Unit-1

The concept of strategic human resource management (strategic HRM) and the processes involved are considered in this chapter under the following headings:

- strategic HRM defined;
- the meaning of strategic HRM;
- the aims of strategic HRM;
-approaches to strategic HRM;
- limitations to the concept of strategic HRM.

Evolution of SHRM

With the advent of new economy industries like IT and the mushrooming of the service sector, organizations all over the world realized that human resources must be viewed as a source of competitive advantage as opposed to treating it much the same way in access to technology or capital is concerned. What this means is that the practice of HRM is being viewed as something that promotes the business objectives of the firms and not merely another factor in the way the firm is managed.

STRATEGIC HRM DEFINED

Strategic HRM defines the organization's intentions and plans on how its business goals should be achieved through people. It is based on three propositions:

1. **That human capital is a major source of competitive advantage;**
2. **That it is people who implement the strategic plan; and,**
3. **That a systematic approach should be adopted to defining where the organization wants to go and how it should get there.**

Strategic HRM is a process that involves the use of overarching approaches to the development of HR strategies, which are integrated vertically with the business strategy and horizontally with one another.

These strategies define intentions and plans related to overall organizational considerations, such as organizational effectiveness, and to more specific aspects of people management, such as resourcing, learning and development, reward and employee relations.

THE MEANING OF STRATEGIC HRM

Strategic HRM focuses on actions that differentiate the firm from its competitors (Purcell, 1999). It is suggested by Hendry and Pettigrew (1986) that it has four meanings:

- the use of planning;
- a coherent approach to the design and management of personnel
- systems based on an employment policy and workforce strategy and
- often underpinned by a 'philosophy';
- matching HRM activities and policies to some explicit business strategy;
- seeing the people of the organization as a 'strategic resource' for the
- achievement of 'competitive advantage'.

Strategic HRM addresses broad organizational issues relating to changes in structure and culture, organizational effectiveness and performance, matching resources to future requirements, the development of distinctive capabilities, knowledge management, and the management of change. It is concerned with both human capital requirements and the development of process capabilities, that is, the ability to get things done effectively. Overall, it deals with any major people issues that affect or are affected by the strategic plans of the organization. As Boxall (1996) remarks: 'The critical concerns of HRM, such as choice of executive leadership and formation of positive patterns of labour relations, are strategic in any firm.'

AIMS OF STRATEGIC HRM

The fundamental aim of strategic HRM is to generate strategic capability by ensuring that the organization has the skilled, committed and well-motivated employees it needs to achieve sustained competitive advantage.

Its objective is to provide a sense of direction in an often-turbulent environment so that the business needs of the organization, and the individual and collective needs of its employees can be met by the development and implementation of coherent and practical HR policies and programmes.

When considering the aims of strategic HRM it is necessary to consider how HR strategies will take into account the interests of all the stakeholders in the organization: employees in general as well as owners and management.

'soft strategic HRM' *will place greater emphasis o*n the human relations aspect of people management, stressing continuous development, communication, involvement, security of employment, the quality of working life and work–life balance. Ethical considerations will be important

. **'Hard strategic HRM'** on the other hand will emphasize the yield to be obtained by investing in human resources in the interests of the business.

Strategic HRM should attempt to achieve a proper balance between the hard and soft elements. All organizations exist to achieve a purpose and they must ensure that they have the resources required to do so and that they use them effectively.

APPROACHES TO STRATEGIC HRM

There are five approaches to strategic HRM. These consist of resource-based strategy, achieving strategic fit, high-performance management, high- commitment management and high-involvement management, as described below.

THE RESOURCE-BASED APPROACH

A fundamental aim of resource-based HR strategy, as Barney (1991) indicates, is to develop strategic capability – achieving strategic fit between resources and opportunities and obtaining added value from the effective deployment of resources.

The resource-based approach is founded on the belief that competitive advantage is obtained if a firm can obtain and develop human resources that enable it to learn faster and apply its learning more effectively than its rival's Human resources are defined as follows:

'**Human resources include all the experience, knowledge, judgement, risk-taking propensity and wisdom of individuals associated with the firm**.'

In line with human capital theory, resource-based theory emphasizes that investment in people adds to their value in the firm. The strategic goal will be to 'create firms which are more intelligent and flexible than their competitors' (Boxall, 1996) by hiring and developing more talented staff and by extending their skills base. Resource-based strategy is therefore concerned with the enhancement of the human or intellectual capital of the firm. As Ulrich (1998) comments: 'Knowledge has become a direct competitive advantage for companies selling ideas

and relationships. The challenge to organizations is to ensure that they have the capability to find, assimilate, compensate and retain the talented individuals they need.'

A convincing rationale for resource-based strategy has been produced by Grant (1991):

When the external environment is in a state of flux, the firm's own resources and capabilities may be a much more stable basis on which to define its identity. Hence, a definition of a business in terms of what it is capable of doing may offer a more durable basis for strategy than a definition based upon the needs (eg markets) which the business seeks to satisfy.

Unique talents among employees, including superior performance, productivity, flexibility, innovation, and the ability to deliver high levels of personal customer service, are ways in which people provide a critical ingredient in developing an organization's competitive position.. An organization's HR strategies, policies and practices are a unique blend of processes, procedures, personalities, styles, capabilities and organizational culture. One of the keys to competitive advantage is the ability to differentiate what the business supplies to its customers from what is supplied by its competitors. Such differentiation can be achieved by having HR strategies that ensure that the firm has higher-quality people than its competitors, by developing and nurturing the intellectual capital possessed by the business and by functioning as a 'learning organization'.

Business strategy and SHRM

All good business strategies, at least the ones which have a chance of succession are formed by "the people factor". One of the main factors behind reporting human capital data and evaluation is the need for proper information; to be fed into the business strategy formation procedure. People have become the biggest asset in the majority of organizations. This requires for the skills, abilities and knowledge to be organized and implemented for maximum effect so that the organization may create value. The intangible value of organizations lies in the people that it employs. This value is being recognized by investors and accountants and in now generally accepted that it has signs of sustained performance in the long run. In this case it would be too simplistic to suggest that strategic human resource management is part of business strategy. In this case, the two must be mutually informative in the way people are motivated, managed, deployed and the availability of knowledge and skill should shape business strategy. It has now a regular occurrence to find strategic human resource management inextricably linked with and also incorporated into business strategies

Strategic fit

Strategic fit is a term used to describe the alignment of a company's resources to its external environment. Strategic fit expresses the degree to which an organization is matching its resources and capabilities with the opportunities in the external environment.

The notion of strategic fit is fundamental to SHRM, as was stressed by the following commentators:

1. 'The primary role of strategic HRM should be to promote a fit with the demands of the competitive environment' 'By strategic we mean that HR activities should be systematically designed and intentionally linked to an analysis of the business and its context'

2. 'The skills and behaviours of employees must fit the strategic needs of the firm in order for the workforce to be a source of competitive advantage'

3. The central premise of strategic human resource management theory is that successful organizational performance depends on a close fit or alignment between business and human resource strategy'

However, Wright and McMahan (1992) pointed out

That maximizing fit could be counterproductive when the organization has to manage change and cope with conflicting competitive goals in a complex environment.

Purcell thought that 'The need is not just to find the right fit now but to have the flexibility to meet future challenges. Similarly, Allen and Wright (2007: 96) commented that 'a tight fit between HRM and strategy may inhibit the ability of the from to remain flexible enough to adapt to changing circumstances. A conflict exists between the concepts of fit and flexibility

The HR strategy should be aligned to the business strategy (vertical fit). Better still, HR strategy should be an integral part of the business strategy, contributing to the business planning process as it happens. Vertical integration is necessary to provide congruence between business and human resource strategy so that the latter supports the accomplishment of the former and, indeed, helps to define it. Horizontal integration with other aspects of the HR strategy is required so that its different elements fit together. The aim is to achieve a coherent approach to managing people in which the various practices are mutually supportive.

High-performance management

High-performance management (called in the United States high performance work systems or practices) aims to make an impact on the performance of the firm through its people in such areas as productivity, quality, levels of customer service, growth, profits and, ultimately, the delivery of increased shareholder value. High-performance management practices include rigorous recruitment and selection procedures, extensive and relevant training and management development activities, incentive pay systems and performance management processes.

A well-known definition of a high-performance work system was produced by the US Department of Labor (1993). The characteristics listed were:

- careful and extensive systems for recruitment, selection and training;

- formal systems for sharing information with the individuals who work in the organization;

- clear job design;

- high-level participation processes;

- monitoring of attitudes;

- performance appraisals;

- properly functioning grievance procedures;

- promotion and compensation schemes that provide for the recognition and financial rewarding of the high-performing members of the workforce.

High-commitment management

One of the defining characteristics of HRM is its emphasis on the importance of enhancing mutual commitment (Walton, 1985). High-commitment management has been described by Wood (1996) as: 'A form of management which is aimed at eliciting a commitment so that behaviour is primarily self-regulated rather than controlled by sanctions and pressures external to the individual, and relations within the organization are based on high levels of trust.'

The approaches to achieving high commitment as described by Beer et al (1984) and Walton (1985) are:

- the development of career ladders and emphasis on trainability and commitment as highly valued characteristics of employees at all levels in the organization;

- a high level of functional flexibility with the abandonment of potentially rigid job descriptions;

- the reduction of hierarchies and the ending of status differentials;
- a heavy reliance on team structure for disseminating information (team briefing), structuring work (team working) and problem solving (improvement groups or quality circles).

High-involvement management

This approach involves treating employees as partners in the enterprise whose interests are respected and who have a voice on matters that concern them. It is concerned with communication and involvement. The aim is to create a climate in which a continuing dialogue between managers and the members of their teams takes place in order to define expectations and share information on the organization's mission, values and objectives. This establishes mutual understanding of what is to be achieved and a framework for managing and developing people to ensure that it will be achieved.

Theoretical perspective of SHRM

A comprehensive theoretical framework can now be used to organize knowledge of how human resource practices are affected by strategic considerations. Such a theoretical framework has been developed by Patrick Wright and Gary McMahan and is presented in
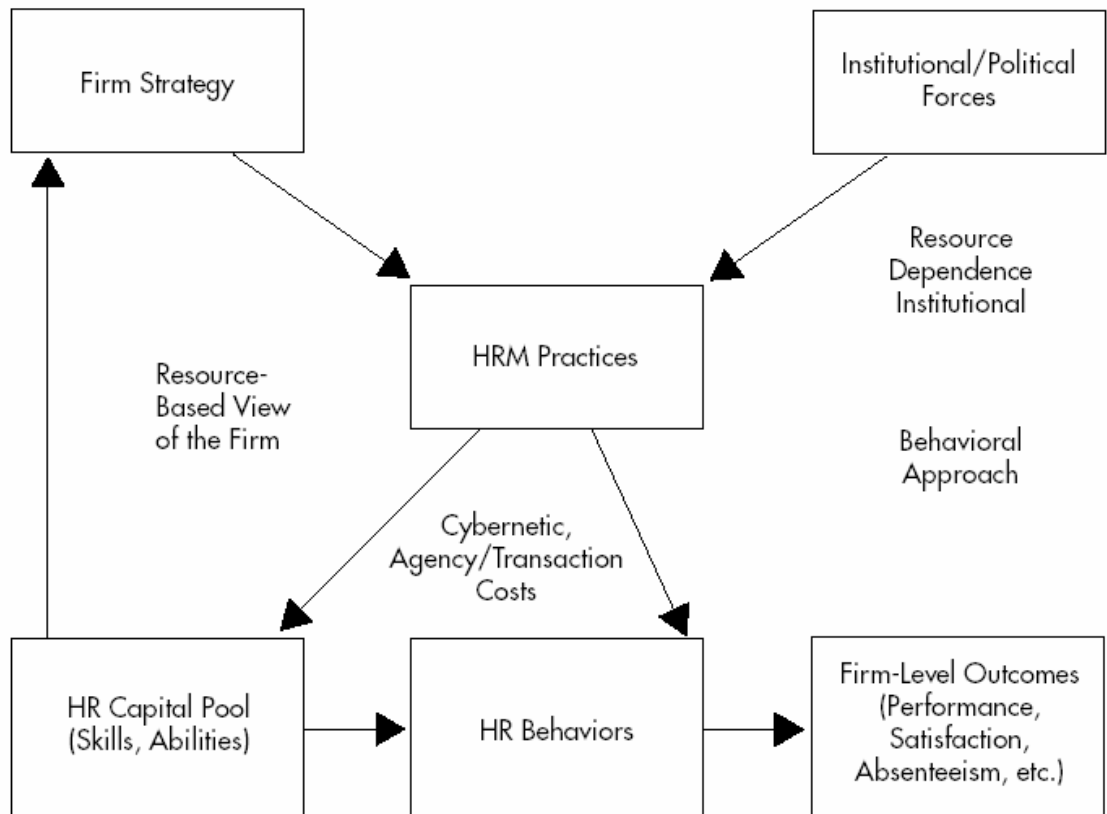
This framework presents six theoretical influences, four of which provide explanations for practices resulting from strategy considerations.

The **first**, the resources-based view, explains practices that provide competitive advantage, such as the unique allocation of the firm's resources, organizational culture, and distinctive competence. For example, a firm might allocate its resources to produce superior selection procedures and compensation systems in order to obtain distinctive competence.

The **second** influence, a behavioural view, based on contingency theory, explains practices designed to control and influence attitudes and behaviours. It stresses the instrumentality of such practices in achieving strategic objectives.

The third draws on cybernetics systems. This view explains the adoption or abandonment of practices resulting from feedback on contributions to strategy. When viewed from this perspective, training programs might be adopted to help the organization pursue a strategy and would be updated according to feedback.

The fourth, an agency/transaction cost view, explains why companies use control systems, such as performance evaluation and reward systems. In the absence of performance evaluation systems linked to reward systems, strategies might not be pursued.

The other two theories provide explanations for personnel practices that are not driven by strategy considerations. Resource dependence and power theories explain practices caused by power and political influences such as legislation, unionization, control of resources, and expectations of social responsibility. The final influence, institutional theory, explains that practices, such as the use of inappropriate performance evaluation dimensions, may exist because of organizational inertia rather than conscious or rational decision making

Challenges faced by HR in Indian Hospitality Industry

This project talks about the challenges faced in Human Resource Management in the Indian Hospitality Industry. It talks about how to identify and rectify the problems which are faced by the Human Resource Department.

The main challenges faced by the Human Resource in the Hospitality Industry are:

Managing Knowledge Workers

Managing Technological Challenges

Competence of HR Managers

Managing Change

Developing Leadership

Managing Knowledge Workers:

The globalization of work and continuing advances in technology are changing the nature of the workforce. Information specialists called knowledge workers are equipped to maintain and expand the technological leadership role in the next century are replacing the manual labour also known as the blue-collar workers. Knowledge workers are known for their special characteristics. They are people who can analyse, synthesize and evaluate information to solve various problems. Knowledge workers basically use their intellect to transform ideas, products services and processe**s**. Their main value to an organization is their ability to gather and analyse information and make decisions that will benefit the company. Managing these set of employees plays a very important role in the growth of the organization. Because of their own hand experience, they fail to obey the management principles. A knowledge worker's

personality is typically an achievement oriented one. These people focus on achieving their individual goals and not in the growth of the organization. For example, when a new employee joins to an organization and he has less experience he doesn't follow the management principles. These types of workers are called knowledge workers.

Managing Technological Changes:

Technology has had a positive effect on internal operations for an organization but also has changed the way human resource managers' work. Some managers in the hospitality industry view the application of technology to operational issues as a problem. It is true because the technological systems used in the bar, front office, restaurants etc. are far more advanced and complicated today than those available only a short time ago, and these systems continue to advance rapidly. They take a lot of time to adjust to these new technologies. Preparing workforce to approve new technologies is very tough. Getting the approval of IT and other technologies by all levels in a company is a huge challenge face by hospitality organizations. For example when the systems are updated and new technology has been introduced the worker finds it difficult to adapt to it. He does not show a positive attitude towards it.

Competence of HR Managers:

The human capital in an organization plays a very important role in the successes of the organization. Human capital is an asset to the organization in recruiting the best people, managing them efficiently, inspiring them and retaining them. People who have strong data about the business and who understands the human resource management principles should be developed which is necessary for the organization. One of the most important roles is competence of human resource managers. Choosing the right people for the right job is the greatest challenge for a human resource manager. For example when recruiting new employees it's important that the right person is adopted.

Managing Change:

The business environment is highly unpredictable and introduction of change is essential for any organization in order to make progress. Globalization and Technology are the two major factors that have driven change in organizations today. Globalization has opened new doors for business opportunities. However it has also lead to many interventions such as reformation,

turnaround, merges, downsizing, etc. In order to achieve success, the organizations have to manage these changes that have occurred along with the staff issues that arise. Thus managing change is vital in order for the organization to function smoothly.

For example when a new software is installed which is used to do company counts are installed the knowledge workers refuse to work on it.

Developing Leadership:

Business environment is changing at a faster rate than ever before. In this environment, organizations need to be self driven by effective leaders. They have to be dedicated, devoted, self driven inspire an image among the followers, be able to inspire and motivate junior colleagues to get the work done. They must be able to set strategic direction and keep the organization moving towards excellence. Organizations need leaders to understand the business scenario, plan actions and implement them to derive business goals. Everyone has some leadership potential that can be released for the benefit of society or business in an organization. For example when there is no unity amongst workers a leader is required to guide them.

Challenges faced by HR in the Indian industry:

The main challenges faced by the Indian industry in India are:

Challenges in recruitment:

The major challenges which are faced by the HR department in recruitment are:

Adaptability to globalization – The HR professionals are anticipated and required to keep accustomed with the changing times, i.e. the changing taking place across the globe. HR should maintain the appropriateness of the process. For example when a different kind of format is followed around the globe the organization should also adapt to the same. Many organizations in India fail to do this.

Lack of motivation – Recruitment is considered to be an unacknowledged job. Even if the organization is achieving results, the HR department are not thanked for recruiting the right employees and performers.

When an interview or a recruitment process is successfully completed by the HR department there is no one to congratulate them or motivate them. Proper motivation is required to ensure proper work in future.

Process Analysis – The closeness and the speed of the recruitment are the main concerns for the HR department in recruitment. The process should be flexible, adaptive and responsive to the instant requirements. The recruiting should also be cost effective.

If recruitment is to be taken place then a proper process should be set by the organization and what has to be followed, such as written tests, personal interviews and group discussions.

Strategic Prioritization – The up – coming new systems are both an opportunity as well as a challenge for the HR professionals. Therefore, reviewing staffing needs and prioritizing the responsibilities to meet the changes in the market has become a challenge for the recruitment professionals.

Workplace diversity

The future accomplishments of any organizations rely on the ability to manage a diverse body of talent that can bring original ideas, perspectives and views to their work. The challenge and problems faced of workplace diversity can be turned into a tactical organizational asset if an organization is able to take advantage of on this melting pot of various talents. With the mixture of talents of different cultural backgrounds, genders, ages and lifestyles, an organization can respond to business opportunities more swiftly and resourcefully, especially in the global arena which must be one of the essential organizational goals to be attained. More importantly, if the organizational situation does not support diversity broadly, one risks losing talent to their competitors.

One of the main reasons for ineffective workplace diversity management is the predisposition to class employees, placing them in a different silo based on their diversity profile. In the real world, diversity cannot be simply categorized and those organizations that act in response to human complication by leveraging the talents of a broad workforce will be the most successful in growing their businesses and their consumer base.

(Anonymous, Human Resources/challenges of cultural diversity in HRM, 2011)

Shortage of Skilled Employees:

One of the most essential requirements of the hotel industry is to have skilled labour force which can help in achieving the various goals and objectives set by the organization. For the functioning of any hotel, quality workforce having various skills is required. Shortage of skilled workforce affects the industry, and it is not surprising that one of the greatest challenges faced by the HR in the hospitality industry is the unavailability of skilled workforce in the different skill levels. Also retaining this workforce is necessary.

When a hotel starts nearby offering higher salary the quality workforce shifts towards that hotel. The HR has to retain these employees. (Karan, Challenges faced by HR in the hotel industry, 2009)

Lack of Quality Service:

Due to the shortage of employees in the industry and the overflowing of customers the quality of the service I affected. When the work load increases the performance of the employees goes down. Due to too much work pressure, the job performance of the employee falls and in turn it affects the quality of service. Thus the HR department has to take the blame for the damage caused to the hotel brand name. When a hotel is overbooked and there is lot of guests in the hotel the quality of service reduces which affects the hotel's brand name. (Karan, Challenges faced by HR in the hotel industry, 2009)

Retention of Employees:

Many a times, employees work in hotels on short-term basis as it is not their ending professional goal to work in the hospitality sector. Hence after a certain time, these employees leave their jobs. On the other hand, certain employees have to be let go due to their low-grade job performance or other job related issues. Thus retention of employees is a major problem faced by HR in hotels.

