and Review

HR plans should be reviewed as organizational conditions change.

4. Recruitment

Meaning

Recruitment is the process of identifying, attracting, and encouraging qualified people to apply for job vacancies.

Objectives of Recruitment

- Attract qualified candidates.
- Create a suitable applicant pool.
- Fill vacancies efficiently.
- Support organizational growth.
- Reach appropriate talent sources.

Sources of Recruitment

A. Internal Sources

Recruitment from within the organization.

Examples:

- Promotion
- Transfer
- Internal job posting
- Employee referrals

B. External Sources

Recruitment from outside the organization.

Examples:

- Job portals
- Campus recruitment
- Employment agencies
- Advertisements
- Professional networks
- Social media
- Walk-in applications

5. Selection

Meaning

Selection is the process of choosing the most suitable candidate from the applicants available for a particular job.

Recruitment vs Selection

Recruitment	Selection
Attracts candidates	Chooses candidates
Positive process	Screening and decision process
Creates applicant pool	Identifies suitable candidate
Comes before selection	Follows recruitment

Selection Process

Application → Screening → Test → Interview → Reference/Background Check → Final Decision → Job Offer → Placement

The exact process varies according to the organization and job.

6. Training and Development

Training

Training is a planned process through which employees acquire knowledge, skills, and behaviours needed to perform their current jobs effectively.

Development

Development is a broader and longer-term process aimed at preparing employees for future responsibilities and career growth.

Training vs Development

Training	Development
Mainly current job	Current and future roles
Usually short/medium term	Generally longer term
Job-specific	Broader capabilities

Training

Improves current performance

Development

Prepares for future responsibilities

Objectives of Training and Development

1. Improve employee performance.
2. Develop technical skills.
3. Improve quality and productivity.
4. Prepare employees for new technologies.
5. Develop managerial skills.
6. Reduce performance gaps.
7. Support career growth.
8. Improve adaptability.

Methods of Training

On-the-Job Methods

- Coaching
- Job rotation
- Apprenticeship
- Mentoring
- Demonstration

Off-the-Job Methods

- Lectures
- Workshops
- Seminars
- Case studies
- Role plays
- Simulations
- E-learning

7. Competency Management

Meaning of Competency

A **competency** is a combination of knowledge, skills, abilities, behaviours, and other characteristics that contribute to effective performance in a role.

Example

A competent HR manager may require:

- HR knowledge
- Communication skills
- Analytical ability
- Problem-solving
- Leadership
- Interpersonal skills
- Ethical behaviour

Competency Management

Competency Management is the systematic process of identifying, assessing, developing, and applying employee competencies according to organizational requirements.

Competency Management Process

Identify Competencies



Define Competency Standards



Assess Employees



Identify Gaps



Training & Development



Evaluate Progress

Types of Competencies

1. Core Competencies

Competencies expected from employees across the organization.

2. Functional Competencies

Technical or job-specific competencies required for a particular position.

3. Behavioural Competencies

Behaviours such as:

- Teamwork
- Leadership

- Communication
- Adaptability
- Problem-solving

4. Managerial Competencies

Competencies required by managers, such as:

- Decision-making
- Planning
- Leadership
- Delegation
- Strategic thinking

8. Career Management

Meaning

Career Management is the process of planning and managing an individual's career development with the support of the organization.

It involves identifying career goals and developing the knowledge, skills, and experience required to achieve them.

Objectives of Career Management

1. Identify career goals.
2. Develop employee capabilities.
3. Prepare employees for higher responsibilities.
4. Improve employee motivation.
5. Support succession planning.
6. Improve employee retention.
7. Match employee aspirations with organizational opportunities.

Career Management Process

Self-Assessment



Career Goals



Career Opportunities



Development Plan



Training & Experience

↓

Performance Review

↓

Career Progression

9. Talent Management

Meaning

Talent Management is a systematic approach to attracting, identifying, developing, engaging, and retaining employees whose capabilities are important to organizational performance.

Major Components

Attract → Identify → Develop → Engage → Retain → Succession

Objectives of Talent Management

- Attract capable employees.
- Identify high-potential employees.
- Develop critical skills.
- Prepare future leaders.
- Improve employee engagement.
- Retain important talent.
- Support succession planning.

Talent Management Process

1. Talent Identification

Identify employees with required or potential capabilities.

2. Talent Development

Provide:

- Training
- Coaching
- Mentoring
- Job rotation
- Challenging assignments

3. Talent Deployment

Place employees in roles where their capabilities can be effectively used.

4. Talent Retention

Use appropriate compensation, career opportunities, recognition, development, and workplace practices.

