

Chapter 1: Session 1

[**Understanding Strategic HRM:** Traditional Vs strategic HR, 'Best fit' approach Vs 'Best practice' approach, Investment perspective of human resources]

WHAT IS SHRM?

It is the development of consistent, aligned collection of practices, programs & policies to facilitate the achievement of the organization's strategic objectives. This philosophy aligns with a long-term, strategic view of the HR function.

STRATEGIC HR VERSUS TRADITIONAL HR:-

The role of HRM is continually evolving, with routine actions of record keeping, file maintenance and other clerical functions behind us. In the new world of strategic HR, company objectives need to be translated into specific people management systems. This calls for a focus that is more strategic and less operational in nature. This shift in philosophy requires considering the implications of corporate strategy for all HR systems, although specific approach and process will vary across organizations and no one "best practices" approach exists.

Traditional HR departments have focused mainly on maintaining labor relations, resolving employees' problems and generally keeping the staff happy. Strategic HR, on the other hand, helps the organization achieve its strategic objectives through recruiting more workers, developing talent and training employees in company standards and principles.

ORGANIZATIONAL SCOPE OF RESPONSIBILITIES:-

Traditional HR has a comparatively narrow focus on issues like basic personnel management and labor relations. Their primary goal is to take care of employees and keep them happy and satisfied. The HR team doesn't train or educate workers about responsibilities or how things are done. That's something they assume employees will anyway pick up on the job or from their managers.

Strategic HR departments have a much broader mission:

- Employee recruitment
- Training and developing employees
- Drafting an employee handbook that tells them what's allowed, what's expected, and the disciplinary process for when employees fall short

- Charting ways to motivate employees so the company can meet its productivity and profit goals

Workforce Planning and Human Resource Forecasting

Traditional HR focuses on current employees. Strategic HR answers questions on what a company would need in future. How many more people would they need to hire? What skills or competencies would they need them to have? Then HR charts a strategic plan to meet the future needs. The department works actively to hire individuals who can provide the skills the organization needs, and then recommends the best hire. Strategic HR also strives to develop and promote talent among the existing employees.

Approach towards Problems

It's convenient to ignore potential problems until they happen. Traditional HR steps in when employees have discipline problems or stir up trouble. It does nothing to prevent the problems from developing.

On the other hand, strategic HR is proactive rather than reactive. For example, if an organization desires a zero-tolerance policy on sexual harassment or discrimination, traditional HR would make that known when an employee has already overstepped the line. However, strategic HR lets employees know from the start what behavior is unacceptable; the employee handbook and training seminars fill staff in on how to behave, or not behave. In the long run, that can save the organization from lawsuits and complaints.

Continuous Upgrading in Strategic HR

While traditional HR sees itself doing the same thing, year in and year out, with the same tools, Strategic HR tries to stay ahead of the game. They keep track of innovative ideas in the field and new technology make managing employees easier. They also look out for innovative methods that the competition might use to motivate employees better.

Critical strategic HR competencies include

1. Strategic contribution
2. Business knowledge
3. Personal credibility
4. HR delivery
5. HR technology

BARRIERS TO STRATEGIC HR

Although strategic HR makes logical sense, many organizations face a difficult time implementing for many reasons like its culture, history, values and management practices.

Barriers to the implementation of SHRM include:

1. A short-term approach adopted by most organizations to performance, performance evaluation and compensation.
2. HR managers may face a difficult time thinking strategically, often due to insufficient training to understand the entire organization and its challenges across various functional areas.
3. Senior business managers sometimes lack appreciation for HR as a strategic partner
4. Functional managers cannot see themselves as HR managers, a requirement of the strategic HR approach

5. Challenges in measuring and quantifying the outcomes and benefits of HR programs
6. Since human assets are not owned by the company, they may be perceived as having a higher risk than capital assets
7. Resistance to change may follow proposing of strategic HR initiatives, and there may not be incentives to change.

OUTCOMES OF STRATEGIC HR:-

- 1. Improved performance:** SHRM involves everything from effective human resource planning to maintaining labor management relations. This results in improvement of performance at all levels.
- 2. Customer and employee engagement:** The biggest priority of SHRM is to ensure customer and employee satisfaction. By enabling successful and ethical recruitment, selection, training, career development and so on, the workforce would be satisfied and in turn try to satisfy customers.
- 3. Increase Shareholder value:** Increased performance, customer and employee satisfaction lead to shareholder values being enhanced and the organizational brand gets strengthened.

Chapter 1: Session 2

AN INVESTMENT PERSPECTIVE OF HUMAN RESOURCE MANAGEMENT

The competencies, skills and knowledge possessed by individuals can be valuable assets for any organization, and should be treated as such. Organizations need to understand how to value and measure and manage from an investment point of view all assets, including those related to their employees. However, many factors may influence the investment orientation of an organization. Hence, an understanding of the risks and benefits to the organization for investing in human capital is of great importance. The human element is very often the most important element of performance. Thus, appropriate resources and investments must be committed by any company to facilitate attracting, motivating and managing human resources. Adopting a strategic view of HR implies considering employees as assets and accordingly developing policies and procedures to manage them as valuable investments.

SOURCES OF EMPLOYEE VALUE

- Technical Knowhow
- Ability to Learn and Develop
- Decision Making Competencies
- Motivation and Commitment to work
- Team playing ability

ADOPTING AN INVESTMENT PERSPECTIVE

Treating employees as human assets implies considering them from an investment perspective.

Cost/Benefit basis analysis could be used to evaluate HR programs.

The investment perspective toward human assets promotes their becoming a competitive advantage since most other resources/assets can be cloned, copied or imitated by competitors.

SHRM does not always involve a human relations approach to employee relations

Investments in employees must be undertaken aligned with strategies to retain employees long enough to recover an acceptable return on investments in employees. This requires evaluation of the employee as an asset, which may be difficult to do

VALUATION OF ASSETS

TYPES OF ORGANIZATIONAL ASSETS/CAPITAL - from easiest to most difficult to measure

- Financial
- Physical
- Market
- Operational
- Human

UNDERSTANDING AND MEASURING HUMAN CAPITAL

Employees are both a big resource also as significant cost for a corporation , thus employee contributions to rock bottom line must be measured.

Dyer and Reeves defined the HR “value chain,” arguing performance might be measured via four different sets of outcomes: employees, organizational, financial and accounting, which have a sequential cause-effect relationship on one another .

Employees are increasingly attempting to develop and measure meaningful HR metrics to assist them in developing effective strategies for managing human capital.

Fortune 500 firms often evaluate HR in limited, non-monetary ways, including dimensions of retention, turnover, corporate morale, and employee satisfaction

Accounting practices tend to favor valuation methods stressing past and current asset value, while much of the worth of human assets lies within the future. Thus, organizations must be future-oriented in valuing HR.

Six step model of valuation of HR initiatives

1. Identify specific business problem that HR can impact
2. Calculate actual cost of the matter
3. Choose an HR solution that addresses all or a part of the matter
4. Calculate the value of the answer
5. After implementation, calculate the worth of the development
6. Calculate the precise return on investment (ROI)
7. HR must provide senior level management with value-added human capital investments.

FACTORS INFLUENCING “INVESTMENT ORIENTATION” OF a corporation

Management values

Utilitarianism

Attitude toward risk

Availability of outsourcing

Nature of employment skills

CONCLUSION

Effective strategies to manage human assets utilize HR practices and policies are in sync with the

organization's overall strategy and encourage the organization to take a position in its best opportunities.

Organizations should retain employees a minimum of to the purpose of achieving an adequate return on investment.

Organizations often don't follow an investment perspective of HR because it involves making a longer-term commitment to employees, and every one human assets and their contribution to rock bottom line must be assessed, which may be difficult.

Once a corporation develops a competitive advantage through its employees, the positive outcome is probably going to be enduring, and difficult to duplicate by competitors.

Although investment in human assets are often risky and therefore the return long to develop, investment in people continues to be the most source of competitive advantage for organizations.

Chapter 2: Session 3

[Aligning HR Systems with business strategy:- Understanding strategic management - Sustained competitive advantage – how HR adds value to the firm - Linking HRM practices to organizational outcomes - Introduction to varied strategies- Linking Strategy to HRM practices - corporate HR philosophy and company wide HR standards]

WHAT IS STRATEGIC MANAGEMENT?