When an employee gets into a hotel to work because he dint get any other job his main goals are based on his private life and will not like to stay in the hotel industry for a long time.

Critiques on Challenges:

It is utmost important to overcome the various challenges that are faced by the organization to achieve success. Company's now a days are developing the function of human resource because the importance of HRM have been felt in the very strong market competition that exists today. In today's time competition has increased on the local as well as global scale. In order to attain success companies have become stronger, more elastic and customer oriented. In order Hr also has to adjust according to these shifting trends in the market. Thus the HR must be able to comprehend the overall picture of the business of the company and put all the policies and decisions into practice.

Preserving strategic personnel and promoting employee talent are the basics setbacks that HR has to face today. In order to rise above these obstacles, the HR personnel are required to plan progressions of the business and provide supervision to the staff members in order to stimulate them to perform better and earn their loyalty for the company. Their help is also required in order to uphold and put into practice values and beliefs within the diverse work environment that exists in every organization.

Strategies to overcome challenges faced by HR in Hospitality:

Managing Knowledge Worker:

Workers who are sensitive to change in an organization are called knowledge workers. They keep changing according to the changes happening in the surroundings and organization and responds to them by collecting information and they arranging their work according to the information gathered. All knowledge workers have very important roles in the organization. If they don't respond to the lively environment the organization might face difficulties. Many a time's managers do not manage these types of people because they feel if they have so much knowledge they must know how to do their job.

Knowledge workers can be managed in the following ways-

Job Design-

The jobs should be designed in a way that is depicts the behavioral element of the workers instead of the organization. The jobs should be based on factors such as feedback, job

significance, identifying tasks and skills. These elements should be taken into thought while preparing the job design in order to create dynamic and satisfying jobs for the workers.

Increased independence and authority-

While performing a work knowledge workers have the liberty and judgment to choose the method of performing the job. The workers are provided with the desired outcomes in advance and the decisions which have to be completed in order to attain results are left upon the workers. This gives them more liberty to work upon the 'how to achieve' the outcomes. When a certain level of autonomy is provided it gives them liberty to work. But if total autonomy is provided it results to a lot of liberty and leads to chaos.

Loyalty towards organization-

The role of a good human resource manager is to develop a sense of faithfulness towards the organization among the workers. When the faithfulness of the workers as well as sense of belongingness towards the organization increases, their dedication towards the job also increases. So the performance standards of the employee increase. The best way to develop faithfulness among workers is by trusting them to the maximum which helps to boost their confidence and helps them perform better.

Extensive training and development

Training and development is one of the things that can differentiate a smoothly functioning organization and an unorganized one. The efficiency of knowledge workers has always been low. The only way by which efficiency can be increased is by capitalizing on their strengths and knowledge instead of forcing them to do some work. A superior training session or a workshop for knowledge workers should consist of of classroom learning and workstation classes.

Motivation:

Knowledge workers can only perform well if they are motivated. When challenging tasks are assigned to these employees they get motivated. These employees should be occupied in decision making and planning which creates a sense of belongingness. Motivation is the key way to accomplishment.

Communication channels-

Communication is very much connected with teamwork in case of knowledge work. There should be no communication barriers within co-workers. Knowledge work requires communication as association with the co-workers. The tasks are multifaceted and require knowledge for completion which often makes it unfeasible for a single person to understand or be able to achieve everything single handed. These tasks can only be completed through teamwork. Thus the organizations should be able to develop methodical processes in order to make and manage this knowledge. If the organizations are able to split the knowledge held by the employees, then they can gain intellectual assets as well as contend effectively in the marketplace.

Monitoring and evaluation-

The work carried out by knowledge workers is mostly resourceful. They do not follow a specific technique or does not function according to a fixed standard. Because of these reasons, knowledge workers don't like being continuously observed. Due to the lack of a standard it becomes hard for measuring job performance through monitoring. The work performed by these types of workers is not result oriented. Hence it is essential to make use of special systems in order to confirm that the staffs are positively contributing to the organization.

Work life balance-

The work being performed the knowledge worker is very challenging in character and it requires a lot of time for completion of the tasks. The knowledge workers always tend to give up their friends and family for completion of their work. This causes a lot of interruption in his work life balance. So a knowledge work should maintain a proper balance between his work life and family life in order to deal with time efficiently.

Managing Change:

The employees working in an organization knows that the work done today is completely different from work done 5 years ago. Responsibilities and job assignments all keeps changing. But employees resist accepting this transformation because it will change their functioning patterns and change their type of working. There are 2 types of changes, reactive change which results from the outcome of peripheral forces on the organizations performance; proactive change which is initiated by the manager in order to take gain of the targeted opportunities.

Managing change in an organization is only possible by the HR by following these steps

1) Creating urgency for the situation.

2) Creating a strong collation in order to guide the efforts.

3) Communicating towards the staff regarding leader's goals.

4) Link change to business strategy.

5) Motivation of employees.

6) Creating and planning for short term returns as well as quantifiable benefits.

7) Invest to implement and sustain change.

Managing Technology:

In many organizations hiring process use a software package to sustain human resource. Sales, training and performance assessment of HR activities can be tracked by machine. Many companies, information about health care benefits, human resources development and stipulation of proposed changes also have an internet site easy to begin to communicate easily with employees. All these changes have been made with the arrival of technology is advantageous to the organization.

However, in a particular way of older employees in the organization, has been used to bring in new technology to work to bring about a complete change in their flapping their work. Therefore, they are unwilling to agree to this change. So in order, you will need to provide training programs to become accustomed to changes in technology which have brought within the organization. Also, due to computerization and use of machines in a labor intensive country like India, many people are left unemployed. Hence it is necessary to plan before installing any machinery.

Developing Leadership:

The main purpose of leadership development is to shift of potential leaders of the organization. A good leader has the right attitude towards his work and his men.

The gap between the workers and organization to improve the work of subordinate organization and channel the efforts of his subordinates to improve efficiency by using fewer resources from

the gateway, which is beneficial to the organization. Correctly identified that people who have such qualities, the others must be motivated to take responsibilities in the organization.

Competence of HR Managers:

Human Resources Manager, the role of host organizations, as well as changes in the competitive market must evolve to meet the changing needs of the organization. HR professionals not only focus on employee retention and human resource development, and led by a lawyer, connect to motivate employees in your organization for continuity planners is to be able to teach. Administrators plan to organize and carry out effective monitoring of human resources will be able to have enough knowledge on new trends in employee training and development.

Strategies to overcome challenges faced by HR in hotels:

Recruitment:

Prioritizing and identifying jobs

Necessity for job arises at all levels in the organization regularly. It is not possible to meet these requirements right away. Therefore, an alternative has to be identified to go with the requirement

Recruiting candidates according to the target

The recruitment process can only be doing well if only the organization understands its requirements. The candidates should be selected according to the requirements of the organization. Different strategies are required for focusing on hiring high performers and average performers. The strategy has to be clear about the amount of experience they require. It can range from an experienced senior professional to a new fresher. It should also describe as in from which industry they require the employee. That is from the same industry, different industry, employed or unemployed professionals.

Sources of recruitment

The strategies should also include the source of recruitment. That is internal or external. An individual from the organization can be promoted or transferred to meet the required who in internal or an individual from outside can be selected which is internal.

Trained recruiters

The recruiters who conduct and organize the recruitment process should be well qualified and experienced. The recruiters should be well trained and should be aware about the various parameters.

How to evaluate the candidates-

The recruitment process should be planned in advance. The various parameters in which the candidate has to be judged should be pre planned.

Workplace Diversity:

Individual strategies-

Organization consists of various things an individual can do. Therefore understanding the individuals is the starting point and it is very important. Although it is necessary to treat each staff member equally, it is important that the manager understands that each individual is different from the other. Hence it is necessary to keep in mind all the fundamental human differences in order to treat everyone equally. Each staff member should make an initiative to understand the thinking of others. It is basic human nature to disagree to another person's behavior even if they make an effort to understand the person. Hence tolerance and communication are crucial. For example, when a young person in the organization makes fun of an elder person in the organization without meaning any harm the elder person might consider it offensive which may lead to a conflict in the organization.

Organizational strategies-

It ensures that company policy has been adopted with a direct or indirect effect on staff. In addition, these policies deal with the hotel, how to accommodate a variety of problems arising from differences among people influencing the diversity of the organization. For example, consider a manager's sexual harassment complaint. The hotel's policy is, if the burden proved too much harassment and individually, the administrator reported that only a clear signal about the importance of such matters raises a minor sanction. However, the hotel is not just diversity, balanced set of policies to deal with issues such as sexual harassment is sending a message to employees the importance of individual rights and privileges .The hotel must have an attitude of flexibility in the nature of different practices and continuous process.

Shortage of skilled workers:

The only way to overcome this challenge is to inspire and motivate the skilled employees in order to keep hold of them. At times, the skilled employees find it hard to adjust to the existing staff. As a result conflicts arise and these workers have to be let go. This problem has to be dealt with extreme care. Only these employees should be recruited who are suitable for the job and who can easily adapt to the existing work environment. (Karan, Challenges faced by HR in the hotel industry, 2009)

Lack of quality service:

The main aim of the hotel industry is to offer guests with quality service. For example, a guest would be willing to go to a hotel which has good interiors as well as good level of service. On the other hand, the guest would be dissatisfied if only the hotel interiors were good and the staff would be deficient in extending good quality of service. Thus, quality is of utmost in the hotel industry. In order that the guests are served well, the HR has to ensure that the staff serving the guests is not discontented. Thus, the HR has to follow both, the guest as well as employee in order to maintain healthy environment for management. (Karan, Challenges faced by HR in the hotel industry, 2009)

Retention:

The human resource managers has to think of new ways to catch the attention of the staff members to keep their jobs and keep them fascinated in their jobs in order to retain them for longer period of time. Managers can provide staff members with training programs and also by providing the employees with a clear sequence plan in order to create attentiveness amongst them for their advancement to higher levels of service which may cause them to stick around for longer period of time

LIMITATIONS TO THE CONCEPT OF STRATEGIC HRM

The concept of strategic HRM appears to be based on the belief that the formulation of strategy is a rational and linear process, . This indicates that the overall HR strategy flows from the business strategy and generates specific HR strategies in key areas. The process takes place

by reference to systematic reviews of the internal and external environment of the organization, which identify the business, organizational and HR issues that need to be dealt with.

But strategic HRM in real life does not usually take the form of a formal, wellarticulated and linear process that flows logically from the business strategy, as Mintzberg (1987) and others have emphasized. The research conducted by Gratton et al (1999) in eight British organizations established that 'In no case was there a clearly developed and articulated strategy that was translated into a mutually supportive set of human resource initiatives or practices.'

CONCLUSION

Strategic HRM is in some ways an attitude of mind that expresses a way of doing things. It is realized in the form of HR strategies, as described in the next chapter.

UNIT -2 (Functional Human Resource Strategies)

HR strategies
Strategic HRM is the process that results in the formulation of HR strategies. The terms 'strategic HRM' and 'HR strategy' are often used interchangeably, but a distinction can be made between them.

Strategic HRM can be regarded as a general approach to the strategic management of human resources in accordance with the intentions of the organization on the future direction it wants to take. What emerges from this process is a stream of decisions over time, which form the pattern adopted by the organization for managing its human resources and define the areas in which specific HR strategies need to be developed. HR strategies will focus on the specific intentions of the organization on what needs to be done and what needs to be changed.

Definition of HR Strategies:

HR strategies set out what the organization intends to do about its human resource management policies and practices, and how they should be integrated with the business strategy and each other. They are described by Dyer and Reeves (1995) as 'internally consistent bundles of human resource practices', and in the words of Peter Boxall (1996) they provide 'a framework of critical ends and means'.

The purpose of HR strategies is to guide development and implementation programmes. They provide a means of communicating to all concerned the intentions of the organization about how its human resources will be managed. They enable the organization to measure progress and evaluate outcomes against objectives.

Outsourcing Human Resource :

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

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

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

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

Business Process Outsourcing (BPO):

Several MNCs have increasingly started unbundling or vertically de-integrating their activities that in simple language termed as "outsourcing" (also called business process outsourcing or BPO). BPO means the contracting out or handing over of activities formerly performed in-house to the outside firms so that the main firm can concentrate fully on its most important functions. For this contracting job under outsourcing certain stages which are not considered as a core business have to be withdrawn from the activities of an organization. Outsourcing industry is growing fast not only in India but also in the World as a whole. Though many new fields are emerging recently but in India mainly the technical support and financial services have dominated the outsourcing industry.

BPOs- Cost Advantage:

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

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

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

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

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

HR Managers and BPOs:

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

Break- even: No profit no loss condition

Now a day, it is a major challenge for the Human Resource Managers to work out hard to retain the best employees in their organizations. Various studies have revealed that the average time-to- profit time period for a new hire in the BPO industry is about 9 months. Here it estimated that a fresher begins to break-even the investments made on him or her and earn profit for the firm only after 9 months. Therefore it can cost up to five times of an employee's salary if he or she exits the firm before the 9 months. Surprisingly it has been observed that employees who quit a BPO firm usually get appointed in the other BPO firm that means in the same industry. Better career prospects urge the employees to change organizations because it is a natural human feeling that an agent wants to become a team leader, a team leader want to become a supervisor and so on.
Human Resource managers need to think off innovative ideas to retain the talented employees in their organizations. Some suggestions are worth stating in this context. Supervision is an old concept. But it is still essential to manage the people of an organisation efficiently. Motivated employees, increased productivity and loyalty to the organization may be the outcomes of good supervision. It is a general saying that people leave managers, not the organisations. Thus it has emphasized the need of changing the attitudes and approaches of managers towards their subordinates.

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

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

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

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

administration.

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

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

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

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

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

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

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

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

So, the main challenges of Human Resource Managers are:

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

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

Third, probably it is the biggest challenge for human resource manager as he is answerable to the following questions:
- How long these boys and girls continue to work in call centers?

- Can a call centre job be a preferred choice for an individual to pick up, join, work and retire?

- How to distress these young men and women and prevent them from getting burnt out by the time they reach their 40s?

- How to protect these youngsters from becoming drug addicts?

- How to restore values in them?

- How to prevent them from getting dehumanized and turn out to be robots?

Technology and Strategic Human Resource Management

Technology has transformed many aspects of life including the way in which business is conducted. The influence technology has had on the field of HRM has also been noteworthy. Two of the ways in which HRM can be leveraged through technology are by means of e-HRM and virtual HRM. A number of technological tools such as emails, internet and intranets have a pivotal role in HRM technology. The strategic integration of technology has facilitated more efficient and effective HRM. For instance, Human Resource Information Systems (HRISs), provide the structure for all HRM functions through the use of technology. Functions of an HRIS include skill audits, performance management, recruitment, retention, training and development, project management, and rewards and recognition. However, as with any organisational change, an HRIS requires careful planning and a six-phase implementation process for effective functioning. During the actual implementation of an HRIS, HR specialists can be involved either reactively, proactively or in a supportive manner. A well-functioning HRIS system can offer standardisation and serve as a useful knowledge management system. However, in designing and implementing an HRIS, it is important to ensure that cultural alignment and strategic integration of the system is achieved, so as to avoid any unintended consequences of technology such as decreased job satisfaction and job insecurity among employees. Moreover, there are important issues concerning IT access and privacy that organisations should address when using technology in HR functions.

Resourcing Strategy

RESOURCING STRATEGY DEFINED

Resourcing strategy ensures that the organization obtains and retains the people it needs and employs them efficiently. It is a key part of the human

resource management (HRM) process.

HRM is fundamentally about matching human resources to the strategic
and operational needs of the organization and ensuring the full utilization of
those resources. It is concerned not only with obtaining and keeping the
number and quality of staff required but also with selecting and promoting
people who 'fit' the culture and the strategic requirements of the organization.

THE OBJECTIVE OF RESOURCING STRATEGY

The objective of HRM resourcing strategies as expressed by Keep (1989) is:

1. 'To obtain the right basic material in the form of a workforce endowed with the appropriate qualities, skills, knowledge and potential for future training. The selection and recruitment of workers best suited to meeting the needs of the organization ought to form a core activity upon which most other HRM policies geared towards development and motivation could be built.'

2. The concept that the strategic capability of a firm depends on its resource capability in the shape of people (resource-based strategy)

3. provides the rationale for resourcing strategy. The aim of this strategy is therefore to ensure that a firm achieves competitive advantage by employing more capable people than its rivals. These people will have a wider and deeper range of skills and will behave in ways that will maximize their contribution.

4. The organization attracts such people by being 'the employer of choice'. It retains them by providing better opportunities and rewards than
others and by developing a positive psychological contract that increases
commitment and creates mutual trust. Furthermore, the organizationdeploys its people in ways that maximize the added value they supply.

THE STRATEGIC HRM APPROACH TO RESOURCING

HRM places more emphasis than traditional personnel management onfinding people whose attitudes and behaviour are likely to be congruentwith what management believes to be appropriate and conducive to success. In the words of Townley (1989), organizations are concentratingmore on 'the attitudinal and behavioural characteristics of employees'.

This tendency has its dangers. Innovative and adaptive organizations neednon-conformists, even mavericks, who can 'buck the system'. If managersrecruit people 'in their own image' there is the risk of staffing the organizationwith conformist clones and of perpetuating a

dysfunctional culture– one that may have been successful in the past but is no longer appropriatein the face of new challenges (as Pascale (1990) puts it, 'nothing fails like success').The HRM approach to resourcing therefore emphasizes that matchingresources to organizational requirements does not simply mean maintainingthe status quo and perpetuating a moribund culture. It can and oftendoes mean radical changes in thinking about the skills and behavioursrequired in the future to achieve sustainable growth and cultural change.

INTEGRATING BUSINESS AND RESOURCING STRATEGIES

The philosophy behind the strategic HRM approach to resourcing is that itis people who implement the strategic plan. As Quinn Mills (1983) has put it, the process is one of 'planning with people in mind.

The integration of business and resourcing strategies is based on an understanding of the direction in which the organization is going and the determination of:

1.l the numbers of people required to meet business needs;

2 the skills and behaviour required to support the achievement of business strategies;

l the impact of organizational restructuring as a result of rationalization, decentralization, delivering, mergers, product or market development, or the introduction of new technology, for example cellular manufacturing;

l plans for changing the culture of the organization in such areas as ability to deliver, performance standards, quality, customer service, team working and flexibility that indicate the need for people with different attitudes, beliefs and personal characteristics.

These factors will be strongly influenced by the type of business strategies adopted by the organization and the sort of business it is in. These may be expressed in such terms as the Boston Consulting Group's classification of businesses as wild cat, star, cash cow or dog, or Miles and Snow's (1978) typology of defender, prospector and analyser organizations.

Resourcing strategies exist to provide the people and skills required tosupport the business strategy, but they should also contribute to the formulation of that strategy. HR directors have an obligation to point out to their colleagues the human resource opportunities and constraints that will affect the achievement of strategic plans. In mergers or acquisitions, for example, the

ability of management within the company to handle the new situation and the quality of management in the new business will be important
considerations.

THE COMPONENTS OF EMPLOYEE RESOURCING STRATEGY

The components of employee resourcing strategy as considered in this chapter are:

Human resource planning – assessing future business needs and deciding on the numbers and types of people required.

Resourcing plans – preparing plans for finding people from within the organization and/or for training programmes to help people learn new skills. If needs cannot be satisfied from within the organization, preparing longer-term plans for ensuring that recruitment and selection processes will satisfy them.

Retention strategy – preparing plans for retaining the people the organization needs.

Flexibility strategy – planning for increased flexibility in the use of human resources to enable the organization to make the best use of people and adapt swiftly to changing circumstances.

Talent management strategy – ensuring that the organization has the talented people it requires to provide for management succession and meet present and future business needs.

HUMAN RESOURCE PLANNING

Definition

Human resource planning determines the human resources required by the organization to achieve its strategic goals. As defined by Bulla and Scott (1994), it is 'the process for ensuring that the human resource requirements of an organization are identified and plans are made for satisfying those requirements. It addresses human resource needs both in quantitative and in qualitative terms. This means answering two basic questions:

1) How many people? and

2) What sort of people?

Link to business planning

Human resource planning should be an integral part of business planning.The strategic planning process defines projected changes in the types ofactivities carried out by the organization and the scale of those activities. Itidentifies the core competences the organization needs to achieve its goalsand therefore its skill and behavioural requirements. Human resource planning interprets these plans in terms of people requirements. But it may influence the business strategy by drawing attention to ways in which people could be developed and deployed moreeffectively to further the achievement of business goals as well as focusing onany problems that might have to be resolved in order to ensure that the people required will be available and will be capable of making the necessary contribution. As Quinn Mills (1983) indicates, human resource planning is 'decision-making process that combines three important activities:

(1) Identifying and acquiring the right number of people with the proper skills,

(2)Motivating them to achieve high performance, and

(3) creating interactive links between business objectives and people-planning activities.