5. Succession Planning

Identify and develop potential candidates for important future positions.

10. Managing Gig Employees

Meaning of Gig Employees

Gig employees are individuals who perform work through short-term, temporary, freelance, project-based, or contract arrangements rather than traditional long-term employment relationships.

Examples include:

- Freelancers
- Independent professionals
- Project-based workers
- Contract workers
- Platform-based workers

Characteristics of Gig Work

1. Flexible work arrangements
2. Short-term or project-based work
3. Multiple clients or organizations may be involved
4. Greater worker autonomy in some arrangements
5. Digital platforms may facilitate work
6. Payment may be linked to projects, tasks, or assignments

Advantages of Gig Employees for Organizations

- Access to specialized skills
- Workforce flexibility
- Ability to scale resources according to projects

- Access to wider talent pools
- Potentially faster hiring for specialized assignments

Challenges of Managing Gig Employees

1. Engagement

Gig workers may have limited long-term organizational attachment.

2. Communication

Remote and temporary arrangements can create communication challenges.

3. Knowledge Retention

Organizations may lose knowledge when a project worker leaves.

4. Performance Management

Traditional appraisal systems may not always suit project-based workers.

5. Legal and Contractual Issues

Organizations need appropriate arrangements regarding contracts, payment, confidentiality, intellectual property, and applicable requirements.

6. Organizational Culture

Temporary workers may have fewer opportunities to become deeply integrated into organizational culture.

Strategies for Managing Gig Employees

- Clear contracts and expectations
- Well-defined deliverables
- Effective digital communication
- Timely payments
- Appropriate onboarding
- Access to necessary information and tools
- Regular performance feedback
- Respectful treatment
- Proper knowledge-transfer procedures

11. Managing Virtual Employees

Meaning

Virtual employees are employees who perform their work remotely and communicate with colleagues and managers primarily through digital technologies.

They may work:

- From home
- From another city
- From another country
- From co-working spaces
- Through hybrid arrangements

Characteristics of Virtual Work

- Remote communication
- Digital collaboration
- Geographically dispersed teams
- Flexible working arrangements
- Dependence on technology

Challenges of Managing Virtual Employees

1. Communication

Lack of face-to-face interaction may create misunderstandings.

2. Coordination

Different locations and working hours can make coordination difficult.

3. Performance Monitoring

Managers need to focus on outcomes rather than physical presence.

4. Employee Isolation

Remote employees may experience reduced social interaction with colleagues.

5. Technology Problems

Poor internet connectivity or inadequate digital tools can affect productivity.

6. Data Security

Remote access can create additional information-security requirements.

Strategies for Managing Virtual Employees

1. Clear Communication

Establish communication channels and response expectations.

2. Goal-Based Performance Management

Focus on measurable outputs and agreed objectives.

3. Regular Meetings

Use appropriate online meeting platforms.

4. Digital Collaboration

Use shared documents, project-management tools, and communication systems.

5. Trust and Autonomy

Give employees reasonable autonomy while maintaining accountability.

6. Virtual Team Building

Create opportunities for interaction and collaboration.

7. Technical Support

Provide necessary technology, training, and support.

12. Gig Employees vs Virtual Employees

Basis	Gig Employees	Virtual Employees
Employment	Often temporary/contract/project-based	May be regular or contract employees
Work location	Can be physical or remote	Usually remote
Duration	Often short-term/project-based	Can be long-term

Basis	Gig Employees	Virtual Employees
Relationship	May work for multiple clients	Usually connected to one organization
Main feature	Flexible work arrangement	Remote work arrangement
HR focus	Contract, deliverables, payment, engagement	Communication, performance, collaboration

Important: A gig employee can also be a virtual employee. The two concepts describe different dimensions of work.

13. Relationship Between All Topics in Unit II

The entire unit can be understood as an integrated HR process:

PLAN

Human Resource Planning

↓

ACQUIRE

Recruitment → Selection → Placement

↓

DEVELOP

Training → Development → Competency Management

↓

CAREER MANAGEMENT

Career Planning → Career Development → Promotion

↓

TALENT MANAGEMENT

Identify → Develop → Engage → Retain → Succession

↓

MODERN WORKFORCE

UNIT–III:

ENGAGEMENT, PERFORMANCE, COMPENSATION MANAGEMENT, INDUSTRIAL RELATIONS, COMPLIANCE & EMPLOYMENT RELATIONS

1. Introduction

Unit III focuses on how organizations **engage employees, manage their performance, reward them, maintain industrial relations, comply with workplace laws, and develop healthy employment relationships.**

The major areas are:

Employee Engagement → Performance Management → Compensation & Benefits → Special Groups → Industrial Relations → Workplace Laws & Regulations → Employment Relations

2. Changing Nature of Employee Engagement

Meaning of Employee Engagement

Employee engagement refers to the extent to which employees are emotionally, mentally, and behaviourally connected with their work and organization.