Strategic management is that the process of formulating and implementing an action decide to achieve corporate objectives, specifically including how these objectives are to be met. Senior management must find “fit” between the organization, its strategy and its environment. Strategic plans are long-range in nature, and need review and updating to make sure continued fit.

MODELS OF STRATEGY

Industrial Organization (I/O) Model argues that the external environment should be the first determinant of firm strategy. The model assumes that the external environment presents threats and opportunities, and equal access to highly mobile resources across industry firms. Organizations should operate within the industry that affords the simplest opportunities, and where competitive advantage are often developed through low cost or differentiating strategic approaches. Strategy is externally driven.

Resource Based View of the Firm (RBV) argues that organizational resources and capabilities, including human resources, should be the idea for strategic deciding . Organizations can develop a competitive advantage through the acquisition and value enhancement of their resources.

Sarasota Memorial Hospital’s five pillars of excellence approach example. Strategy is internally driven.

THE PROCESS OF STRATEGIC MANAGEMENT

Mission Statement - defines organizational purpose. Microsoft , Nike, IBM mission statements are provided.

Environmental Analysis - of the external environment, including regulatory, competitive and industry structures; market, economic, technological and demographic trends. Southwest Airlines management of its environment is provided as an illustration.

Organizational Self-Assessment - of varied organizational resources and of management systems.

Goals and Objectives - should be specific, measurable and flexible; define performance measures and evaluation processes.

Strategy - how the organization intends to realize its goals, including specific means, competitive actions and organizational operations.

Identify Assumptions – throughout the method it's critical to spot and preferably write down assumptions which are made about future conditions within the external environment (i.e., economy, competition, technology, etc.)

CORPORATE STRATEGIES

Three generic organizational strategies, each with HR implications

Growth - are often internal or externally driven. Strategic HR issues include adequate hiring and training planning; informing current employees of promotion and development opportunities; and ensuring quality and performance standards are maintained. External growth through merger and acquisition may end in layoffs, and difficulties are often encountered in merging two HR systems, cultures, etc.

Stability - organizations maintain the established order, often leading to limited upward mobility opportunities for workers which will cause turnover. Key employees should be identified and retention strategies developed.

Turnaround or Retrenchment - organizational downsizing or downscoping may cause cut in payroll/HR. Best Buy is presented as an example of a turnaround strategy.

BUSINESS UNIT STRATEGIES

Three basic business unit strategies are recognized here, each requiring different strategic HR approaches.

Cost Leadership Strategy - increased efficiency and price cutting, with savings passed to customers. Short term HR strategies are emphasized, instead of future ones that specialise in results. HR implications include specialized jobs, cross-trained employees, incentives which could be developed to entice higher paid people to go away the organization.

Differentiation Strategy - organization distinguishes its products and services, or a minimum of consumer perceptions of them. Premium pricing is common and performance measures could also be more future in nature. Staffing may focus more on external hiring to bring constantly needed fresh, creative approaches.

Focus Strategy - assumes that different market segments have different needs, and attempts to satisfy particular groups. Employees must remember of what makes that specific market unique, and will be appropriately trained to make sure customer satisfaction.

CONCLUSION

The development of organizational strategy may be a unique process which will vary greatly from one organization to a different.

Often, organizational success are often traced to people management systems that clearly support its mission and strategy.

Organizational strategy formulation should be the drive behind all HR policies, programs and practices.

A strategic HR approach provides three critical benefits, including facilitation of:

1. the event of a top quality manpower through its specialise in the kinds of individuals and skills needed

2. Cost-effective utilization of labor, particularly in commission industries where labor is usually the very best cost

Chapter 2: Session 4,5

Strategic Management Process - Meaning, Steps and Components

The strategic management process means defining the organization's overall strategy. It's also defined because the process by which managers make a choice of a group of strategies for the organization which will enable it to realize better performance.

Strategic management may be a continuous process that appraises the business and industries during which the organization is involved; appraises its competitors; and fixes goals to satisfy all this and future competitor's then reassesses each strategy.

Strategic management process has following four steps:

1. **Environmental Scanning-** Environmental scanning refers to a process of collecting, scrutinizing and providing information for strategic purposes. It helps in analyzing the interior and external factors influencing a corporation. After executing the environmental analysis process, management should evaluate it on endless basis and strive to enhance it.
2. **Strategy Formulation-** Strategy formulation is that the process of deciding best course of action for accomplishing organizational objectives and hence achieving organizational purpose. After conducting environment scanning, managers formulate corporate, business and functional strategies.
3. **Strategy Implementation-** Strategy implementation implies making the strategy work as intended or putting the organization's chosen strategy into action. Strategy implementation includes designing the organization's structure, distributing resources, developing deciding process, and managing human resources.
4. **Strategy Evaluation-** Strategy evaluation is that the final step of strategy management process. The key strategy evaluation activities are: appraising internal and external factors that are the basis of present strategies, measuring performance, and taking remedial / corrective actions. Evaluation makes sure that the organizational strategy also as its implementation meets the organizational objectives.

These components are steps that are carried, in chronological order, when creating a replacement strategic management plan. Present businesses that have already created a strategic management plan will revert to those steps as per the situation's requirement, so on make essential changes

Chapter 2: Session 6

Steps in Strategy Formulation Process

Strategy formulation refers to the method of selecting the foremost appropriate course of action for the belief of organizational goals and objectives and thereby achieving the organizational vision. the method of strategy formulation basically involves six main steps. Though these steps don't follow a rigid chronological order, however they're very rational and may be easily followed during this order.

1. Setting Organizations' objectives - The key component of any strategy statement is to line the long-term objectives of the organization. it's known that strategy is usually a medium for realization of organizational objectives. Objectives stress the state of being there whereas Strategy stresses upon the method of reaching there. Strategy includes both the fixation of objectives also the medium to be went to realize those objectives. Thus, strategy may be a wider term which believes within the manner of deployment of resources so on achieve the objectives.

While fixing the organizational objectives, it's essential that the factors which influence the choice of objectives must be analyzed before the choice of objectives. Once the objectives and therefore the factors influencing strategic decisions are determined, it's easy to require strategic decisions.

2. Evaluating the Organizational Environment - subsequent step is to guage the overall economic and industrial environment during which the organization operates. This includes a review of the organizations competitive position. it's essential to conduct a qualitative and quantitative review of an organizations existing line . the aim of such a review is to form sure that the factors important for competitive success within the market are often discovered in order that the management can identify their own strengths and weaknesses also as their competitors' strengths and weaknesses.

After identifying its strengths and weaknesses, a corporation must keep a track of competitors' moves and actions so on discover probable opportunities of threats to its market or supply sources.

3. Setting Quantitative Targets - during this step, a corporation must practically fix the quantitative target values for a few of the organizational objectives. the thought behind this is often to match with future customers, so on evaluate the contribution which may be made by various product zones or operating departments.

4. Aiming in context with the divisional plans - during this step, the contributions made by each department or division or product category within the organization is identified and accordingly strategic planning is completed for every sub-unit. this needs a careful analysis of macroeconomic trends.

5. Performance Analysis - Performance analysis includes discovering and analyzing the gap between the planned or desired performance. A critical evaluation of the organizations past

performance, present condition and therefore the desired future conditions must be done by the organization. This critical evaluation identifies the degree of gap that persists between the particular reality and therefore the long-term aspirations of the organization. an effort is formed by the organization to estimate its probable future condition if the present trends persist.

6. Choice of Strategy - this is often the last word step in Strategy Formulation. the simplest course of action is really chosen after considering organizational goals, organizational strengths, potential and limitations also because the external opportunities.

Chapter 3: Session 7

[HR Strategy Formulation: Overview of strategic planning, Steps of strategy formulation - HR Strategy in Multinational, Global and Transnational companies, HR contributions to strategy - competitive intelligence - resource reallocation decisions.]

HR and therefore the STRATEGIC PLANNING PROCESS:-

In most organizations, HR is merely brought certain informative consultation after the strategic plan is made to make sure that the HR team are going to be ready to provide the proper number of individuals , within the right place, with the proper training. Such a process is just too little, too late and ignores the values which HR can provide to the strategic planning process.