Hard and soft human resource planning

A distinction can be made between 'hard' and 'soft' human resource

planning. The former is based on quantitative analysis in order to ensure that

the right number of the right sort of people is available when needed. The

latter, as described by Marchington and Wilkinson (1996), 'is more explicitly

focused on creating and shaping the culture of the organization so that there

is a clear integration between corporate goals and employee values, beliefs

and behaviours'.

Limitations

However, it must be recognized that although the notion of human resource

planning is well established in the HRM vocabulary, it does not seem to be

embedded as a key HR activity. As Rothwell (1995) suggests: 'Apart from

isolated examples, there has been little research evidence of increased use or

of its success.' She explains the gap between theory and practice as arising

from: the impact of change and the difficulty of predicting the future – 'the need for planning

may be in inverse proportion to its feasibility';

l the 'shifting kaleidoscope' of policy priorities and strategies within

organizations;

l the distrust displayed by many managers of theory or planning – they often prefer pragmatic adaptation to conceptualization;

l the lack of evidence that human resource planning works.

Approaches to human resource planning

Resourcing strategies show the way forward through the analysis of business strategies and demographic trends. They are converted into action plans based on the outcome of the following interrelated planning activities:

l *Demand forecasting* – estimating future needs for people and competences by reference to corporate and functional plans and forecasts of future activity levels.

l *Supply forecasting* – estimating the supply of people by reference to analyses of current resources and future availability, after allowing for wastage. The forecast will also take account of labour market trends relating to the availability of skills and to demographics.

l *Forecasting requirements* – analysing the demand and supply forecasts to identify future deficits or surpluses with the help of models, where appropriate.

l *Action planning* – preparing plans to deal with forecast deficits through internal promotion, training or external recruitment; if necessary, preparing plans for unavoidable downsizing so as to avoid any compulsory redundancies, if that is possible; developing retention and flexibility strategies.

Although these are described as separate areas, they are closely interrelated and often overlap. For example, demand forecasts are estimates of future requirements, and these may be prepared on the basis of assumptions about the productivity of employees. But the supply forecast will also have to consider productivity trends and how they might affect the supply of people.

RESOURCING PLANS

The analysis of future requirements should indicate what steps need to be taken to appoint people from within the organization and what learning and development programmes should be planned. The analysis will also establish how many people will need to be recruited in the absence of qualified employees within the organization or the impossibility of training people in the new skills in time.

Internal resourcing

Ideally, internal resourcing should be based on data already available about skills and potential. This should have been provided by regular skills audits and the analysis of the outcomes of performance management reviews.

External resourcing

External resourcing requirements can be met by developing a recruitment strategy. The aims of this strategy would be first to make the organization 'the employer of choice' in its particular field or for the people it wants to recruit (eg graduates). Secondly, the strategy should plan the best methods of defining precisely what is needed in terms of skills and competencies. Finally, the strategy should be concerned with planning the use of the most effective methods of obtaining the number and type of people required. The steps required are set out in more detail below:

1. *Define skill and competency (behavioural) requirements* – ideally this should be carried out by the use of systematic skill and competence analysis techniques

2. *Analyse the factors affecting decisions to join the organization* – these include:

– the pay and total benefits package – this may have a considerable effect on decisions to join the organization but it is by no means the only factor, and those set out below can be just as important, even more significant for some people;

– career opportunities;

– the opportunity to use existing skills or to acquire new skills;

– the opportunity to use the latest technology and equipment with which the organization is well supplied (of particular interest to research scientists and engineers);

– opportunities for learning and development and access to high-level training;

– a responsible and intrinsically rewarding job;

– a belief that what the organization is doing is worthwhile;

– the reputation of the organization as an employer;

– the opportunity the job will provide to further the individual's career – for example, the scope to achieve and have achievements recognized, an increase in employability or a respected company name to put on a CV.

3. *Competitive resourcing* – this will start from an analysis of the basis upon

which the organization competes with other firms for employees. The factors mentioned above should be covered and the aim would be to seek competitive advantage by exploiting those that are superior to rivals. One of the factors will be pay, which may not be the only one but it can be important. There may be other factors but it is necessary to track market rates and make a policy decision on where the organization wants to be in relation to the market.

4. *Alternative strategies for satisfying human resource requirements* – these consist of:

– outsourcing;

– re-engineering;

– increasing flexibility, as discussed later in this chapter;

– skills training;

– multi-skilling;

– downsizing.

5. *Recruitment and selection techniques* – the strategy should explore methods not only of recruiting the number of people required but also of finding staff who have the necessary skills and experience, who are likely to deliver the required sort of behaviour and who will fit into the organization's culture readily. These processes and techniques will include the use of:

– skills analysis;

– competency mapping;

– the internet for recruitment;

– biodata;

– structured interviews;

– psychometric testing;

– assessment centres.

The aim of the strategy is to develop the best mix of recruitment and selection tools. It has been demonstrated that a 'bundle' of selection techniques is likely to be more effective as a method of predicting the likely success of candidates than relying on a single method such as an interview.

RETENTION STRATEGY

Retention strategies aim to ensure that key people stay with the organization

and that wasteful and expensive levels of employee turnover are reduced. They will be based on an analysis of why people stay and why they leave.

Analysis of reasons for staying or leaving

An analysis of why people leave. through exit interviews may provide some information but they are unreliable – people rarely give the full reasons why they are going. The reasons why people remain with the organization or may want to leave it can be established through attitude surveys. The survey results could be supplemented by focus groups, which would discuss why people stay and identify any problems.

The retention plan should address each of the areas in which lack of commitment and dissatisfaction can arise. The actions to be considered under each heading are listed below.

Pay

Problems arise because of uncompetitive, inequitable or unfair pay systems. Possible actions include:

l reviewing pay levels on the basis of market surveys;

l introducing job evaluation or improving an existing scheme to provide for equitable grading decisions;

l ensuring that employees understand the link between performance and reward;

l reviewing performance-related pay schemes to ensure that they operate fairly;

l adapting payment-by-results systems to ensure that employees are not penalized when they are engaged only on short runs;

l tailoring benefits to individual requirements and preference;

l involving employees in developing and operating job evaluation and contingent pay systems.

Job design

Dissatisfaction results if jobs are unrewarding in themselves. Jobs should be designed to maximize skill variety, task significance, autonomy and feedback, and they should provide opportunities for learning and growth.

Performance

Employees can be demotivated if they are unclear about their responsibilities

or performance standards, are uninformed about how well they are doing, or feel that their performance assessments are unfair. The following actions can be taken:

l Express performance requirements in terms of hard but attainable goals.

l Get employees and managers to agree on those goals and the steps required to achieve them.

l Encourage managers to praise employees for good performance but also get them to provide regular, informative and easily interpreted feedback – performance problems should be discussed as they happen in order that immediate corrective action can be taken.

l Train managers in performance review techniques such as counselling; brief employees on how the performance management system works and obtain feedback from them on how it has been applied.

Learning and development

Resignations and turnover can increase if people are not given adequate opportunities for learning and development, or feel that demands are being made upon them that they cannot reasonably be expected to fulfil without proper training. New employees can go through an 'induction crisis' if they are not given adequate training when they join the organization. Learning programmes and training schemes should be developed and introduced that:

l give employees the competence and confidence to achieve expected performance standards;

l enhance existing skills and competences;

l help people to acquire new skills and competences so that they can make better use of their abilities, take on greater responsibilities, undertake a greater variety of tasks and earn more under skill- and competence based pay schemes;

l ensure that new employees quickly acquire and learn the basic skills and knowledge needed to make a good start in their jobs;

l increase employability, inside and outside the organization.

Career development

Dissatisfaction with career prospects is a major cause of turnover. To a

certain extent, this has to be accepted. More and more people recognize that to develop their careers they need to move on, and there is little their employers can do about it, especially in today's flatter organizations where promotion prospects are more limited. These are the individuals who acquire a 'portfolio' of skills and may consciously change direction several times during their careers. To a certain degree, employers should welcome this tendency. The idea of providing 'cradle-to-grave' careers is no longer as relevant in the more changeable job markets of today, and this self-planned, multi-skilling process provides for the availability of a greater number of qualified people. But there is still everything to be said in most organizations for maintaining a stable core workforce and in this situation employers should still plan to provide career opportunities by:

l providing employees with wider experience;

l introducing more systematic procedures for identifying potential such as assessment or development centres;

l encouraging promotion from within;

l developing more equitable promotion procedures;

l providing advice and guidance on career paths.

Commitment

This can be increased by:

l explaining the organization's mission, values and strategies and encouraging employees to discuss and comment on them;

l communicating with employees in a timely and candid way, with the emphasis on face-to-face communications through such means as briefing groups;

l constantly seeking and taking into account the views of people at work;

l providing opportunities for employees to contribute their ideas on improving work systems;

l introducing organization and job changes only after consultation and discussion.

Lack of group cohesion

Employees can feel isolated and unhappy if they are not part of a cohesive team or if they are bedevilled by disruptive power politics. Steps can be taken to tackle this problem through:

l teamwork – setting up self-managing or autonomous work groups or project teams;

l team building – emphasizing the importance of teamwork as a key value, rewarding people for working effectively as members of teams and developing teamwork skills.

Dissatisfaction and conflict with managers and supervision

A common reason for resignations is the feeling that management in general, or individual managers and team leaders in particular, are not providing the leadership they should, or are treating people unfairly or are bullying their staff (not an uncommon situation). This problem should be remedied by:

l selecting managers and team leaders with well-developed leadership qualities;

l training them in leadership skills and in methods of resolving conflict and dealing with grievances;

l introducing better procedures for handling grievances and disciplinary problems, and training everyone in how to use them.

Recruitment, selection and promotion

Rapid turnover can result simply from poor selection or promotion decisions. It is essential to ensure that selection and promotion procedures match the capacities of individuals to the demands of the work they have to do.

Over-marketing

Creating unrealistic expectations about career development opportunities, tailored training programmes, increasing employability and varied and interesting work can, if not matched with reality, lead directly to dissatisfaction and early resignation. Care should be taken not to oversell the firm's employee development policies.

FLEXIBILITY STRATEGY

The aims of the flexibility strategy should be to develop a 'flexible firm' (Atkinson, 1984) by providing for greater operational and role flexibility. The steps to be considered when formulating flexibility strategy are as follows:

l taking a radical look at traditional employment patterns to find alternatives

to full-time, permanent staff – this may take the form of segregating the workforce into a 'core group' and one or more peripheral groups;

l outsourcing – getting work done by external firms or individuals;

l multi-skilling, to increase the ability of people to switch jobs or carry out any of the tasks that have to be undertaken by their team.

TALENT MANAGEMENT STRATEGY

Talent management strategies deal with the processes required to ensure that the organization attracts, retains, motivates and develops the talented people it needs.

It is sometimes assumed that talent management is only concerned with key people – the high flyers. But everyone in an organization has talent, and talent management processes should not be limited to the favoured few, although they are likely to focus most on those with scarce skills and high potential.

As a concept, talent management came to the fore when the phrase 'the war for talent' emerged in the 1990s. There is nothing new about the various processes that add up to talent management. What is different is the development of a more coherent view as to how these processes should mesh

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together with an overall objective – to acquire and nurture talent wherever it is and wherever it is needed by using a number of interdependent policies and practices. Talent management is the notion of 'bundling' in action.

The components of talent management strategy

The components of talent management strategy are:

l developing the organization as an 'employer of choice' – a 'great place to work';

l using selection and recruitment procedures that ensure that good quality people are recruited who are likely to thrive in the organization and stay with it for a reasonable length of time (but not necessarily for life);

l designing jobs and developing roles that give people opportunities to apply and grow their skills and provide them with autonomy, interest and challenge;

l providing talented staff with opportunities for career development and

growth;

l creating a working environment in which work processes and facilities enable rewarding (in the broadest sense) jobs and roles to be designed and developed;

l providing scope for achieving a reasonable balance between working in the organization and life outside work;

l developing a positive psychological contract;

l developing the leadership qualities of line managers;

l recognizing those with talent by rewarding excellence, enterprise and achievement;

l conducting talent audits that identify those with potential and those who might leave the organization;

l introducing management succession planning procedures that identify the talent available to meet future requirements and indicate what management development activities are required.

TYPES OF HR STRATEGIES

Because all organizations are different, all HR strategies are different. There is no such thing as a set of standard characteristics. Research into HR strategy conducted by Armstrong and Long (1994) and Armstrong and Baron (2002) revealed many variations. Some strategies are simply very general declarations of intent. Others go into much more detail. But two basic types of HR strategies can be identified. These are: 1) overarching strategies; and 2) specific strategies relating to the different aspects of human resource management.

Overarching HR strategies

Overarching strategies describe the general intentions of the organization about how people should be managed and developed and what steps should be taken to ensure that the organization can attract and retain the people it needs and ensure so far as possible that employees are committed, motivated and engaged. They are likely to be expressed as broad-brush statements of aims and purpose, which set the scene for more specific strategies. They are concerned with overall organizational effectiveness – achieving human resource advantage by, as Boxall and Purcell (2003) point out, employing 'better people in organizations with better process', developing high-performance work processes and generally creating 'a great place to work'.

The following are some examples of overarching HR strategy statements:

AEGON:

The Human Resources Integrated Approach aims to ensure that from whatever angle staff now look at the elements of pay management, performance, career development and reward, they are consistent and linked.

B&Q:

* Enhance employee commitment and minimize the loss of B&Q's best people.
* Position B&Q as one of the best employers in the UK.

Egg:

The major factor influencing HR strategy was the need to attract, maintain and retain the right people to deliver it. The aim was to introduce a system that complemented the business, that reflected the way we wanted to treat our customers – treating our people the same. What we would do for our customers we would also do for our people. We wanted to make an impact on the culture – the way people do business.

GlaxoSmithKline:

We want GSK to be a place where the best people do their best work.

An insurance company:

Without the people in this business we don't have anything to deliver. We are driven to getting the people issues right in order to deliver the strategy. To a great extent it's the people that create and implement the strategy on behalf of the organization. We put people very much at the front of our strategic thought process. If we have the right people, the right training, the right qualifications and the right sort of culture then we can deliver our strategy. We cannot do it otherwise.

Lands' End:

Based on the principle that staff who are enjoying themselves, are being supported and developed, and who feel fulfilled and respected at work, will provide the best service to customers.

Pilkington Optronics:

The business strategy defines what has to be done to achieve success and that HR strategy must complement it, bearing in mind that one of the critical success factors for the company is its ability to attract and retain the best people. HR strategy must be in line with what is best in industry.

A public utility:

The only HR strategy you really need is the tangible expression of values and the implementation of values… unless you get the human resource values right you can forget all the rest.

A manufacturing company:

The HR strategy is to stimulate changes on a broad front aimed ultimately at achieving competitive advantage through the efforts of our people. In an industry of fast followers, those who learn quickest will be the winners.

A retail stores group:

The biggest challenge will be to maintain [our] competitive advantage and to do that we need to maintain and continue to attract very high calibre people. The key differentiator on anything any company does is fundamentally the people, and I think that people tend to forget that they are the most important asset. Money is easy to get hold of; good people are not. All we do in terms of training and manpower planning is directly linked to business improvement.

Specific HR strategies

Specific HR strategies set out what the organization intends to do in areas such as:

- talent management – how the organization intends to 'win the war for talent';
- continuous improvement – providing for focused and continuous incremental innovation sustained over a period of time;
- knowledge management – creating, acquiring, capturing, sharing and using knowledge to enhance learning and performance;
- resourcing – attracting and retaining high-quality people;
- learning and developing – providing an environment in which employees are encouraged to learn and develop;
-l reward – defining what the organization wants to do in the longer term to develop and implement reward policies, practices and processes that will further the achievement of its business goals and meet the needs of
its stakeholders;
- employee relations – defining the intentions of the organization about what needs to be done and what needs to be changed in the ways in which the organization manages its relationships with employees and
their trade unions.

The following are some examples of specific HR strategies:
The Children's Society:
- Implement the rewards strategy of the Society to support the corporate plan and secure the recruitment, retention and motivation of staff to deliver its business objectives.

- Manage the development of the human resources information system tosecure productivity improvements in administrative processes.
- Introduce improved performance management processes for managers and staff of the Society.
- Implement training and development which supports the business objectives of the Society and improves the quality of work with children and young people.

Diageo:

These are the three broad strands to the Organization and People Strategy:

1. Reward and recognition: use recognition and reward programmes to stimulate outstanding team and individual performance contributions.
2. Talent management: drive the attraction, retention and professional growthof a deep pool of diverse, talented employees.
3. Organizational effectiveness: ensure that the business adapts its organization to maximize employee contribution and deliver performance goals.

It provides direction to the company's talent, operational effectiveness and performance and reward agendas. The company's underlying thinking is that the people strategy is not for the human resource function to own but is the responsibility of the whole organization, hence the title 'Organization and
People Strategy'.

A government agency:

The key components of the HR strategy are:

- Investing in people – improving the level of intellectual capital.
- Performance management – integrating the values contained in the HR strategy into performance management processes and ensuring that reviews concentrate on how well people are performing those values.
- Job design – a key component concerned with how jobs are designed and how they relate to the whole business.
- The reward system – in developing rewards strategies, taking into account that this is a very hard driven business.

HR strategies for higher education institutions (The Higher Education Funding

1. Address recruitment and retention difficulties in a targeted and costeffectivemanner.

2. Meet specific staff development and training objectives that not only equip staff to meet their current needs but also prepare them for future changes, such as using new technologies for learning and teaching. This would
include management development.

3. Develop equal opportunity targets with programmes to implement good practice throughout an institution. This would include ensuring equal pay for work of equal value, using institution-wide systems of job evaluation. This could involve institutions working collectively – regionally or nationally.

4. Carry out regular reviews of staffing needs, reflecting changes in market demands and technology. The reviews would consider overall numbers and the balance of different categories of staff.

5. Conduct annual performance reviews of all staff, based on open and objective criteria, with reward connected to the performance of individuals including, where appropriate, their contribution to teams.

6. Take action to tackle poor performance.

A local authority:

The focus is on the organization of excellence. The strategy is broken down into eight sections: employee relations, recruitment and retention, training, performance management, pay and benefits, health and safety, absence management and equal opportunities.

**Fit with the business strategy (*integrating business and HR strategies)*
The key business issues that may impact on HR strategies include:

l **intentions** concerning growth or retrenchment, acquisitions, mergers, divestments, diversification, product/market developmenta **proposals** on increasing competitive advantage through innovationleading to product/service differentiation, productivity gains, improvedquality/customer service, cost reduction (downsizing);
l **the felt** need to develop a more positive, performance-orientated culture
and other culture management imperatives associated with changes in
the philosophies of the organization in such areas as gaining
commitment, mutuality, communications, involvement, devolution and
teamwork.
Business strategies in these areas may be influenced by **HR factors**, although
not excessively so. HR strategies are concerned with making business
strategies work. But the business strategy must take into account key HR
opportunities and constraints.
It is therefore necessary to analyse the existing culture to provide information
on how HR strategies will need to be shaped. The analysis may
cover the following 12 points listed by Cooke and Lafferty (1989) in their
organizational culture inventory:
1. *humanistic-helpful* – organizations managed in a participative and

person-centred way;

2. *affiliative* – organizations that place a high priority on constructive relationships;

3. *approval* – organizations in which conflicts are avoided and interpersonal relationships are pleasant – at least superficially;

4. *conventional* – conservative, traditional and bureaucratically controlled organizations;

5. *dependent* – hierarchically controlled and non-participative organizations;

6. *avoidance* – organizations that fail to reward success but punish mistakes;

7. *oppositional* – organizations in which confrontation prevails and negativism is rewarded;

8. *power* – organizations structured on the basis of the authority inherent in members' positions;

Formulating and implementing HR strategies ⎮ 59

9. *competitive* – a culture in which winning is valued and members are rewarded for outperforming one another;

10. *competence/perfectionist* – organizations in which perfectionism, persistence and hard work are valued;

11. *achievement* – organizations that do things well and value members who set and accomplish challenging but realistic goals;

12. *self-actualization* – organizations that value creativity, quality over quantity, and both task accomplishment and individual growth.

Achieving vertical fit – integrating business and HR strategies

Wright and Snell (1998) suggest that seeking fit requires knowledge of the skills and behaviour necessary to implement the strategy, knowledge of the HRM practices necessary to elicit those skills and behaviours, and the ability to implement the desired system of HRM practices quickly.