An engaged employee generally shows:

- Interest in work
- Commitment to organizational objectives
- Willingness to contribute
- Initiative
- Participation
- Positive involvement

Employee Engagement is Different from Employee Satisfaction

Employee satisfaction mainly refers to how content an employee is with their job.

Employee engagement goes further and concerns the employee's involvement, commitment, and willingness to contribute to organizational objectives.

Traditional Nature of Employee Engagement

Earlier, organizations mainly focused on:

- Job satisfaction
- Salary
- Job security
- Working conditions
- Basic welfare
- Supervisor relationships

Changing Nature of Employee Engagement

Modern employees often expect more than salary and job security.

1. Meaningful Work

Employees increasingly value work that provides purpose and meaning.

2. Career Development

Employees expect opportunities to learn and develop professionally.

3. Recognition

Recognition for good performance can contribute to employee engagement.

4. Work-Life Balance

Employees increasingly value flexibility and reasonable balance between professional and personal responsibilities.

5. Employee Voice

Employees expect opportunities to communicate suggestions, concerns, and ideas.

6. Flexible Work

Remote and hybrid working arrangements have changed how organizations maintain employee connection.

7. Technology

Digital communication and collaboration platforms have become important for employee interaction.

8. Well-being

Organizations increasingly consider physical, psychological, and social aspects of employee well-being.

9. Inclusion

Employees may expect respectful and inclusive workplaces where different backgrounds and perspectives are appropriately accommodated.

Drivers of Employee Engagement

Leadership + Communication + Recognition + Career Growth + Meaningful Work + Fairness + Autonomy + Well-being + Work Environment

Methods of Improving Employee Engagement

1. Clear communication
2. Recognition and appreciation
3. Career development opportunities
4. Training and learning
5. Employee participation
6. Fair compensation
7. Supportive leadership
8. Flexible work arrangements where appropriate
9. Regular feedback
10. Healthy workplace environment

3. Performance Management

Meaning

Performance Management is a continuous process of setting expectations, monitoring performance, providing feedback, developing employees, and aligning individual performance with organizational objectives.

It is broader than simply conducting an annual performance appraisal.

Performance Management Cycle

Planning → Performance → Monitoring → Feedback → Development → Review → Recognition/Improvement

Objectives of Performance Management

1. Align individual and organizational goals.
2. Clarify job expectations.
3. Improve employee performance.
4. Identify training needs.
5. Provide regular feedback.
6. Support career development.
7. Identify high performance and performance gaps.
8. Support compensation and recognition decisions.
9. Improve organizational performance.

Performance Management Process

1. Performance Planning

Set:

- Goals
- Responsibilities
- Performance standards
- Key performance indicators

2. Performance Monitoring

Managers observe and track performance during the work period.

3. Feedback

Employees receive information about their performance and areas for improvement.

4. Performance Review

Performance is formally reviewed against established expectations.

5. Development

Training, coaching, mentoring, or other development activities may be provided.

6. Recognition or Corrective Action

Good performance may be recognized, while performance gaps may require improvement plans or additional support.

4. Performance Appraisal

Meaning

Performance appraisal is the systematic assessment of an employee's performance during a specified period.

It is one component of the broader performance management system.

Common Methods

1. Rating Scale

Employees are rated against predetermined performance factors.

2. Ranking Method

Employees are placed in an order based on specified criteria.

3. Management by Objectives (MBO)

Performance is assessed based on achievement of mutually established objectives.

4. 360-Degree Feedback

Feedback is collected from multiple sources such as:

- Manager
- Peers
- Subordinates
- Self
- Other relevant stakeholders

5. Behaviourally Anchored Rating Scales (BARS)

Performance is assessed using specific behavioural examples associated with performance levels.

5. Compensation and Benefits

Meaning of Compensation

Compensation refers to the financial and non-financial rewards provided to employees in return for their work and contribution.

Components of Compensation

Compensation

- Direct Compensation
- Indirect Compensation
- Non-financial Rewards

A. Direct Compensation

Direct compensation is paid directly to employees.

Examples:

- Basic salary
- Wages
- Overtime pay
- Incentives
- Bonuses
- Commissions

B. Indirect Compensation / Benefits

These are benefits provided in addition to direct pay.