This occurs for 2 primary reasons:-

First, senior managers who are developed from within tend to be disconnected from the operational level of the organization.

Second, executives hired from the surface often fail to completely appreciate the context and environment during which the organization operates. HR can provide the remedies to every of those deficiencies and ensure greater success with the design process by being the conduit for subject-matter contribution and therefore the linchpin that sustains and holds the method together.

The following eight stage strategic planning process identifies the critical roles which HR can play during each stage of the method .

Stage 1 - Understand the design Legacy- the design process must be told by what's been done before; What was the results of any previous work?; Where were the successes and failures?; How have employees been affected?; and what's the organizational attitude, in the least levels, toward the strategic planning process and therefore the resulting plans?

HR can conduct this sort of research in the least levels of the organization. Without this data , strategic planning teams will often repeat an equivalent mistakes of their predecessors.

Step 2 - Create a various Planning Team - the formation of an intelligent strategic-planning team which incorporates both diversity of thought and variety of skills.

HR is that the repository of all employee data associated with knowledge, functional expertise, skills and experiences and is within the best position to compile an optimal team.

Step 3 - Align Planning with Leadership Goals – ensuring that planning efforts are being conducted in tandem with the organization's mission and vision of senior executives

HR should communicate this data also as provide access to senior leaders and help facilitate effective and well-structured interviewing sessions which will aid communication.

Step 4 - Analyze Current Realities – examine the organization’s history with its current position and identify both the factors which will be leveraged to maneuver the organization forward also as those may function obstacles and challenges to moving forward.

HR can facilitate the choice of material experts also as provide technical expertise regarding laws and regulations which affect existing and potential employees

Step 5 - Develop Alternative Performance Options – ensuring that the strategic plan has some flexibility within the sort of alternative scenarios and courses of action

HR can determine, with an excellent degree of accuracy, what resources (people, time, tools, and money) realistically exist within the current organization, which of them are often acquired from outside the organization, and which of them are often redistributed round the organization to realize any alternative options.

Step 6 -Measure Progress – ensuring that actual performance is in line thereupon expected

HR ensures that each one associated performance measures are clearly understood throughout the organization and ensures that the performance management system rewards appropriate performance.

Step 7 - Deploy the Strategic Plan – developing appropriate and effective communication to make enthusiasm and commitment to the components of the plan.

HR develops plans and programs to make sure and monitor employee engagement and commitment.

Step 8 - Develop Contingency Plans – given the very fact that assumptions made during the design process about the longer term might not materialize as anticipated, plans got to be flexible to deal with the realities which develop for the organization.

Chapter 3: Session 8,9

HR STRATEGY IN MULTINATIONAL, GLOBAL AND TRANSNATIONAL COMPANIES -

The scarcity of qualified managers has become a serious constraint on the speed with which multinational companies can expand their international sales. The expansion of the knowledge-based society, along with the pressures of opening up emerging markets, has led cutting-edge global companies to acknowledge now quite early that human resources and intellectual capital are as significant as financial assets in building sustainable competitive advantage. To follow their lead, chief executives in other multinational companies will need to bridge the yawning chasm between their companies' human resources rhetoric and reality. H.R. must now tend a prominent seat within the boardroom.

Good H.R. management during a multinational company comes right down to getting the proper people within the right jobs within the right places at the proper times and at the proper cost. These international managers must then be meshed into a cohesive network during which they quickly identify and leverage good ideas worldwide.

Such an integrated network depends on executive continuity. This successively requires career management to insure that internal qualified executives are readily available when vacancies occur round the world which good managers don't jump ship because they need not be recognized.

Very few companies compared to achieving this. Most multinational companies don't have the leadership capital they have to perform effectively altogether their markets round the world. One reason is that the lack of managerial mobility. Neither companies nor individuals have come to terms with the role that managerial mobility now has got to play in marrying business strategy with H.R. strategy and in insuring that careers are developed for both profitability and employability.

Ethnocentricity is one more reason. In most multinationals, H.R. development policies have attended consider nationals of the headquarters country. Only the brightest local stars got the career management skills and overseas assignments necessary to develop a world mindset.

The consequent lack of world-wise multicultural managerial talent is now biting into companies' bottom lines through high staff turnover, high training costs, stagnant market shares, failed joint ventures and mergers and therefore the high opportunity costs that inevitably follow bad management selections round the globe.

Companies new the worldwide scene quickly discover that finding savvy, trustworthy managers for his or her overseas markets is one among their biggest challenges. This is true for companies across the technology spectrum, from software manufacturers to textile companies that need to manage a worldwide supply chain. The pressure is on these newly globalizing companies to chop the trial-and-error time in building a cadre of worldwide managers so as to shorten the leads of their larger, established competitors, but they're stymied on the way to roll in the hay .

Anglo-Dutch Unilever has long set a high priority on human resources. H.R. features a seat on the board's executive committee and a corporation that focuses on developing in-house talent and hot-housing future leaders altogether markets. The result's that 95 percent of Unilever's top 300 managers are fully homegrown. Internationalization is bred into its managers through job content also as overseas assignments. Since 1989, Unilever has redefined 75 percent of its managerial posts as "international" and doubled its number of managers assigned abroad, its expatriates, or "expats."

I.B.M., with 80 years' experience in overseas markets, reversed its H.R. policy in 1995 to affect the new global gestalt and a replacement business strategy. rather than cutting jobs abroad to scale back costs, I.B.M. is now that specialize in its customers' needs and increasing overseas assignments. "We are a growing service business -- our people are what our customers are buying from us," explained Eileen Major, director of international mobility at I.B.M.

When managers check in with these companies, they know from the beginning that overseas assignments are a part of the deal if they want to climb high on the company ladder. These multinational companies manage their H.R. talent through international databases that, within hours, can provide a choice of Grade-A in-house candidates for any assignment. Even allowing company size, few United States-based multinationals compared to matching the bench strength of a Unilever or Nestlé. the Japanese multinationals are even farther behind.

This article outlines a worldwide H.R. action agenda supported the approaches employed by leading multinational companies. The goal is to create sustainable competitive advantage by attracting and developing the simplest managerial talent in each of your company's markets.

The strategy demands global H.R. leadership with standard systems but local adaptation. The key underlying ideas are to satisfy your company's global human resources needs via feeder mechanisms at regional, national and native levels, and to leverage your current assets to the fullest extent by actively engaging people in developing their own careers.

Implementing these ideas are often weakened into 10 steps. By taking these steps, a corporation should be ready to put into place an efficient global human resources program within three to four years.

1. Break all the "local national" glass ceilings

The first, and maybe most fundamental, step toward building a worldwide H.R. program is to finish all favoritism toward managers who are nationals of the country during which the corporate is predicated . Companies tend to think about nationals of their headquarters country as potential expatriates and to take everyone else as "local nationals." But in today's global markets, such "us-versus-them" distinctions can put companies at a transparent disadvantage, and there are strong reasons to discard them:

Ethnocentric companies tend to be xenophobic -- they put the foremost confidence in nationals of their headquarters country. this is often why more nationals get the juicy assignments, climb the ranks and finish up sitting on the board -- and why the corporate finishes up with a skewed perception of the planet . Relatively few multinational companies have quite token representation on their boards. A.B.B. is one company that recognizes the danger and now considers it a priority to maneuver more executives from emerging countries in eastern Europe and Asia into the upper levels of the corporate .

2. Trace your lifeline

Based on your company's business strategy, identify the activities that are essential to achieving success round the world and specify the positions that hold responsibility for performing them. These positions represent the "lifeline" of your company. Typically, they account for about 10 percent of management.

Then define the technical, functional and soft skills needed for fulfillment in each "lifeline" role. As Ms. Major of I.B.M. notes, "It is vital to know what people got to develop as executives. they will be savvy functionally and internationally, but they even have to be savvy inside the organization."

3. Build a worldwide database to understand who and where your talent is

The main tool of a worldwide H.R. policy has got to be a worldwide database just because multinational companies now have more strategic posts scattered round the globe and must monitor the career development of the many more managers. Although some multinational companies are compiling worldwide H.R. databases over the past decade, these still tend to consider posts at the highest of the organization, neglecting the center managers within the country markets and potential stars coming through the ranks.