When considering how to integrate business and HR strategies it should be remembered that business and HR issues influence each other and in turn influence corporate and business unit strategies. It is also necessary to note that, in establishing these links, account must be taken of the fact that strategies for change have also to be integrated with changes in the external and internal environments. Fit may exist at a point in time but circumstances will change and fit no longer exists. An excessive pursuit of 'fit' with the status quo will inhibit the flexibility

of approach that is essential in turbulent conditions. This is the 'temporal' factor in achieving fit identified by Gratton*et al* (1999). An additional factor that will make the achievement of good vertical fit difficult is that the business strategy may not be clearly defined –it could be in an emergent or evolutionary state. This would mean that there could be nothing with which to fit the HR strategy.

Achieving horizontal integration

Horizontal integration or fit is achieved when the various HR strategies cohere and are mutually supporting. This can be attained by the process of 'bundling'. Bundling is carried out by, first, identifying appropriate HR practices, second, assessing how the items in the bundle can be linked together so that they become mutually reinforcing and therefore coherent, which may mean identifying integrating practices such as the use of competence-based processes and performance management, and, finally, drawing up programmes for the development of these practices, paying particular attention to the links between them.

UNIT-3 (EMPLOYEE RECRUTIMENT & DEVELOPMENT)

MEANING OF RECRUITMENT

Recruitment is the first step towards the process of procuring human resource for the organisation. According to Edwin B. Flippo, "Recruitment is the process of searching for prospective employees and stimulating them to apply jobs in the organisation".

So, recruitment is the process to find efficient and qualified potential employees stimulated to apply for the organizational vacancies.
In simple terms, recruitment is the process of searching and obtaining application for jobs and from whom the potential and right people can be selected.

FACTORS INFLUENCING RECRUITMENT

A.   **External Forces:**

The following external forces influence recruitment.

Unemployment Rate: Recruitment can be influenced by the unemployment rate. If the unemployment rate is high, the company's recruitment process becomes easier. The number of unasked applicants is greater and the company gets better opportunities for attracting better qualified applicants.

Labour market: For the recruitment of middle-level management positions, supervisory positions or for non-managerial positions the labour market conditions in

the local area are of primary importance.

Political – Legal: Political – legal is one of the main factor that influence recruitment. The reservations of jobs for ST, SC, other backward class (OBC) etc are the political decisions. Preferences are given to the applicants coming from less-advantaged section of the society.

Company's Image: Another factor to influence recruitment is the company's image. If a company is a 'Blue chip' company, it will attract a large number of applicants.

B. Internal Forces:

Recruitment Policy: One of the important internal forces of the recruitment process is the recruitment policy. A firm can recruit internally or externally. Internal recruitment means recruitment among the own employees of an organisation and external recruitment is the recruitment from outside the organization. Generally, an organization goes for internal recruitment, because the employees know the company well and is well adjusted to the company's culture.

Size of the firm: Size is again a factor that influences the recruitment process. The firm with more numbers of employees find it less troublesome to recruit than the firm with a fewer number of employees.

Growth and Expansion: The firm showing growth and expansion will have more recruitments than the firm which are in its diminishing stage.

SOURCES OF RECRUITMENT

INTERNAL SOURCES

Internal sources of recruitment are the recruitment which searches the application for the vacant position from those who are already working in the organization. Internal sources include employee referrals, present employees, and previous employees.

a. Employee Referrals: Employee referral is one of the sources of internal recruitment. Here, the employees give reference of their friends or relatives who are eligible for the required post of the company. When the employees give successful referrals, they are paid with monetary incentives which are called "finders fees".

b. Present Employees: Present employees are another internal source of recruitment. Promotion and transfer are two good sources of recruitment. Promotion means shifting of an employee to a higher level of position carrying higher responsibilities, facilities, salaries etc. Transfer is the change in job assignment. It may be a promotion or demotion or no change in terms of status, responsibilities, etc.

c. Previous Employees: By previous employees we mean the retired employees or the

employees who left jobs for some reason etc. Some retired employees willing to come back and want to work on part time basis in the companies. The employees, who left the company for other job, might come back for higher salary package or compensations.

EXTERNAL SOURCES

External sources of recruitment are the recruitment of potential applicants from outside the organization. The different types of external sources that we are going to discuss are advertisement, employment exchange, campus recruitment, consultants and e-recruiting.

a. Advertisement: Advertisement in the Newspapers and other periodical magazines is one of the most important external sources of recruitment. The companies, who are in search of employees, advertise in the news paper about the job, job description, salary, qualification, etc.

b. Employment exchange: There is government as well as private employment exchange that provide jobs to the desiring candidates. The main function of the exchange is to notify the vacancies before they are filled. The employment seeker gets them registered with the employmentexchanges.

c. Campus recruitment: Campus recruitment is the recruitment of the prospective employees by the companies. Companies have been using a variety of methods to employ and select personnel to work for them and Campus Recruitment is one of the newest methods used by most Companies today. In Campus Recruitment, Companies Corporate visit some of the most important Technical and Professional institutes, universities, colleges to hire young intelligent and smart students at source. In Campus Recruitment process, instead of the job seekers approaching employers, the employers come to the most suitable prospective candidate with a job offer.
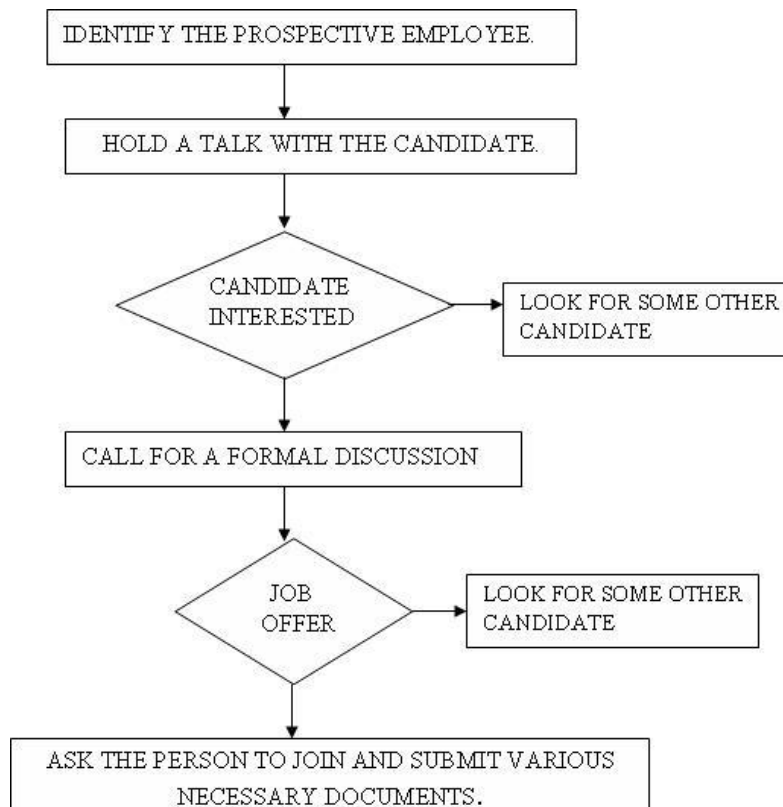
d. E-recruiting: e-recruitment is also known as online recruitment. For example, Cisco Systems recruits employees only through e-recruiting. E-recruitment has many benefits like the candidate can apply online, reduced cost for traveling distances, decreasing administrative workload etc.

New approaches to Recruitment

1. HEADHUNTING

Headhunting refers to the approach of finding and attracting the best experienced person with the required skill set. Headhunting involves convincing the person to join your organization.

Headhunting Process

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┌─────────────────────────────────────────┐
│   IDENTIFY THE PROSPECTIVE EMPLOYEE.     │
└─────────────────────────────────────────┘
                    │
                    ▼
┌─────────────────────────────────────────┐
│   HOLD A TALK WITH THE CANDIDATE.        │
└─────────────────────────────────────────┘
                    │
                    ▼
              ◇ CANDIDATE ◇            ┌──────────────────┐
              ◇ INTERESTED ◇  ───────▶ │ LOOK FOR SOME OTHER │
                    │                   │ CANDIDATE          │
                    ▼                   └──────────────────┘
┌─────────────────────────────────────────┐
│   CALL FOR A FORMAL DISCUSSION           │
└─────────────────────────────────────────┘
                    │
                    ▼
              ◇   JOB   ◇              ┌──────────────────┐
              ◇  OFFER  ◇   ─────────▶ │ LOOK FOR SOME OTHER │
                    │                   │ CANDIDATE          │
                    ▼                   └──────────────────┘
┌─────────────────────────────────────────┐
│ ASK THE PERSON TO JOIN AND SUBMIT VARIOUS│
│          NECESSARY DOCUMENTS.            │
└─────────────────────────────────────────┘
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BENEFITS OF HEAD-HUNTING

Confidentiality - no one needs to know you are recruiting apart from those you approach

Targeted - you only approach those individuals that are useful as either 'sources' or 'potential candidates'

Cost effective – if managed internally no recruitment fee costs and no advertising costs

Fast – you approach who you want to hire – they say yes and you hire (no wasted interviews)

HOW TO 'HEADHUNT' EFFECTIVELY

The 'headhunting' or recruitment search industry has long tried to keep a mystique around what is involved. There is little mystique – just good research and sound process. The key elements are as follows:

Research

This is always the first stage of any successful assignment - this includes name gathering and mapping the market. Sources of information include trade bodies, competitor websites and

conference / event attendees. The internet together with business networks and social networks has made much more information easily available. In addition there are specialist job boards that carry extensive cv databases many of which can be accessed and searched using the very latest in search and match software to find the best fit candidates.

Approach (by email)

Once the research is complete - the style of approach depends on a number of factors including how you found their details and whether a relationship with the individual is already in place. If the targets have been found through a job board database it is often possible to email them directly. This first approach should be polite, direct and stress confidentiality. If the targets have been found instead by research or are already known a more subtle approach may be called for explaining your organisation and needs (briefly) and asking them if they could be interested or know of others they can recommend.

Approach (by phone)

Confidentiality and control are key, you must get to the point (but not be blunt), ask for a time to call again or permission to email with further details and say thank you for taking the call. In some instances a simple 'Hello I am xxxx and am interested in speaking to you about a role at our company. When would be a good time to chat and / or can I send you some details by email?' – then come off the phone, take the action required, and follow up in a couple of days.

Selection

Once researched and approached they can then join the selection process. Just because they have been approached it doesn't mean they forgo the standard recruitment process you have in place. It does however mean they are more likely to proceed successfully as you have already pre-selected them.

2. ONLINE PORTAL

A little more than a decade ago, online job searches were primarily the province of hardcore techies. Today, online recruiting forms one of the central pillars of smart staffing. Thanks to sophisticated online tools, entrepreneurs can automatically weed out unsuitable applicants and cast the broadest net possible in the search for qualified staff. Here are some advantages that are associated with online recruitment:

Precision and Broad Outreach

The most apparent benefit of online recruitment is the vastly improved reach into potential candidate pools. With job boards and social-networking tools like LinkedIn and Twitter, a well-crafted job description can get into the hands of far more people who will likely be, or know, the right person.

Improved Processes
An online system facilitates a much more streamlined, standardized approach than traditional, paper-based recruitment. Many manual tasks, such as sorting and routing application materials, can now be performed automatically. This enhanced process contributes significantly to another major benefit of online recruitment— its cost-effectiveness.

Sifting Through the Volume
Some leading-edge tools can extend the efficiency of this online approach even further. Asking the right questions makes all the difference, and often great candidates are knocked out because of a mediocre resume. Online screening quizzes, instant "fit" assessments, skill-based evaluations and other metrics can be administered instantly to candidates over the Internet, further reducing the time needed to make an A-player hire.

Proper Management
Experts have noted that when properly managed, online recruitment's positive effect can transcend the realm of HR and enhance the firm in core ways. In an era where image is everything, online recruitment can form an important component of an overarching brand-management strategy. The marketing collateral that's packed into an online job posting can help enhance brand awareness, a vital variable in today's competitive landscape.

Despite the promise inherent in the practice of online recruitment, there are potential drawbacks, as well. The disadvantages of online recruitment include:

The Business Blind Spot
In the early days, many people expressed concern that qualified applicants may be overlooked by recruiters focusing primarily on candidates who submitted online applications. However, now that virtually anyone can submit an application online, the traditional barriers that worked to keep out wholly unsuitable candidates have now been largely eliminated.

No IT in HR
A somewhat thornier issue is the complaint that online recruitment erases the "human" aspect of HR management. This concern has validity when intangible factors, such as a candidate's organizational "fit" and the sense of "clicking" with a team, are not incorporated into the online process.

Basic Respect
The ease of applying for dozens of jobs per hour, coupled with the rarity of meaningful, online interview questions, is creating a perfect storm of disrespect and lack of follow-through. Our research shows that 94 percent of the people who apply online never hear back about the status of their application. This does not speak well of the employer's brand.

3. MOONLIGHTING:

Nowadays, many employers are confronted with a situation where their employees have a second job or engage in multiple job-holding, commonly known as "moonlighting".

Employees may moonlight for several reasons, including:

To gain experience or "test the water" in different jobs before making a final career decision.
To obtain additional income.(This reason seems to be more prevalent these days as the number of moonlighters rises.)
To fulfill a passion or take advantage of a particular skill in another field.
Whatever reasons employees have for moonlighting, this practice can have adverse effects on a company. Moonlighters may take advantage of the resources of their main employer, either by staying late to catch up on their work, or by using the hours where they should be working at their first job to complete tasks for the second one (e.g. soliciting other employees as clients, using material like internet, faxes, photocopiers, etc.).

These practices give rise to issues with productivity, physical and mental health problems as a result of the stress of juggling multiple tasks/jobs, and most importantly, may lead to a conflict of interests between a moonlighters' different positions.

Many employers may wonder whether it is possible to avoid the phenomenon of moonlighting. Outright banning of the practice may not be a viable option, as the action may create resentment or lead to legal action against the employer – not to mention the fact that catching an employee "in the act" may be difficult. The adverse effects on employee motivation can create just the opposite results from what the employer was hoping to achieve. Employee relations may deteriorate along with productivity and overall company health.

Employers do have several recourses to prevent employee moonlighting. While managers may
not be able to draft a policy that completely bans moonlighting, they can reduce its impact on productivity, safety, conflict of interests, and misuse of company property.

If your company is considering creating such a policy, include the following guidelines:

Avoiding Conflict of Interests
Outside employment cannot involve a material conflict of interests related to your organization's trade secrets and proprietary information.

The outside employer cannot be a competitor of your organization.

The outside employment cannot involve work that would adversely affect your organization's image.

Keeping Outside Work Separate
The employee cannot perform outside work during the normally scheduled work hours of your organization.

The employee cannot use your organization's tools or equipment (fax, phone, copier, software, computer, letterhead, envelopes, etc.) for outside work.

The outside work cannot interfere with the employee's job performance.

The employee cannot represent your organization while working for the outside employer.

Confidentiality Agreement

One area of concern for employers is breach of confidentiality. This could range from disclosing the company's information or the company's clients' information to sharing trade secrets. An employee who uses company proprietary materials in another job would clearly be in violation of the confidentiality agreement each employee signs upon starting the job. It is vital that the agreement clearly outlines the employer's expectations and guidelines in this regard.

Conflict of Interest Policy

This type of policy should plainly state what might constitute a conflict of interest and also what the employee should do if a conflict exists. For example, a software developer with a manufacturing company might work a part-time job as a developer for a hospitality service company. This would typically not be a conflict of interest because the two companies are most likely not competitors. Similarly if the developer worked nights as a bartender, there would be no conflict of interest because the job function and type of employment is completely separate. However, if the developer worked for another manufacturer of similar products, regardless of the job duties at the second job, this could possibly constitute a conflict of interest. In this instance, the employee might be prohibited from working for the competitor or he or she might simply be required to disclose to the employer the possible conflict of interest.

Fully explaining whether the employer prohibits having a second job at a similar company or if it instead only requires a disclosure, it is imperative to detail this in the policy. Remember—it is entirely appropriate for employers to ensure that a second job does not create a conflict of interest or breach of confidentiality in terms of an employee working for a competitor. Just be clear in your requirements.

Performance Policies

Performance policies are typical at most businesses to address common problems such as tardiness, attendance, performance standards and work hours. One of the issues that most often arises from moonlighting is related to a decline in work performance. A sound performance policy clearly addresses the employer's requirement on these issues in addition to the repercussions for an employee whose performance declines in these areas.

For example, one company had a receptionist who held a second job at a convention center that hosted nightly events. Due to the late-night work required at the convention center, she started to consistently show up late for her job as a receptionist and was placed on a performance improvement plan (PIP) outlined in her company's policy to ensure she showed up to work on time. She was unable to improve her tardiness and was eventually terminated. Because her company had a sound policy in place, her employers knew to place her on a PIP that detailed what would happen if she did not improve. When she continued to arrive late, the outcome was clear and understood by all parties.

Creating a Moonlighting Policy

While relying on existing policies can be the easiest way to address moonlighting, creating a separate policy can be beneficial as it can most clearly outline an employer's performance expectations, prevents conflicts of interest and protects proprietary information from outside sources with regard to moonlighting. This proactive approach to policymaking allows the employer to act immediately if an employee needs to be reprimanded.

Placing a ban on moonlighting altogether works well for some companies; however it is important to keep in mind that the legality of an outright ban varies state to state, as many state laws protect employees' personal lives. However, exceptions are sometimes placed in these states for jobs that involve outright conflict of interests from job to job. Also, keep in mind that recruiting can be hindered if an outright ban on moonlighting is the official policy as some prospective employees will see this as meddling too much with their personal time.

Many employers find that discouraging their employees from outside jobs works just as effectively as an outright ban, but can help foster a better work morale. Requiring employees to gain manager/director approval before moonlighting is an effective policy for many companies. It's important to also include a list of acceptable and unacceptable moonlighting options for employees in the policy. For example, are vendors OK to work for on the side? What about clients? If an employee is on leave, will you allow them to work for another company? When creating your moonlighting policy, remember to be as specific as you can to avoid confusion for employees and to make sure your rules are easily understood.

Conclusion

Regardless of whether you decide to institute a separate policy specific to moonlighting or to rely solely on existing policies, the most important thing you can do is to clearly outline your expectations. Focus on the legitimate, employment-related concerns so there can be as little confusion as possible. When employees fully understand their employer's performance expectations, possible conflict of interests and confidentiality requirements, they are less likely to be surprised if they are disciplined in these areas regarding their alternative job. Just like every other sound human resource policy, adhering to a structured set of rules regarding moonlighting will make for a smoother work environment.

Definition of Mentoring:

Mentoring is...

"off-line help by one person to another in making significant transitions

in knowledge, work or thinking"

Coaching and mentoring share many similarities so it makes sense to outline the common things coaches and mentors do whether the services are offered in a paid (professional) or unpaid (philanthropic) role.

- Facilitate the exploration of needs, motivations, desires, skills and thought processes to assist the individual in making real, lasting change.

- Use questioning techniques to facilitate client's own thought processes in order to identify solutions and actions rather than takes a wholly directive approach

- Support the client in setting appropriate goals and methods of assessing progress in relation to these goals

- Observe, listen and ask questions to understand the client's situation

- Creatively apply tools and techniques which may include one-to-one training, facilitating, counselling & networking.

- Encourage a commitment to action and the development of lasting personal growth & change.

- Maintain unconditional positive regard for the client, which means that the coach is at all times supportive and non-judgemental of the client, their views, lifestyle and aspirations.

- Ensure that clients develop personal competencies and do not develop unhealthy dependencies on the coaching or mentoring relationship.

- Evaluate the outcomes of the process, using objective measures wherever possible to ensure the relationship is successful and the client is achieving their personal goals.

- Encourage clients to continually improve competencies and to develop new developmental alliances where necessary to achieve their goals.

- Work within their area of personal competence.

- Possess qualifications and experience in the areas that skills-transfer coaching is offered.

- Manage the relationship to ensure the client receives the appropriate level of service and that programmes are neither too short, nor too long.

The Differences Between Coaching & Mentoring

Differentiator #1:

Coaching is task oriented. The focus is on concrete issues, such as managing more effectively, speaking more articulately, and learning how to think strategically. This requires a content expert (coach) who is capable of teaching the coachee how to develop these skills.

Mentoring is relationship oriented. It seeks to provide a safe environment where the mentoree shares whatever issues affect his or her professional and personal success. Although specific learning goals or competencies may be used as a basis for creating the relationship, its focus goes beyond these areas to include things, such as work/life balance, self-confidence, self-perception, and how the personal influences the professional.

