
UNIT 1 GOALS AND OBJECTIVES OF HUMAN RESOURCE PLANNING, CORPORATE SOCIAL RESPONSIBILITY

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1.0 INTRODUCTION

Human resource planning is a very crucial as well as sensitive matter for organisations and the corporate world. It is the back bone which is ultimately going to support and meet the targets and values of organisations. It is essential that, before any human resource activity is taken up by the human resource department, suitable planning is carried out in order to ensure smooth implementation and successful outcome of that activity. Thus the human resource manager and the concerned personnel have to put in an effort in planning each and every human resource activity taking in to consideration the organisational goal and objectives. The present unit will basically focus on the goals and objectives of the human resource planning. While talking about the human resource planning, it will be unfair if the responsibilities of the corporate world (also known as ‘corporate social responsibility’) will not be discussed. There by, the present unit also intends to introduce the concept of corporate social responsibility and its significance.

1.1 OBJECTIVES

With the help of this unit, you will be able to:

- Discuss the basic principles of human resource planning;
- Explain the goals and objectives of human resource planning;
- Describe the concept of the corporate social responsibility; and
- Highlight the significance of the corporate social responsibility.

1.2 PRINCIPLES OF HUMAN RESOURCE PLANNING

Just to add on to the previous discussions on human resource planning in the earlier block (refer Block1, Unit 1 on ‘human resource planning’); it becomes essential to recollect and revise the basic principle of human resource planning. Based on the following principles an effective organisation can utilise the potentials of the human resource in the best possible ways:

1.2.1 Setting Up of a Human Resource Planning Unit

Organisations, more preferably having a larger work force should set up a cell or a unit which should be totally dedicated to the roles and responsibilities of human resource planning. The basic objective of this unit should be to coordinate and settle the requirements of the human resource (that is, the work force) of the organisation. It would also be responsible for updating and standardizing the personnel working in the organisation. The unit should also prepare a frame work or a plan which can help out in upliftment of the members of the organisation as well as the best utilisation of these members for the upliftment of the organisation. Wherein, in smaller organisations, these responsibilities can be tackled by a senior executive.

1.2.2 Planning a Time Span of the Planning of Managing Human Resource

There should be comprehensive plan for the best management of human resource, which should be prepared by the human resource planning unit or division, in advance. Such plans will act as a frame work or guide for the necessary actions that are required to be taken regarding the betterment and upgrade of the human resource of the organisation for a specific time period. This specific time period of the plan can range from one year to any number of years which suits the requisition of the organisation.

1.2.3 Determination of the Scope and Details of the Plan

The plan should have all the details that might be used in the near future. It should have information regarding the required qualifications for each designation, recruitment policies, training strategies and the step by step process of grievance redressal of the employees.

1.2.4 Accurate Information

It is important to note that the details and descriptions of the required plans and strategies should be as clear and accurate as possible. It should have clarity on the upcoming trends that would likely have an effect on the future recruitments, salaries, promotions and jobs. It should also include the correct biographic and other required information of each and every employee in its record.

1.3 GOALS AND OBJECTIVES OF HUMAN RESOURCE PLANNING

It should be kept in mind that human resource planning is an activity which can not be done in isolation. It is a more kind of pro-active attitude rather than being a reactive attitude, which means that, the unit of human resource planning should be active in taking all precautions in advance which would help out the employees and it should not be active after the occurrence of any repercussions. The human resource planning unit also recognizes that there must be a link between the planning function and other functions of the organisation, such as, the strategic planning and market demands. It helps out in developing and maintaining the following strategies within the organisation which can be pointed out as the following objectives of human resource planning:

1.3.1 The Planning Aims to Assess the Strategies of Human Resource Management

The plans and actions of the human resource help in managing the human resource of the organisation. It acts as a guide and helps out in assessing the work and contribution of the present employees in the organisational output.

1.3.2 The Planning Aims to Predict Future Requirements

The function of human resource planning helps in determining the future needs. Thus, with the help of the present records of persons and events, the human resource planning tries to predict the future needs and requirements of the organisation.

1.3.3 It Helps in Assessing Training Needs of the Human Asset

With the help of the records of the employees, human resource planning can also help in assessing and identifying those persons who needs to be trained in in order to meet the requirements of the organisation.

1.3.4 It Aims to Determine the Cost Cutting Strategies of the Organisation

Organisations can minimize the cost or expenditure by deciding the strategies of the utilisation of the human resource in the best possible way. It can plan out the ways in which the present employees can be managed and motivated to achieve the organisational goal. With the help of actions of planning the organisation can also identify the ways in which minimum cost can be incurred on compensation, training, recruitment and other related organisational activities.

1.3.5 The Human Resource Planning also Helps in Meeting the Professional Competencies

The action of human resource planning helps in updating the present employees and recruiting employees which can help the organisation to be at par with the competitors. This therefore helps the employees to excel their performance and be perfect in their profession.

1.3.6 It Helps in Meeting the Demands of the Customers

In this day to day changing life, where nothing is stable, there is a rapid change in the taste preferences and demands of customers. With the help of future based action plans, the organisation can also predict the upcoming requirements of the customer or client's side. The organisation tries its best to meet the maximum needs of the market or the customer with the help of using its trained human resource in the best possible way.

1.3.7 It aims to Manage Organisational Change

Organisational development and organisational change are two sides of the same coin. Organisation has to bring changes for its continuous development and these changes can not happen without proper planning. There by, the division of human resource planning also aims to help the organisation in change management with the help of its professionally skilled employees.

1.3.8 It Helps in Managing the Diverse Work Force

Undoubtedly, organisations have a diverse and heterogeneous work force. The employees differ from each other on the basis of several criteria like – education, experience, competencies, age, gender and so on. The human resource planning helps in maintaining each and every minute detail of the employees which makes it easy for the authorities and management to locate and find out the personal details of any employee with the help of these personal records.

Self Assessment Questions

Fill in the blanks

- i) Organisations can minimize the cost or expenditure by deciding the strategies of the utilisation of the _____ in the best possible way.
- ii) Human resource planning can help out in upliftment of the _____ of the organisation.
- iii) The human resource planning also helps in meeting the _____ competencies.
- iv) There should be _____ for the best management of human resource which should be prepared by the human resource planning division.

1.4 FACTORS AFFECTING HUMAN RESOURCE PLANNING

Human resource planning is the primary activity of human resource management and which basically identifying the number of people required in terms of quality and quantity. It is the foundation upon which all related activities and functions of organisation are dependent. Therefore, there are several factors which influence the activity of human resource planning. Some of them can be pointed out as follows:

1.4.1 Trend of Employment Opportunity

There are certain economic factors of the nation which can equally affect the human resource planning of the organisations of that country. For example, if a country has high population, then the government can pressurize the organisations to employ as much as people as possible in order to maintain the earnings of the citizens. In such a case, the planning should divide the tasks to a larger work force.

1.4.2 Demographic Factors

The function of human resource planning is equally affected by the demographic factors of the people of the society. It is difficult and complex for the organisations to keep a control on the age, composition and population of work force. The total number of people who get retire every year may not be equivalent to the number of people joining the same organisation every year. This creates a situation of challenge for the human resource planning division, as their plans are based on the nature, kind, age and composition of the work force.

1.4.3 Organisational Change

Mergers and acquisitions of organisations have led several organisations to work in a united way. When organisations of different nature and culture unite, the human resource planning is duly affected. No doubt people of different organisations have their own culture, where their own societal norms might also be totally different. In such a case it is challenging for the human resource planning to manipulate their attitude according to the needs of the organisation.

1.4.4 Diverse Work Force

The activities of human resource planning are also affected due to the heterogeneous nature and diverse work force of the organisations. Each organisation has employees different in age, caste sex, educational qualification, designation, experience and so on. In such a case it becomes difficult for the planning division to cater the needs of the employees as well as organisation.

1.4.5 Turn over Rate of Organisations

The human resource planning division takes in to account the details of the organisation before hand and then implements the changes accordingly. Since, the commitment of employees is questionable and also unpredictable to an extent, the trend of people leaving and joining other organisations, affects the activity of the planning division of the organisation.

1.5 SIGNIFICANCE OF HUMAN RESOURCE PLANNING

As discussed earlier, the human resource planning division is the actual part of human resource management where actions are planned and executed. It is the back bone of the organisation. Some of the important implications of this division can be pointed out as follows:

1.5.1 It Helps in Determining the Recruitment and Selection Procedure of the Organisation

No organisations can afford a surplus amount of employee, as it will be sheer wastage of money and underutilised work force for them. Also, they can not manage with the employees lesser than the actual required work force. It is the human resource planning division which investigates and then decides the number of employees that are required for a particular job within organisation.

1.5.2 It Helps in Retaining the Human Resource of the Organisation

The division tries to find out the ways by which the organisation can retain its skilled employees. It tries to find out the different needs and requirements of the staff personnel who are equally important for the organisation and then tries to motivate them to retain their job within the organisation.

1.5.3 It Helps in Identifying the Future Needs

With the help of the present and past scenario of the organisation, the human resource planning division tries to identify the upcoming trends and provisions for development of the organisation. It also tries to predict the future changes that are required to be done in terms of selection and retention of employees.

1.5.4 It also Helps in Down Sizing the Employees

For increasing the efficiency of work force, the human resource planning division, tries to sort out the under utilised and unwanted employees of the organisation. It tries to increase the efficiency of the organisation by reducing the number of underutilised employees.

Self Assessment Questions

State whether the statements are *true* or *false*-

- i) The human resource planning helps in determining the recruitment and selection procedure of the organisation ()
- ii) Human resource planning is the secondary activity of human resource management ()
- iii) The human resource planning division can help in identifying the upcoming trends and provisions for development of the organisation ()
- iv) The function of human resource planning can never be affected by the demographic factors of the people of the society ()
- v) The trend of people leaving and joining other organisations affects the activity of the planning division of the organisation ()

1.6 CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

Today, the scenario of organisations has changed. The organisations are not only planning for developing the human resource within their premises, they are equally providing a helping hand to the development of people and society outside their organisations. The corporate world has turned out more to be socialistic and is trying to improve the conditions of community. Such kind of activities which are being done by the organisations for the development of society (which can be inform of imparting education, developing schools, helping out NGO's, building hospitals, investing money for betterment of women, children, old ones as well as disabled persons and many other related social activities) are known as 'Corporate Social Responsibility'.

The corporate social responsibility has turned out to be a magic stick not only to the society but also for the corporate itself. With help of such social work, the organisations are gaining customers, employees, and stake holders as well as making out more consumers for their product, giving a good impact or impression. In short corporate social responsibility is one of the approaches of the organisation towards development of society and in turn getting their own brand name as well as following the standards of taxation policies (as with the help of such investments, they can also prevent themselves from paying excess tax to the government).

1.7 DEFINITION OF CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility is a boon for the welfare and growth of the society. Organisations perform such responsibilities as their obligation towards the society as well as to fulfill certain self motives or purpose. Any how, the act of corporate social responsibility has been defined in various manners. On similar grounds, different organisations have framed different. Some of the definitions of the process of corporate social responsibility is as follows:

According to the World Business Council for Sustainable Development Corporate Social Responsibility can be defined as “*a commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large*” (Published in “Making Good Business Sense” authored by Lord Holme and Richard Watts).