Examples:

- Leave benefits
- Retirement-related benefits
- Insurance benefits
- Medical benefits
- Allowances
- Other employee welfare benefits

The exact benefits depend on the organization's policies and applicable law.

C. Non-Financial Rewards

Examples include:

- Recognition
- Career opportunities
- Flexible work arrangements
- Greater responsibility
- Learning opportunities
- Meaningful work
- Positive work environment

6. Objectives of Compensation Management

Compensation management aims to:

1. Attract qualified employees.
2. Retain employees.
3. Motivate employees.
4. Reward performance.
5. Maintain internal fairness.
6. Remain competitive with relevant labour markets.
7. Support organizational objectives.
8. Comply with applicable requirements.
9. Manage compensation costs effectively.

7. Principles of Effective Compensation

An effective compensation system should consider:

1. Internal Equity

Employees performing comparable work should be treated consistently according to the organization's compensation structure.

2. External Competitiveness

Pay should be considered in relation to relevant labour-market conditions.

3. Performance

Where appropriate, compensation can recognize employee contribution and performance.

4. Fairness

Employees should perceive compensation practices as fair and transparent.

5. Flexibility

Compensation structures may need to adapt to organizational and labour-market changes.

6. Legal Compliance

Compensation practices must follow applicable laws and regulations.

8. Compensation for Special Groups

Different employee groups may have different compensation requirements because of the nature of their work, employment arrangements, or organizational responsibilities.

Examples of Special Groups

- Executives
- Sales employees
- Contract employees
- Gig workers
- Expatriates
- Remote employees
- Part-time employees
- Temporary employees
- Employees working in hazardous or difficult conditions

1. Executive Compensation

May include:

- Basic salary
- Performance incentives
- Bonus
- Benefits
- Long-term incentives, depending on the organization

Executive compensation often considers organizational performance, responsibilities, and market conditions.

2. Sales Employee Compensation

Common components include:

- Fixed salary
- Commission
- Sales incentives
- Performance bonuses

The purpose is often to link part of compensation to sales or performance outcomes.

3. Expatriate Compensation

Employees working in another country may receive additional arrangements related to:

- Base salary
- Housing
- Relocation
- Travel
- Cost differences
- Other assignment-related benefits

4. Gig and Contract Workers

Compensation may be based on:

- Project
- Task
- Hour
- Assignment
- Contract terms

Their arrangements differ from those of regular employees and depend on applicable contractual and legal requirements.

9. Industrial Relations

Meaning

Industrial Relations (IR) refers to the relationships among employees, employers, employee representatives, trade unions, and other institutions involved in the employment relationship.

It focuses particularly on the relationship between **management and employees** and mechanisms for addressing workplace issues.

Objectives of Industrial Relations

1. Maintain harmonious workplace relationships.
2. Reduce unnecessary disputes.
3. Promote communication.
4. Facilitate collective bargaining where applicable.
5. Address employee grievances.
6. Improve cooperation between employees and management.

7. Support productivity.
8. Promote workplace stability.

10. Parties to Industrial Relations

The major parties are:

1. Employers / Management

Responsible for organizational decisions and employment practices.

2. Employees

Individuals who provide labour and services to the organization.

3. Trade Unions / Employee Representatives

Represent employee interests where applicable.

4. Government

Establishes and administers the legal framework governing employment relations.

11. Major Areas of Industrial Relations

1. Collective Bargaining

A process in which employers and employee representatives negotiate employment-related matters.

These may include:

- Wages
- Working conditions
- Working hours
- Benefits
- Other employment terms

2. Grievance Handling

A structured mechanism for employees to raise workplace concerns.

3. Industrial Disputes

Disagreements may arise regarding:

- Wages
- Working conditions
- Discipline
- Employment terms
- Organizational changes

4. Employee Participation

Employees may participate in workplace decisions through recognized consultation or representation mechanisms.

5. Discipline

Organizations establish standards of workplace conduct and procedures for addressing violations.

12. Workplace Laws and Regulations

Meaning of Compliance

HR compliance means ensuring that employment practices, policies, procedures, and workplace conditions follow applicable laws, regulations, rules, and organizational requirements.

For HR professionals, compliance may cover:

- Wages
- Working hours
- Leave
- Social security
- Workplace safety
- Equality and non-discrimination
- Sexual harassment prevention
- Employee records
- Termination and separation
- Industrial relations

13. Important Workplace Laws in India

Indian labour regulation has undergone significant consolidation through labour codes. The four major labour codes are:

1. Code on Wages, 2019

Covers areas relating to wages, including provisions concerning minimum wages and timely payment of wages.