Differentiator #2:

Coaching is short term. A coach can successfully be involved with a coachee for a short period of time, maybe even just a few sessions. The coaching lasts for as long as is needed, depending on the purpose of the coaching relationship.

Mentoring is always long term. Mentoring, to be successful, requires time in which both partners can learn about one another and build a climate of trust that creates an environment in which the mentoree can feel secure in sharing the real issues that impact his or her success. Successful mentoring relationships last nine months to a year.

Differentiator #3:

Coaching is performance driven. The purpose of coaching is to improve the individual's performance on the job. This involves either enhancing current skills or acquiring new skills. Once the coachee successfully acquires the skills, the coach is no longer needed.

Mentoring is development driven. Its purpose is to develop the individual not only for the current job, but also for the future. This distinction differentiates the role of the immediate manager and that of the mentor. It also reduces the possibility of creating conflict between the employee's manager and the mentor.

Differentiator #4:

Coaching does not require design. Coaching can be conducted almost immediately on any given topic. If a company seeks to provide coaching to a large group of individuals, then

certainly an amount of design is involved in order to determine the competency area, expertise needed, and assessment tools used, but this does not necessarily require a long lead-time to actually implement the coaching program.

Mentoring requires a design phase in order to determine the strategic purpose for mentoring, the focus areas of the relationship, the specific mentoring models, and the specific components that will guide the relationship, especially the matching process.

Differentiator # 5:

The coachee's immediate manager is a critical partner in coaching. She or he often provides the coach with feedback on areas in which his or her employee is in need of coaching. This coach uses this information to guide the coaching process

In mentoring, the immediate manager is indirectly involved. Although she or he may offer suggestions to the employee on how to best use the mentoring experience or may provide a recommendation to the matching committee on what would constitute a good match, **the manager has no link to the mentor** and they do not communicate at all during the mentoring relationship. This helps maintain the mentoring relationship's integrity.

When to consider coaching:

- When a company is seeking to develop its employees in specific competencies using performance management tools and involving the immediate manager
- When a company has a number of talented employees who are not meeting expectations
- When a company is introducing a new system or program
- When a company has a small group of individuals (5-8) in need of increased competency in specific areas
- When a leader or executive needs assistance in acquiring a new skill as an additional responsibility

When to consider mentoring:

- When a company is seeking to develop its leaders or talent pool as part of succession planning

- When a company seeks to develop its diverse employees to remove barriers that hinder their success
- When a company seeks to more completely develop its employees in ways that are additional to the acquisition of specific skills/competencies
- When a company seeks to retain its internal expertise and experience residing in its baby boomer employees for future generations
- When a company wants to create a workforce that balances the professional and the personal

Benefits of coaching and mentoring

In a study, by researchers Garvey and Garrett-Harris 2005, it was found that the benefits of mentoring to mentees were:

- Improved performance and productivity
- Career opportunity and advancement
- Improved knowledge and skills
- Greater confidence and wellbeing

Work-Life Integration

From family owned businesses to large corporations, work-life issues are a concern for employees and employers alike.

Definition :

The degree to which a person is able to successfully combine paid work with other aspects of personal life has been termed "work-life integration"

Human resources (HR) professionals can play a critical role in facilitating greater work-life integration for these employees, their families, and their most-challenged children. Human resource professionals are the key link between employers' policies and practices and the work-life issues that employees experience. For example, it is estimated that up to 94 million (or 60%) of employed adults in the U.S. workplace are eligible for Family and Medical Leave, yet only 40% had even heard about it (Cantor et al, 2004). It is the HR person's knowledge and skill ful implementation of workplace supports and benefits that help create a climate in an organization that is family-

friendly, and accepting of employee diversity--including cultural, disability, and family differences (Society for Human Resources Management; SHRM, 2000).

Employment and related workplace policies and practices can both directly and indirectly affect parents' ability to meet their children's mental health needs. For example, financial remuneration and health care benefits facilitate the attainment of mental health services for the child. Flexible work arrangements provide the parent with the necessary access to school personnel and community-based providers during service hours. Family-friendly supervisors support parents' availability to their children during times of mental health crisis. With such workplace supports family members can attain greater work-life integration, enabling them to more fully meet parenting responsibilities, perform work tasks, and take up important roles in their communities

The primary aim of the proposed *Work-Life Integration Project* is to improve the extent to which families of children and adolescents with serious emotional disorders have awareness of and access to employment-based supports that promote their participation in the workplace while permitting them to take part in family and community life and roles. It is our belief that HR professionals can play a key role in reaching this aim by creating employment-based supports needed by families, and by making sure that families are aware of the supports that are available. Therefore we have designed a research and training project based on collaboration with the largest HR professional organization in North America, WorldatWork and its subsidiary, the Alliance for Work-Life Progress. Additionally, we have secured the commitment of family members, HR professionals, and work-life researchers to serve on an advisory committee that will shape our project's conceptualization and methods and assure that they are culturally relevant.

Goals & Objectives

The objectives of the *Work-Life Integration project* are:

- To expand our current conceptual framework of work-life integration for family members who have children and adolescents with emotional disorders, by including variables (such as family structure and caregiver strain) based on new empirical evidence.

- To learn from family members the ways in which they have worked with HR professionals to assure their ability to participate in employment.
- To conduct research that answers specific questions about HR professional practice regarding work-life integration, the reduction of stigma in the workplace, and the provision of resources and benefits needed by culturally-diverse families to optimally engage in employment.
- To prepare and pilot-test professional development and technical assistance materials for use with human resources and work-life professionals based on the research findings of this project and prior studies of our research team.
- To provide employers with capacity-building strategies that they can use to promote work-life integration for employees, to design effective policies and benefits packages, and to attract and retain a more diverse work force.
- To compile resources and provide technical assistance materials for family members and family organizations based on our findings.
- To disseminate these materials to family members, family organizations, human resources **professionals, work-life specialists, and employers.**

Conclusion:

It can be summarized below.

- Explore work-life issues for families caring for children receiving mental health services through a secondary analysis of data from the National Evaluation of the Comprehensive Community Mental Health Services for Children and their Families Program (CCMHS).
- Explore the perspectives of both human resources professionals and parents on combining work and caring responsibilities and workplace supports when employees have children with emotional and behavioral challenges.
- Conduct a web-based survey of members of WorldatWork, a large national professional membership organization for human resource and allied professionals.
- Design, develop a research-based training intervention for human resource and allied professionals on work-life issues for this group of employees. Conduct a pilot implementation and evaluation.
- Disseminate project finding to family members, family organizations, and employers.

Self-management and Emotional control

What is emotional intelligence?

Emotional intelligence (EQ) is the ability to identify, use, understand, and manage emotions in positive ways to relieve stress, communicate effectively, empathize with others, overcome challenges, and defuse conflict. Emotional intelligence impacts many different aspects of your daily life, such as the way you behave and the way you interact with others.

If you have high emotional intelligence you are able to recognize your own emotional state and the emotional states of others, and engage with people in a way that draws them to you. You can use this understanding of emotions to relate better to other people, form healthier relationships, achieve greater success at work, and lead a more fulfilling life.

Emotional intelligence consists of four attributes:

- **Self-awareness** – You recognize your own emotions and how they affect your thoughts and behavior, know your strengths and weaknesses, and have self-confidence.
- **Self-management** – You're able to control impulsive feelings and behaviors, manage your emotions in healthy ways, take initiative, follow through on commitments, and adapt to changing circumstances.
- **Social awareness** – You can understand the emotions, needs, and concerns of other people, pick up on emotional cues, feel comfortable socially, and recognize the power dynamics in a group or organization.
- **Relationship management** – You know how to develop and maintain good relationships, communicate clearly, inspire and influence others, work well in a team, and manage conflict.

Be honest: do you control your emotions or do your emotions control you? **Self-Management** refers to the act of taking responsibility for our emotions. When we take responsibility for the way we feel, it gives us a tool for making decisions that most support our mental and emotional health. That in turn helps us be successful in motivating ourselves to achieve our goals. It helps us to overcome stumbling blocks and remain in action towards the things that we want in life. It lets us experience emotions without being controlled by them and it aids our ability to build strong, lasting, and rewarding relationships – both in and out of the workplace.

The competency of self-management has six different skill attributes: Self-control, trustworthiness, conscientiousness, adaptability, achievement orientation and initiative. Let's examine a few of them a bit closer.

Self-control

Self-control is the ability to refrain from knee-jerk reactions in response to your emotions. It is the ability to stop and think before acting, and to pause and consider the best course of action in the present situation. It involves knowing what is important to you, what isn't, and how that will translate into your actions and behavior.

Did you ever here the old 'count to ten' advice when you are really upset? That advice is about self-control and making sure that what you are about to do or say is in your best interest and the best interest of the people around you.

Trustworthiness

In our society, we all tend to be overcommitted. We tend to say yes to more things than we can actually do, and then we end up having to give up some of them. Self-management involves being trustworthy in the sense that you will be honest about what you are and are not capable of doing.

Another way to think about trustworthiness is to think of integrity. In the simplest terms, it means acting in a way that is aligned with your values. So if you say that you value your job, trustworthiness would result in you doing the best job that you possibly can. If you say that you value your relationships with others, trustworthiness would mean that you don't gossip, you value their opinions and feelings, and you act accordingly.

But how does this relate to our emotions? If you trust yourself, you can trust that you will respond to your emotions by doing what is best for you in the given situation. And others can trust that even if your first emotion is a knee-jerk reaction, your values will hold sway in the end and you will do what is right in the situation.

Adaptability

The easiest definition of adaptability is that it describes someone who doesn't allow feelings about change to become the source of emotional and performance roadblocks. The fact is, things always change. People leave organizations, budgets get cut and positions get eliminated, divisions reorganize and duties get reassigned. So being adaptable will be a skill you are guaranteed to need at some point in your career.

In order to develop this skill, you will need to be able to identify why change might be causing a negative emotional response. For example, let's say that you get reassigned from one sales team to another. Why might that cause you to have negative reactions? Some possibilities are:

- Fear of not getting along with the new boss or colleagues

- Fear of not having customer accounts that are as lucrative

- Fear of not being granted the privileges that your old boss did

Obviously, these are just suggestions – every situation will be different. But once you understand why you might be resisting the changes that you face, you can choose to handle it properly by addressing the fears or other feelings you have. You will become more adaptable the more that you practice using this and other tools of self-management.

Initiative

Another skill involved in self-management is initiative. People who have a high level of initiative in the sense of emotional intelligence are those that look for ways to continually develop themselves. They recognize that in order to be truly happy, they have to take responsibility for their lives.

That may involve making lifestyle changes, getting more education, learning new skills, developing new habits, or any other action that will help them to improve the quality of their life. They don't blame others or the universe for their problems, they look for their own role in their current situation, and they accept responsibility for making any necessary changes. They look forward to taking the next step on their path of development because they have experienced the positive benefits that have come from what they have already achieved, and they want more.

They also take initiative in problem-solving and conflict resolution. They don't allow disagreements to fester or misunderstandings to linger. They take the necessary actions to clear away negative emotions that are stopping or hindering them, and they take action to prevent further similar occurrences.

Here are *five keys* to improving our own **self-management.**

Be Consistent

Part of self-management is the ability to be stable. The values you hold dear should always be

apparent. Always changing to the whim of your peers or customers can not only cause others to question your beliefs. With consistency comes stability. Stability breeds trust. Consistency certainly aids productivity for you and your team. Maintaining consistency puts you on the right path towards emotional intelligence.

Stick to the Plan

If you are responsible for particular tasks, do them. Don't just do them, but make sure they are done to the best of your ability and in a timely manner. It is easy to feel out of control when you disregard the plan you are to follow. Do you have your plan in writing? Having it in writing has a couple of benefits. It gives you a great visual aid of the project outline and it also allows you to check items off as they have been completed.

Be Accountable

There are times when things don't work out as you plan, but you have to be able to admit that and then use your flexibility to get things back on track. The ideal result is that you easily bounce back and complete the task, but even during those times when this is not the case, you must adjust. We need to realize that we simply are not perfect. Mistakes do happen. Keeping this in mind allows us to have a true awareness of ourselves and that will help us react accordingly when things go wrong.

Educate Yourself

We live in an ever-changing world and you want to be able to keep up with it. Don't let change pass you by; embrace it. Be an avid reader. Talk and listen to mentors and peers. They may know something that could help you along your journey. Whether it's on a tablet or a good old paperback, reading is so critical in this fast paced world. Do you have a set amount of time scheduled for reading and research each week? How about reading something on emotional intelligence, marketing, leadership, or self improvement.

Stay Physically Fit

Many people don't think of staying fit when they talk about self-management, but it is very important. Exercising your body is just as crucial to self-management as exercising your mind. A body that is not well rested, nutritionally fed or physically exercised can lead to emotional and physical illnesses. A well exercised body also facilitates a clearer mind which in turn leads to better time management and decisions.

Emotional intelligence is a very deep subject. The principles are sound but will always apply uniquely to each and every one of us. Part of emotional intelligence is self-management. When we recognize this need from a professional and personal level we can achieve a greater degree of success in our everyday lives. If you have any thoughts or contributions please feel free to share them in the comment section below.

UNIT -4 (DEVELOPMENT & IMPLEMENTATION OF HR STRATEGY)

<u>Formulating and implementing HR strategies</u>

There is an ever-present risk that the concept of strategic HRM can become somewhat nebulous – nice to have but hard to realize. The danger of creating a rhetoric/reality gap is acute. Broad and often bland statements of strategic intent can be readily produced. What is much more difficult is to turn them into realistic plans, which are then implemented effectively. Strategic HRM is more about getting things done than thinking about them. It leads to the formulation of HR strategies, which first define what an organization intends to do in order to attain defined goals in overall human resource management policy and in particular areas of HR process and practice, and second set out how they will be implemented.

Difficult though it may be, a strategic approach is desirable in order to give a sense of direction and purpose and as a basis for the development of relevant and coherent HR policies and practices.

FUNDAMENTAL PROCESS CONSIDERATIONS

When considering approaches to the formulation of HR strategy it is necessary to underline the interactive (not unilinear) relationship between business strategy and HRM, as have Hendry and Pettigrew (1990). They emphasize the limits of excessively rationalistic models of strategic and HR planning. The point that HR strategies are not necessarily developed formally and systematically but may instead evolve and emerge has been made by Tyson (1997): 'The process by which strategies come to be realized is not only through formal HR policies or

written directions: strategy realization can also come from actions by managers and others. Since actions provoke reactions (acceptance, confrontation, negotiation etc) these reactions are also part of the strategy process.'

Armstrong and Long (1994) revealed is that strategic HRM is being practised in the organizations they visited in the Mintzbergian sense. In other words, intentions are shared amongst the top team and this leads to actions being exercised on a collective yet consistent basis. In each case the shared intentions emerged as a result of strong leadership from the chief executive with the other members of the top team acting jointly in pursuit of 48 l Strategic HRM in action well-defined goals. These goals indicated quite clearly the critical success factors of competence, commitment, performance, contribution and quality that drive the HR strategy.

CHARACTERISTICS OF THE PROCESS
Propositions
Boxall (1993) has drawn up the following propositions about the formulation of HR strategy from the literature:

- The strategy formation process is complex, and excessively rationalistic models that advocate formalistic linkages between strategic planning and HR planning are not particularly helpful to our understanding of it.
- Business strategy may be an important influence on HR strategy but it is only one of several factors.

- Implicit (if not explicit) in the mix of factors that influence the shape of HR strategies is a set of historical compromises and trade-offs from stakeholders.

It is also necessary to stress that coherent and integrated HR strategies are only likely to be developed if the top team understands and acts upon the strategic imperatives associated with the employment, development and motivation of people.
Schools of strategy development

Purcell (2001) has identified three main schools of strategy development: the design school, the process school and the configuration school.

The design school is deliberate and is 'based on the assumption of economic rationality'. It uses quantitative rather than qualitative tools of analysis and formulating and implementing HR strategies l 49 focuses on market opportunities and threats. What happens inside the company is 'mere administration or operations.

The process school adopts a variety of approaches and is concerned with how strategies are made and what influences strategy formulation: 'It is much more a study of what actually happens with explanations coming from experience rather than deductive theory.' As Purcell suggests, the implication of the design concept is that 'everything is possible', while that of the process school is that 'little can be done except swim with the tide of events'. The rationalist approach adopted by Purcell's design school broadly corresponds with the classical approach to strategy, and Poeter (1985) is a typical representative of it. Purcell's process school is the postmodern version of strategy of which Mintzberg is the most notable exponent. But as Grant (1991), cited by Purcell (2001), has indicated, the rationalist approach may indeed be over-formalized and rely too much on quantitative data, but the Mintzberg approach, which downplays the role of systematic analysis and emphasizes the role of intuition and vision, fails to provide a clear basis for reasoned choices.

The configuration school draws attention to the beliefs that, first, strategies vary according to the life cycle of the organization, second, they will be contingent to the sector of the organization and, third, they will be about change and transformation. The focus is on implementation strategies, which is where Purcell thinks HR can play a major role.

Levels of strategic decision making

Ideally, the formulation of HR strategies is conceived as a process that is closely aligned to the formulation of business strategies. HR strategy can influence as well as be influenced by business strategy. In reality, however, HR strategies are more likely to flow from business strategies, which will be dominated by product/market and financial considerations. But there is still room for HR to make a useful, even essential, contribution at the stage when business strategies are conceived, for example by focusing on resource issues. This contribution may be more significant if strategy formulation is an emergent or evolutionary process – HR strategic

issues will then be dealt with as they arise during the course of formulating and implementing the corporate strategy.

A distinction is made by Purcell (1989) and Purcell and Ahlstrand (1994) between:

- 'upstream' first-order decisions, which are concerned with the long-term direction of the enterprise or the scope of its activities;
- 'downstream' second-order decisions, which are concerned with internal operating procedures and how the firm is organized to achieve its goals;
-'downstream' third-order decisions, which are concerned with choices on human resource structures and approaches and are strategic in the sense that they establish the basic parameters of employee relations management in the firm.

It can indeed be argued that HR strategies, like other functional strategies such as product development, manufacturing and the introduction of new technology, will be developed within the context of the overall business strategy, but this need not imply that HR strategies come third in the pecking order. Observations made by Armstrong and Long (1994) during research into the strategy formulation processes of 10 large UK organizations suggested that there were only two levels of strategy formulation: 1) the corporate strategy relating to the vision and mission of the organization but often expressed in terms of marketing and financial objectives; and 2) the specific strategies within the corporate strategy concerning productmarketdevelopment, acquisitions and divestments, human resources, finance, new technology, organization and such overall aspects of management as quality, flexibility, productivity, innovation and cost reduction.

Strategic options and choices

The process of developing HR strategies involves generating strategic HRM options and then making appropriate strategic choices. It has been noted by Cappelli (1999) that: 'The choice of practices that an employer pursues is heavily contingent on a number of factors at the organizational level, including their own business and production strategies, support of HR policies, and cooperative labour relations.' The process of developing HR strategies involves the adoption of a contingent approach in generating strategic HRM options and then making appropriate strategic choices. There is seldom if ever one right way forward.

Choices should relate to but also anticipate the critical needs of the business. They should be founded on detailed analysis and study, not just wishful thinking, and should incorporate the experienced and collective judgement of top management about the organizational requirements, while also taking into account the needs of line managers and employees generally. The emerging strategies should anticipate the problems of implementation that may arise if line managers are not committed to the strategy and/or lack the skills and time to play their part, and the strategies should be capable of being turned into actionable programmes.

DEVELOPING HR STRATEGIES

An overall approach

The following six-step approach is proposed by Gratton (2000):

1. Build the guiding coalition – involve people from all parts of the business.
2. Image the future – create a shared vision of areas of strategic importance.
3. Understand current capabilities and identify the gap – establish 'where the organization is now and the gap between aspirations for the future and the reality of the present'.
4. Create a map of the system – 'ensure that the parts can be built into a meaningful whole'.
5. Model the dynamics of the system – ensure that the dynamic nature of the future is taken intoaccount.
6. Bridge into action – agree the broad themes for action and the specific issues related to those themes, develop guiding principles, involve line managers and create cross-functional teams to identify goals and performance indicators.

But many different routes may be followed when formulating HR strategies – there is no one right way. On the basis of their research in 30 well-known companies, Tyson and Witcher (1994) commented that: 'The different approaches to strategy formation reflect different ways to manage change and different ways to bring the people part of the business into line with business goals.'

In developing HR strategies, process may be as important as content. Tyson and Witcher (1994) also noted from their research that: 'The process of formulating HR strategy was often as important as the content of the strategy ultimately agreed. It was argued that, by working

through strategic issues and highlighting points of tension, new ideas emerged and a consensus over goals was found.'