In terms of business standards, the process of corporate social responsibility is: ***“Operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business.*”**

Different nations have also come up to explore the meaning of the corporate social responsibility on basis of their work culture and economical conditions. In the *United States*, CSR has been defined as a social service being done on humanitarian grounds. It is an act which is done by the organisations to share of the profits with the society to charitable causes. It is seen as tainting the act for the company to receive any benefit from the giving.

Wherein, the perspective of *the European model* is slightly different. They define the process of corporate social responsibility as a process of operating the core business in a socially responsible way, complemented by investment in communities for solid business case reasons.

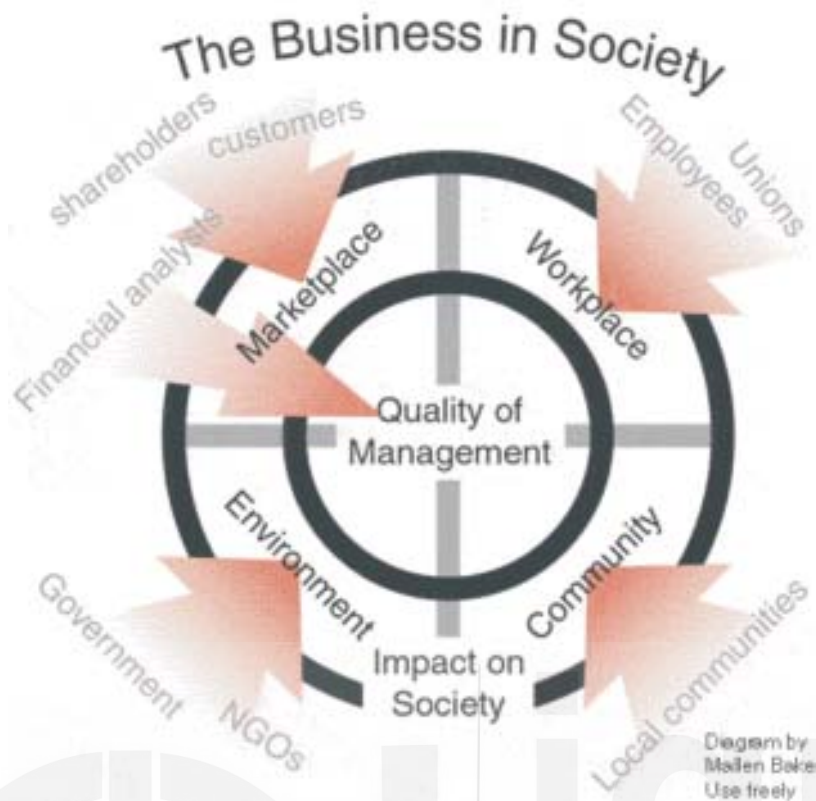
The government of Ghana defines the process of corporate social responsibility as “*a capacity to build sustainable livelihoods. It respects cultural differences and finds the business opportunities in building the skills of employees, the community and the government*”

The Philippines explains corporate social responsibility as a “*business given back to the society*”.

Since each nation has its own culture, they are also different in terms of the economical conditions, demographic conditions, social norms and environmental conditions; each nation formulates its own business strategies on basis of their own priorities and values which also keeps on changing according to time. Therefore, it is difficult to come up with a single definition which can be generalised through out the global world market.

But the ground of performing the act of corporate social responsibility remains the same through out the world. It basically focuses on managing business, gaining customers, recognition and societal benefits. It can also be said to be a process initiated by the organisations to make a contribution to the achievement of broader societal goals.

In one of the model of Mallen baker (source- www.mallenbaker.net/csr/definition.php, accessed on 17/08/11) the process of corporate social responsibility has been tried to explain in a diagrammatic manner. According to Baker, corporate social responsibility “is about how companies manage the business processes to produce an overall positive impact on society”. Social responsibility becomes an integral part of the wealth creation process - which if managed properly should enhance the competitiveness of business and maximize the value of wealth creation to society.



Source: <http://www.mallenbaker.net/csr/definition.php>

In a nut shell, with the help of a diagrammatic representation, author has defined that all the activities of the society are inter related and they try to create a positive effect of the business in society. With the help of corporate social responsibility, the organisations try to enhance their quality of management both in terms of people and processes (the inner circle of the above diagram) and it also tries to create a good impact on society in the various areas (the outer circle of the above diagram).

The diagram explains that with the changing time the stakeholders are taking an increasing interest in the activity of the company. The stakeholders try to analyse the achievements of the organisation in terms of its products and services, in terms of its impact on the environment and on local communities, or in how it treats and develops its workforce, which is basically the outer circle of the above diagram. The stake holders have a significant role in the development of the organisation, because they provide various helps like the investors provide financial assistance, government body provide favourable rules and regulations and so on. All stake holders help an organisation only after studying its present as well as past financial performance and quality management. Due to these reasons and also to provide a share of their profit for charity purpose, their organisations perform the corporate social responsibility.

1.8 TYPES OF CORPORATE SOCIAL RESPONSIBILITY

With an urge to have financial transparency as well as helping the society to develop, the organisations through out the global market are adapting and implementing several corporate social responsibilities. As discussed earlier, these

responsibilities vary from child care to arrangements for care of the old aged people of the society. These different types of corporate social responsibilities can be broadly categorized as the following:

- 1) **Responsibility towards the human beings of the society:** No doubt an organisation has to run within a society. It gets its man power, customers as well as the consumers (the ones who will actually consume the product which may be bought by any customer) from the society. Therefore, many companies target the development of the human beings of the society which can be in form of running schools, colleges, hospitals, charitable organisations. Targeting the people of the society not only helps them to follow save their tax, it also helps them in getting more educated employees as well as recognition within the society.
- 2) **Responsibility towards the environment:** An organisation is an open system and its dependent on the external environment for its goods and services. The excess use of natural wealth and resources leads to several environmental like global warming, sustainable resources and pollution. These environmental issues ultimately have an adverse effect on the business. Due to these reasons, organisations have also started providing a helping hand in making the environment pollution free. Businesses are being urged by environmental groups and governments to reduce the pollutions that they provide to the external environment and make the society a better place to live in.
- 3) **Responsibility towards non profit organisations:** Many organisations provide financial assistance to the charitable organisations that run with an aim of providing social service to the organisations. In this way they try to indirectly aid the society.
- 4) **Responsibility towards business environment:** Sometimes, an industry group can give awards to companies to promote a cause within a field of business. Corporate social responsibility awards can be given by industry leaders to draw attention to or raise standards in a certain area of social responsibility. For example, an award given by a public relations news organisation that is promoting environmentally friendly causes might highlight the best public relations campaign promoting environmentally friendly or green behaviour. Dairy organisations might use awards to promote humane practices in corporate dairy operations. These awards motivates the activities which helps the society to grow ultimately.

With the change in time and requirements of the society, the organisations are trying out several other modes which can benefit the society and is equally helping them.

1.9 SIGNIFICANCE OF CORPORATE SOCIAL RESPONSIBILITY

As discussed earlier, with the help of corporate social responsibility, an organisation tries to maintain its moral and ethical standards. No doubt it is a boon for the society; it is also significant for the corporate world. Some of the significance of the corporate social responsibility can be pointed out as follows:

1.9.1 Fulfillment of Responsibilities Towards Customers

The relationship between the organisation and its customer can prevail only if there is a proper give and take relationship between both of them. With the help of social activities, the organisations also try to show their obligation towards the existing customers of the society. This is the reason why the organisations with the help of CSR initiatives, not only to maintain its relationship with the existing customers, they also try to gain newer customers.

1.9.2 Formation of Safe and Healthy Environment

With the help of CSR activities, the corporate world also helps in making the world a better place to live in. The organisation tries to impart good education which might help them in getting skilled and qualified employees in the upcoming future. Also other initiatives helps the society to have a comfort living.

1.9.3 Provision of Vocational Training

Several organisations conduct workshops of short duration and try to impart certain vocational/professional skills to the target groups. This not only helps the people to gain some skills, it also helps the organisation in getting employees from the trained people as per their requirement.

1.9.4 Helps in Managing Risks

If an organisation wants to strive in this ever changing world, then it has to meet the required conditions of stake holders as well as government. It is answerable to the government regarding the investments done and profit achieved. CSR is a way out that helps the organisation to invest their money to prevent them self from any scandals, issues or taxation norms. It is also responsible to the stake holders, vendors, customers and every concerned person. As any scandal or issues can create a bad name for the organisation (with the word of mouth of all concerned persons), the societal activities of CSR helps in managing or overcoming through such risks.

1.9.5 Promotes Competition in the Market

Any good activities of one organisation may easily drive away more customers as well as employees towards them self. Such a strategy may then turn out to be harmful to other organisations, as they may loose their existing customers as well as employees. In such a situation, in order to survive other organisations are also bound to start up with some or the other CSR activities. This ultimately leads to a healthy environment of competition which ultimately contributes to the growth of society.

1.9.6 Brand Differentiation

CSR helps the organisation in differentiating itself from the other similar or related companies. The unique activity adopted by an organisation leads to more recognition and identification. Therefore, corporate social responsibilities help in creating a brand name for the organisation.

Self Assessment Questions

State whether the statements are true or false-

- i) Corporate social responsibility can in no way provide vocational training to the people of the society. ()
- ii) With help of such social work, the organisations are gaining customers, employees, and stake holders as well as making out more consumers for their product. ()
- iii) With the help of corporate social responsibility, the organisations wants to maximize their profits only. ()
- iv) Imparting education to the members of the society is one of the examples of corporate social responsibility. ()
- v) The corporate world gets its man power, customers as well as the consumers from the society. ()

1.10 LET US SUM UP

No doubt organisations are the ultimate source of development of society, but it is the human resource which determines the ultimate existence of the organisations in the society. In that case, it is responsibility of the organisations to work out a frame which would act as a back bone for the growth as well as optimum utilisation of the human resources within the organisation. It can also be summarized that, corporate social responsibility is a significant initiative which is helping out both the organisations as well as the society. What ever be the type of the responsibility that an organisation adopts and implements, it should have a positive impact on both of them. It can be summed up that the organisation plays an important role on both- the human resource planning and corporate social responsibility.

1.11 UNIT END QUESTIONS

- 1) Briefly explain the basic principles of human resource planning.
- 2) What are the goals and objectives of human resource planning?
- 3) Point out the significance of human resource planning.
- 4) Explain the concept and significance of the corporate social responsibility.
- 5) Explain the major types of corporate social responsibility.
- 6) What are the other types of social responsibilities that you can suggest to the business world?

