



Human Resource Management

AS Business

HRM

- Human resource management is the idea of effectively managing the labor force of any organization.
- Labor Force of any business refers to any mental or physical effort made by humans in the business.

What is the Role of HRM?

- Human resource department ***looks after all issues related to labor force.***
- ***Every big business in the world these days have HR department.***

Responsibilities of HR Department

1. Recruitment

2. Selection

3. Employment Contract

4. Training

5. Job Appraisal

Recruitment

- Recruitment is the process of ***identifying the labor force needs*** of the business and ***making necessary documents to hire the needed people.***

- If a business is expanding it needs more people and to hire these people you need to advertisement the job vacancy, this entire process is known as recruitment.
- There are 2 documents that need to be prepared before the job can be advertised

1. Job Description

2. Job Specification

Job Description

- Job Description is a document that contains the roles and responsibilities of the new person being hired.

- This document gives the job applicant the idea about the ***nature of job.***

Job Specification

- Job Specification is a document that contains the qualities ***like educational qualification and previous job experience of any suitable candidate.***

Job Advertisement

- After preparing the 2 documents of Job Description and Job Specification the company / business advertises the job through

different platforms like newspaper, social media, LinkedIn etc.

Selection

1. CV Shortlisting

2. Interviews 3.

Written Tests

CV – Curriculum Vitae

- The CV is a formal document that contains the educational and professional experience of a job applicant.
- What are the advantages and disadvantages of looking at CV to

decide if someone should be selected for the job?

1. Firstly it is more detailed information about the education and experience of any applicant
2. However it might be very time consuming process to evaluate all CV especially if the number of applicants is large

Interview

- Interview is one on one meeting between the company representative and the job applicant.
- What are the advantages and disadvantages of having an interview to decide if someone should be selected?

1. It can be very time consuming to conduct a large number of interviews
2. However interview can be better than just looking at the CV since you can ask the people about their education and experience in person.

Written Test

- Written test is when the job applicants are made to attempt some questions to test their skills / decision making potential etc.
- What are advantages and disadvantages of using written tests for selecting job applicants?
- This can be expensive and time consuming process that an interview

because you would need to print a lot of questions papers etc. •
However the knowledge and skills of an applicant can be better tested through the written test.

- However since in written test you are not meeting the applicant therefore the confidence of the individual cannot be tested.

Employment Contract

- It is an official document that contains the nature of the job and the compensation benefits that the company will provide to the employees.
- It contains the following components:

1. Code of Conduct

2. The responsibilities of the employee

3. The salary to be paid

4. The working hours

5. The holidays in a year

6. General policies of the company

Training

- Training is when new and existing employees are taught certain skills to make sure that they are able to perform their jobs more effectively.
- There are 3 types of training

1. Induction Training

2. On the Job Training

3. Off the job Training

Induction Training

- It is when a new employees are made to meet the company's employees to make them comfortable in the new environment.
- Like telling these new employees the rules and regulations of the company, the people they will be working with etc.
- What are the pros and cons?

On the Job Training

- ***This is when a new employees gets to learn from more experienced employee by observing them and assisting them.***
- The idea is that the new employees will learn from more experienced employees making seeing them work.
- What are the pros and cons?
 1. Due to the nature of this training there will be more personalized attention and therefore the new employee is expected to learn more.
 2. It is less expensive than off the job training where the employee is sent to a special institute to be trained.
 3. Another advantage is that it is convenient and not much time consuming as is the case with off the job training.

Off the Job Training

- It is when a new employee is made to attend some special training course to equip them with skills that they will need for their current job.
- What are the pros and cons?
 1. It can be expensive and time consuming for the employee and the company.
 2. Since it is a special training course the employee is expected to learn in more depth than on the job training.
 3. This will be more creative and innovative for the employee since they will learn new ideas.

Job Appraisal

- Job Appraisal refers to evaluating the performance of employees to decide whether they should be promoted or given more financial compensation etc.