A methodology for formulating HR strategies

A methodology for formulating HR strategies was developed by Dyer and Holder (1988) as follows:

1. Assess feasibility – from an HR point of view, feasibility depends on whether the numbers and types of key people required to make the proposal succeed can be obtained on a timely basis and at a reasonable cost, and whether the behavioural expectations assumed by the strategy are realistic (eg retention rates and productivity levels).

2. Determine desirability – examine the implications of strategy in terms of sacrosanct HR policies (eg a strategy of rapid retrenchment would have to be called into question by a company with a full employment policy).

3. Determine goals – these indicate the main issues to be worked on and they derive primarily from the content of the business strategy. For example, a strategy to become a lower-cost producer would require the reduction of labour costs. This in turn translates into two types of HR goals: higher performance standards (contribution) and reduced headcounts (composition).

4. Decide means of achieving goals – the general rule is that the closer the external and internal fit, the better the strategy, consistent with the need to adapt flexibly to change. External fit refers to the degree of consistency between HR goals on the one hand and the exigencies of the underlying business strategy and relevant environmental conditions on the other. Internal fit measures the extent to which HR means follow from the HR goals and other relevant environmental conditions, as well as the degree of coherency or synergy among the various HR means.

Specific approaches to strategy development

Three specific approaches to the development of HR strategies were defined by Delery and Doty (1996) as the 'universalistic', the 'contingency' and the 'configurational'. Richardson and

Thompson (1999) redefined the first two approaches as best practice and best fit, and retained the word 'configurational', meaning the use of 'bundles', as the third approach. Guest (1997) refers to fit as an ideal set of practices, fit as contingency, and fit as 'bundles'. These approaches are discussed below.

The best practice approaches

This approach is based on the assumption that there is a set of best HRM practices and that adopting them will inevitably lead to superior organizational performance.

The 'best practice' rubric has been attacked by a number of commentators. Cappelli and Crocker-Hefter (1996) comment that the notion of a single set of best practices has been overstated: 'There are examples in virtually every industry of firms that have very distinctive management practices. Distinctive human resource practices shape the core competencies that determine how firms compete.' Purcell (1999) has also criticized the best practice or universalist view by pointing out the inconsistency between a belief in best practice and the resource-based view that focuses on the intangible assets, including HR, that allow the firm to do better than its competitors. He asks how can 'the universalism of best practice be squared with the view that only some resources and routines are important and valuable by being rare and imperfectly imitable?' The danger, as Legge (1995) points out, is that of 'mechanistically matching strategy with HRM policies and practices'.

In accordance with contingency theory, which emphasizes the importance of interactions between organizations and their environments so that what organizations do is dependent on the context in which they operate, it is difficult to accept that there is any such thing as universal best practice. What works well in one organization will not necessarily work well in another because it may not fit its strategy, culture, management style, technology or working practices. As Becker et al (1997) remark: 'Organizational high-performance work systems are highly idiosyncratic and must be tailored carefully to each firm's individual situation to achieve optimum results.' But a knowledge of best practice as long as it is understood why it is best practice can inform decisions on what practices are most likely to fit the needs of the organization. And Becker and Gerhart (1996) argue that the idea of best practice might be more appropriate for identifying the principles underlying the choice of practices, as opposed to the practices themselves.

Best fit

The best fit approach emphasizes the importance of ensuring that HR strategies are appropriate to the circumstances of the organization, including its culture, operational processes and external environment. HR strategies have to take account of the particular needs of both the organization and its people. For the reasons given above, it is accepted by most commentators that 'best fit' is more important than 'best practice'. There can be no universal prescriptions for HRM policies and practices. It all depends. This is not to say that 'good practice', or 'leading edge practice', ie practice that does well in one successful environment, should be ignored. 'Benchmarking' (comparing what the organization does with what is done elsewhere) is a valuable way of identifying areas for innovation or development that are practised to good effect elsewhere by leading companies. But having learnt about what works and, ideally, what does not work in comparable organizations, it is up to the firm to decide what may be relevant in general terms and what lessons can be learnt that can be adapted to fit its particular strategic and operational requirements. The starting point should be an analysis of the business needs of the firm within its context (culture, structure, technology and processes). This may indicate clearly what has to be done. Thereafter, it may be useful to pick and mix various 'best practice' ingredients, and develop an approach that applies Formulating and

implementing HR strategies l 55 those that are appropriate in a way that is aligned to the identified business needs.

But there are problems with the best fit approach, as stated by Purcell (1999) who wrote: 'Meanwhile, the search for a contingency or matching model of HRM is also limited by the impossibility of modeling all the contingent variables, the difficulty of showing their interconnection, and the way in which changes in one variable have an impact on others.' In Purcell's view, organizations should be less concerned with best fit and best practice and much more sensitive to processes of organizational change so that they can 'avoid being trapped in the logic of rational choice'.

The configurational approach (bundling)

As Richardson and Thompson (1999) comment: 'A strategy's success turns on combining "vertical" or external fit and "horizontal" or internal fit.' They conclude that a firm with bundles of HR practices should have a higher level of performance, providing it also achieves high levels of fit with its competitive strategy. Emphasis is given to the importance of 'bundling' – the development and implementation of several HR practices together so that they are interrelated and therefore complement and reinforce each other. This is the process of horizontal integration, which is also referred to as the use of 'complementarities' (MacDuffie, 1995) or as the adoption of a 'configurational mode' (Delery and Doty, 1996). MacDuffie (1995) explained the concept of bundling as follows: 'Implicit in the notion of a "bundle" is the idea that practices within bundles are interrelated and internally consistent, and that "more is better" with respect to the impact on performance, because of the overlapping and mutually reinforcing effect of multiple practices.'

Dyer and Reeves (1995) note that: 'The logic in favour of bundling is straightforward… Since employee performance is a function of both ability and motivation, it makes sense to have practices aimed at enhancing both.' Thus there are several ways in which employees can acquire needed skills (such as careful selection and training) and multiple incentives to enhance motivation (different forms of financial and non-financial rewards). Astudy by Dyer and Reeves (1995) of various models listing HR practices that create a link between HRM and business performance found that the activities appearing in most of the models were involvement, careful selection, extensive training and contingent compensation.

On the basis of his research in flexible production manufacturing plants in the United States, MacDuffie (1995) noted that flexible production gives employees a much more central role in the production system. They have to resolve problems as they appear on the line and this means that they 56 l Strategic HRM in action have to possess both a conceptual grasp of the production process and the analytical skills to identify the root cause of problems. But the multiple skills and conceptual knowledge developed by the workforce in flexible
production firms are of little use unless workers are motivated to contribute mental as well as physical effort. Such discretionary effort on problem solving will only be contributed if workers 'believe that their individual interests are aligned with those of the company, and that the company will make a reciprocal investment in their well-being'. This means that flexible production techniques have to be supported by bundles of high-commitment human resource practices such as employment security, pay that is partly contingent on performance, and a reduction of status barriers between managers and workers. Company investment in building worker skills also contributes to this 'psychological contract of reciprocal commitment'. The research indicated that plants using flexible production systems that bundle human resource practices into a system that is integrated with production/business strategy outperform plants using more traditional mass production systems in both productivity and quality.

Following research in 43 automobile processing plants in the United States, Pil and MacDuffie (1996) established that, when a high-involvement work practice is introduced in the presence of complementary HR practices, not only does the new work practice produce an incremental improvement in performance but so do the complementary practices.

The aim of bundling is to achieve coherence, which is one of the four 'meanings' of strategic HRM defined by Hendry and Pettigrew (1986). Coherence exists when a mutually reinforcing set of HR policies and practices have been developed that jointly contribute to the attainment of the organization's strategies for matching resources to organizational needs, improving performance and quality and, in commercial enterprises, achieving competitive advantage.

The process of bundling HR strategies is an important aspect of the concept of strategic HRM. In a sense, strategic HRM is holistic; it is concerned with the organization as a total entity and addresses what needs to be done across the organization as a whole in order to enable it to achieve its corporate strategic objectives. It is not interested in isolated programmes and techniques, or in the ad hoc development of HR practices.

In their discussion of the four policy areas of HRM (employee influence, human resource management flow, reward systems and work systems) Beer et al (1984) suggested that this framework can stimulate managers to plan how to accomplish the major HRM tasks 'in a unified, coherent manner rather than in a disjointed approach based on some combination of past practice, accident and ad hoc response to outside pressures'.

David Guest (1989b) includes in his set of propositions about HRM the point that strategic integration is about, inter alia, the ability of the organization to ensure that the various aspects of HRM cohere. One way of looking at the concept is to say that some measure of coherence will be achieved if there is an overriding strategic imperative or driving force such as customer service, quality, performance or the need to develop skills and competences, and this initiates various processes and policies that are designed to link together and operate in concert to deliver certain defined results. For example, if the driving force were to improve performance, competence profiling techniques could be used to specify recruitment standards, identify learning and development needs, and indicate the standards of behaviour or performance required. The competence frameworks could be used as the basis for human resource planning and in development centres. They could also be incorporated into performance management processes in which the aims are primarily developmental and competencies are used as criteria for reviewing behaviour and assessing learning and development needs. Job evaluation could be based on levels of competence, and competence-based pay systems could be introduced. This ideal will be difficult to achieve as a 'grand design' that can be put into immediate effect, and may have to be developed progressively.

The problem with the bundling approach is that of deciding which is the best way to relate different practices together. There is no evidence that one bundle is generally better than another, although the use of performance management practices and competence frameworks are two ways that are typically adopted to provide for coherence across a range of HR activities. Pace the findings of MacDuffie, there is no conclusive proof that in the UK bundling has actually improved performance.

Culture integration

HR strategies need to be congruent with the existing culture of the organization or designed to produce cultural change in specified directions. This will be a necessary factor in the formulation stage but could be a vital factor when it comes to implementation. In effect, if what is proposed is in line with 'the way we do things around here', then it will be more readily accepted. However, in the

more likely event that it changes 'the way we do things around here', then careful attention has to be given to the real problems that may occur in the process of trying to embed the new initiative in the organization.

Fit with the business strategy

The key business issues that may impact on HR strategies include:

- intentions concerning growth or retrenchment, acquisitions, mergers, divestments, diversification, product/market development;

- proposals on increasing competitive advantage through innovation leading to product/service differentiation, productivity gains, improved quality/customer service, cost reduction (downsizing);

- the felt need to develop a more positive, performance-orientated culture and other culture management imperatives associated with changes in the philosophies of the organization in such areas as gaining commitment, mutuality, communications, involvement, devolution and teamwork.

Business strategies in these areas may be influenced by HR factors, although not excessively so. HR strategies are concerned with making business strategies work. But the business strategy must take into account key HR opportunities and constraints.

It is therefore necessary to analyse the existing culture to provide information on how HR strategies will need to be shaped. The analysis may cover the following 12 points listed by Cooke and Lafferty (1989) in their organizational culture inventory:

1.humanistic-helpful – organizations managed in a participative and person-centred way;

2.affiliative – organizations that place a high priority on constructive relationships;

3.approval – organizations in which conflicts are avoided and interpersonal relationships are pleasant – at least superficially;

4.conventional – conservative, traditional and bureaucratically controlled organizations;

5.dependent – hierarchically controlled and non-participative organizations;

6.avoidance – organizations that fail to reward success but punish mistakes;

7.oppositional – organizations in which confrontation prevails and negativism is rewarded;

8.power – organizations structured on the basis of the authority inherent in members' positions;

9.competitive – a culture in which winning is valued and members are rewarded for outperforming one another;

10.competence/perfectionist – organizations in which perfectionism, persistence and hard work are valued;

11.achievement – organizations that do things well and value members who set and accomplish challenging but realistic goals;

12.self-actualization – organizations that value creativity, quality over quantity, and both task accomplishment and individual growth.

Achieving vertical fit – integrating business and HR strategies Wright and Snell (1998) suggest that seeking fit requires knowledge of the skills and behaviour necessary to implement the strategy, knowledge of the HRM practices necessary to elicit those skills and behaviours, and the ability to implement the desired system of HRM practices quickly.

When considering how to integrate business and HR strategies it should be remembered that business and HR issues influence each other and in turn influence corporate and business unit strategies. It is also necessary to note that, in establishing these links, account must be taken of the fact that strategies for change have also to be integrated with changes in the external and internal environments. Fit may exist at a point in time but circumstances will change and fit no longer exists. An excessive pursuit of 'fit' with the status quo will inhibit the flexibility of approach that is essential in turbulent conditions. This is the 'temporal' factor in achieving fit identified by Gratton et al (1999). An additional factor that will make the achievement of good vertical fit difficult is that the business strategy may not be clearly defined – it could be in an emergent or evolutionary state. This would mean that there could be nothing with which to fit the HR strategy.

Making the link

But an attempt can be made to understand the direction in which the organization is going, even if this is not expressed in a formal strategic plan. All businesses have strategies in the form of intentions although these may be ill formed and subject to change. The ideal of achieving a link in rigorous terms may be difficult to attain. Cooke and Armstrong (1990) suggested that one approach might be to find a means of quantifying the additional resources required by HR overall and at the level of each element of HR strategy, and measuring and comparing the marginal return on investing in each element. But it is highly unlikely that this approach would be practicable.

The link must therefore be judgemental, but it could still be fairly rigorous. Conceptually, the approach would be to develop a matrix, as illus- 60 l Strategic HRM in action trated in Table 5.2, which for each of the key elements of business strategy identifies the associated key elements of HR strategy.

Even if the approach cannot be as rigorous as this, the principle of considering each key area of business strategy and, reciprocally, the HR implications provides a basis for integration.

An alternative framework for linking business and HR strategies is a competitive strategy approach, which identifies the different HR strategies that can relate to the firm's competitive strategies, including those listed by Porter (1985). An illustration of how this might be expressed is given in

Achieving horizontal integration

Horizontal integration or fit is achieved when the various HR strategies cohere and are mutually supporting. This can be attained by the process of 'bundling' as described earlier. Bundling is carried out by, first, identifying appropriate HR practices, second, assessing how the items in the bundle can be linked together so that they become mutually reinforcing and therefore coherent, which may mean identifying integrating practices such as the use of competence-based processes and performance management, and, finally, drawing up programmes for the development of these practices, paying particular attention to the links between them.

Integrative processes

Two frequently used integrating processes are performance management and the use of competencies. The ways in which they can provide the 'glue' between different HR practices are illustrated in

Figures 5.1 and 5.2.

Horizontal integration can also be achieved by the development of career family grading structures, which define the competencies required at each level, thus indicating career paths, and also serve as the framework for pay structures.

Linking HR practices

Bundling is not just a pick-and-mix process. The aim should be, first, to establish overriding areas of HR practice that need to be applied generally and, second, to examine particular practices to establish links or common ground between them so that they do provide mutual support.

The overarching areas of HR practice will be concerned with organization development, the management of change, creating a positive employment relationship, developing mutual commitment policies, communicating with employees and giving employees a voice (involvement and participation). These should be taken into account generally and their relevance should be considered when introducing any specific practices concerned with resourcing, human resource development and reward management. It is necessary to take deliberate steps in the latter areas to achieve coherence.

SETTING OUT THE STRATEGY

The following are the headings under which a strategy and the plans for implementing it could be set out:

1. Basis
– business needs in terms of the key elements of the business strategy;
– environmental factors and analysis (SWOT/PESTLE);
– cultural factors – possible helps or hindrances to implementation.

2. Content – details of the proposed HR strategy.

3. Rationale – the business case for the strategy against the background of business needs and environmental/cultural factors.

4. Implementation plan
– action programme;
– responsibility for each stage;
– resources required;
– proposed arrangements for communication, consultation, involvement and training;
– project management arrangements.

5. Costs and benefits analysis – an assessment of the resource implications of the plan (costs, people and facilities) and the benefits that will accrue, for the organization as a whole, for line managers and for individual employees (so far as possible these benefits should be quantified in terms of value added).

But there is no standard model; it all depends on the circumstances of the organization.

CONDUCTING A STRATEGIC REVIEW

Although HR strategies can emerge and evolve under the influence of events, there is much to be said

for adopting a systematic approach to their formulation. This can take the form of a strategic review, which assesses strategy requirements in the light of an analysis of present and future business and people needs. Such a review provides answers to three basic questions:

1. Where are we now?
2. Where do we want to be in one, two or three years' time?
3. How are we going to get there?

The stages of a strategic review are illustrated in Figure 5.3.
The following is an example of a strategic review as carried out in a large not-for-profit organization.

HR strategic review

Background

A major strategic review of the business has taken place and a new Chief Executive and other members of the senior management team have been appointed within the last two years. In essence, the review led to a business strategy that:

- redefined the purpose of the organization;
- emphasized that the core purpose will continue to be given absolute priority;
- set out the need to secure the future of activities outside its core purpose; and importantly
- made proposals designed to shape and secure the financial future.

HR issues emerging from the strategic review

The key HR issues emerging from the strategic review are that:

- it will lead to the transformation of the organization;
- this involves major cultural changes, for example:
  * some change in the focus to activities other than the core activity;
  * a move away from a paternalistic, command-and-control organization;
  * introducing processes that enable the organization to operate more flexibly;
  * clarifying expectations but simultaneously gaining commitment to managing and carrying out activities on the basis of increased self-regulation and decision making at an operational level rather than pressures or instructions from above;
   * more emphasis on managerial as distinct from technical skills for managers;
   * greater concentration on the financial requirement to balance income and expenditure while continuing to develop and improve service delivery;
- a significant change in the regional organization and the roles of the management team and regional controllers/managers is taking place; this means that new skills will have to be used that some existing managers may not possess;
- from a human resource planning viewpoint, decisions will have to be made on the capabilities required in the future at managerial and other levels, and these may involve establishing policies for recruiting new managerial talent from outside the organization rather than relying on promotion from within; l difficult decisions may have to be made on retaining some existing managers in their posts who lack the required skills, and there may be a requirement to reduce staff numbers in the future;
- more positively, management development and career planning activities will need to be introduced that reflect the changing culture and structure of the organization and the different roles managers and others will be expected to play.

The provision of the core HR services such as recruitment and training is not an issue.

Steps have already been taken to address these issues, for example:

- major communication initiatives introduced by the Chief Executive;
- a review of the pay system, which will no doubt bear in mind the unsatisfactory experience of the organization in applying performance management/pay procedures a few years ago;
- decisions on the shape of the regional organization;
- an analysis and diagnosis on cultural issues, ie what the present culture is and what it should become.

Against this background, it is necessary to build on the steps already taken by:

- adopting a systematic approach to the achievement of culture change, bearing in mind that this can be a long haul because it involves changing behaviour and attitudes at all levels and is difficult if not impossible to attain simply by managerial dictation;

- developing an HR strategy that, as a declaration of intent, will provide a framework for the development of HR processes and procedures that address the issues referred to above; this involves:

> strategic integration, matching HR policies and practices to the business strategy;
> a coherent approach to the development of these processes so that HR activities are interrelated and mutually reinforcing;
> a planned approach, but one that is not bureaucratic;
> an emphasis on the need to achieve flexibility, quality and cost-effectiveness in the delivery of HR services;

- focusing on the activities that will not only deal with the HR issues, but also help to achieve culture change, namely:The HR strategy will have to establish priorities. Because the thrust of the strategic review initially makes most impact on managers, the priority may well be given to people at this level but without neglecting the needs of the rest of the staff.The problem with strategic HRM as noted by Gratton et al (1999) is that, too often, there is a gap between what the strategy states will be achieved and what actually happens to it. As they put it:

One principal strand that has run through this entire book is the disjunction between rhetoric and reality in the area of human resource management, between HRM theory and HRM practice, between what the HR function says it is doing and how that practice is perceived by employees, and between what senior management believes to be the role of the HR function, and the role it actually plays.

The factors identified by Gratton et al that contribute to creating this gap included:

- the tendency of employees in diverse organizations only to accept initiatives they perceive to be relevant to their own areas;

- the tendency of long-serving employees to cling to the status quo;

- complex or ambiguous initiatives may not be understood by employees or will be perceived differently by them, especially in large, diverse organizations;

- it is more difficult to gain acceptance of non-routine initiatives;

- employees will be hostile to initiatives if they are believed to be in conflict with the organization's identity, eg downsizing in a culture of 'job-for-life';

- the initiative is seen as a threat; inconsistencies between corporate strategies and values;

- the extent to which senior management is trusted;

- the perceived fairness of the initiative;

- the extent to which existing processes could help to embed the initiative;

- a bureaucratic culture that leads to inertia.

Barriers to the implementation of HR strategies

Each of the factors listed by Gratton et al can create barriers to the successful implementation of HR strategies. Other major barriers include failure to understand the strategic needs of the business, inadequate assessment of the environmental and cultural factors that affect the content of the strategies, and the development of ill-conceived and irrelevant initiatives, possibly because they are current fads or because there has been an illdigested analysis of best practice that does not fit the organization's requirements. These problems are compounded when insufficient attention is paid to practical implementation problems, the important role of line managers in implementing strategies and the need to have established supporting processes for the initiative (eg performance management to support performance pay).