2. Industrial Relations Code, 2020

Deals with areas including:

- Trade unions
- Industrial disputes
- Conditions relating to industrial establishments

3. Code on Social Security, 2020

Provides a framework relating to social security and includes provisions concerning different categories of workers.

4. Occupational Safety, Health and Working Conditions Code, 2020

Deals with occupational safety, health, and working conditions.

Note: The exact applicability of provisions depends on the relevant law, rules, establishment, employee category, and government notifications in force.

Other Important Workplace Compliance Areas

Sexual Harassment at Workplace

Organizations need appropriate mechanisms for prevention and redressal of sexual harassment in accordance with applicable law, including the **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**.

Workplace Safety

Employers need to maintain appropriate safety standards according to applicable requirements.

Social Security

Applicable social-security arrangements may include areas such as provident fund, employee insurance, gratuity, and maternity-related benefits, depending on eligibility and applicable law.

14. Importance of HR Compliance

HR compliance helps organizations:

- Follow applicable employment laws.
- Protect employee rights.
- Reduce legal and financial risks.
- Maintain proper documentation.
- Establish consistent HR procedures.
- Build employee trust.
- Promote responsible employment practices.

15. Employment Relations

Meaning

Employment relations refers to the overall relationship between an employer and employees concerning work, employment conditions, communication, rights, responsibilities, expectations, and workplace interactions.

Employment relations is broader than industrial relations because it includes everyday individual employment relationships as well as collective relationships.

Components of Employment Relations

1. Communication

Regular communication between employees and management.

2. Trust

Employees and employers need confidence in each other's commitments and processes.

3. Fairness

Employment decisions should be based on consistent and appropriate principles.

4. Employee Voice

Employees should have appropriate channels to express views and concerns.

5. Grievance Handling

Organizations should provide mechanisms for resolving workplace complaints.

6. Employee Participation

Employees may participate in relevant workplace discussions and decisions.

7. Conflict Management

Organizations need methods for identifying and resolving workplace conflicts.

16. Industrial Relations vs Employment Relations

Basis	Industrial Relations	Employment Relations
Scope	Traditionally focuses on collective workplace relationships	Broader employer–employee relationship
Main focus	Management, employees, unions and collective issues	Individual and collective employment relationships
Collective bargaining	Major area	May be included
Employee grievances	Included	Included
Individual relationship	Less central traditionally	Central
Modern approach	Often associated with labour-management relations	Broader relationship throughout employee life cycle

17. Employee Engagement and Employment Relations

There is a close relationship between engagement and employment relations.

Fair Treatment

↓

Trust

↓

Communication

↓

Employee Voice

↓

Positive Employment Relationship



Employee Engagement

A healthy employment relationship can create conditions that support employee involvement and commitment.

18. Integrated HRM Framework – Unit III

The topics of Unit III are interconnected:

Employee Engagement



Performance Management



Compensation & Benefits



Industrial Relations



Legal Compliance



Employment Relations



Organizational Effectiveness

For example, clear performance expectations can support performance management; performance information may inform reward decisions; fair rewards and communication can affect employment relationships; and all HR practices must operate within the applicable legal framework.

19. Quick Revision Table

Topic	Key Meaning
Employee Engagement	Employee involvement, connection and commitment toward work and organization
Performance Management	Continuous process of planning, monitoring, feedback and development
Performance Appraisal	Formal assessment of employee performance
Compensation	Financial and non-financial rewards provided for work

Topic	Key Meaning
Benefits	Additional employment-related rewards and facilities
Special Group Compensation	Compensation arrangements designed for specific employee categories
Industrial Relations	Relationships among management, employees and employee representatives
HR Compliance	Following applicable employment laws and regulations

UNIT–IV: TECHNOLOGY, HR ANALYTICS & INNOVATION

1. Introduction

Modern Human Resource Management is increasingly influenced by **technology, data analytics, innovation, organizational transformation, diversity, employee wellness, and sustainability**.

Traditional HR mainly focused on administrative activities such as recruitment, attendance, payroll, and employee records. Modern HR uses technology and data to support **better decision-making, employee development, organizational transformation, and sustainable business practices**.

Major Areas of Unit IV

HR Technology → HR Information Systems → HR Analytics → HR Innovation → HR in SMEs → HR in Service Sector → Organizational Transformation → HR Leadership → DEI → Workplace Wellness → Sustainability → Green HRM

2. Human Resource Information Systems (HRIS)

Meaning

A **Human Resource Information System (HRIS)** is a technology-based system used to collect, store, manage, process, and retrieve employee-related information.