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UNIT 2 BUSINESS STRATEGY AND OPERATIONAL STRATEGIES (TECHNOLOGY AND INNOVATION IN HRS)

Structure

- 2.0 Introduction
- 2.1 Objectives
- 2.2 Business Strategy for HR Leaders
- 2.3 Steps for the Alignment of Business Strategy with HR Practices
- 2.4 Business Strategy and HR Strategy: The Current Scenario
- 2.5 Role of Human Resource Professionals in Business Strategies
- 2.6 Operational Strategies in Managing Human Resource System
 - 2.6.1 Operational Strategies in HR Planning
 - 2.6.2 Benefits of Operational Strategies in HR Planning
- 2.7 Operational Strategies in a Business Plan
 - 2.7.1 Factors Affecting the Operational Strategies of a Business Plan
 - 2.7.2 Benefits of Operational Strategies of a Business Plan
- 2.8 Business Plans and Operational Plans as a Technological and Innovative Step in Human Resource Strategy (HRS)
- 2.9 Let Us Sum Up
- 2.10 Unit End Questions
- 2.11 Suggested Readings and References

2.0 INTRODUCTION

As discussed in the previous unit of this block (Refer Unit1), human resource planning is a procedure which tries to identify the current and future human resources needs for an organisation to achieve its goals. This necessitates the urgency of the human resources planning to act as a link between human resources management and the overall strategic plan of an organisation. The planning processes of most best practice organisations not only define what will be accomplished within a given timeframe, but also the numbers and types of human resources that will be needed to achieve the defined business goals (e.g., number of human resources; the required competencies; when the resources will be needed; etc.). All these plans are based on certain strategies or ways which are regularly monitored and evaluated for the organisations to run smoothly. This unit will help you in understanding those business and operational strategies which act as a route map for the organisations to manage human resource.

2.1 OBJECTIVES

With the help of this unit, you will be able to:

- Describe the concept of business strategy and operational strategy;

- Discuss the necessity of alignment of business strategy and human resource practices within an organisation;
- Explain the benefits of operational strategy in HR practices; and
- Explain how the operational and business plans are innovative measures within an organisation.

2.2 BUSINESS STRATEGY FOR HR LEADERS

Leaders and managers in the human resource management department play the most important role as they are the ones who initiate various activities related to human resource management and development. Thus they also have an important role to play in business development. Suitable care needs to be taken in an organisation to promote effective participation of leaders and managers involved in human resource management in business development. They also should be well aware about various business strategies. Further these leaders and managers should also be provided with suitable training and information about business strategies.

With the change in time, there are several issues, agendas and processes related to human resource which keeps on making challenges for the work environment of the organisation. In such a case, it is the responsibility of the human resource (HR) department to keep a check on such challenges with the help of strategies. Such strategies should not only be beneficial to the employees, it should also be fruitful for the customers, capital market and other end users. The strategic mode of the human resource department should be proactive (prepared in advance, even before the situation occurs) in nature rather than being reactive (planning out strategies, after the event has already occurred). The human resource department creates a competitive edge by creating a platform at which the business strategies can be aligned with the HR practices. Such alignment is equally profitable for the organisations. The business strategy can be associated with the HR practices by facilitating change management or by creating cultures of creativity and innovation, facilitating mergers and acquisitions, and also by upgrading the internal structures of the organisation with the ongoing changes at the market place.

Therefore, business strategies of the organisation are equally significant for the human resource department. The organisation has to be active enough to manage change with the changing environment. It has to face new challenges and in order to face such challenges it has to plan out such business strategies which could positively effect the internal environment (the employees / human resource of the organisation) and the external environment (the market/customers/society/consumers or end users).

2.3 STEPS FOR THE ALIGNMENT OF BUSINESS STRATEGY WITH HR PRACTICES

As discussed earlier, it is necessary for the organisation to align its business strategies with the human resource practices. With an idea of the strategies or ways of business applications adopted by the organisations the HR leaders or the managers can easily contribute to the decision-making processes of the organisation. But again aligning of two different jobs (that is the business strategy

and HR practices) is unsurprisingly a challenging job. Organisations have to be very careful while trying to do so. Leaders and managers in human resource department play a crucial role in the alignment of business strategies and human resource practices. Business strategies mainly depend on the organisational goals at the same time human resource activities are also based on the organisational goal. However close inspection of business strategy developed in the organisation will provide adequate information about how each human resource activity can be aligned with the business strategy. An alignment between the both will ensure successful accomplishment of organisational goal.

There are certain steps which can be followed in aligning the two different streams together. They can be pointed out as follows:

- i) **Identification of the target units:** It is very necessary for the organisations to identify, analyse and examine both the units carefully. Both the units (the business division as well as the HR division) are the most confidential sections of the organisations which is required to be considered foremost.
- ii) **Identification of the external driving forces:** An external driving force refers to the changes or the trends that are taking place in the market or outside the organisation. The organisation has to identify those external forces which are forcing the organisation to bring about a change.
- iii) **Determination of sources of competition:** Once the external forces leading to changing trends are identified, it is also necessary for the organisation to analyse those sources which are actually responsible for those external driving forces. Examples of such sources can be change in demand, target groups, customers and several other factors. If these sources which are the basic reasons for competitive market are identified, then it becomes easy for the business unit to bring about changes in their business strategies.
- iv) **Identification of the potentials of the organisation:** After analysing the sources of competition, it is necessary for the organisation to do a 'gap analysis', meaning thereby, that they need to understand and examine the technical and cultural capabilities that they have and what are the aspects that they require to have in order to achieve the numbers to a greater extent in the future than they had in the past.
- v) **Identification of HR practices:** Once the business strategies have been deeply studied, the organisation now needs to identify those HR practices which will significantly contribute in creating the ideal human organisation with the help of the applied business strategies.
- vi) **Preparation of an action plan:** The next step is to work out the actions that will help out in organisational progress. It is necessary to plan out that how and what are the things that would be done so that that alignment of HR practices and business strategies can work out in the best possible way. An action plan should also propose a target date regarding what would be done? Who would be involved? How will the progress be assessed? Who will be assessing the progress? When will the progress be assessed?
- vii) **Assessing the results:** Finally, when the action plan has been worked out and has been implemented, it is necessary for the organisation to measure the results. The results can be measured with the help of studying the achievements.

Self Assessment Questions

State whether the statements are *true* or *false*-

- i) The HRD creates a platform at which the business strategies can be aligned with the HR practices. ()
- ii) An internal driving force refers to the changes or the trends that are taking place in the market or outside the organisation. ()
- iii) An action plan should also propose a target date regarding what is supposed to be done ()
- iv) Business strategy is a part of human resource management ()
- v) There should be an alignment between the human resource strategy and business strategy. ()

2.4 BUSINESS STRATEGY AND HR STRATEGY: THE CURRENT SCENARIO

It is obvious that the organisation has to continuously modify the plans and strategies according to the changes taking place in the market. Such change in the business strategies poses several challenges to the HR strategies. Say for example, if the organisation has to cut off its budget due to recession in the economy, then several people may leave the organisation in search of even better opportunity. In such a case the HR strategies and planning would be useless.

It would be worth to add that there are situations where some principles of human resource strategy create challenges for the business strategy. There are situations where members of the organisation do not readily accept the changes in the business strategy, which may be due to lack of clarity or confusion. In such circumstances, it is the transparency and fairness in the policies of the business strategies which can help out in the alignment of both the human resource as well as business strategy. Therefore, in the current scenario, it is very necessary for the organisations to try its best to maintain its good will, win over the commitment of employees and also be aware of the current changes and happenings of the market place.

2.5 ROLE OF HUMAN RESOURCE PROFESSIONALS IN BUSINESS STRATEGIES

For a smooth alignment of business strategy with the strategies of policies of the human resource department, it becomes necessary for the human resource professional to work closely with the top management and business heads. The following can be their contribution in helping out an alignment with the business strategies:

- i) **Human resource professionals must continually update themselves with the changing business environment:** Since, HR planning is totally based on anticipation and prediction of futuristic requirements, the human resource professionals should be capable enough to anticipate the upcoming issues and matters of concern. They should acquaint such issues and concerns in

well advance to the top management, so that they can find out the solutions to such upcoming problems before hand. This can help out the organisation to modify its business strategy as well as human resource policies in accordance to the changing environment.

- ii) **Human resource professionals should act as knowledge facilitators at all the levels of organisation:** It is necessary for the organisation to study the changes that are required to be done at its internal environment so that they can face the challenges of the competitive market. In such situations, the documentation prepared and maintained by the human resource professionals can help out in enhancing the knowledge of the top management. The review of performance appraisal process is one of the vital sources of such knowledge which can help the top management in enhancing the efficiency of the organisation.
- iii) **Human resource professionals should take keen interest in operational activities of the organisation also:** The human resource department can significantly contribute to the effective business strategies of the organisation. If they are clear with the operational activities of the organisation, then they can play a more useful role in training and development, transcending behavioural training programmes and “leadership”. This is particularly important in an era when domain knowledge and technical expertise are becoming more important.
- iv) **Human resource professionals need to be more creative in nature:** The human resource department is the most important source of information for the organisation. It is one of the most supportive units of the organisation, as it not only helps in selecting and recruiting members for the organisation, it also helps in upgrading the employees with workshop and training facilities. But it is time now, that this supportive system needs to be more tactful and creative in maintaining the loyalty and interest of the employees within the organisation.
- v) **Human resource professionals should be more strategic business partner:** The success of an organisation depends upon how they design and implement a people strategy that is properly aligned with, and supports the business strategy of the organisation. This can happen only if the human resource professionals actively participate as a strategic business partner in implementing plans and achieving budgets. The bottom line: HR is increasingly seen as a strategic linchpin—one that needs to work closely with operations, finance, and other corporate departments to help drive business strategy and success.

Self Assessment Questions

Fill in the blanks

- 1) The human resource department is the _____ of the organisation.
- 2) The human resource department can significantly contribute to the effective _____ strategies of the organisation.
- 3) The _____ professionals should be capable enough to anticipate the upcoming issues and matters of concern.

- 4) The Human resource professionals need to be more _____ in nature.
- 5) Human resource professionals should act as _____ facilitators at all the levels of organisation.
- 6) The human resource department should also have a complete knowledge of the _____ strategies or the business plans of the organisation.

2.6 OPERATIONAL STRATEGIES IN MANAGING HUMAN RESOURCE SYSTEM

Operational strategies refer to the implementation of the plans. It talks about the actions that are being taken according to the planned framework. In context to human resource system, it refers to a combination of improved operations, capital investments, and behavioural adjustments that are needed to maintain flow of people and goods, respond to emergencies, correct unsafe conditions, reduce security threats, and preserve human assets within the organisation. Organisations are paying more stress in order to improve the mode of operations. The organisation tries to use the most standard methods for planning, operating and preserving human resource assets efficiently. Comprehensive, accurate, up-to-the-minute data of the employees of the organisation are essential for the human resource managers who anticipate problems and are proactive in resolving those problems, making effective tradeoffs among a wide range of resources and consequences. The HR managers have to be anticipatory, proactive, and systematic in planning out and implementing operational strategies.

2.6.1 Operational Strategies in HR Planning

Human resource planning is most significant at an operational level. At the operational level, good HR planning is in part based on thinking ahead about the organisation. Operational strategy towards human resource management involves putting the HR management practices in place to support management and staff in achieving their day-to-day goals. The operational strategies includes several functions like staffing, monitoring performance and several other HR practices that are taking place and are supposed to take place in the upcoming year. In short, the operational plan for the human resource department provides an answer to the question, “where is our organisation going and how will it go to the desired position?”

At an operational level, organisations also need to be aware of the interdependencies between operational decisions and HR management practices. Decisions made on one aspect of human resources often have an impact on another aspect of HR management.

2.6.2 Benefits of Operational Strategies in HR Planning

An operational strategy in human resource system tries to put the human resource policies in to practice. The operational plans are developed for the following human resources practices and activities:

- i) Operational plans are developed and executed in preparing and implementing HR policy.