Overcoming the barriers

To overcome these barriers it is necessary to: 1) conduct a rigorous preliminary analysis of needs and requirements; 2) formulate the strategy; 3) enlist support for the strategy; 4) assess barriers; 5) prepare action plans; 6) project-manage implementation; and 7) follow up and evaluate progress so that remedial action can be taken as necessary.

– resourcing: deciding what sort of people are required and ensuring that they are available;

– human resource development: identifying the skills required, auditing the skills available, taking steps to match skills to present and future business requirements and initiating processes for enhancing organizational and individual learning related to business needs;

– reward: using reward processes to ensure that people are valued according to their contribution and to convey messages about the behaviour, capabilities and results expected of them;

– employee relations: building on the steps already taken to communicate to employees and to involve them in decision-making processes on matters that concern them.

IMPLEMENTING HR STRATEGIES

Because strategies tend to be expressed as abstractions, they must be translated into programmes with clearly stated objectives and deliverables. But getting strategies into action is not easy. The term 'strategic HRM' has been devalued in some quarters, sometimes to mean

no more than a few generalized ideas about HR policies and at other times to describe a short-term plan, for example to increase the retention rate of graduates. It must be emphasized that HR strategies are not just programmes, policies, or plans concerning HR issues that the HR department happens to feel are important. Piecemeal initiatives do not constitute strategy.

STRATEGY DEFINED

Strategy is about deciding where you want to go and how you mean to get

there. A strategy is a declaration of intent: 'This is what we want to do and this is how we intend to do it.'

Strategy is the determination of the basic long-term goals and objectives of an

enterprise, and the adoption of courses of action and the allocation of

resources necessary for carrying out these goals.

THE CONCEPT OF STRATEGY

The concept of strategy is based on three subsidiary concepts: competitive

advantage, distinctive capabilities and strategic fit.

Competitive advantage

The concept of competitive advantage was formulated by Michael Porter

(1985). Competitive advantage, Porter asserts, arises out of a firm creating

value for its customers. To achieve it, firms select markets in which they can

excel and present a moving target to their competitors by continually

improving their position

Three generic strategies that organizations can use to gain competitive advantage. These are:

l *innovation* – being the unique producer;

l *quality* – delivering high-quality goods and services to customers;

l *cost leadership* – the planned result of policies aimed at 'managing away

expense'.

Distinctive capabilities

As Kay (1999) comments: 'The opportunities for companies to sustain…

competitive advantage [are] determined by their capabilities

Distinctive capabilities are those characteristics that cannot be replicated by competitors, or can only be imitated with great difficulty.

Distinctive capabilities or core competences describe what the organization

is specially or uniquely capable of doing. They are what the company

does particularly well in comparison with its competitors. Key capabilities

can exist in such areas as technology, innovation, marketing, delivering

quality, and making good use of human and financial resources

Four criteria have been proposed by Barney (1991) for deciding whether a

resource can be regarded as a distinctive capability or competency:

l **value creation for the customer;**

l **rarity compared to the competition;**

l **non-imitability;**

l **non-substitutability**.

The concept of distinctive capability forms the foundation of the resource based approach to

strategy

Strategic fit

The concept of strategic fit states that to maximize competitive advantage a

firm must match its capabilities and resources to the opportunities available

in the external environment

UNIT- 6 (PERFORMANCE MANAGEMENT)

PERFORMANCE MANAGEMENT

Performance management is based on the principle of management by

agreement or contract rather than management by command. It emphasizes

the integration of individual and corporate objectives as well as the initiation

of self-managed learning development plans. It can play a major role

in providing for an integrated and coherent range of human resource

management processes that are mutually supportive and contribute as a

whole to improving organizational effectiveness

Performance Management is the process of establishing a framework in which individual

performance can be directed, monitored and refined to deliver increased levels of

performance.

PERFORMANCE MANAGEMENT DEFINED

Performance management can be defined as a strategic and integrated

approach to delivering sustained success to organizations by improving the

performance of the people who work in them and by developing the capabilities

of teams and individual contributors

Performance management is strategic in the sense that it is concerned with

the broader issues facing the business if it is to function effectively in its environment,

and with the general direction in which it intends to go to achieve

longer-term goals. It is integrated in four senses:

1) *vertical integration* –

linking or aligning business, team and individual objectives;

2) *functional integration* –

 linking functional strategies in different parts of the business;

3) *HR integration* –

linking different aspects of human resource management,

especially organizational development, human resource development and

reward, to achieve a coherent approach to the management and development

of people; and

 4) *the integration of individual needs* with those of the

organization, as far as this is possible

Effective performance management systems require:

- **Alignment with your business and cultural drivers.** Despite an increase in systems that link strategy-driven goals, our research indicates that as few as 19% of employees have priorities linked to a clearly articulated business strategy. And rarely are employees held accountable for living the organizational values that define a sustainable organizational culture.

- **Coaching for engagement and performance**. Repeatedly, we hear that it's the managers who make or break the system. They have a significant impact on employees' clarity of focus and commitment. They're often well intentioned, but don't always have clarity themselves – or the coaching essentials to pull off meaningful conversations. And those "mid-year" check-ins? Theory only in most organizations.

- **Employee ownership and development**. Ultimately, it's all about the work – the results – of your employees. Yet employee development tends to be relegated to half a page or those theoretical mid-year conversations.

Any effective performance management system includes the following components:

1. **Performance Planning:** Performance planning is the first crucial component of any performance management process which forms the basis of performance appraisals. Performance planning is jointly done by the appraisee and also the reviewee in the beginning of a performance session. During this period, the employees decide upon the targets and the key performance areas which can be performed over a year within the performance budget., which is finalized after a mutual agreement between the reporting officer and the employee.

2. **Performance Appraisal and Reviewing:** The appraisals are normally performed twice in a year in an organization in the form of mid reviews and annual reviews which is held in the end of the financial year. In this process, the appraisee first offers the self filled up ratings in the self appraisal form and also describes his/her achievements over a period of time in quantifiable terms. After the self appraisal, the final ratings are provided by the appraiser for the quantifiable and measurable achievements of the employee being appraised. The entire process of review seeks an active participation of both the employee and the appraiser for analyzing the causes of loopholes in the performance and how it can be overcome. This has been discussed in the performance feedback section.

3. **Feedback on the Performance followed by personal counseling and performance facilitation:** Feedback and counselling is given a lot of importance in the performance management process. This is the stage in which the employee acquires awareness from the appraiser about the areas of improvements and also information on whether the employee is contributing the expected levels of performance or not. The employee receives an open and very transparent feedback and along with this the training and development needs of the employee is also identified. The appraiser adopts all the possible steps to ensure that the employee meets the expected outcomes for an organization through effective personal counseling and guidance, mentoring and representing the employee in training programmes which develop the competencies and improve the overall productivity.

4. **Rewarding good performance:** This is a very vital component as it will determine the work motivation of an employee. During this stage, an employee is publicly recognized for good performance and is rewarded. This stage is very sensitive for an employee as this may have a direct influence on the self esteem and achievement orientation. Any

contributions duly recognized by an organization helps an employee in coping up with the failures successfully and satisfies the need for affection.

5. **Performance Improvement Plans:** In this stage, fresh set of goals are established for an employee and new deadline is provided for accomplishing those objectives. The employee is clearly communicated about the areas in which the employee is expected to improve and a stipulated deadline is also assigned within which the employee must show this improvement. This plan is jointly developed by the appraisee and the appraiser and is mutually approved.

6. **Potential Appraisal:** Potential appraisal forms a basis for both lateral and vertical movement of employees. By implementing competency mapping and various assessment techniques, potential appraisal is performed. Potential appraisal provides crucial inputs for succession planning and job rotation.

Technology & Performance Management

Strategic linkage of Performance management

Linkage between organization life cycle , competitive status, organizational strategy & hr strategy

Org. Life Cycle	Competitive status of the firm.	Org. strategies	Needed employee characteristic	HR strategy	Aligning performance mgt.
Inception [start-up]	Weak	Value creation	•Innovative. •Risk - taking. Long – term orientation	Focus on exploratory knowledge of employees	Qualitative methods
Growth	Strong	Value accumulation	•Flexibility •Co -operative	Focus on exploitative knowledge	Quantitative methods
maturity	Stable	Value maintenance	•Efficiency •Results with low level of risk	Harvest strategy to maintain competitive status	Qualitative methods

ADVANTAGES AND DISADVANTAGES OF SPM

SPM practices help the organization to derive many advantages. So also it leads to many disadvantages. Hence it is desirable for the organization to balance the advantages and the disadvantages to make best use of SPM. Some of the widely verifiable advantages of SPM are presented below:

- Increase in output.
- Increase in revenue.
- Increase in profit.
- Reduction in costs.

Such advantages improve the overall performance of the organization in the following ways:

- Closer collaboration and better knowledge sharing and information exchange between organizational units.
- Strengthened focus on what is important for the organization.
- Higher quality of performance information.
- Better strategic alignment of organizational units.

DISADVANTAGES OF SPM

- It causes too much internal competition.
- There are too many performance indicators.
- The performance information is too aggregated.
- There is not enough strategic information in the system.
- The performance indicators are too subjective and, therefore, unreliable.
- There is too much historical information.
- Stronger accountability.
- Need for a broader set of measures of performance.
- Better facilitation of cross-functional understanding.
- Better goal setting.
- Formalization of the strategic planning process.
- Stronger individual accountability of employees.
- Stronger commitment of top management.
- Higher commitment to the strategy.

- Handling the increase in complexity of the organization.
- Better description of missions, strategies, and goals.

(Unit -7) Employee Empowerment

Employee empowerment is a strategy and philosophy that enables employees to make decisions about their jobs. Employee empowerment helps employees own their work and take responsibility for their results. Employee empowerment helps employees serve customers at the level of the organization where the customer interface exists. Strategy of employee empowerment can help companies get maximum effectiveness from their employee resources. Employees who are empowered to make decisions independently, to think creatively and to take ownership of their work on a day-to-day basis can boost productivity and bottom-line profits.

Factors affecting Strategy of Employee Empowerment

Innovation and New Ideas

Employees who are empowered by their company to take responsibility for their work, and who are provided with positive, constructive feedback on their efforts, are more likely to contribute new ideas and innovations to their organization. When employees know what's important to the company and understand what the company is trying to achieve--and why-- they are in a better position to contribute ideas and suggestions.

Increased Productivity

Empowered employees are productive employees. Unlike their less-empowered counterparts, empowered employees feel free to make decisions themselves, without having to waste time looking for approval from managers or higher authorities. They can act and, in the process, they can achieve results more quickly than employees who do not feel empowered to take their own initiative. In addition, empowered employees work better together as a team,

Enhanced Customer Service

Empowered employees feel both the freedom and obligation to deliver strong customer service. If a customer has a question, comment or concern, empowered employees feel they have the ability--if not the mandate--to do something about it. That means quicker, faster response time for customers, which can go a long way toward enhancing customer service. By empowering employees with the information they need to respond to customer concerns, as well as with the

permission to make things right with customers immediately--rather than having to turn to supervisors for permission--companies can easily boost customer satisfaction and positive word of mouth.

The strategies of Employee Empowerment:

- **Providing the necessary skills to do the job:** Employees can't do the assigned tasks if they don't have the necessary skills to do it. It is important for an organization to assess the gaps between the current and required skills. Training must be provided to the employees to bridge the skills gap. Therefore, if an empowered workforce is needed by an organisation, employees need to be trained in the right skills.

- **2. Granting sufficient authority:** The second method of empowering employees is to provide them adequate authority to decide on how to complete their tasks. They need to be given the authority to complete the task in any manner they choose to accomplish; as long as it confirms to the broad guidelines set by the organization. Others in the organization should be aware that they have not only the responsibility but also the authority to complete the chosen tasks.

- **Articulating the vision of individuals' job:** It is important that employees have a clear idea about the outcome and where their task fits in the overall scheme of things. It empowers them with a broader perspective of the organization's overall mission, vision, goals and strategic plans.

- **Providing adequate information and resources:** Employees have access to all the information they require to make decisions. Therefore supplying information and allocating the required resources empower the employees to perform better in their job.

- **Building employees' confidence:** According to the expectancy theory, if employees believe that they CAN achieve a certain result, they are more likely to be successful in doing the same. The various ways to boost employees' confidence include:

- a) Providing growth opportunities to the employees by giving them more challenging tasks. This demonstrates that you value your employees and their personal development.

- b) Exhibiting greater trust and support in the employees' ability to accomplish a work assignment.

- c) Encouraging cross-learning so that employees benefit from each other's skills and knowledge.
- d) Acknowledging and rewarding the employees for their accomplishments.
7. **Guiding with positive feedback:** Providing positive feedback about the tasks done and guiding employees about best practices gives encouragement to the employees. It also helps employees to stay on the right track and develop professionally.

Handling a large workforce is a daunting task. However, with empowered employees, it becomes easier as they work not only towards achieving their individual objectives but also the organizational goals.

Employee engagement:

Developing a strategy for improving employee engagement first requires understanding what employee engagement looks like. Fully engaged employees – who typically represent between one-quarter and one-third of the workforce, according to Gallup research surveys – have a positive attitude about work. Disengaged employees, on the other hand, have a glass-half-empty attitude about every aspect of their employment, from the company they work for to the type of work their perform. Strategy that encompasses these two opposites focuses on recognition, motivation and relationship building.

The key ingredients of employee engagement are:

The nature of work - Is it mentally stimulating day-to-day?

Support - Does the employee feel supported by his line manager and colleagues?

Recognition - Does the employee feel that his efforts are recognised and valued?

Loyalty - Does the employee wants to stay with the company and develop their career?

Advocacy - Is the employee willing to recommend their company to family and friends?

Values - Does the employee feel that managers and colleagues "walk the talk" in terms of the company's values?

Today most organisations are focussing on employee engagement initiatives. Some keep their employees engaged through learning and initiatives, some by practising innovative HR initiatives and some others by passion

Principles of employee engagement

Recognition

Employees who are fully engaged in their work are often enthusiastic about the jobs they perform. They realize how much their work impacts the organization overall, and they are excited about seeing the fruits of their labor. However, it's difficult to create enthusiasm about work when routine job functions are anything but exciting. A key strategy involves adding another element to employees' job functions through recognition. One way to create enthusiasm about even the most mundane tasks is through challenging employees to improve new processes for performing their job functions and rewarding employees whose suggestions for improvement save the company money and resources.

Motivation

Workplace motivation, according to professor and management consultant Frederick Herzberg, comes from nonmonetary recognition, such as promotion, advancement or assigning more complex duties to employees who demonstrate expertise. Employees who receive recognition for their expertise are often motivated to perform at even higher levels. Employer strategy for improving engagement includes creating opportunities for leadership roles for deserving employees whose performance exceeds the company expectations.

Valued Input

Employee engagement is directly tied to employees' sense of value and the ability to give feedback about working conditions and their workplace relationships, particularly those involving employee-supervisor interaction. Therefore, an effective strategic includes developing an employee opinion survey or enabling another method for employees to voice their opinions and concerns. The most important component of an employee opinion survey is an action plan, which can be another factor in the employee engagement strategy. Involving employees in action plan steps provides another outlet for employee engagement.

Motivation and glass ceiling:

Meaning of glass ceiling:

Definition:

An invisible upper limit in corporations and other organizations, above which it is difficult or impossible for women to rise in the ranks.

It is *glass* because it's not usually a visible barrier, and a woman may not be aware of its existence until she "hits" the barrier. In other words, it's not an *explicit* practice. The term was popularized in the 1980s.

Term glass" ceiling refer to situations where the advancement of a qualified person within the hierarchy of an organization is stopped at a lower level because of some form of discrimination, most commonly <u>sexism</u> or <u>racism</u>. Glass ceiling is also an unacknowledged, invisible, discriminatory and intangible barrier that prevents women and minorities from rising to the positions of prestige, power, and highest-grossing positions in the workforce, professional advancement and responsibility most especially at managerial levels. This barrier makes many women feel like they are not worthy enough to have these high-ranking positions, but also they feel as if their bosses do not take them as seriously as they should.

Glass ceiling can be defined as the inequality created in the workplace between male and female employees" . It is that type of discrimination in which women employees are discriminated and face the obstruction, barrier and hurdle in their career development and progression towards the top hierarchical positions

To reach top level management positions female employees face hurdle. They didn't attain a possibility to be the component of organizations top hierarchy while male colleagues have given precedence over them ceiling is an artificial barrier caused by the top level s.

management to restrict females to get the top level Managers positions in the organization

<u>Employee health and welfare</u>

An organization's employees are perhaps its greatest asset. As such, it is essential for employers to recognize the potential impact of employee welfare on organizational performance. Employee welfare services are often offered in addition to traditional benefit programs. These services typically address all areas of a worker's life, which might impact the ability to focus and perform on the job. The benefits of employee welfare services implemented by human resource management often far outweigh the costs. **Health, Safety and Welfare Management deals with the legal and social responsibilities of an organization by means of the services provided by the Human Resource department**

to ensure a healthy and safe place of work, help elderly & retired employees, help employees cope with their personal problems and provision of recreational facilities.

Health and Safety policies deal with the protection of employees and other people affected by an organization's produce & against hazards arising from their employment or links with the organization. They are also concerned with minimising loss and damage to property and prevention of accidents.

Occupational health programmes dealing with prevention of ill-health arising from working condition consists of two elements-

- Occupational Medicine- This is a specialised branch of preventive medicine concerned with diagnosis and prevention of health hazards at the workplace and dealing with stress or ill health that has resulted inspite of preventive actions
- Occupational Hygiene- This branch is concerned with measurement and control of environmental hazards and comes under the area of work of an ergonomist, engineer or chemist dealing in preventive measures

Mainly Health, Safety and Welfare Management is concerned with the following steps-

- Development of Health, Safety and Welfare policies and procedures
- Identification of hazards and assessment of risks attached to them
- Audits and Inspections
- Implementation of occupational health programmes
- Stress Management
- Accident Prevention
- Performance measurement related to health & safety
- Communication regarding good health, safety and welfare practices
- Training
- Organization of the entire Health, Safety and Welfare of the company

[International Labour Organization] ILO at its Asian Regional Conference, defined labour welfare as a term which is understood to include such services, facilities and amenities as may be established in or in the vicinity of undertakings to enable the persons employed in them to perform their work in healthy, congenial surroundings and to provide them with amenities conducive to good health and high morale.

Welfare includes anything that is done for the comfort and improvement of employees and is provided over and above the wages. Welfare helps in keeping the morale and motivation of the employees high so as to retain the employees for longer duration. The welfare measures

need not be in monetary terms only but in any kind/forms. Employee welfare includes monitoring of working conditions, creation of industrial harmony through infrastructure for health, industrial relations and insurance against disease, accident and unemployment for the workers and their families.

Labor welfare entails all those activities of employer which are directed towards providing the employees with certain facilities and services in addition to wages or salaries.

Labor welfare has the following objectives:

- To provide better life and health to the workers
- To make the workers happy and satisfied
- To relieve workers from industrial fatigue and to improve intellectual, cultural and material conditions of living of the workers.

The basic features of labor welfare measures are as follows: Labor welfare includes various facilities, services and amenities provided to workers for improving their health, efficiency, economic betterment and social status.

- Welfare measures are in addition to regular wages and other economic benefits available to workers due to legal provisions and collective bargaining.
- Labor welfare schemes are flexible and ever-changing. New welfare measures are added to the existing ones from time to time.
- Welfare measures may be introduced by the employers, government, employees or by any social or charitable agency.
- The purpose of labor welfare is to bring about the development of the whole personality of the workers to make a better workforce.

The very logic behind providing welfare schemes is to create efficient, healthy, loyal and satisfied labor force for the organization. The purpose of providing such facilities is to make their work life better and also to raise their standard of living.

Principles of Employee Welfare Service

Following are generally given as the principles to be followed in setting up a employee welfare service:

- The service should satisfy real needs of the workers. This means that the manager must first determine what the employee's real needs are with the active participation of workers.

- The service should such as can be handled by cafeteria approach. Due to the difference in Sex, age, marital status, number of children, type of job and the income level of employees there are large differences in their choice of a particular benefit. This is known as the cafeteria approach. Such an approach individualises the benefit system though it may be difficult to operate and administer.
- The employer should not assume a benevolent posture.
- The cost of the service should be calculate and its financing established on a sound basis.
- There should be periodical assessment or evaluation of the service and necessary timely on the basis of feedback.