I.B.M. has compiled a database of senior managers for 20 years, into which it feeds names of promising middle managers, tracking all of them with annual reviews. But it made the bottom worldwide only 10 years ago. Now the corporate is building another global database which will cover 40,000 competencies and include all employees worldwide who can deliver those skills or be groomed to try to to so. I.B.M. plans to link the 2 databases by 2000.

4. Construct a mobility pyramid

Evaluate your managers in terms of their willingness to maneuver to new locations also as their ability and knowledge . Most H.R. departments check out mobility in black-or-white terms:

"movable" or "not movable." But in today's global markets this idea should be viewed as a graduated scale and constantly reassessed due to changing circumstances in managers' lives and company opportunities. This may encourage more managers to choose overseas assignments and open the thinking of line and H.R. managers to alternative ways to use available in-house talent.

5. Identify your leadership capital

Build a database of your company's mixture of managerial skills by persuading people to explain the knowledge in their c.v.'s, their management talents and their potential on standard personal-profile templates. Jump-start the method by having your senior managers and people within the lifeline posts complete the forms first. Add others worldwide with the potential to maneuver up. Include functional specialists who show general management potential.

Require over time that each executive join the worldwide H.R. system. This makes it harder for uncut diamonds to be hidden by their local bosses. Recognizing that people's situations and career preferences shift over time, hold all managers and technical experts liable for updating their c.v.'s and reviewing their personal profiles a minimum of once a year.

Companies should make it clear that individual inputs to the system are voluntary but that H.R. and line managers nevertheless are going to be using the info to plan promotions and international assignments and to assess training needs.

6. Assess your bench strength and skills gap

Ask each executive to match his or her skills and characteristics with the perfect requirements defined for the executive's current post and preferred next post. Invite each to propose ways to shut any personal skills gaps -- for instance, through in-house training, mentoring, outside courses or participation in cross-border task forces.

Compare the talents detailed within the personal assessments with those required by your business strategy. This information should form the idea for your management development and training programs and show whether you've got time to organize internal candidates for brand spanning new job descriptions.

Unilever uses a nine-point competency framework for its senior managers. It then holds the knowledge privately databases that function feeder information for its five talent pools. The corporate thoroughly reviews the five pools every two years and skims them in between, always employing a three- to five-year perspective. In 1990, for instance, its frozen dessert division had a strategic decide to enter 30 new countries within seven years. Unilever began hiring in its current markets thereupon in mind and found out a mobile "ice cream academy" to speak the required technical skills.

7. Recruit regularly

Search for new recruits in every important local market as regularly as you are doing within the headquarters country. Develop a reputation as "the company to join" among graduates of the simplest universities, as Citibank has in India, for instance .

The best thanks to attract stellar local national recruits is to demonstrate how far up the organization they will climb. Although many Fortune 500 companies within the us derive 50 percent or more of their revenues from non-domestic sales, only 15 percent of their senior posts are held by non-Americans.

There could also be nothing to prevent an area national from reaching the highest , but the chief suite inevitably reflects where a corporation was recruiting 30 years earlier. Even today, many multinational companies recruit disproportionately more people in their largest -- often their longest-established -- markets, thereby perpetuating the established order .

To counter such imbalances, a multinational company must stress recruitment in emerging markets and, when possible, hire local nationals from these markets for the center also because the lower rungs of its career ladder.

8. Advertise your posts internally

Run your own global market . during a large company, it's hard to stay track of the simplest candidates. For this reason, I.B.M. now advertises many of its posts on its worldwide Intranet. Unilever usually advertises only posts within the lower two pools, but this policy varies by country and by business unit.

Routine internal advertising has many advantages therein it:

- Allows a competitive internal job market to function across nationalities, genders and other categories.
- Shows ambitious people they will make their future within the company.
- Makes it harder for bosses to cover their leading lights.
- Attracts high-flyers who could also be able to jump ship.
- Helps to interrupt down business-unit and divisional baronies.
- Reduces inbreeding by transferring managers across businesses and divisions.
- Gives the remainder of the corporate first pick of talent made redundant in another a part of the planet .
- Solidifies company culture.
- Is according to giving employees responsibility to manage their own careers.

There also are certain disadvantages to the present practice: Line managers need to fill the shoes of these who move; a central arbiter may have to settle disputes between departments and divisions, and applicants not chosen might plan to leave. to stop that, disappointed applicants

should automatically be routed through the career development office to debate how their skills and performance mesh with their ambitions.

I.B.M. wont to hire only from the within , but five years ago it began to recruit outsiders -- including those from other industries -- to broaden thinking and add objectivity. Unilever is large enough that it can garner a brief list of three to 5 internal candidates for any post. Yet it still fills 15 percent to twenty percent of managerial jobs from outside due to the necessity for specialist skills and since of the decreasing ability to plan where future growth opportunities will occur.

9. Institute succession planning

Every manager during a lifeline job should be required to nominate up to 3 candidates who could take over that post within the next week, in three months or within a year, and their bosses should log off on the nominations. this could go an extended way toward solving succession questions, but it'll not resolve them completely.

The problem in large multinational companies is that a lot of today's successors may leave the corporate tomorrow. Additionally , managers name only those people they know as successors. Third, the Chief Executives of the many multinational companies keep their succession plans -- if they need any -- only in their heads. This seems to overlook the tough realities of life and death. a far better approach is that of 1 European shipping magnate who always carries a written list with the name of a successor for the captain of each boat in his fleet.

10. Challenge and retain your talent

Global networks that transfer knowledge and good practices run on people-to-people contact and continuity. Executive continuity also cuts down on turnover, recruitment and opportunity costs. As international competition for talent intensifies, therefore, it becomes increasingly important for companies to retain their good managers. Monetary incentives aren't sufficient: the package must include challenge, personal growth and job satisfaction.

A policy should be adopted that invites employees to grow with the corporate , in every market. additionally , a career plan should be involved for each executive within his or her first 100 days within the organization. And plans should be reviewed regularly to make certain they stay aligned with the business strategy and therefore the individual's need for job satisfaction and employability.

Overseas assignments and cross-border task forces are excellent ways to challenge, develop and retain good managers. They will even be awarded as horizontal "promotions." This is often particularly useful since the fiat organizations currently in fashion don't have enough levels for hierarchical promotions alone to supply sufficient motivation.

Chapter 4: Sessions 10,11,12

[HR Strategy in workforce utilization: Efficient utilization of Human resource - cross- training and flexible work assignment - work teams - non-unionization, Strategies for employee shortages, Strategies for employee surpluses.]

THE IMPACT OF EFFECTIVE HUMAN RESOURCES PLANNING ON THE UTILIZATION OF WORKERS :-

Many businesses find themselves with underutilized employees or workers without the precise skills they have to grow with the corporate . Planning your workforce needs beforehand then monitoring your workers' performance pays dividends during a sort of ways in which directly and indirectly improve your bottom line. Create a person's resources strategy that reviews your current staffing situation and plans for long-term growth to form sure you employ your workers productively and efficiently.

Proper Organizational Structure

Human resources planning evaluates your current staffing needs, what they could be a year from now and where they could be beyond that. Using this information, a person's resources professional develops a corporation chart that identifies the positions you would like , creates detailed job descriptions for every position and ranks them. This process helps identify current employees who aren't getting used effectively and considers other work they will do or what training they have to enhance their productivity.

Better Scheduling

A human resources plan takes under consideration your sales and production schedules to maximise employee scheduling. for instance , during your busy season, you would possibly reflexively add more workers or another shift. If you'll anticipate your production and inventory needs beforehand , a person's resources professional could be ready to prevent money by showing you that producing inventory during slow periods and carrying it until you sell it later could be less costly than hiring more workers, adding a shift or paying overtime. Human resources planning also takes under consideration the very fact that you'll have workers out with sick days and creates contingency plans to affect this. this might include having temporary contract help identified or having an infrastructure ready for short-term telecommuting.