- ii) Operational strategies play an important role in recruiting and staffing employees and therefore, help in getting right people at right place.
- iii) It helps in identifying as well as providing training and development needs.
- iv) It helps in providing compensation and other related benefits to the employees of the organisation.
- v) It provides a ground for deciding and implementing employment standards and legislation.
- vi) It helps in increasing the morale of employees.
- vii) It plays in determining the available staff and designing a job as per the requirement of the organisation.

Thus, the operational plans have several benefits which tries to maintain the strategies of human resource planning at place. If your organisation already has good HR management practices in place they should be reviewed on an ongoing basis, every two to three years, to ensure that they still meet organisational needs and comply with legislation.

2.7 OPERATIONAL STRATEGIES IN A BUSINESS PLAN

In context to the business strategies, the operational strategies section refers to business's operations that are taken according to the business plan. It includes plans for ordering, storing, selling, and producing outputs and likewise offering services within an organisation.

2.7.1 Factors Affecting the Operational Strategies of a Business Plan

A business plan is a blue print of the activities that are supposed to happen within a specified time period within an organisation. Furthermore, the operational strategies are the ways with the help of which the plans would be achieved. Thereby, the operational strategies have a significant role in achieving the predefined plans. Some of the factors which can affect the operational strategies of a business plan are:

- i) **The physical set up of the organisation:** Never the less, the internal as well as external environment of the organisation plan plays an important role in implementation of the operational strategies. Therefore, the actions should be decided on basis of the physical surroundings, human resource and other available resources of the organisation.
- ii) **Nature of the tasks:** The operations plan should also include the responsibilities for handling specific tasks. The operational strategies are based on the nature of the task, who will handle them and how will it be handled.
- iii) **Manufacturing and pricing mechanism:** The operational strategies are equally dependent on the minute details of the process of manufacturing

outputs or providing services as well as the factors that would determine the cost of the goods or services.

- iv) **Safety precautions:** As successful implementation of the business plans (that is, the operational strategies) would also depend upon the measures that have been taken in order to ensure the safety and security of the resources of the organisation and also to meet the business risks in the competitive market.
- iv) **Nature of the business process outsourcing units:** If the organisation has outsourced the operational activities of the business plans, the implementation of the business plans will also depend upon the nature of the companies or consultancies to whom it has been outsourced.

The operational strategies of a business plan, not only helps in explaining how the transaction or business will be done, it also helps an organisation to understand the strategies that would best facilitate the type of business that has been planned. It is necessary for the organisations to decide upon the ways how the business would be conducted, but is even more important for the organisation to find out logical reasoning behind the operations plan with the help of which the business would be conducted.

2.7.2 Benefits of Operational Strategies of a Business Plan

Almost every business plan has its operational strategy that is followed in order to achieve the planned target. These strategies not only help in understanding other companies, vendors, partners, and distributors that an organisation has to rely upon in order to complete transactions, but it has several other advantages also. Some of them can be listed as follows:

- i) The action plans helps an organisations to run its business smoothly.
- ii) It ultimately helps in achieving the preplanned targets. Hence, helps in maintaining as well as increasing its customers.
- iii) It helps in speeding up the business transactions.
- iv) It helps in meeting the competitive advantage over other organisations.
- v) It also helps in best utilisation of the available resource within an organisation.
- vi) It also helps in anticipating the future trends and cope up in emergency situations.

Over the life of the business, the manner in which a transaction is being done keeps on changing significantly. The organisation needs to continually change its business plan as well as its operational strategies while addressing its competitors, technological changes, economical changes, and marketing trends. In addition, a company's business may grow from a small scale into a larger scale business with the need for additional space and staffers. At times, if business plan has been written several years before, it might become redundant in this computer and technological era. For this reason, the organisations should anticipate include some general expectations in the operational plans of the business to change and grow over time to meet the market challenges.

Self Assessment Questions

State whether the statements are *true* or *false*

- i) A business plan is a blue print of the activities that are supposed to happen within a specified time period within an organisation. ()
- ii) The action plans creates hindrance in running business of the organisation smoothly. ()
- iii) The operational strategies of a business plan helps in explaining how the transaction or business will be done. ()
- iv) The organisation needs to continually change its business plan. ()
- v) The operational strategies depend upon the business plan of the organisation. ()
- vi) The organisations need not anticipate the changes that might face in the coming days. ()

2.8 BUSINESS PLANS AND OPERATIONAL PLANS AS A TECHNOLOGICAL AND INNOVATIVE STEP IN HUMAN RESOURCE STRATEGY (HRS)

The Human Resources Strategy (HRS) of the organisations starts from its establishment phase. The human resource strategy basically focuses on putting in place the basic policies, procedures and systems needed in a newly independent organisation. Following this, the strategy keeps on changing or getting modified as per the requirement or implementation of a new approach. As a result of implementing these strategies, the division of HR takes a shape. It becomes a section which has a set of HR policies and practices that are being aligned with the direction in the Strategic Business Plan. The Department has selected and is now commissioning a new HR information system. The operational strategy acts as an innovative technique for the progress of the organisation in the long term. The ways in which operational strategy acts as an innovative step in HRS can be pointed out as follows:

- i) With the help of operational plan an organisation can introduce the information system as an advanced technique for managing the human resource system, then the Human Resources Management Information System (HRMIS) can help in assisting the human resource department to identify HR issues and trends, as well as it will also allow it to monitor progress in the implementation of future strategies.
- ii) The operational plan helps out in competency mapping with help of relevant techniques. These competencies reveal the HR capability, and helps in developing a supporting qualifications/training/performance management framework. Further work is required to integrate the management development component into a single department-wide framework, linked with wider public service initiatives.

- iii) The latest strategies adopted by the organisation helps in recruiting staff with effective interpersonal skills, integrity and the talents to collaborate and be innovative in an environment largely focused on consistency and safety.
- iv) The alignment of policy and processes with desired organisational direction focus on getting the right people in the right roles, particularly management roles support managers to increase employee and stakeholder satisfaction.
- v) The organisations are able to emphasise the manager and staff training on skills that would support the desired culture of the organisation. The strategies help in reinforcing changed behaviours through leadership modelling, recognition, performance evaluation and internal communications.
- vi) The operational plan also helps in alignment of the overall culture of the organisation. The continued alignment of the departmental culture with the organisational culture is essential for three reasons: *Firstly*, culture influences the way frontline people work. *Secondly*, culture determines the way managers support and work with frontline staff and *thirdly*, culture is a key feature in determining how well the organisation can attract and retain the people capability and capacity needed now and in the future.
- vii) With the help of business strategies an organisation can develop a work environment which is increasingly safe and healthy for employees, stakeholders and customers as well.
- viii) The business plan strategy also helps in enhancing organisational capability and capacity. It helps in identifying the strength of the managers and staff which ultimately helps out in rapid progress of the organisation.
- ix) The operational plans act as an effective support for the managers by leveraging the use of technology (internet and intranet) for policies, guidelines, human resources performance measurements and self learning. Now, it is possible for the top level management to get suggestions and clarification from business delegates on appropriate time.
- x) The business strategies and operational plans have helped in evolving more user-friendly formats for HR policies and processes.

Self Assessment Questions

Fill in the blanks-

- i) The business plan strategy also helps in _____ organisational capability.
- ii) The operational plan also helps in alignment of the overall _____ of the organisation.
- iii) The alignment of policy and processes with desired organisational direction focus on getting the right _____ in the right roles.

- iv) Business plans and operational plans are a _____ and an innovative step in human resource strategy.
- v) With the help of _____ an organisation can introduce the information system as an advanced technique for managing the human resource system.
- vi) The operational plans act as an effective support for the managers by leveraging the use of _____.

2.9 LET US SUM UP

It is clear from the above discussion and facts that, the business strategy and operational strategy are one of the basic premises of the continuous improvement of the organisation. The strategies help the organisation to ensure that the systems remain effective, managed and controlled. The use of strategies for business plan as well as operational plans are the beneficial aspects in managing the human resource.

However, it is necessary for the organisation to not to surpass the policies and philosophies of the organisation in the verge of innovation. It is an unavoidable fact that the organisations have to achieve a balance between consistency (rules) and innovation by providing a clear understanding of key principles and limiting the development of rules to situations where they are required for safety, security, therapeutic integrity and consistency. A smooth and successful running of the organisation depends upon the healthy work environment, motivated and committed employees as well as advanced business strategies. Business can prosper effectively only when it is handled with care and updated regularly according to the changes in external environment and global market.

2.10 UNIT END QUESTIONS

- 1) Explain the steps of alignment of business strategy and human resource practices within an organisation.
- 2) Explain the benefits of operational strategy in HR practices.
- 3) Explain how the operational and business plans are innovative measures within an organisation.
- 4) Discuss the role of human resource professionals in business strategies.
- 5) As a business manager, what are the different strategies that you would try to implement with the help of human resource practices?
- 6) What are the benefits of the operational strategies of a business plan?

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UNIT 3 RETENTION OF QUALIFIED AND TECHNICAL PERSONNEL (COMPETENCY MAPPING AND PERFORMANCE APPRAISAL)

Structure

- 3.0 Introduction
- 3.1 Objectives
- 3.2 Retention of Qualified and Technical Personnel
 - 3.2.1 Significance of Retaining Qualified and Technical Employees
 - 3.2.2 Strategies for Retention of Employees
- 3.3 Competency Mapping
- 3.4 Performance Appraisal
 - 3.4.1 The Process of Performance Appraisal
 - 3.4.2 Benefits of Performance Appraisal
 - 3.4.3 Constraints Experienced During Performance Appraisal
 - 3.4.4 Methods of Performance Appraisals
- 3.5 Let Us Sum Up
- 3.6 Unit End Questions
- 3.7 Suggested Readings

3.0 INTRODUCTION

In the previous units we mainly discussed about human resource planning, corporate social responsibility, business strategy and operational strategies. All the above topics are important aspects of human resource management that helps in the development of not only the human resource but leads to achievement of organisational objectives.

In the present unit we will focus on another relevant topic in human resource management that is retention of qualified and technical personnel. We will also further highlight the concept of competency mapping and discuss about yet another function under human resource management, that is, performance appraisal.

Understanding of the above topics will help you to further better your knowledge about various functions covered under human recourse management and also help you comprehend one of the issues dealt by human resource managers in organisations with regarding to the turnover of qualified and technical personnel.

3.1 OBJECTIVES

After reading this unit, you will be able to:

- Discuss about retention of qualified and technical personnel;
- Explain the concept of competency mapping; and
- Describe the performance appraisal, its benefits, pitfalls and methods.

3.2 RETENTION OF QUALIFIED AND TECHNICAL PERSONNEL

In today's world with globalization and rapid industrialisation retaining qualified and technical persons is truly a challenge. The concept of long term employment is quickly fading with employees jumping jobs. Instances where employees would serve an organisation for years together still exist but are growing rare. In this kind of situation measures are to be taken by the industry and especially the human resource manager in order to avoid this kind of turn over amongst the qualified and technical persons.

There may be various reasons for turnover amongst the employees and accordingly varied measures can be undertaken to retain employees. Though turn over as such can be one of the major problems faced by the human resource managers, in this unit we will mainly focus on how the qualified and technical employees may be retained.