The important benefits of welfare measures can be summarized as follows:

- They provide better physical and mental health to workers and thus promote a healthy work environment
- Facilities like housing schemes, medical benefits, and education and recreation facilities for workers' families help in raising their standards of living. This makes workers to pay more attention towards work and thus increases their productivity.
- Employers get stable labor force by providing welfare facilities. Workers take active interest in their jobs and work with a feeling of involvement and participation.
- Employee welfare measures increase the productivity of organization and promote healthy industrial relations thereby maintaining industrial peace.
- The social evils prevalent among the labors such as substance abuse, etc are reduced to a greater extent by the welfare policies.

Unit-9 (Career Planning, Development & Management)

Adopting a standard set of organizational career management practices helps support your business strategy in a consistent way. These methods, activities and opportunities sponsored by your company help employees meet or exceed job description requirements and achieve company goals. Typically, organizations manage this function by selecting specific top performers for development in strategic areas but also by providing development opportunities to the general population as well. Failing to define career management methods could lead to inconsistent application of HR policies. Resentment and inadvertent employee dissatisfaction might occur, leading to employee attrition.

Identifying Career Planning's Benefits

Career planning benefits employees and small-business owners. Employees usually experience a higher rate of job satisfaction, and employers prevent the loss of key personnel in critical positions. The development of a plan usually starts with an employee self-assessment, 360-degree review process or career development discussion. This provides the worker with a broad perspective of performance. It also gives the organization an idea of where it has performance gaps. Career planning benefits anyone just starting out, thinking about a lateral move or even planning to retire.

Developing a Plan

According the Center for Creative Leadership, effective learning depends on a combination of experience, relationships and formal education. A career development plan should include two or three development goals for an employee's current or future roles and a broad range of activities to help achieve these goals. The employee should consider her strengths and also areas for growth and development. For each goal, she should list actions she plans to take, such as reading case studies, completing courses and interviewing experts. Then she can update the plan on a monthly basis to help document progress toward completion and application back on the job. For example, an employee in the HR department might aspire to improve her interviewing, presenting and listening skills. Development activities could include attending workshops, participating in rotational assignments or receiving coaching or mentoring.

Reviewing Career Paths

Employers can inspire workers to take on new challenges by publishing and distributing company career paths. For example, a career in HR typically starts with jobs that involve administering benefits and payroll. From there, the career path may diverge into specialized roles in training and development, employee relations or health and safety. In traditional structures, the next step up is a management role and, with more experience, an executive position in HR. In less formal organizations, divergent paths lead to enriching experiences and rewarding work.

Ensuring Succession Planning

Defined career management methods for HR ensure that an organization develops all employees' skills so they can take on new roles when other employees are out sick, leave for other jobs or can no longer perform their duties. Successful organizations list core competencies and provide employees with training and development opportunities to excel in

those areas. For example, in an HR department, this might include providing seminars for developing an effective workforce plan, establishing a mentoring program or running workshops on managing change, difficult conversations or performance appraisals.

Career stage:

Career Stages
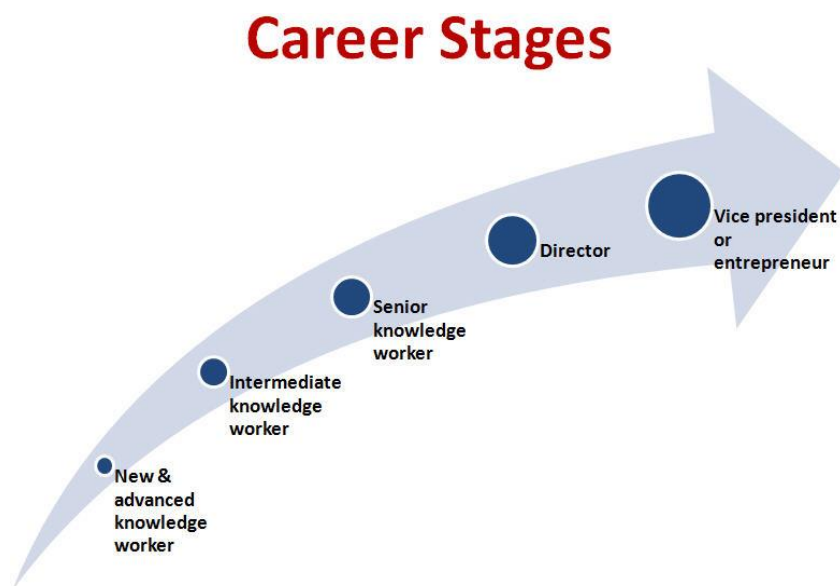
1. Growth **–** The early years (4 to 13 years old) is a time when the individual first becomes aware of the future. People start to find ways to develop competencies and to achieve in order to increase control over their life.

2. Exploration – From the early teens to mid-twenties, people begin to crystallize, specify and implement an occupational choice. Different roles are tried and various occupational options are explored though school, leisure, part-time work and volunteering. "Trial jobs" may be tested before more firmly finding a more stable and appropriate fit.

3. Establishment – In the mid-twenties through mid-forties, typically a suitable field is selected and efforts are made to secure a long-term place in the chosen career. Young adulthood tends to be a time for stabilizing, consolidating, building momentum and moving up. Obtaining certifications, credentials, and advanced degrees may be the norm.

4. Maintenance - This stage usually happens in the mid-forties to mid-sixties and is characterized by constancy: *1) Holding on* (stagnating or plateauing), or *2) Keeping*

up (updating or enriching). Continuity, stress, safety and stability tend to be the standard. Sometimes people feel risk adverse with various career options which may lead to frustration or even depression. In middle adulthood we may ask ourselves, "What have I done with my life? or Is this all there is? or even What do I truly want?" For men, state of health or career accomplishment may predominate. Women sometimes perceive this period as an opportunity to pursue new personal or professional goals now that their nurturing role has peaked.

5. Disengagement – The mid-sixties is typically marked by decelerating from formal employment to finding new roles with a view to retirement. Baby Boomers are teaching us that this stage should be more appropriately named "Re-investment." They are completely redesigning the notion of "retirement" preferring to work in some form while pursuing new or renewed outside interests. In later adulthood, there may be a need to assist or mentor younger members of society or seek self-employment.

However, it has limitation due to the rapidly changing nature of work and each person's own circumstances. Not everyone transitions through these five stages at fixed ages or in the same manner. I have learned in my private practice it is more common nowadays to move back and forth more frequently from the Exploration to Re-inventment stages.

What is Career Development

"Career Development is the lifelong process of managing learning, work, leisure, and transitions in order to move toward a personally determined and evolving preferred future."

Career development is the lifelong process of managing progression in learning and work. The quality of this process significantly determines the nature and quality of individuals 'lives: the kind of people they become, the sense of purpose they have, the income at their disposal. It also determines the social and economic contribution they make to the communities and societies of which they are part

Career development is directly linked to the goals and objectives set by an individual. It starts with self-actualization and self-assessment of one's interests and capabilities. The interests are then matched with the available options. The individual needs to train himself to acquire the skills needed for the option or career path chosen by him. Finally, after acquiring the desired competency, he has to perform to achieve the goals and targets set by him.

Stages of Career Development

The main stages in a career cycle include: development stage, exploration stage, establishment stage, ageing stage and declination stage.

1. Development stage:

This stage begins from birth and normally lasts until 14 years old. This is the period in which children want to affirm themselves and have been affected very much by the relationship with family, school and society.

In the beginning of this stage, Games play an important role in developing children's recognition.

In the end of this stage, children have developed ideas about their own hobbies and abilities, maybe with some practical ideas about their future careers.

2. Exploration stage:

This stage often lasts from 15 years old to 24 years old. In this period, people have many different career choices and they often tend to choose job careers they have been counselled, tutored or the jobs they think will fit their abilities and wishes. The most important in this stage is that people need to develop a broad knowledge and a variety of job skills.

3. Establishment stage:

This stage is from the age of 25 to 44. This is the main stage in the career of a person.

In the beginning of the stage, some people have found their suitable jobs and these helped them have long and settled standings in their career lines. As usual, people pursue their original career choices, but there are still many people considering that this stage is only a trial period to continually test their skills and incentives for advancement in career.

Establishment stage includes 3 periods:

3.1. Trial period:

From the age of 25 to about 30, in this period, people work primarily to find out whether the career choice they made is suitable or not.

3.2. Stable period:

Normally from the age of 30 to 40, in this period, people often have identified their own career goals and have specific plans to decide what should continually be done to reach those goals. There are two tendencies, continuing the path chosen or turning to another job career.

3. Mid – Career crisis period:

This period lasts from mid thirties to mid forties. During this period, people often compare what they have tried to pursue, the difficulties in career they have, what they have to sacrifice, the loss they have endured to follow their career path as well as their career ambitions with the achievements they have got in career such as position, salary and so on.

4. Ageing stage:

This period continues from the age of 45 to 60. There are many people who jump directly from stable period to this stage without having experienced all the difficulties and failures in mid – career crisis period.

5. Declination stage:

Declination stage is the final stage when people are old, less healthy and clairvoyant. In this period, the sense of responsibilities toward the job has decreased and they must accept the new role of the young generation.

Career management system:

Components of the Career Management

- Self-Assessment
  - Use of information by employees to determine their career interests, values, aptitudes, and behavioral tendencies
  - Often involves psychological tests

- Reality Check
  - Information employees receive about how the company evaluates their skills and knowledge and where they fit into company plans

- Goal Setting
  - The process of employees developing short- and long-term career objectives
  - Usually discussed with the manager and written into a development plan

- Action Planning
  - Employees determining how they will achieve their short- and long-term career goals

Design factors of Effective Career Management Systems

1. System is positioned as a response to a business need or supports a business strategy
2. Employees and managers participate in development of the system
3. Employees are encouraged to take active roles in career management
4. Evaluation is ongoing and used to improve the system
5. Business units can customize the system for their own purposes
6. Employees need access to career information sources
7. Senior management supports the career system
8. Career management is linked to other human resource practices such as training, recruiting systems, and performance management
9. System creates a large, diverse talent pool
10. Information about career plans and talent is accessible to all managers

Evaluating Career Management Systems:

- Career management systems need to be evaluated to ensure that they are meeting the needs of employees and the business

- Two types of outcomes can be used to evaluate:
  - Reactions of the customers (employees and managers) who use the career management system
  - Results of the career management system

- Evaluation of a career management system should be based on its objectives

Cross-Cultural Training

Cross Cultural Training, Education, and CoachingCross cultural training is much more than merely understanding the words spoken in another language. And every enterprise worth its bottom-line is aware that attempting to conduct international business without cross cultural training is equivalent to financial hara kiri (that's Japanese for 'belly cut' or ritual suicide). In fact, when large companies become cross-border and multi-language entities, cross cultural issues start affecting every aspect of the business. Therefore, cross cultural training is aggressively adopted by several large and medium enterprises in order to arm their teams, clients, and vendors with the requisite abilities to conduct global-level business in a multi-cultural environment.

What Does Cross Cultural Training Encompass?

Other than appreciating the rudiments of an alien language, cross cultural training also increases an employee's sensitivities to the values and ethos of another culture. And before one can appreciate another culture, an employee first has to begin understanding their own roots and cultural heritage. Once they can have grasped the subtleties of their own culture they might be able to examine and understand the overviews of other cultures as well. For example, imagine an all American team working on-site in another country which has a very different cultural ethos in comparison to their native country, for instance Greece. How will this team function – or rather, how will they dysfunction – if they are unaware of a simple Grecian culture … the Greeks indicate a 'no' or a 'negative' while moving the head upwards? Now imagine if a large enterprise has outsourced a bulk of their knowledge processes to a country widely acknowledged as the 'back-office of the world', India. How will work ever get done without cross cultural training for both the Indian as well as the American team? For example, an Indian team may say 'Miss' or 'Mister' as a sign of respect while an American might misinterpret this title otherwise.

Such misconceptions are magnified several fold when teams from two diverse and often conflicting cultures are expected to intermingle and produce mutually profitable

relationships. Business Process Outsourcing and knowledge outsourcing have forced forward-thinking companies to adopt and implement cross cultural training on both sides of the border. Therefore, cross cultural training helps –

- internal teams working in different geographical locations
- international teams collaborating on the same project

- different departments located in separate countries but part of the same organization

- vendors to whom key processes have been outsourced

- clients located overseas

- collaborative partners and strategic alliances

Stages of Cross Cultural Training

Broadly, cross cultural training can be classified in 3 different stages, namely –

Cross Cultural Awareness: Exposure to information about cross cultural issues creates overview level awareness about other societies as well the individual culture of the employee. With awareness about one or more cultures, comes an understanding about cultural differences and its impact on the individual, the company, and therefore how it impacts the specific activities and projects undertaken by the employee. Since work preferences are culturally dependent, it becomes important for an employee to first learn about their own culture and then compare and contrast their own cultural profile in context to another culture, highlighting the similarities and the differences. This throws into focus personal attitudes and values that might be downright offensive or demeaning in another cultural context. For example, imagine a European manager, working for an American company and holding a workshop for his Asian teams. In some Asian cultures, asking questions shows disrespect. So the manager might misinterpret lack of interactivity during the workshop as a sign of, perhaps, boredom. Therefore, cross cultural education helps foster mutually beneficial cross border working partnerships.

Cross Cultural Education: It increases awareness of how companies in various countries and cultures manage their employees and projects. It also encompasses different methods and management processes adopted by companies in different countries and how cultures in such countries affects the way people speak and behave at work. It shows how the differences in the cultural sensitivities also impact project outcomes and therefore, the bottom-line of any company. This helps provide a springboard which is useful in assimilating and absorbing facets of a rich but an alien cultural tradition.

Cross cultural education also highlights the fact that while cultures are different, none

are superior or inferior in comparison to one another.

Cross Cultural Coaching: This aims to bring about changes in thinking, attitude, and problem-solving vis-à-vis cross-cultural issues. This also involves consultation about cross cultural issues that might become bottlenecks during live projects or integration of cross-border acquisitions. For example, learning and training is imparted differently in various cultures. Tech-savvy Americans prefer self-paced and web-based education whereas in some Asian cultures, people prefer instructor-led and classroom based training. Therefore the manner in which cross cultural training is imparted also varies from one culture to another.

Cross Cultural Training and Solutions

Under the broad umbrella of cross cultural awareness, education, and coaching fall several minor, but distinct types of training. Each type of cross cultural training has a single objective – to inculcate demonstrable levels of cultural awareness in employees where a common cross cultural reference point is not present or doesn't exist at any significant level.

This objective can be fulfilled in several ways and either of the methods mentioned below can overlap or can be implemented simultaneously or in parallel.

Training in Cross Cultural Challenges – This basic training highlights the existence and the practice of different cultures in a cosmopolitan or a cross-border work place. It explores the challenges that arise due to cultural differences, the ways in which such challenges can be tackled, and some pertinent solutions to specific cross cultural problems. For example, the end result of such a training exercise shows how cross cultural awareness encourages mutual trust and cooperation amongst team members and peers. This, in turn, results in smoother, clearer, and quicker communication.

Training in Cross Cultural Management – This type of training aims to increase the cultural sensitivity of the executive and the management staff so that they are better able to manage and supervise their multi-language or cross cultural teams.

Training in Cross Cultural Negotiations – Arbitrators and negotiators who need to multi-task and handle two or more teams from diverse cultural background require special type of training. This training aims to equip them with the requisite negotiation skills that are culture specific and help conflicting teams, clients or vendors reach a conclusive settlement or an agreement about terms and conditions and so on.

Training in Cultural Diversity – This is especially useful for the Human Resources (HR) staff and executives responsible for personnel from diverse ethnic backgrounds. It aims to achieve a harmonious and culturally sensitive working environment which helps nurture individual ethnicity without allowing it to affect inter personal relationships negatively at work.

Country Specific Cultural Training – This is specially designed for teams and personnel

who need to visit overseas countries and interact with clients or teams from foreign cultures. This training covers, in details the particular values, ethos, morals, behavior and business practices and customs of a particular country or an ethnic group

Hiring Diverse work force

Attempting to diversify a company&rsquo;s workforce is a top-down decision that starts with creating a culture that encourages diversity. Changing recruiting and hiring practices can help reach candidates from different population segments. And making sure all employees feel welcome and accepted will help retention. Affirmative Action may also be a solution in certain industries.

Diverse Workforce

Diversity is a number of things that a person embodies. To create a truly diverse workforce, consider more that just a person&rsquo;s appearance. While race, gender and age certainly contribute to workplace diversity, religion, philosophy, sexual orientation and nationality are also important contributions.

Recruiting Employees

According to the Equal Employment Opportunity Commission, an employer that wants to increase diversity should examine their employees and assess where the company lacks diversity. Then it should figure out how to broadcast job opportunities to the desired population. For example, if the company wants to add more African-American employees, then it might start advertising job postings in predominately African-American schools, community centers, churches, social networks or widely-read publications. It may also consider using a word-of-mouth campaign or attend job fairs to promote the company.

While it is great to promote diversity, all candidates for a position must be treated fairly. It is illegal to purposely focus a recruiting process to eliminate certain segments of the workforce.

Disadvantages in Increasing Diversity in the Workplace

Hiring Qualifications

An employer should look only at a potential new hire based on his or her qualifications. That said, an employer looking to increase workforce diversity may consider changing it&rsquo;s hiring requirements if homogenous groups are consistently applying for the same jobs. For instance, an employer may consider substituting additional work

experience in place of a four-year college degree, as this might help recruit population segments with lesser opportunities to attend college.

Creating a Culture

Employers that want to attract a diverse workforce need to create a culture that values diversity. In a Charlotte Business Journal article titled "Promote Diversity in the Workplace," experts first recommend examining company policies, such as training programs and performance evaluations, for unintended biases. Then appoint someone to create and oversee programs that emphasize equality and open communication. Implement networking and mentoring programs that allow workers to be comfortable and vocal about their needs. Also, avoid preferential treatment, as it creates resentment.

Affirmative Action

Affirmative action is another tool that can increase the diversity of the workplace, although it is subjective to the law. Affirmative Action is defined by law as “actions appropriate to overcome the effects of past or present practices, policies, or other barriers to equal employment opportunity.” An employer may decide to create a voluntary affirmative action program if the company thinks there is a longstanding imbalance in a specific job category. To ensure the legality of the program, a court will examine the company’s quotas and goals, and determine whether it interferes with equal employment practices. It is important to pay close attention to legal requirements when implementing and running affirmative action programs.

Flexible working

A system of flexible working hours gives employees some choice over the actual times they work their contracted hours. Such a system can be a good way of recruiting and retaining staff - since it provides an opportunity for employees to work hours consistent with their other commitments (e.g. child care).

Flexible working is a way of working that suits an employee's needs, eg being able to work certain hours or work from home.

Anyone can ask their employer to work flexibly.

How to introduce a flexible working hours scheme

The introduction of a flexible working hours scheme requires care and needs to be carefully planned by all those likely to be affected. Experience suggests that a joint **"working party"** comprising representatives of management and employees is usually the best approach and any recognised trade union should be fully involved. The working party should consider:

• Whether the scheme is to be voluntary or compulsory

• What type of recording system should be used (e.g., manual, clocking or computerised)

• How flexibility should be built into the bands

• How sickness, absence and late attendance should be treated

• Arrangements for managing and monitoring the scheme (e.g. monitoring the effect on production or customer service levels)

When the details have been agreed there should be a trial period of, perhaps, three months to help identify and eliminate any problems.

Advantages of flexible working hours

• Employees have greater freedom

• Can make traveling easier (e.g. avoiding commuting during the normal rush-hour)

• Improved morale and reducing absence and lateness

• Reduction in overtime and less lost time since long lunch breaks or late arrivals are not recorded as time worked

Disadvantages of flexible working hours

• Costs involved in administering the scheme

• If the premises are open longer, there may be increased costs for lighting and heating

• Employees will not be in work at certain times and therefore it may not be suitable for organisations where continuous cover is necessary.

Employees who care for someone (eg a child or adult) have the legal right to ask for flexible working.

Types of flexible working

There are different ways of working flexibly.

Job sharing

2 people do 1 job and split the hours.

Working from home

It might be possible to do some or all of the work from home or anywhere else other than the normal place of work.

Part time

Working less than full-time hours (usually by working fewer days).

Compressed hours

Working full-time hours but over fewer days.

Flexitime

The employee chooses when to start and end work (within agreed limits) but works certain 'core hours', eg 10am to 4pm every day.

Annualised hours

The employee has to work a certain number of hours over the year but they have some flexibility about when they work. There are sometimes 'core hours' which the employee regularly works each week, and they work the rest of their hours flexibly or when there's extra demand at work.

Staggered hours

The employee has different start, finish and break times from other workers.

Phased retirement

Default retirement age has been phased out and older workers can choose when they want to retire. This means they can reduce their hours and work part time.