Training

Some workers could be just a little amount of coaching faraway from being able to handle more responsibilities and support other employees and functions. a person's resources plan should evaluate the talents and knowledge for every position you've got then match the talents and knowledge of every person in your organization to their written position must determine which

of them need training. When your human resources manager has this information, she will develop in-house training plans or options like tuition reimbursement to develop your workers so you'll better utilize them.

Retention

When workers leave, their peers often have down time while they await a replacement to be trained and made productive . Effective human resources planning ensures that you simply hire, train and manage workers effectively to scale back turnover. Creating written job descriptions during your organizational planning not only helps you ensure all the tasks you would like performed are done but also helps you identify job candidates who are presumably to succeed if they're brought on board.

STRATEGIC WORKFORCE PLANNING

The major objectives of HR planning include environmental analysis and staffing issues, also as strategic coherence to organizational objectives for all HR activities and systems. Aggregate planning anticipates future employee needs and skills got to maintain high performance. Succession planning involves identifying critical organizational management positions and developing an idea to supply a successor when the work is vacant. Both sorts of planning practices facilitate efficiency in HR policies, practices and procedures. Mentoring is discussed as a key element of human resource planning and a model presented for an efficient mentoring program.

How Can Human Resource Planning Assist an Organization?

Human resources planning can help even small businesses with only several employees during a big variety of the way , including maximizing productivity, controlling costs, meeting legal compliance responsibilities and creating plans for workforce growth. Whether you create an in-house HR department or outsource the design and execution of HR functions, you'll obtain a big return on your investment.

HR Planning Versus Management

Just because you've got an HR manager working for you doesn't mean you've got human resources planning in situ . There are enough HR tasks to stay an employee busy that you simply won't realize you're operating without an idea . for instance , HR management includes hiring and orienting workers, handling payroll, managing grievances, setting schedules, conducting reviews and terminating employees. True HR planning includes creating a multiyear path for staffing, evaluating the cost-effectiveness of using of contractors versus employees, identifying potential training plans, creating a corporation policies and procedures manual and determining how and when to supply benefits.

Organizational Planning

If you'll start your company over from scratch and you recognize you wouldn't hire an equivalent people within the same positions you've got now, your hiring probably wasn't planned. A key area where HR planning can assist your business is creating a long-term staffing

plan. Consider where your business are going to be in three years, and develop a corporation chart that serves your eventual needs now, instead of hiring employees as you think that you would like them. An HR organization plan helps you create the foremost effective org chart for your business and determine if your current employees fit into this chart or if they have to be shifted to new positions or trained for future jobs. Accompany the chart by job descriptions to assist you properly recruit, interview, hire, train and manage the workers you cause board.

Cost Containment

Planning your personnel needs helps you avoid overspending on overtime, contract work and unnecessary staff. Properly planning management, training and benefits and compensation helps decrease poor retention rates that reduce productivity and increase recruiting expenses. Working with sales and production, you'll plan your must make sure that you've got adequate staff during busy times or spread your production over longer periods to avoid having to feature workers or increase overtime. Planning wellness programs can assist you decrease tardiness, absenteeism, sick days, health care costs, insurance premiums and decreased productivity.

Improved Retention

Employees who leave or whom you fire can hurt business during a sort of ways, like a short lived decrease in productivity, increased recruiting expenses, training obligations and possible payment of expense reimbursements and signing bonuses to urge top talent. HR planning helps improve your ability to retain staff by conducting employee satisfaction surveys, fixing place policies and procedures to avoid confusion, developing morale-building programs, creating competitive benefits packages and instituting effective management-to-staff communication efforts that include job descriptions, review parameters and potential career-growth opportunities.

OBJECTIVES OF HUMAN RESOURCE PLANNING:-

A. Five major objectives of HR planning

1. Prevent overstaffing and understaffing
2. make sure the organization has the proper employees with the proper skills within the right places at the proper times
3. make sure the organization is aware of changes in its environment
4. Provide direction and coherence to all or any HR activities and systems
5. Unite the perspectives of line and staff managers

B. Having too many employees causes a loss of efficiency in operations. Having too few employees leads to lost sales revenue and future customers who address competitors.

C. Organizations got to anticipate the sorts of employees needed in terms of skills, work habits, and private characteristics in order that the simplest employees are hired, fully trained, and ready to deliver peak performance.

D. HR planning forces a corporation to take a position and assess the state of its environment. Anticipating and planning for environmental changes permits staying one step before competitors.

E. HR planning sets the direction for all other HR functions. It also ensures that the organization takes a scientific view by understanding the interrelatedness of HR programs and systems; and the way changes in one area may impact another area.

F. HR planning requires input and cooperation of all managers within the organization. Communication between HR staff and line managers is important for the success of any HR planning initiatives.

TYPES OF PLANNING

A. Aggregate Planning anticipates needs for groups of employees in specific jobs and therefore the general skills employees required to make sure sustained high performance. Forecasting demand for workers is usually supported demand for the merchandise or service. This approach is aware of marketplace needs, but also can easily lead managers to overestimate their own unit needs.

1. Top down forecasting involves senior managers allocating a budgeted amount for employee payroll expenditures then dividing the pool at subsequent levels down the hierarchy. there's no guarantee that this may be aware of the requirements of the marketplace.

2. Adequate supplies of employees must be available to satisfy demand. Organizations got to estimate the particular number of employees required and determine the required skills. A skills inventory is beneficial to assess abilities, skills and experiences.

3. Markov analysis utilizes a transition probability matrix that's supported historic mobility trends to work out supply versus demand of human resources. Also helpful is identification of problem jobs or departments, especially relative to turnover. Thus, labor shortages and surpluses are often identified.

STRATEGIES FOR MANAGING EMPLOYEE SHORTAGES AND SURPLUSES.

The concern with a workforce skills shortage are some things that's worrying businesses everywhere the planet , and permanently reason. Companies who aren't ready to fill positions with skilled workers are going to be left with stretched resources that end in damaging implications for both the short-term and long-term outlook of the business.

Ways to deal with a skills shortage:-

1. Train existing employees

In order to form up for a shortage in skilled workers, many companies have begun offering training to their existing employees, so as to tailor them to fill current gaps. this will mean training offered in-house, where a knowledgeable employee shares with others their valuable

expertise. it is a good way for companies with a couple of good resources to extend their value without expending an excessive amount of time and money. Another option is outside training. Several businesses offer their employees incentives to return to high school to urge the education they have. While this feature are often costlier and time-consuming, it also can pay off within the end of the day. Not only does it ensure your employees are trained to industry standard quality, but as an incentive alone can attract an excellent deal of talented workers to the doorstep.

2. Adaptability - apply workforce skills during a different way

Interestingly, there could be a more direct solution than you think that. Many companies have discovered that they have already got the people they have, but are merely using them in an ineffective way. it is vital to stay an open mind when watching your available skill sets, paying close attention to skills that would be transferable. Consider employees which may be ready to apply their skills during a different way – someone with a robust sales background could easily apply their abilities to marketing content for instance. Someone with a robust background in communications could find a superb new career in sales, someone with engineering skills and a background within the automotive industry could easily find themselves during a comfortable career as a resource manager then on. Basically, the key to solving your skills shortage could be hiding right under your nose.

3. Re-evaluate your recruiting practices

When skills shortages become a significant concern, it'd be time to re-evaluate how you recruit new employees. New staff members do not have to be perfect from the get-go. Without hurting your company, you'll easily hire applicants with 80 percent of the proper requirements and help them grow into the role. Or, you'll try hiring applicants with all the proper skills, but ones perhaps with less experience than you were initially trying to find. If you diversify your hiring practice, and consider transferable skills as mentioned before, you'll find excellent, motivated individuals who could easily help your company reach its goals.

4. Partner with nearby educational facilities

Though rarer in recent times, many organizations would partner with local (or national) educational facilities – this is able to mean you'd have a fresh supply of skilled potential workers, and therefore the school would be ready to help graduates in job placement. you'll also open your company up to apprenticeships, co-op work placements and internships, which may help cultivate subsequent generation of skilled workers. better of all, you retain an in depth eye on the longer term of your industry.