Simple Definition

HRIS is a computerized system that helps an organization manage HR information and perform HR activities efficiently.

Major Components of HRIS

1. Employee Database

Stores information such as:

- Employee details
- Job information
- Qualifications
- Experience
- Attendance
- Compensation information

2. Recruitment System

Supports:

- Job posting
- Application management
- Candidate screening
- Interview scheduling

3. Payroll System

Helps manage:

- Salary
- Deductions
- Allowances
- Payroll records

4. Attendance Management

Records:

- Attendance
- Working hours

- Leave
- Absence

5. Performance Management

Supports:

- Goal setting
- Performance reviews
- Feedback
- Performance records

6. Learning Management

Supports:

- Training programmes
- Online learning
- Training records
- Employee certifications

3. Benefits of HRIS

HRIS can help organizations:

1. Reduce paperwork.
2. Store employee information systematically.
3. Improve access to HR information.
4. Reduce repetitive administrative work.
5. Improve accuracy.
6. Support faster HR processes.
7. Improve reporting.
8. Support data-based decision-making.
9. Integrate different HR activities.
10. Improve employee self-service.

4. Human Resource Analytics

Meaning

HR Analytics refers to the systematic use of HR-related data, statistical techniques, and analytical methods to understand workforce patterns and support HR and business decisions.

Simple Definition

HR Analytics means using employee and workforce data to understand what is happening, why it is happening, and how HR decisions can be improved.

5. Types of HR Analytics

1. Descriptive Analytics

Answers:

“What happened?”

Examples:

- Employee turnover rate
- Absenteeism rate
- Number of employees trained

2. Diagnostic Analytics

Answers:

“Why did it happen?”

Example:

Analyzing reasons for high employee turnover.

3. Predictive Analytics

Answers:

“What may happen?”

Example:

Using historical data to identify employees or departments that may have higher turnover risk.

4. Prescriptive Analytics

Answers:

“What actions could be considered?”

Example:

Comparing possible retention interventions based on available workforce data.

6. HR Analytics Process

Identify Problem

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Collect Data

↓

Clean & Organize Data

↓

Analyze Data

↓

Interpret Results

↓

Take HR Action

↓

Measure Results

7. Applications of HR Analytics

HR Analytics can be used for:

- Recruitment analysis
- Employee turnover analysis
- Absenteeism analysis
- Workforce planning
- Training effectiveness
- Performance analysis
- Compensation analysis
- Employee engagement
- Diversity analysis
- Workforce cost analysis

8. Challenges of HR Analytics

1. Data Quality

Incorrect or incomplete data can produce unreliable results.

2. Privacy

Employee information must be handled appropriately.

3. Data Security

HR systems contain sensitive employee information and require appropriate security controls.

4. Lack of Analytical Skills

HR professionals may require additional data and analytical capabilities.

5. Interpretation

Data does not automatically explain human behaviour; context is important.

6. Ethical Issues

Organizations should consider fairness, transparency, appropriate use of data, and potential bias.

9. Human Resource Management Innovations

Meaning

HR innovation refers to the introduction of new or significantly improved HR practices, processes, technologies, or approaches that create value for employees and organizations.

Major HR Innovations

1. Digital Recruitment

Organizations use:

- Online job portals
- Digital applications
- Video interviews
- Automated recruitment systems

2. Artificial Intelligence in HR

AI can support activities such as:

- Candidate matching

- Resume screening
- HR chatbots
- Workforce analysis
- Personalized learning

However, organizations need to consider **accuracy, bias, transparency, privacy, and human oversight**.

3. Remote and Hybrid Work

Technology enables employees to work from different locations.

4. Digital Learning

Training can be delivered through:

- Learning management systems
- Online courses
- Virtual classrooms
- Mobile learning

5. Employee Self-Service

Employees can access or update certain HR information through digital systems.

6. People Analytics

Data is used to understand workforce patterns and support decisions.

7. Digital Performance Management

Technology supports goal setting, feedback, reviews, and performance tracking.

10. Human Resource Management in Small and Medium Enterprises (SMEs)

Meaning of SMEs

Small and Medium Enterprises are organizations operating with relatively smaller workforce and resources compared with large enterprises.

Their HR practices may differ because of:

- Limited financial resources
- Smaller workforce
- Less specialized HR staff
- Informal management structures

Characteristics of HRM in SMEs

1. Informal HR Practices

HR decisions may be handled directly by owners or managers.

2. Limited HR Resources

SMEs may not have separate specialized HR departments.