A lot of time energy and finance is involved when a single employee is employed. Right from the recruitment stage when an advertisement is placed in a newspaper or a campus interview is conducted, to organising interviews, group discussions etc. to appointing employees in suitable job position to training them and so on a lot of effort on the part of the human resource department and personnel is invested besides the financial investment. In such a situation when an employee after being appointed and trained leaves the job then it may be considered as a great loss to the organisation. In order to avoid this it is necessary that suitable measures are employed in order to retain such employee. These suitable measures or strategies developed can be discussed under the broad topic of retention management.

There are various reasons why a qualified employee with high technical skills may choose to leave a particular organisation. These reasons are discussed as follows:

- 1) **Better job opportunity:** The employees may choose to leave because they are getting a better offer in some other organisation that is providing them with better career development, higher pay package and facilities and a positive job environment.
- 2) **Lack of motivation:** An employee may also leave because he/she does not feel motivated enough in the present organisation. The job might be monotonous and there might not be any challenging task for the employee.
- 3) **Ineffective leadership:** Ineffective leadership is another reason why employee may leave their jobs. The immediate supervisor may not possess effective leadership skills. As a result he/ she may not be able to motivate the employee or may not be able to set clear and challenging goals for the employee.
- 4) **Lack of career development opportunities:** Employees may also leave because they do not see any further career development opportunities in the organisation. This may also result from flat hierarchies where promotional opportunities are less.

- 5) **Negative organisational culture:** A negative organisational climate that does not promote interpersonal relationship, a learning environment, concrete criticism and team work.
- 6) **Low morale:** An overall low morale amongst the employees and lack of organisational citizenship may also lead to turn over amongst the employees.
- 7) **High absenteeism and accident rates in the organisation:** An overall high absenteeism and high accident rates may also lead to low morale and a feeling of insecurity amongst the employees that may lead to a high turnover.

These are some of the reasons why employee may not choose to remain in a particular organisation. Further unfair or inadequate performance appraisal may also result in employee turnover. Further we are going to discuss about significance of retaining qualified and technical employees.

3.2.1 Significance of Retaining Qualified and Technical Employees

There are numerous reasons why organisations focus retaining such employees. When a qualified and technical employee leaves an organisation, it is a loss as the organisation has invested in the recruitment, selection and training of such an employee. Also the organisation is well versed with the skills, talents, attitudes, values and performance of such an employee and is sure about the capacity of the employee to achieve the individual and organisational goals. An existing employee is well adjusted to the organisational culture and climate. And thus is able to function at his/her best. Recruiting new employees elevates the costs involved in the whole process and also the newly recruited employee will take some time to adjust to the new organisation and to be fully productive. The expectation, aspirations and weaknesses of an existing employee are known to the superiors of that employee that help them to interact with him/ her in a better manner.

Many organisations even approach their ex-employees and encourage them to rejoin the organisation mainly because adjustment to organisational culture, policies, climate and structure is easier for these employees and further they come with an added experience of working with other organisations. Thus there is this overall trend amongst the organisations to promote long term relationship with their employees. It may not always be possible because as we discussed earlier recent trends show that many employees engage in short term relationship with organisations due to varied reasons discussed above. Thus various strategies need to be planned and implemented by organisations in order to retain their employees. These strategies will also be discussed in this unit.

3.2.2 Strategies for Retention of Employees

- 1) **Recruitment, selection and placement:** These three extremely important functions are under human resource management. These serve as an entry point for a prospective employee. In case if these processes are not adequately planned and carried out then it might result in turn over amongst employees. Effective recruitment is required in order to generate right and large pool of prospective employees or applicants, who will prove to be effective

employees. In case the recruitment is not effective then a large pool of qualified and technical employees will not be generated. This will in turn interfere with the selection process as the organisation will have to choose from a pool of ineffective applicants or they will have to redo the recruitment process. Also the methods of selection should also be adequately selected in order to select the best suitable employees. Further ineffective placement of employees that is if the employees are not matched as their qualification to their job in the organisation, the employees are going to be dissatisfied and would choose to opt for a job that he/ she find more satisfied in.

- 2) **Motivation:** Motivation can be described as a drive to achieve a particular goal and the organisations have to ensure that their employees are adequately motivated. Motivation can be intrinsic and extrinsic. Intrinsic motivation is the one where the employee is inwardly motivated or feels that he/ she needs to perform at his/ her best and achieve the goals assigned to them. Extrinsic motivation occurs when there are external stimuli that motivate the employees like rewards or promotion. The human resource department should strive to increase motivation amongst their employees by creating positive stimulus and also by providing suitable training programmes, workshops and interventions. This in turn will retain the employees as they feel motivate to remain in the job and perform effectively. Also creating challenging objectives and thatwhich match the potentialities of the employees will also motivate them.
- 3) **Training and career planning and development programmes:** The employees today seek development and training opportunities to enhance their skills. Regular training programmes to enhance both technical skill as well as behavior skills will not only make an employee effective performer but also convince him/ her that the organisation is bothered and taking interest in the individual development of the employee. Development is a long term concept compared to training that can span for years. A suitable career planning and development programme will be able to assure the employee that he/ she has a bright future in the organisation.
- 4) **Focus on succession planning:** This aspect is in a way related to earlier point where we spoke about training and career planning and development. Succession planning in any organisation is an important aspect especially at higher level positions. Under succession planning younger employees are trained and prepared to take over the outgoing employees. This again motivates the employees at the same time ensures their progression in the organisation.
- 5) **Handle employee grievances:** Employees might experience certain grievances with regard to their supervisors, colleagues or subordinates or with regard to the facilities provided to them or varied aspect of the organisation. There should be an avenue for expression of these grievances. Open communication should be promoted in the organisation so that the employee is able to discuss about his/ her problem freely rather than just choose to quit.
- 6) **Measures to reduce stress and dissatisfaction:** Various activities and programmes should be organised in order to help employees deal with their

stress. Also the job should be made interesting and challenging enough for the employee to be satisfied in doing it.

- 7) **Generate Family involvement programmes:** Any employees is to be viewed from a dual dimension, that is, from his work point of view and from his family point of view. Various programmes should be organised that involve the family of the environment. Gettogethers, picnics and other events can be regularly organised. Besides certain welfare activities for the spouses and the children of the employees can also be organised.
- 8) **Modify organisational culture:** As discussed earlier organisational culture is one important reason why an employee may leave the job. He/ she may not find it comfortable and may not be able to adjust to it. On one hand the employee should be helped to adjust to the new environment and culture and on the other hand the organisational culture must be constantly assessed in order to identify any problems and issues that arise within the organisation. In case any problems are found with regard to the culture, suitable measures should be taken to modify or change it.
- 9) **Reward System:** The reward system should be improved in order to make it more lucrative in order to increase the motivation of the employees. Rewards can be monetary or non monetary like. Rewards can be given for performance and contribution of the employee to achievement of the goals.
- 10) **Improving employee morale:** Employee morale can be improved by creating a conducive and comfortable environment in the organisation that encourages a positive feeling amongst the employees. Increased morale will lead to development of organisational citizenship amongst the employees that helps employee identify better with the organisation. This in turn will discourage the employee to leave the job as he/ she feels satisfied in the present job.
- 11) **Providing effective leadership in the organisation:** Leaders in the organisation should be provided with suitable training with regard to communication, leadership and interpersonal skills. They should be trained to invoke trust of their employees and motivate them. A good leader will help employee develop and contribute his/ her best to the organisation. This will also develop a positive feeling amongst the employees.
- 12) **Employee Counselling:** Counselling should be made available in organisations in order to help employees deal with their problems both personal and work related. This will help the employees cope with their problems and they will also feel that the organisation values them.

Self Assessment Questions

- 1) Explain the relevance of retaining qualified and technical employees.
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- 2) Discuss any two strategies for retaining employees.

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3.3 COMPETENCY MAPPING

Competency mapping may be described as a process of identifying the strengths of an individual employee in order to understand his/ her potentialities. Competency mapping is carried out by organisations to understand the strengths of each employee in the organisation so that individual goals can be accordingly assigned so as to make effective use of the competencies of the employees. Competency mapping not only help organisations take stock of the nature of the employees in the organisation but also helps the individual employees understand their own strengths and potentialities.

Under competency mapping an organisation may focus on various aspects of an employee from technical skills to behavioural skills like communication, team work, leadership, interpersonal leadership etc. to adjustment and potentiality of the employee to work under stressful situation. The organisation may also look for creativity and innovations as strengths of an employee. This will also depend on the nature of job and position of the employee. The competency mapping may be carried out for various reasons from performance appraisal, succession planning to develop suitable strategies in order to make optimum use of the strengths of each employee. Competency mapping can be used at the time of recruitment, succession planning, to identify developmental and training needs of the employees and promotions.

Some of the most common steps involved in the process of competency mapping are as follows:

- 1) The employees in the organisation may be asked to fill up a questionnaire in order get an idea about their present work activity and abilities and skills required to perform that work activity in much better manner. In short job analysis is conducted in order get an idea about the present activity of the employee.
- 2) Once the questionnaires are filled by all the employees then on the basis of job description a competency is created and put forth in front of the human resource department for agreement and additions.
- 3) In the final step mapping of an employee's abilities to the benchmarks is carried out and further strategies are accordingly decided.

Critical Incident Analysis and Repertory Grid are two techniques that can be used in competency mapping. Under Critical Incident Analysis, as the name suggests the employees are to report about certain incidents that bring forth the

exemplary behaviour of the employee. The basic assumption is that the employee will display best or worst of his/ her behaviour during the crisis. For example, the behaviour of an employee during an accident or during a conflict between his subordinates. This will give an idea whether the person was able to perform under pressure, about the decisions he/she took and about problem solving skills employed by him/ her.

Under repertory grid, the important attributes of an employee are identified. Then for each attribute a bipolar scale is created with differentiable characteristics and their opposites.

Thus competency mapping can be of great help in understanding the employee and ensuring their individual development at the same time overall development of the organisation.

Self Assessment Questions

- 1) Explain the concept of competency mapping.

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- 2) Discuss the steps involved in competency mapping.

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3.4 PERFORMANCE APPRAISAL

Performance appraisal refers to various procedures and methods that may be used in order to evaluate the performance of an employee in an organisation. Performance appraisal may be informal or formal. An informal performance appraisal is one that is carried out on regular basis by the immediate supervisor. This can be very effective as the immediate supervisor can keep track of the performance of the employee on the regular basis and can report any shortcomings. Also such an appraisal is cost effective and the feedback is instantly received by the employee with regard to his performance. On the other hand formal performance appraisal is carried out the organisation once in six months or in a year depending on the policy, size and nature of the organisation. An elaborate procedure may be involved in this along with participant of a number of employees. A considerable financial investment is also required. This kind of appraisal may be conducted by the human resource department in the organisation or by an external consultant or an assessment centre.