5. Use contingent workers

Naturally, one among the simplest ways to fill a skills shortage is by hiring contingent workers. With freelancers, consultants, contractors and more, you'll fill massive gaps in your operation quickly and during a cost-effective manner. Contingent workers are getting an incredibly popular option for several companies. Their expertise, availability and adaptability allows them to figure within the confines of any timeframe, budget and project. Unlike tons of areas of the market, the

amount of contingent workers is merely increasing. The result? There are enough contingent workers to satisfy your needs for as long as you would like .

Ways to deal with a skills surplus:-

During times of economic hardship or when a corporation adopts more efficient processes, a business can find itself with workers who don't have enough work to try to to . Called a labor surplus, this circumstance of getting too many available worker hours isn't ideal. it's costly when a business has idle employees to whom they need to pay salaries and benefits. Handling a labor surplus is hard , but some solutions can help within the short and future .

Labor Surplus Basics

While a labor shortage may be a challenging problem, a labor surplus are often equally difficult to manage. Perhaps your business recently implemented new policies or processes that made work more efficient, and now your company employs too many workers for the roles you would like to possess done. during this situation, shedding your skilled workers isn't your only option. Available alternatives are worth considering, particularly if your business plans to diversify and accelerate growth in other areas.

Perhaps business has dried up thanks to an economic downturn or changing trends that affect your industry. during this situation, where the prospects of profitability for your company are dim, you would possibly prefer to handle your labor surplus differently from the primary scenario. If it doesn't appear for work to be returning anytime soon, it is not prudent to stay on employees who do not have enough work to try t to and can't drive profits.

Note that a private company labor shortage isn't an equivalent as a labor surplus area (LSA), which may be a civil jurisdiction where the typical annual percentage for 2 calendar years is 20 percent or above the typical rate for all states, consistent with the Department of Labor. This differs from a labor surplus on a corporation level, although it's essentially still an more than available workers for the work that must be done.

Ways to Handle a Labor Surplus

The path your business chooses to handle a labor surplus depends on your current financial situation and company goals. If you've got succeeded in implementing efficient processes or production techniques and not need all of your factory staff, you'll shift the responsibilities of some workers to an identical area to assist your company grow vertically or horizontally. Layoffs aren't your only option.

However, if you're struggling to form payroll and there's no sign that business goes to select up within the near future, it's probably best to let a number of your staff go. This way, your workers can collect unemployment benefits and look for new jobs to further their careers, while you maintain some profitability for the business.

In any situation involving a labor surplus, don't hire new workers. A freeze may be a necessary step while your company's management team determines the simplest path forward. Additionally, you ought to end contracts with outsourced talent and transfer those tasks to internal labor instead.

Additional Labor Surplus Techniques

Other ways to affect a labor surplus include pay cuts and reduced working hours for your staff. It's better to avoid these strategies when possible because they will cause problems with employee morale or reduced effort by disenchanted staff, explains AZ Central.

You might also consider encouraging older employees to require early retirement. Older employees are often the highest-paid workers during a company. If early retirement is handled properly, this strategy can release an excellent deal of cash for your company while reducing the surplus labor capabilities you've got.

Additional Labor Surplus Techniques - Succession Planning

Succession Planning involves identifying key management positions that the organization can't afford to possess vacant. Purposes include facilitation of transitions when jobs become vacant and identification of development and career planning needs of high-potential employees.

Utilizes a replacement chart which identifies key positions, possible successors and suitability of their background to assume the responsibilities, and amount of your time necessary to organize the successor. Replacement charts may contain specific skills, competencies, and experiences. This provides feedback to employees regarding critical training and development needs of individual managers, also because the organization as an entire.

GUIDELINES FOR EFFECTIVE SUCCESSION PLANNING

- Tie into organization's strategy (and modified accordingly)
- Monitor the progress and measure outcomes of succession planning initiatives
- make sure that all HR functions that impact the succession plan are iterated and dealing in tandem
- Ensure centralized coordination of succession planning
- Engage and involve managers throughout the organization

3. Mentoring

Mentoring involves an experience executive or manager assuming responsibility for the event of a lower-level employee. Ideally they mesh the individual development needs of the worker with the workforce development needs of the organization. Selection of mentors should be done carefully and consider both technical and interpersonal skills. Mentoring programs could also be both formal or informal. no matter how they are delivered they ought to be monitored closely with an awareness of diversity.

CONCLUSION

Effective human resource planning may be a key component for developing HR strategy. HR planning involves translating corporate-wide strategic initiatives into a workable decide to identify the people needed to realize objectives.

HR planning is required to make sure growth is correctly managed. Focused HR planning allows HR functions to contribute to organizational effectiveness.

HR planning facilitates several key processes, including

1. Leadership continuity through succession planning.
2. Strategic planning by examining the longer term availability of employees and their skill sets.
3. An understanding of shifts and trends within the market through an examination of job requirements and employee capability, which helps the organization remain before competitors.
4. Employee development by determining the talents needed to realize strategic objectives, also on ensure future career success.
5. Budget planning and resource allocation by determining employee needs in response to the organizational strategic plan.
6. Efficiency by estimating future employee surpluses and shortages.
7. Organizational adaptation to its environment.

Chapter 5 : Sessions 13, 14, 15

(HR strategy for training and development: Planning and strategizing training, integrated learning with hiring, performance management system and compensation.)

THE STRATEGIC TRAINING AND DEVELOPMENT PROCESS: IMPORTANT COMPONENTS

1. Business Strategy

Common business strategies include diversification in knowledge management, improving customer service, and improving retention and expertise. Here, the main target is on your mission, values, and goals. From training and development (T&D) perspective, this information is critical in designing initiatives that support T&D needs that align together with your mission and values while at an equivalent time supports the actions needed to realize organizational goals.

2. Identification of Strategic T&D Initiatives

Strategic simply implies your specific actions that you simply will use to effectively and efficiently do something better. T&D initiatives will vary organization to organization. However, common initiatives include diversification in knowledge management, improving customer service, and improving retention and expertise. the standards within each of the identified initiatives will vary supported the scope and specialty of the firm. for instance , engineering firms will have different T&A activities in those areas, compared to law firms.

3. Identification of T&D Actions

Actions perform initiatives. Strategic actions to hold out the precise initiative desired outcomes. The activities may include actions that tie into the design , implementation, distribution, and monitoring of coaching . The activities are customized to suit the precise initiative. for instance , if one initiative is that the development of a knowledge management system, the actions needed to support that initiative include main and sub-elements within the design , implementation, and monitoring phases.

4. Monitoring Metrics

KPIs allow management the chance to review the effectiveness or the shortage thereof for every initiative and actions. Metrics monitors quite just financial performance. Metrics can monitor and quantify performance in learning, application, and quality. The metrics should align with each specific initiative, actions, and timeframes. for instance , with the knowledge management initiative, tracking metrics associated with the precise actions of the initiative will aid

management in reviewing the performance and identify the influence the activities wear reaching the specified outcome. Metrics will allow management to spot intervention of actions should occur to regulate performance or if the actions are on target . There are numerous ways data are often wont to help improve decisions associated with the precise initiatives. The key's to make the proper quite data, skills to trace it, that it's tracked, skills to review the info and do something with it.

In essence, the strategic training and development process is analogous to the strategic planning process generally . Identification of needs, evaluation alternatives and initiatives, creation of actions and key performance indicators, assigning to the proper audience, implementing, monitoring, and re-evaluation. The scope, however, is simply within the context of coaching and development needs. it's helpful to granulate the precise talent, department, or organizational needs. the method helps logistically see the critical success categories, and actions are customized supported the precise needs.

WHAT ARE the advantages OF STRATEGIC TRAINING & DEVELOPMENT?

1. Skill Development of employees

The purpose of strategic training is to organize managers and employees with the talents they have to finish their work tasks both efficiently and effectively and help them reach the company's main goals. This training usually first happens when an employee or manager begins to step into the role and sometimes involves both job shadowing of experienced workers and course-related activities. Not only does a strategic training plan specialise in improving the standard of labor within the present, but it's developed to form the workforce more competitive within the future .

2. More Competitive Workforce

One of the most benefits of strategic training and development is that the organization will have a more competitive workforce from the beginning . When the corporate is understood for building employees' skills and offering them advancement opportunities, it'll be ready to attract employees who are better skilled, engaged and dedicated. within the end of the day , this provides the organization workers who bring valuable skills and knowledge and who are more willing to figure hard to satisfy the company's strategic goals.