3. Multi-Role Employees

Employees may perform multiple responsibilities.

4. Flexible Decision-Making

Smaller organizational structures can allow quicker communication and decisions.

5. Personal Relationships

Employee-management relationships may be relatively direct.

HR Challenges in SMEs

- Recruitment of skilled employees
- Employee retention
- Limited training budgets
- Competition with larger organizations
- Lack of specialized HR professionals
- Compensation constraints
- Workforce planning
- Formalization of HR policies

HRM Strategies for SMEs

1. Clear job descriptions
2. Structured recruitment
3. Employee training
4. Performance feedback

5. Fair compensation practices
6. Employee recognition
7. Career development opportunities
8. Use of affordable HR technology
9. Clear workplace policies
10. Strong communication

11. HRM in the Service Sector

Meaning

The **service sector** provides services rather than primarily producing physical goods.

Examples include:

- Banking
- Insurance
- Education
- Healthcare
- Hospitality
- Tourism
- IT services
- Retail
- Transport

Importance of HRM in Service Organizations

In many service organizations, employees interact directly with customers. Therefore, employee behaviour and service quality can strongly influence customer experience.

Major HR Requirements

1. Customer Service Skills

Employees need communication and interpersonal skills.

2. Training

Employees require continuous training in:

- Technical skills
- Communication
- Customer service
- Problem-solving

3. Employee Engagement

Engaged employees can contribute to service quality and customer interactions.

4. Performance Management

Performance may include measures related to:

- Quality
- Productivity
- Customer service
- Responsiveness

5. Emotional Labour

Some service roles require employees to manage their emotions and display appropriate emotions while interacting with customers.

12. Organization Transformation and Human Resource Leadership

Organizational Transformation

Organizational transformation refers to significant changes in an organization's structure, strategy, technology, processes, culture, or business model.

Examples include:

- Digital transformation
- Business restructuring
- Mergers
- New technology adoption
- New business models
- Major cultural change

Role of HR in Organizational Transformation

1. Workforce Planning

Identifies skills required after transformation.

2. Change Management

Helps employees understand and adapt to change.

3. Reskilling and Upskilling

Employees may require new capabilities.

4. Communication

HR supports clear communication about organizational changes.

5. Leadership Development

Develops leaders who can manage transformation.

6. Culture Management

Supports cultural changes required by the new organizational direction.

13. HR Leadership

Meaning

HR Leadership refers to the ability of HR leaders to guide people, develop organizational capabilities, support strategy, and lead workplace transformation.

Qualities of Effective HR Leaders

- Strategic thinking
- Communication
- Ethical decision-making
- Emotional intelligence
- Change management
- Data literacy
- Problem-solving
- Leadership
- Business understanding
- Employee orientation

14. Diversity, Equity and Inclusion (DEI)

Meaning of Diversity

Diversity refers to differences among people in an organization.

Differences may include:

- Age
- Gender
- Educational background
- Skills
- Experience
- Culture
- Perspectives
- Abilities

Meaning of Equity

Equity means ensuring fair access to opportunities and resources while recognizing that employees may have different circumstances and needs.

Meaning of Inclusion

Inclusion refers to creating an environment in which employees are respected, able to participate, and have appropriate opportunities to contribute.

Diversity, Equity and Inclusion

Diversity = Representation of Differences

Equity = Fair Access and Treatment

Inclusion = Participation and Belonging

15. Importance of DEI in HRM

Effective DEI practices can help organizations:

1. Attract a wider talent pool.
2. Improve employee participation.
3. Support fair employment practices.
4. Encourage diverse perspectives.
5. Improve workplace relationships.
6. Support innovation and problem-solving.
7. Strengthen organizational culture.

16. HR Practices Supporting DEI

- Fair recruitment processes
- Equal opportunity practices
- Inclusive workplace policies
- Accessibility
- Bias-awareness training
- Diverse leadership development
- Employee resource groups
- Appropriate grievance mechanisms
- Regular monitoring of workforce representation

17. Workplace Wellness

Meaning

Workplace wellness refers to organizational efforts to support employees' overall well-being and ability to function effectively at work.

It may include:

- Physical well-being
- Mental well-being
- Social well-being
- Financial well-being
- Work-life balance

Importance of Workplace Wellness

Workplace wellness programmes can support:

- Employee well-being
- Attendance
- Engagement
- Workplace satisfaction
- Healthy work practices
- Organizational productivity

Workplace Wellness Initiatives

1. Health Programmes

Health awareness and preventive health initiatives.