3.4.1 The Process of Performance Appraisal

- 1) **Selection of performance factors and setting of the standards to be achieved:** In order for an employee to perform he/ she should first have clear idea about the goals and objectives that he/ she have to achieve. Thus the employees should not only be aware about the goals he/ she have to achieved but should also be informed about the necessary performance factors and standards to be achieved by them.
- 2) **Setting the period for performance appraisal:** The period during which the whole process of performance appraisal shall take place has to be notified. This will not only help the appraiser plan ahead of time. But the employees will be prepared for the process of appraisal.
- 3) **Selecting the method for performance appraisal setting the stage for performance appraisal to be carried out:** we will discuss various methods of performance appraisal later in this unit. One or more of these methods have to be selected based on the size and nature of the organisational and also the financial budget available for carrying out the appraisal.
- 4) **Measuring the performance of the employees:** With all the above preparation in place, the actual performance of the employee is then assessed and recorded. Suitable instructions and training is also provided to the appraisers
- 5) **Communication of the results of performance appraisal or giving feedback:** The results obtained are then communicated to the employees in a systematic manner.
- 6) **Application of the results of performance appraisal:** The results are also further utilised to develop suitable intervention strategies.

3.4.2 Benefits of Performance Appraisal

- 1) The employee becomes better aware about his/her own self, about his/ her performance, strengths and weaknesses. Necessary steps or measure can then be taken by him/ her in order to enhance the strengths and deal with weaknesses.
- 2) The employee also develops a better understanding of his/ her role in the organisation and the expectations from him/ her. Thus he/ she can plan about the ways these expectations may be met.
- 3) Performance appraisal can lead to high motivation, better job satisfaction and self concept.
- 4) It also provides the employees and their immediate supervisors an opportunity to discuss the work related problems and ways to overcome them.
- 5) It also provides a platform for the employees to express and discuss their aspiration and career goals.
- 6) The organisations benefit from performance appraisal as they can identify the strengths and weaknesses of their employees. And on the basis of

performance appraisal results decision may be taken with regard to promotions, demotions and transfers in the organisation.

- 7) Suitable training and career development programmes can be organised by the human resource department based on the results of the performance appraisal.
- 8) With suitable feedback conveyed to the employees, the result of performance appraisal can be improved performance in the organisation.

3.4.3 Constraints Experienced During Performance Appraisal

We discussed about the benefits of performance appraisal and realise how it is an important aspect of any organisation. One of the most important functions of training and development may be based on the results of the performance appraisal. However care has to be taken with regard to implementation of performance appraisal as certain constraints may be faced while doing so. The constraints face may be discussed as follows:

- 1) Negative organisational culture that does not value performance appraisal and does not suitable promote giving and receiving of feedback. A negative attitude towards performance appraisals may be as a result of unfair performance appraisal in the past or due to lack of seriousness about the process on the part of the management.
- 2) Lack of willingness on the part of the employees may also lead to failure of the performance appraisal process. An employee may worry about negative feedback and criticisms that he/ she may receive as a result of performance appraisal and hence will resist the whole process or will not commit to it thoroughly.
- 3) Apprehensions about the use of performance appraisal outcomes. Many employees may resist performance appraisal because they are worried about the outcome. They may feel that on the basis of the appraisal they may be demoted or may loose the job.
- 4) Lack of proper procedure in implementation of performance appraisal will also interfere with whole process. Adequate planning is required at the same time fair means are to be adopted while the appraisal is conducted.
- 5) Role and goal ambiguity are other aspects that may lead to failure of performance appraisal. In order for an employee to perform, he/she should have clear idea about the role they have to play and about the goals they have to achieve. Only then can the performance appraisal will effectively measure the performance of the employee.
- 6) Lack of linkage between performance appraisal and the reward system can also lead to failure of performance appraisal. It is important that there is a link between the performance appraisal and reward system. As per the level of performance of the employee he/ she should be adequately rewarded. In absence of such a link, performance appraisal is meaning less and will fail to motivate employees to achieve their set goals.
- 7) Low motivation to perform at the same to participate in the performance appraisal process is another reason that contributes to an unsuccessful performance appraisal.

3.4.4 Methods of Performance Appraisals

Varied methods of performance appraisal can be utilised in an organisational setup depending on the nature, financial status and size of the organisation. Mamoria, Gankar and Pareek (2004) various traditional and modern methods of performance appraisal. These can be discussed as follows:

A) Traditional Methods

- 1) **Straight ranking method:** This is one of the oldest and simplest methods of performance appraisal. Under this method, all the employees are compared with each other and ranked. The performance of an employee is not considered, but the employee is perceived as a whole and is compared to other employees. Numerical ranks are assigned to each employee.
- 2) **Paired comparison technique:** Under this technique each employee is compared to another employee in pairs on each trait. Rank is then assigned to each employee. Though the judgement in this case is easier than that in the previous method, it is a tedious job when a large number of employees are involved.
- 3) **Man to Man comparison method:** Under this method, a scale of a man is created for various factors like leadership, communication, honesty, hardworking etc. and then each employee is compared with this scale. Thus the employees are not compared to each other but are compared to a key man with regard to one factor at a time. However designing of such a scale is a challenging job.
- 4) **Grading:** In this method, certain categories are first established and defined, like dependability, hardworking, cooperativeness etc. and then employees are graded on the basis of these categories as per his/ her performance. Grades in terms of A- Excellent, B- Good, C- Average, D- Poor, E- Very poor may be provided to the employees.
- 5) **Forced choice description method:** In this method certain phrases in sets are used and then the immediate superior has to choose one of the phrases that closely describes the employee. For example:

Under pressure:

- a) The person is able to manage pressure and function at his/ her best
- b) Seeks help and support of others
- c) Performance reduces drastically
- d) Experiences stress and tries to avoid work

The supervisor is then to select from the above phrases that optimally describes the employee. However a lot of personal bias can interfere with this method. Also trained technicians are required to develop the statements for each occupational group.

- 6) **Check lists:** Under this method, a series of questions or statements are created and the appraiser has to answer either yes or no.

- 7) **Free form essay method:** This can be termed as an open ended appraisal as the immediate supervisor is free to write about the subordinate in an essay form or in a descriptive manner. This is more of a qualitative approach than quantitative. However a lot of subjectivity may be involved in this method and there is no single criteria for evaluation.

The above were some of the traditional methods. There are various disadvantages of using the traditional methods. Firstly, the manager or the immediate supervisor needs to be provided with adequate training as to appraise the employees. Rater's bias may also interfere with the overall process of the appraisal. The appraiser's personality may also interfere as some appraisers are lenient and some are overly strict in their appraisal. Also most of the traditional methods require a lot of preparation in terms of creating scales and statements that might be time consuming. Further they may not actually give a complete idea about the overall performance of the employee as they focus more on the task of the personality of the employee.

We will now discuss certain modern methods of performance appraisal that better suited for most of the organisations and can be aptly implemented.

B) **Modern Methods**

- 1) **Assessment centers:** Assessment centres utilise multiple methods of appraisal and multiple appraisers. It may involve an interview, a written test, a group discussion or situational exercises. The appraisers may be the higher level managers in the organisation. They evaluate each employee and then a summary report is submitted. Assessment centers may be a part of the organisation or may be an external agency that is hired for the purpose. Besides performance appraisal the assessment centers can be used to conduct recruitment and selection, develop training programmes and plan human resource activities. Assessment centers are effective as they provide complete idea about a particular employee as multiple appraisers and multiple methods are used. However it is time consuming especially when managers and superiors from the organisation are involved, their work in the organisation may suffer. Also they will need some training with regard to how the appraisal is to be carried out. In case an external agency is appointed, it might become a very costly affair. In order to successfully use assessment centers for performance appraisal, it is necessary to mainly focus on the goals that are clearly communicated to each employee, ensure commitment of not only top management but employees at all level.
- 2) **360 Degree Performance Appraisal:** In this method the appraisal of a single person is created by his/ her superiors, subordinates and peers and employee himself/ herself hence the name 360 degree. The data is then collected from all the parties and suitable feedback is provided to the employee. Self assessment also helps employee understand his/ her own strengths and weaknesses in a better manner. However personal bias and rivalry needs to be avoided during such an appraisal. The employees however may not easily accept implementation of such a method in the organisation as they might be worried about the negative feedback especially from their subordinates and peers. Suitable communication, clarification and training with regard to the process of this method may help its smooth and effective implementation.

- 3) **Management by Objectives:** The method was introduced by Peter Drucker and is one of the most effective methods of performance appraisal. In this method based on the organisational goal, goals are created for each department in the organisation and based on the departmental goals and the potentiality of individual employee in the department; individual goals are created for each employee after a discussion between the employee and the superior. These employees are then supervised for their progress towards the goal and suitable help and support is provided in case any problem or obstacle is faced by the employee so as to help him/ her achieve the goal assigned to him/ her. Suitable feedback is also provided to the employee from time to time. A lot of interaction and discussion is promoted by this method between the employee and the superior that enhances the overall functioning of the department and in turn of the organisation. The superior plays role of a coach, mentor and counselor. The main focus of this method is goal setting besides participant and feedback. The method is termed effective because it motivates the employees to perform better, conflicts are reduced and participation increases, role and goal ambiguity is also reduced considerably. A lot of planning is encouraged. Problems are solved faster and in time that enhances achievement of goals. The performance deficiencies of the employee are identified and measures can be taken to rectify them during the process of goal achievement.

However, the method is time consuming and requires a great deal of involvement and positive attitude on the part of the employees and the superiors. However in long term the effects of this method are positive and long lasting that influences that overall organisational culture and enhances it for smooth functioning of the organisation.

- 4) **Behaviourally Anchored Rating Scales (BARS):** This again one of the most effective methods of performance appraisal that involves five stages.
- a) Firstly it is important to generate critical incidents. The employees working on a particular job are asked to describe specific critical incidents that can take place on the job and that call for effective performance on the part of the employee.
 - b) These incidences are then categorized in to smaller sets of performance dimensions. Each category is then defined.
 - c) Then a group of employees are given certain critical incidents and asked to locate them as per the categories.
 - d) The group is then asked to rate the behaviour described in the incident as to how effectively or ineffectively it represents performance on the performance dimension.
 - e) The subsets of incidents are then used as behavior anchors.

Though the method is time consuming and expensive it is more accurate as it is done by experts. Clear standards are utilised and suitable feedback is provided

Self Assessment Questions

1) Define performance appraisal.

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2) Explain any one method of performance appraisal.

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3.5 LET US SUM UP

In this unit we discussed three important aspects namely, (i) retaining qualified and technical employees, (ii) competence mapping and (iii) performance appraisal. These are three important functions that enhance the overall development of human resource and lead to effective achievement of organisational objectives. However, we have to remember that suitable planning is required to be carried out before implementation of these strategies and processes. In retaining qualified and technical employees, the reason for turn over in the organisation needs to be identified first and then suitable intervention may be applied. With regard to competency mapping and performance appraisal, it is important to assess the present attitude of employees towards these two processes and then plan accordingly about the method and application.

Thus the human resource managers should not only plan extensively before carrying out these activities but also have a fore sight about possible problems, like resistance from the employees etc. so that he/ she is in better position to successfully implement these activities.

3.6 UNIT END QUESTIONS

- 1) Write a note on retention of qualified and technical personnel.
- 2) Define competence mapping and describe the steps involved in its process.
- 3) Define performance appraisal and discuss its benefits.
- 4) Discuss any five traditional methods of performance appraisal.
- 5) Describe any two modern methods of performance appraisal.