3. Improved Company Performance

When the workforce understands their expectations and has been prepared to satisfy their work goals, the organisation's overall performance overall improves in terms of efficiency, quality and effectiveness. Poorly trained employees can often make mistakes, take longer to finish tasks than well-trained workers and price extra money within the end of the day . Not only can this hamper your production and workflow, but it can even harm the company's reputation when customers see an immediate impact from the poor quality of products or services.

On the opposite hand, trained and developed employees can work more quickly, costing less in wages and getting products and services to customers faster. At an equivalent time, their work

quality will improve in order that customers are better served and have a far better impression of the company's products and services.

4. Better Workforce Collaboration

Another advantage of training and developing your workers is that they are better prepared to figure together, which is particularly important when the corporate relies on teams to finish projects. Poorly trained employees may have skill gaps that hinder them from maintaining with the team or following others' directions, resulting in a scarcity of balance in employee performance.

5. Higher Employee Morale

When employees feel prepared to try to to their jobs, they're more engaged in their work, feel more positively about the corporate , have better job satisfaction and are more likely to form the corporate succeed. for instance , a salesman who is trained well in selling techniques is probably going to feel more confident making sales calls and have more success working towards the sales goal began . At an equivalent time, when an employee is proud of the corporate , she could also be more willing to figure harder, collaborate with employees to finish work tasks and strive for recognition for top performance.

6. Reduced Turnover and Absenteeism

Well-trained and developed employees help the corporate avoid both short-term and long-term problems with turnover and absenteeism. When employees don't feel the corporate prepares them for working effectively or doesn't offer developmental activities that prepare them for advancement, these employees may begin to seem elsewhere for a more satisfying work environment. this will particularly hurt the corporate once they lose key employees who are difficult to exchange and train and when the lost employees are particularly skilled and experienced. These former employees can also talk poorly about the corporate to others, making it harder to recruit quality workers.

At an equivalent time, poor training and development impacts day-to-day operations as employees are more likely to miss work once they feel frustrated in their work, have low morale or find the working environment poor. within the short term, this puts a strain on other employees who need to devour the slack from absent workers, and within the future , high absenteeism hurts the company's bottom line, lowers workforce productivity and may harm both employee morale and therefore the company's reputation.

7. Easier Succession Planning

Not only does strategic training and development assist you keep the workers, but it can make it easier to plan for the longer term when it involves choosing new leaders. including an efficient performance review system that spots strengths and weaknesses of employees, ongoing training are often wont to provide high-performing employees with skills that prepare them for promotion when the necessity arises. this protects the corporate time from having to seem for leadership candidates from outside the corporate and avoids the prices of recruiting and hiring new leaders.

PLANNING AND STRATEGIZING TRAINING

It is important that leaders evaluate their organization's training programs on a daily basis to work out how they support performance plans and strategic goals of the organization. Sometimes, it's necessary to switch training such that you simply are developing skills which will assist you achieve your long-term vision. Training plays a pivotal role in assuring that each one of the strategic and performance goals are met.

Strategizing training involves 4 easy steps:

1. Analyze Established Goals
2. Develop Training Strategies
3. Integrate Training Into Strategic Plans
4. Evaluate Training Goal Accomplishment

STEP 1: Analyze Established Goals

- To reach each goal, what competencies must the present and/or future workforce members possess?
- What benchmarks are often wont to create innovative approaches to reaching this goal?
- Are there competency gaps that has got to be addressed to satisfy this goal?
- Could training help reduce other human resource problems like high staff turnover?

STEP 2: Develop Training Strategies

- Could training address the competency gaps?
- Are there non-training strategies needed to support the training intervention?
- What sorts of training should be provided (e.g., classroom, distance learning, electronic performance support, on-the-job training)?
- Do the anticipated benefits from training outweigh the projected costs?

STEP 3: Integrate Training into Strategic Plans

- What is that the goal of the proposed training?
- Can you relate this training goal to an existing goal in your organizations strategic plan?
- How will you measure training goal accomplishments?
- What tasks and resources are required to implement the training?

STEP 4: Evaluate Training Goal Accomplishments

- Did you achieve the training goal?

- What were the prices associated in achieving this goal?
- Once this training goal was accomplished did it help support the related strategic goal?
- Did the advantages outweigh the costs?
- What modifications do you have to make to the strategic plan supported the training evaluations?

FOUR LEVELS OF TRAINING EVALUATION:-

- a. Reaction measures whether employees liked the training, trainers and facilities, and is typically conducted through questionnaire. Positive results here don't necessarily indicate positive results elsewhere.
 - b. Learning measures employee knowledge after training against knowledge previous to training. If there's no change here, performance can't be expected to possess been enhanced.
 - c. Behavior may be a measure of what employees do on the work after training. If there's no observable change, performance can't be expected to possess been enhanced.
4. Results measures overall outcomes of coaching on productivity, efficiency, quality, customer service, etc. Results are rarely immediate, and while results-based measures are economically significant, undue reliance on them may cause pre-emptive termination of coaching programs that don't produce immediate measurable results.

INTEGRATING TRAINING WITH PERFORMANCE MANAGEMENT SYSTEMS

Reinforcement of coaching is vital when employees achieve or accomplish desired results after training is completed. In large organizations where the training unit is autonomous and unconnected to the greater HR plan, reinforcement is usually difficult or ineffective. Integration of HR strategies throughout the organization is vital to successful implementation of coaching programs. Training and development may be a key strategic issue for organizations. T&D activities help to make sure that employees have the talents and experiences they have to perform at high levels also on facilitate the organization's adaptation to vary in its environment

Chapter 6 : Sessions 16,17, 18, 19

[Strategies for Performance and Development: Strategic performance management, , steps of strategic assessment , balanced scorecard, etc.]

INTRODUCTION

Performance management may be a continuous process of identifying, measuring and developing performance in organizations by linking each individual's performance and objectives to the organization's overall mission and goals. Let's consider each of the definition's two main components:

1. Continuous process: Performance management is ongoing. It involves a never-ending process of setting goals and objectives, observing performance, and giving and receiving ongoing coaching and feedback.
2. Link to mission and goals: Performance management requires managers to make sure that employees' activities and outputs are congruent with the organisation's goals and, consequently, help the organisation gain a competitive business advantage. Performance Management therefore creates an immediate link between employee performance and organizational goals, and makes the employees' contribution to the organization explicit.

MEASURING THE FINANCIAL PERFORMANCE OF THE ORGANIZATION:-

One of the most important disadvantages of monetary performance measures is that they're incomplete. They only give us a one-sided perspective of the organization. Second, they're very outcome oriented which suggests that they're backward-looking. Financial performance measures need to do with the actions, efforts, choices, and outcomes related to the past accounting period, everything is happened within the past. So therefore, we only know what went on not necessarily what is going to happen. Since the business undergoes many changes thanks to various factors, the drivers of sales revenue, profit and investment, also fluctuate from year to year. this suggests that the financial outcomes related to anybody year, don't necessarily project what is going to happen in future years. Given these limitations of monetary performance measures, it is vital to seem elsewhere for extra information. and therefore the answer here is non-financial performance measures.

Non-financial performance measures are performance measures that aren't communicated in currency-based terms. There are whole host of samples of non-financial performance measures, a couple of are product quality rating, customer's satisfaction scores and input output efficiencies scores. Now like anything, non-financial performance has it's advantages and drawbacks . the benefits of non-financial performance measures are that they're more forward looking. Therefore,

they will facilitate proactive behavior. Imagine we're watching our customer satisfaction ratings within the early a part of 1 / 4 and people have decreased since past quarters. That potentially signals that financial performance will decrease also within the future. this enables us to be proactive in managing the customer satisfaction ratings before their affect on financial performance gets regrettable . Also, non-financial performance measures provide more of an evidence of where financial outcomes come from. Understanding what role our customers played versus our internal processes then on, helps us to know our business and ultimately the way to manage those financial outcomes.