2. Work-Life Balance

Flexible working arrangements where appropriate.

3. Stress Management

Workload management and access to appropriate support.

4. Workplace Safety

Safe and healthy working conditions.

5. Employee Assistance

Appropriate support mechanisms for employees facing personal or work-related difficulties.

6. Healthy Workplace

Promoting healthy physical and social working environments.

18. Sustainability Goals and HRM

Meaning of Sustainability

Sustainability refers to meeting present needs while considering long-term environmental, social, and economic impacts.

HR plays an important role because employees are central to implementing organizational sustainability practices.

Role of HR in Sustainability

HR can contribute through:

- Sustainability-oriented recruitment
- Employee awareness
- Green training
- Sustainable workplace policies
- Responsible resource use
- Employee participation
- Sustainability-linked performance goals
- Organizational culture

19. Green HRM

Meaning

Green Human Resource Management (Green HRM) refers to HR practices that encourage environmentally responsible behaviour among employees and integrate environmental considerations into HR activities.

Simple Definition

Green HRM means managing employees and HR activities in ways that support environmental sustainability.

20. Green HRM Practices

1. Green Recruitment

Recruiting employees who understand and support environmental responsibility.

2. Green Training

Training employees about:

- Energy conservation
- Waste reduction
- Sustainable practices
- Environmental awareness

3. Green Performance Management

Including appropriate environmental responsibilities in performance expectations.

4. Green Compensation

Where appropriate, organizations may recognize employees for environmentally responsible contributions.

5. Green Employee Engagement

Encouraging employees to participate in environmental initiatives.

6. Paperless HR

Using digital documents and electronic communication to reduce paper use.

7. Energy Conservation

Promoting efficient use of:

- Electricity
- Water
- Office equipment

8. Waste Management

Encouraging:

- Reduce
- Reuse
- Recycle

9. Green Workplace

Creating environmentally responsible workplaces through appropriate resource-management practices.

21. Benefits of Green HRM

Green HRM can help organizations:

1. Reduce environmental impact.
 2. Increase employee environmental awareness.
 3. Support sustainability objectives.
 4. Reduce certain resource costs.
 5. Improve organizational reputation.
 6. Encourage employee participation.
 7. Develop a sustainability-oriented culture.
 8. Support long-term organizational responsibility.
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22. Challenges of Green HRM

1. Employee Resistance

Employees may be reluctant to change established practices.

2. Initial Costs

Technology, training, and environmental programmes may require investment.

3. Lack of Awareness

Employees may not understand environmental objectives.

4. Measurement Difficulties

It can be difficult to measure the direct HR contribution to environmental outcomes.

5. Lack of Management Support

Green initiatives may have limited impact without leadership commitment.

6. Balancing Business and Environmental Goals

Organizations may face short-term operational pressures while pursuing long-term sustainability.

7. Lack of Expertise

HR professionals may require additional knowledge about sustainability.

23. Relationship Between Technology and Modern HRM

Modern HR can use technology throughout the employee life cycle:

Recruitment

→ Online Applications

Selection

→ Digital Assessments

Onboarding

→ Online Orientation

Training

→ E-Learning

Performance

→ Digital Performance Systems

Engagement

→ Employee Feedback Platforms

Analytics

→ Workforce Dashboards

Separation

→ Digital Exit Processes

24. Integrated Framework of Unit IV

TECHNOLOGY

HRIS + Digital HR + AI + HR Analytics

↓

INNOVATION

New HR Practices + Digital Recruitment + Digital Learning

↓

ORGANIZATIONS

SMEs + Service Sector

↓

TRANSFORMATION

Change Management + HR Leadership + Reskilling

↓

PEOPLE

Diversity + Equity + Inclusion + Workplace Wellness

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SUSTAINABILITY

Sustainability Goals + Green HRM

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ORGANIZATIONAL VALUE

People Capability + Responsible Practices + Long-Term Performance

25. Quick Revision Table

Topic	Key Meaning
HRIS	Technology system for managing HR information
HR Analytics	Use of workforce data for HR decision-making
HR Innovation	New or improved HR practices and technologies
SME HRM	HR management in small and medium enterprises
Service Sector HRM	HR practices in organizations providing services
Organizational Transformation	Major organizational change in strategy, technology, structure or culture
HR Leadership	Strategic leadership of people and organizational capabilities
Diversity	Differences among employees
Equity	Fair access and treatment
Inclusion	Meaningful participation and belonging
Workplace Wellness	Supporting employee well-being
Sustainability	Long-term environmental, social and economic responsibility
Green HRM	HR practices supporting environmental sustainability