3.7 SUGGESTED READINGS

Retention of Qualified and
Technical Personnel
(Competency Mapping and
Performance Appraisal)

Bhatia, S.K. (1999). *Principles and Techniques of Personnel Management/ Human Resource Management*. New Delhi. Deep and Deep Publications Pvt. Ltd. 2nd Edition

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UNIT 4 PLANNING INVESTMENT IN DEVELOPMENT (INCLUDING CORPORATE COUNSELING)

Structure

- 4.0 Introduction
- 4.1 Objectives
- 4.2 Human Resource Development (HRD)
 - 4.2.1 Human Resource
 - 4.2.2 Human Resource Management
 - 4.2.3 Concept of Human Resource Development
- 4.3 Strategies of Human Resource Development
- 4.4 Designing a HRD Strategy
- 4.5 Planned Investments as an Innovative Technique in Human Resource Development
- 4.6 Significance of Human Resource Development
- 4.7 Concerns of Human Resource Development
- 4.8 Corporate Counseling
 - 4.8.1 Effective Counseling at the Corporate Level
 - 4.8.2 Counseling, Coaching and Mentoring
- 4.9 Let Us Sum Up
- 4.10 Unit End Questions
- 4.11 Suggested Readings and References

4.0 INTRODUCTION

The previous units of this block have highlighted on the various aspects of human resource planning. It is very much clear from the earlier discussions that human resource planning is that back bone which has a significant contribution in the production, progress as well as the achievements of the organisation. The present unit tries to maintain the same decorum and highlights on the strategies of planning investment which would ultimately lead to the development of human resource of the organisation.

4.1 OBJECTIVES

With the help of this unit, you will be able to:

- Discuss the concept of human resource development;
- Explain the strategies of human resource development; and
- Describe the concept of corporate counseling;
- Highlight various concerns and issues of the human resource development process. ‘

4.2 HUMAN RESOURCE DEVELOPMENT (HRD)

Human resource planning is an important part of human resource management which ultimately helps in human resource development. The field of human resource management is concerned with the human related activities within the organisation which can help in the smooth functioning of the organisation, whereas human resource development mainly focuses on promoting learning and development amongst the employees. The main focus here is the overall development and enhancement of the human resource in the organisation. Innovative techniques are developed to improve the work culture, so that the employees are motivated to give in their best to the organisation. Organisations are striving hard to readily accept the changes in this modern world and adopt the latest human resources practices. Those who refuse to change are left behind. So it is imperative to implement the latest human resource practices in the organisation.

Before getting in to further details, you must first be clear with certain concepts:

4.2.1 Human Resource

No doubt we are very clear with this concept. But ever since, we would be discussing aspects related to human resource, it becomes necessary to redefine the concept. Human resources are those people that work for an organisation. They are the people who have been selected according to the needs of the organisation. They are those movable assets whose devotion and loyalty would lead to the ultimate survival of the organisation. That is why organisations work hard for the optimum utilisation of this resource in the best planned way. It is also worth to mention that there are three important aspects of the human resources to work efficiently in the organisation. *First*, it is necessary that the work force is physically fit and is being considered in terms of the number of hours that they devote as well as their health conditions. The *second* aspect refers to the knowledge, dexterity, skills and potentials of the human resource. These qualities should match with the requirements of the job. *Thirdly*, the attitude, behaviour, outlook and mindset of the human resource should be as such they readily accept the trends of organisational changes. Organisation can be successful only if it takes care of all these aspects of its human resource.

4.2.2 Human Resource Management

The section or department of Human Resource Management is concerned with how these people are managed within the organisational environment. However, the term Human Resource Management (HRM) has come to mean more than this because people are different from the other resources that work for an organisation. People have thoughts and feelings, aspirations and needs. Therefore, the human resource management refers to an approach which not only considers the needs of the people or member of the organisation; it is equally concerned with the needs of the organisation. It tries to synergize the demands of the organisation with the supply of appropriate human resource to the organisation. No two individuals are same natured. They have their own needs and aspirations. It is the responsibility of the section of human resource management to find out about the needs and aspirations of individual employees, for example through the appraisal process and then creating the opportunities according to the needs

of the organisation (e.g. through job enlargement) as well as skills of the employees and also provide them a platform where the employees can improve their performance as well as skills. Therefore, the human resource management department tries to relate each and every aspect of the way in which the organisation interacts with its people, e.g. by providing training and development opportunities, appraisal to find out about individual needs, training and development needs analysis, etc.

4.2.3 Concept of Human Resource Development

The department of human resource development of the organisation is concerned with the progress of the existing human resource of the organisation. The organisation continuously needs to upgrade its employees with the help of training, counseling, appraising and several other activities in order to be at par in this competitive world market. The human resource development thereby, refers as a method or way out to increase the over all knowledge, values, skills, attitudes and the commitment of employees and also the process of acquiring skills required or expected to do the job.

The human resource development, also known as personnel development aims at the all-around development of the members of the organisation. It is a part of human resource management and is basically concerned with extracting the hidden qualities and skills of the employees and to prepare them to carry out newer jobs. An organisation pays special emphasis on the methods of human resource development as it is the human resource which will ultimate be responsible for the growth and prosperity of the organisation. The organisations are well acquainted with the fact that mere increasing the morale and motivation of the employees will not be sufficient; it is necessary to continuously train and enhance the efficiency as well as potentials of the employees.

Self Assessment Questions

Fill in the blanks

- i) Human resource planning ultimately helps in development of _____.
- ii) The human resource development, also known as _____ development.
- iii) Human resource management refers to _____.

4.3 STRATEGIES OF HUMAN RESOURCE DEVELOPMENT

Human resource strategies are a plan or frame work which describes how the human resources of the organisation will be utilised with an equal effort on their training and career development in order to meet both the individual as well as organisational objectives.

As discussed earlier also that the human resource development is an organisation's framework or blue print which acts as a guideline in improving and developing

of the human capital. This framework includes any training, career development, evaluation feedback, or tuition assistance that facilitates the continual improvement of employees. The methods of human resource development can vary from the formal method of training of the employees through formal classroom lecture method or as informal as the method of counseling and coaching between supervisor and subordinate.

The strategies of human resource development help the employees to acquire knowledge, develop competencies and skills and also to adapt to the changes taking place at their work environment. These methods also provide feedback to the organisation about the current status of the competencies and knowledge of its employees. There are certain methods which equally emphasise on the organisation. These strategies which are being used by the organisation to develop their human resource can be pointed out as follows:

- i) **Training strategy:** This is one of the plans with the help of which the employees of the organisation are educated and trained about the changes taking place within as well as outside the organisation. There are basically two types of training that are given to the employees of the organisation – *on the job training* (a type of training in which the employees are trained within organisational environment e.g.– apprenticeship) and *off the job training* (a type of training program which is not imparted within the real organisational environment, e.g.– training through lecture method).
- ii) **Cost reduction strategy:** Organisations may pool or collect small amount of savings or contribution from the employees of the organisation. This helps in protecting the wages of the employees as and when required as well as helps in maintaining the competitive strategy of the organisation.
- iii) **Entrepreneurship strategy:** It is a strategy which tries to extract the hidden potentials amongst employees. The organisation provides an opportunity to its members to generate creative ideas and bring them in to reality with the help of existing resource within the organisation. This helps in fostering creativity and innovativeness in the products and services of the organisations.
- iv) **Culture developing strategy:** Organisations try hard to increase the commitment and loyalty of its employees and check out that their norms and values are equally shared by the members of the organisation. Their culture can help in creating a brand name and this also leads to development of interpersonal relationship amongst the members and create a healthy working environment for them.
- v) **Performance Appraisal System:** As discussed in the previous unit, performance appraisal system is one of the significant ways of assessing the efficiency of the employees of the organisation. On basis of the report of the performance appraisal, persons' qualities, potentials as well as deficiencies can be studied. Later on, organisation can try out ways of overcoming those deficiencies of its human resource with the help of proper training and other facilities.
- vi) **Career Planning:** The process of integrating the needs and aspirations of the employees is known as career planning. In order to maintain a long-

term efficiency of the organisation and develop its self renewing capability, the organisation plans interventional programs with the help of organisational consultants. Such interventions help the organisation to come up with innovative solution of existing problems of itself as well as its human resource. Therefore, the organisations plan career and impart training to its members with the help of the organisational consultants for a better work environment and enhanced competencies.

4.4 DESIGNING A HRD STRATEGY

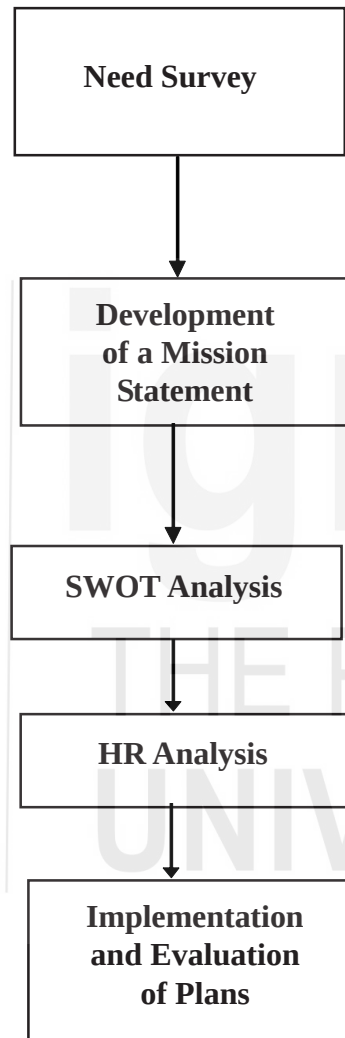


Fig.4.1: Flow chart representation of the process of developing HRD Strategy

It is clear from the above discussion that for a smooth running of the processing of human resource development depends upon several criteria. Human beings are no machines who can be used as and when required. They are alive, emotional and require continuous motivation, inspiration and change in and around their work environment. Also change is an unavoidable aspect of the competitive market. Under such conditions, training and developing the workforce may lead to development of creativity and innovation amongst the members of the organisation. But again such development of human resource requires a preplanned strategy which can help in meeting the required result. Each organisation formulates certain framework on basis of which it decides the best human resource strategy which can help in upgrading and developing its work

force. Some of the common steps followed for planning and designing the best human resource strategy for the work force of the organisation can be pointed out as follows:

- i) **Need Survey:** It is necessary for an organisation to first assess the current position of its employees and also the position which it desires to achieve in the world market. For this purpose may hire a consultant or the top management can itself survey and try to find out the present qualities and the required potentials of the employees of the organisation.
- ii) **Developing a mission statement:** On the basis of the need survey conducted by the organisation, the consultant or the top management tries to create a big picture of the current achievements and desired target. They need to be futuristic oriented. On the basis a vision of tomorrow, they decide targets and a mission for the organisation that they need to attain. They decide the key areas which require a quick attention and needs to be modified or changed within the specified time period.
- iii) **SWOT Analysis:** Swot analysis refers to a process of analysing the strengths, weakness, opportunities and threats of the planned mission and targets for the organisation. It is necessary to examine whether the desired mission will be useful and helpful in developing and standardizing the employees as well as the organisation.
- iv) **HR Analysis:** After having a deep study of the various aspects, the consultant or the top management of the organisation now tries to study the potentials and the deficits of the work force. It tries to assess what are the ways through which the human resource can bring benefits to the organisation. It also tries to examine which strategy can be used for the development of the human resource according to the suitability of the organisation.
- v) **Implementation and Evaluation of plans:** After deciding the suitability of the planned strategy for the development of the human resource of the organisation, the strategy is implemented upon the workforce. The workforce on whom the strategy is being implemented may belong to a single or many departments. Once, the plan is implemented, the planned targets and the current achievements are compared and evaluated after a specific time period. Such comparative evaluation helps the organisation to analyse whether the strategy or the intervention was successful and whether it can be used again within a similar situation or not.