Leadership Styles

- Leadership Style is the nature of manager and how he / she manages his / her subordinates.
- There can be following leadership styles of any manager

1. Autocratic

2. Democratic

3. Paternalistic

4. Laissez Faire

Autocratic

- It is strict leadership style in which there is just one way communication.
- One way communication is when the senior gives orders to juniors / subordinates and they are expected to follow the orders.
- In this leadership style the employees are not allowed to give suggestions or opinions to seniors.

Which type of companies / organizations use Autocratic leadership style?

- Armed forces and government organizations usually use this type of leadership style.

Pros and Cons of Autocratic Leadership Style

- The decision making will be quick and there will be less confusion and conflict
- The chances of creativity / innovation will be less since the ideas are not considered and so on.

- The labor motivation is low since their opinion are not considered etc.

Democratic Leadership Style

- Democratic leadership style is when there is 2 way communication meaning that juniors are free to give their opinions.
- This leadership style is not as strict as autocratic.
- Employees are free to give to their opinions and feedback.

What type of organizations use democratic leadership style etc?

- It is expected to be used in private sector where it is important to

maintain high labor motivation and to have creativity.

Pros and Cons of Democratic Leadership

- It can result in higher motivation since employees will be allowed to give feedback.
- The company to generate new ideas and hence is expected to become more creative.
- However the decision making is expected to be slower since the managers will be taking opinions of their subordinates etc.

Paternalistic

- Paternalistic leadership style is when managers / seniors give the impression that they very much value your opinions and well-being but in reality the real power rest with the higher levels of management.

Pros and Cons of Paternalistic Leadership Style

1. The employees are expected are to be motivated knowing that management is very much concerned about them.
2. It would really help retain workers resulting in lower turnover. This is because employees are expected to be more loyal to the

company.

3. However it can at times be frustrating for the employees when they see that they ***don't have any real powers. No real decision making powers.***

Laissez Faire

- It is when employees are given complete authority to make their decisions and are held accountable for their performance at the time of job appraisal.
- Each employee is being given targets but it is completely on the employees to achieve their targets through their own designed strategies.

Delegation

- Delegation is when subordinates are given the authority to make decisions. This results in decentralization.
- Opposite of delegation is centralization which means all decisions are made at the higher levels of management.

Which Leadership style is best and why?

- At any point in time depending on several factors the business decides about the most appropriate leadership style.
- ***The time available to make a decision:*** when an urgent decision

needs to be made ideally the person who is directly related to the situation should make the decision.

- ***The culture of the organization:*** some companies have always used a certain type of leadership style and it they always prefer that style for instance in armed forces autocratic leadership style is always followed.

Which Leadership style is best and why?

- ***The nature of boss:*** if someone is of the sort that they generally believe in employees then they are more likely to use democratic leadership style whereas if someone does not much trust employees they are likely to use autocratic leadership.

- No one leadership style is the best it depends on many factors as listed above to choose the most appropriate style at any given instance.

Motivation Theories

1. Taylor – Scientific Management
2. Maslow – Hierarchy OF Needs 3.
Herzberg – 2 Factor Theory
4. Mayo – Human Relation Theory 5.
McClelland – Motivational Needs Theory 6.
Vroom – Expectancy Theory

Taylor – Scientific Management

- He conducted experiments in Ford Production Plant and discovered that by dividing the bigger project in smaller tasks and assigning everyone one task will help them increase productivity due to more specialization.
- He also introduced the concept of piece rate. It is when you pay employees according to the output produced.
- However it can be harmful to use piece rate since in the struggle to produce more employees might not very much care about the quality.

Maslow – Hierarchy of Needs

- All employees have different needs and in the process of satisfying these needs the employee will be motivated to work harder.
- Unlike Taylor theory this is more balanced theory since it talks about both financial and non financial incentives.
- However it has its own problems like how would a manager identify that what need of the employee is unmet.