4.5 PLANNED INVESTMENTS AS AN INNOVATIVE TECHNIQUE IN HUMAN RESOURCE DEVELOPMENT

In technical terms 'investment' refers to those entire plan which leads to saving of capital. Savings are important assets both at individual level as well as organisational level which can be used at emergency or required conditions. Human capital is also significant assets or investment for an organisation. It is this resource which helps the organisation to face all the risks (ups and down) of the global market. For this purpose, the organisation tries out ways which can

help in the development of the human resource. These ways are a sort of planned investment which can help in the development of the human resource. Some of the ways which serves as a planned investment in the development of the human resource are:

- i) **Employee Leasing Organisation:** Unlike the consultancy agencies, many organisations are now providing their own employees to various organisations according to their technical know how. They are the principal employers and send the required number and kind of employees to various organisations on lease basis. The organisations who utilise such services need to pay some amount to the parent organisation. Such a technique, not only provides financial help to the parent or principal organisation, it also provides an opportunity to the employees to tackle several situations within and outside the organisation. It helps them to understand the nature and technical know how of more than one organisation at a single job. It is the parent or the leasing organisation which provides full salary and other benefits to the employees irrespective of the number of days that the employee is sent to various organisations on lease. Such leasing organisations are also useful to other organisations as well, because they get an opportunity to utilise the expert advice and service of most competent human resources of the leasing organisations.
- ii) **Participative Management:** Several organisations have adopted the technique of decentralisation of power and authority. Powers and responsibilities are no more limited at central level; instead, it is shared by the employees at all level within the organisation. The employees actively participate with the management in taking important decisions. Such type of management system is referred as participative management style which helps the organisation to extract the hidden potentials of its human resource in decision making situation. Employee's participation in management was initiated to satisfy workers' psychological needs and this leads to development of a sense of belongingness and loyalty to the organisation.
- iii) **Innovative Reward Plans:** Employers have started the scheme of reward and incentives which would be given to the employees for creativity and innovation in their tasks. Organisations provide innovative reward plans that recognize employee contributions and grant enhancements and ultimately help the employees to develop on their skills. It also encourages employees to develop competencies and skills in specific areas.
- iv) **Collaboration with Educational Institutions:** With an aim of saving time and resources in training the employees of the organisation, the organisations are now collaborating with certain educational institutes. These institutes train the students according to the needs of corporate world and help them to meet the requirement of the organisation which not only helps the organisation to save its time, money and energy, it also helps the individuals to get trained right at the educational level. These institutes run several degree and diploma program which .trains the individual according to the demands of the job.
- v) **Organisational Interventions:** Organisations are bringing changes in their business strategies and human resource strategies in order to cope up with

the changes taking place in the competitive world. Such changes are taking place both at organisational level as well as individual level with the help of training and interventional programs. The interventional program helps the employees to learn, adapt and readily accept the changes taking place at their work environment.

Thereby, it can be said that human resource management is a process of bringing people and organisations together so that the goals of each other are met. For this purpose, the mechanism of developing of the human resource plays a significant role in the growth of the organisation. The role of HR manager is shifting from that of a protector and screener to the role of a planner and change agent.

Self Assessment Questions

State whether the statement are *true* or *false*

- | | |
|---|-----|
| i) Several organisations have adopted the technique of centralisation of power and authority. | () |
| ii) Organisations are bringing changes in their business strategies and human resource strategies in order to cope up with the changes taking place in the competitive world. | () |
| iii) The process of integrating the needs and aspirations of the employees is known as career planning. | () |
| iv) Human capital is least significant assets or investment for an organisation. | () |

4.6 SIGNIFICANCE OF HUMAN RESOURCE DEVELOPMENT

The basic intentions of the human resource development are to gain a competitive advantage in the marketplace and the world economy through a superior workforce. An organisation's workforce is the most influential and valuable asset toward achieving a company's short-term and long-term goals. Therefore, with the help of the process of human resource development, an organisation can enhance the employees' knowledge, competencies, skills, and abilities. The methods of human resource development also helps in gaining knowledge and technical know how in specific areas. It further helps in enhancing personal and organisational skills that can improve the communication and efficiency of the organisation. The strategies of human resource development also help in career development of the human capital. It is the ultimate source of organisational development. With the development of skills of its employees an organisation can improve team-building activities, the quality of work life, organisational restructuring and reward system as well.

4.7 CONCERNS OF HUMAN RESOURCE DEVELOPMENT

The process of human resource development is a very significant yet crucial issue as it deals with the career and work life of the employees of the organisation.

This is the reason why the human resource development activities and efforts need to be carefully mapped out. Certain issues and concerns of the human resource development process can be listed as follows:

- i) The selected process or the strategy of human resource development should be as such it provides opportunities and courses for individuals to develop skills, knowledge and attitudes that help themselves to achieve personal objectives.
- ii) Organisation should actively change the strategies of human resource development according to the changes implemented in their business plan. If such changes are not implemented then this would hinder the alignment of the human resource strategy and the business strategy of the organisation.
- iii) It is the responsibility of the organisations that they encourage the employees to widen their knowledge and readily accept the changes as well as training programs as it will be beneficial in their career advancement also.
- iv) There are many organisations who continue to manage their people as before. This is to the detriment of the Human Resource function.
- v) Training continues as on-going concerns of organisations. It has become a national issue in many countries. It is a risk for the organisation to choose the best training program which would be effective for the diverse work force of the organisation.
- vi) Still another issue that calls for attention in the process of human resource development deals with the behaviour of the employee. It becomes very difficult to terminate or dismiss the complex and under-performing employees.

It is core responsibility of the organisation to effectively deal with the process of human resource development and overcome from all the hurdles which may prevent the organisation in making its position in the competitive market.

4.8 CORPORATE COUNSELING

The concern of human resource development in organisations has led to a new term known as ‘people management’. The process of human resource development has generated an increase awareness of people related issues at all levels (for example – marketing, financial and so on) and hierarchies (for example-boss, subordinate, vendors, customers and so on). Managing of people in all circumstances has turned out to be very sensitive and crucial in the current commercial and industrial management situation. This has led to an emergence of counseling at corporate level.

Counseling may be defined as a process of interaction between two persons (the counselor and the client) which guides a person to tackle his/her own emotions and feelings. It helps an individual to gain an insight and understanding of what ought to be his values and aspirations in life. It enables them to tackle stressful situations both at home and work environment as well. The objective of the process of counseling is to make people more self-reliant and -confident, more independent and in control of themselves. It is like a person looking at a mirror to confirm what he must do to improve his image.

Organisations manage people who although work together with a common objective but are heterogeneous in nature, be it age, sex, educational qualifications or experience. Further, in order to be at par with the competitive market, organisations have also started changing their structures. Some companies have already transformed their pyramidal structures into a flat organisation to focus on their front-line staff. If such a radical shift in balance of power and authority must succeed, front-line employees need to be empowered and counseled, so that they may fulfill the revised parameters of performance expected of them. Such conditions have led to the emergence of counseling at the corporate level by the counselors. The counselors are hired or appointed by the organisations who are technical experts in dealing with people and help them in effective people management.

In the corporate context, the process of counseling addresses the basic issue of inspiring confidence and imparting competence to the people in the front of the business field. It helps in resolving the issues and problems of the employees then and there which helps an organisation to save time, effort, money and energy. The counselor can help the employees to recognise opportunities, deal with changes, resolve problems, prioritize agenda, and make decisions. They help the employees in finding out the real cause of the problems or the current situation and then resolve such issues. The problems may be personal (related to family and home) or work environment (difficulties in dealing with boss, subordinate, co-workers or peers). Since such issues are likely to impact upon the effectiveness and productivity of the employee as well as the organisation. Also, the process of counseling at corporate helps to deal employees who are very emotional in nature. The demands of the organisational role may suppress the present feelings and emotions of the employees. Repressed emotions, however, lead to blocks in creativity, productivity, and self-development.

4.8.1 Effective Counseling at the Corporate Level

Corporate world are trying out ways to effectively manage their human resource, corporate counseling is a part of those ways which also helps in the process of development of the human resource. In such situations an effective counseling can be beneficial for the organisation as well as its employees. Some of the ways of effective counseling are as follows:

- i) A counselor needs to be a good listener. He or she should have the capacity to listen to each and every aspect of the employees of the organisation.
- ii) A counselor should also be capable of reading body language, observing the way things are being said, watching the tone/timbre/inflexion of voice, and the intensity of communication. Body language is far more significant than mere vocabulary.
- iii) A counselor needs to have empathy with the client employee. Empathy refers to trying to understand the other feelings by putting themselves in to others' shoes.
- iv) A counselor needs to study and summarize the over all context before suggesting remedies to the problems.
- v) A counselor should help the employee to identify and modify any dysfunctional aspects in his mode of thinking and behaviour.
- vi) It is also essential to establish a proper environment and climate before starting the processing of counseling.

4.8.2 Counseling, Coaching and Mentoring

It is important that counseling is not confused with coaching, or mentoring. *Coaching* is an intensive form of personal development of the employee. The objective of coaching is to enable the employees to realise the latent talents, and arrive at a fresh sense of his/her 'self'. Coaching is not remedial as it is clearly focused on the future performance of the executive. It deals with new opportunities lying ahead. Whereas, counseling refers to a process of analysing the present and past problems of the employees and suggest certain remedies or solutions to overcome them

Mentoring is more an advisory and career-oriented interaction, between an employee and a more senior person, either from the same organisation or the same profession. It is "an off-line help by one person to another, in making significant transitions in knowledge, work, or thinking."

Self Assessment Questions

Fill in the blanks

- i) Counseling refers to _____.
- ii) A counselor needs to be a good _____.
- iii) Coaching refers to _____.
- iv) Mentoring refers to _____.

4.9 LET US SUM UP

It can be summed up from the above discussions that human resource development is a very important and sensitive aspect of managing the human resource in the organisations. The process of human resource development leads to the enhancement of potentials, skills, knowledge and technical know how of the employees of the organisation. It is a preplanned process in which the strategy which would be used for developing human resource is decided on basis of the need survey. There are various strategies or methods which can be used by the organisation for developing its existing human resource. It can also be concluded that corporate counseling is an important mechanism which helps the employees to tackle their problems. In a way it is also one of the strategy which helps in the self growth of the human resource of the organisation.

4.10 UNIT END QUESTIONS

- 1) Describe the concept of human resource and human resource development?
- 2) What are the steps of designing a HRD strategy? Explain the different types of strategies of human resource development?
- 3) What do you understand by the term-corporate counseling? What are the ways through which corporate counseling can be handled effectively?

- 4) How can you say that human resource development is a planned investment?
- 5) Explain the various concerns and issues of the human resource development.

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