Non-financial performance measures have their disadvantages also . they will be more subjective and really context-specific. consider customer satisfaction ratings. Two people answering an equivalent survey might answer are four, except for different reasons. Their own personal reasons which may be quite subjective. So it isn't always necessarily clear whether or not we're getting the sound measurement. In terms of context specificity, a non-financial performance measure that's utilized in one division might not translate well into other divisions.

An effective performance management system requires cooperation between employees and supervisors to line performance expectations; review results; assess organizational and individual needs, and plan for the longer term . Today's streamlined organizations have fewer employees with broader job assignments and increased responsibility and accountability. quite ever, organizations need broader measures of employee performance to make sure that performance deficiencies are quickly addressed with employee development programs; behaviors are being channeled toward specific objectives; and appropriate and specific feedback is provided to the worker to help in career development.

For instance, Microsoft recently designed its performance management system to permit better integration with its compensation program. because the company grew and its strategy evolved the plan of compensating employees heavily via stock options didn't reward sustained performance or retention. To remedy this Microsoft shifted to restricted stock units and revamped its performance management system to both simply this latter process and directly integrate it with the new compensation plan.

WHAT IS STRATEGIC PERFORMANCE MANAGEMENT?

Non-financial performance measures can become quite overwhelming and challenging for a corporation . Hence organizations often use a system to arrange all the various performance measures that they need . These systems are referred to as strategic performance measurement systems and that they create a framework that links a firm strategy to the related performance measures.

There are three key purposes of strategic performance measurement systems.

1. One is to speak strategy. Managers and employees who are performing on behalf of the organization might not necessarily understand what the overarching strategy ultimately means for his or her roles and responsibilities. The Strategic Performance Measurement System

connects that overarching strategy to measures that guide and influence their decisions. So essentially communicating strategy allows us to answer the question of managers and employees of what should we be doing.

2. A second purpose is that it enables evaluation of strategy i.e it addresses the question - did that strategy or did that strategy implementation actually work?

3. Thirdly, these systems cause the informing and guiding of the evolution of the strategy. supported the solution to the gesture , we will address the question of whether or not we'd like to vary our strategy or the way during which we implement it.

There are many sorts of strategic performance measurement systems. the foremost popular type is mentioned because the balanced scorecard, but there in fact other versions also . These include things just like the performance pyramid, the worth chain scoreboard, and an entire host of dashboards.

PROCESS OF STRATEGIC ASSESSMENT:-

The Strategic Assessment and Plan has four phases.

The phases are:

Phase 1: Where are we?

Phase 2: Where can we want to go?

Phase 3: How are we getting to get there?

Phase 4: Are we getting there?

Phase 1: Where are we?

In this phase the organization determines it's mission, the leader's responsibilities, and analyses the environment during which it exists or functions. the primary step is to work out our mission. what's our purpose, our reason for being? Mission involves what we do now, here within the present. it's going to change within the future, and doubtless will, but a minimum of for now, this is often what we do.

Next we ask what business are we in? this needs a wide-angle view of our mission and vision for the longer term . Who are our customers? Our "customers" are who receive our "products". Who are we serving now? Who would we wish to serve within the future? Determining our customer's needs will form the critical component of our future plan, i.e., how can we best meet those needs? can we know our customer's demographics? What about lost customers? Determining why customers don't return to your organization are often difficult and time-consuming but the answers can prevent future defections.

Next, we examine leadership style. Recent stories within the business press have highlighted companies that are apparently coitus interruptus of a downward spiral after replacing their celebrity CEOs. Under new, low- key, people-focused leaders who hunt down the counsel of their subordinates, several major corporations are effecting a turnaround.

The third and final step in Phase 1 is to research the environments during which a corporation exists, internally and externally. This is often mentioned as SWOT analysis: strengths and weaknesses (internally), and opportunities and threats (externally). What are our own organizational strengths? What are our distinctive competencies and our competitive advantage, i.e., what sets us aside from others that have an equivalent or similar mission? For a business, this suggests asking why should a customer do business with us over one among our competitors? It's going to also include: location, availability and education of the workforce, cost control, quality level, worker satisfaction, use of technology and therefore the like. What are our weaknesses? These may include many of an equivalent categories listed under strengths.

As we glance to the external environment, we identify our competitors and not only those that offer an identical product but also those that have a product which will be substituted for ours. What are the strengths and weaknesses of our competitors? Consider factors such as: location, level of technology, prices, reputation, longevity, community involvement, and customer service.

What are the barriers to entry to our business/industry? What are the opportunities and threats within the external environment? Is that the government a threat or an opportunity? Companies operating internationally will consider this together of the main environmental factors. Consider other factors such as: number of competitors, regulations, environmental constraints, natural resources, transportation infrastructure and therefore the state of the economy. Once we've done a radical assessment of our current condition, we address the question of what can we want to become?

Phase 2: Where can we want to go?

Here we glance to the longer term by working through subsequent four steps to develop our vision and organizational values; identify key processes and systems; determine gaps in performance; and eventually, establish objectives and goals. The organization's vision should be a shared vision. People are more committed to decisions once they are involved within the decision process. Therefore it's important that as many of us as possible within the organization have a chance to supply input on the organizational vision statement.

Next step would be to spot the organization's key processes and systems. What are the few key systems and processes that differentiate us from our competitors and provides us competitive advantage? What's essential to the success of your organization? What are those systems and processes that are most vital to its survival?

The next step is to work out the gaps in performance within the organization's key systems and processes. We do that because we all know that these systems and processes are essential to our survival and that we must do them well. First, we must gather data on our current level of performance in our key systems and processes. Once we feel that we've an honest understanding of the steady state performance of our key systems, then we compare that condition with our desired future state. How can we determine what the quality should be? A method is to seem to those organizations in whatever industry that consistently produce world-class leads to a given area or system.

As we compare our key processes and systems against such standards, are there gaps in performance? In most cases, there'll be. Now our task is to develop objectives and goals to shut those gaps.

The final step in Phase 2, is where we establish strategic and operational objectives that when obtained, will close the gaps in performance in our key systems and processes. The terms "objectives" and "goals" are sometimes used interchangeably. Strategic objectives are those longer-term objectives which will take 3-5 years to finish. Operational objectives are to be completed within a year. An example of a strategic objective for a producing company could be to develop new product lines for Eastern Europe. An operational objective supporting this might be to develop and market one new product for Eastern Europe.

Goals then are established under each objective that cause completion of a minimum of one element of that objective. These goals must be SMART: specific, measurable, achievable, results-oriented, and time-determined. for instance :

Strategic Objective: Develop new product lines for Eastern Europe

Goal : Within 90 days, determine customer needs for our products and available suppliers within Eastern Germany

Phase 3: How are we getting to get there?

This phase, which features a single step, requires the event of an implementation plan and systems for monitoring performance. It involves development of an implementation plan for the objectives and goals determined in Phase 2. Remember that every objective and its associated goal(s) are carefully selected to shut a measurable gap between our current level of performance in key systems and processes and therefore the desired future state. for every goal, we must determine:

1. Who are going to be assigned responsibility for completion of the goal?
2. What steps are to be accomplished?
3. What resources are going to be made available?
4. How should the work be accomplished?
5. When can we want the goal completed?

Who are going to be held liable for accomplishing the goal? This involves delegation of responsibility from a pacesetter to a subordinate. This must be done since a task cannot simply be assigned to a gaggle of individuals with the expectation that they're going to accept the responsibility and attain the task. Some one must be held directly responsible.

The steps to be accomplished are a series of events that has got to be completed so as for the goal to be realized. At this level they ought to be generalized while leaving the small print to the person assigned and their team to work out. an equivalent principle applies to the question of how should the work be accomplished. Leave the small print to the leader and their team to work

out how best to accomplish the steps. The resources needed to accomplish the task must be authorized or assigned by the senior leader whenever they exceed the traditional level of authority of the delegated leader. This is often best wiped out writing and formal notice given to other senior leaders within the organization of the delegated leader's authority and therefore the duration of the task. This is often especially important when people from another part of the organization could also be required to help in task accomplishment.

Assigning a date/time for goal accomplishment makes very clear to all or any when the work must be completed. If follow on tasks will depend on completion of the task assigned, the person assigned and their team should also know this.

Finally we address the fourth phase where we'll establish a review process for changing our strategic direction and ensuring that our plan stays fresh and relevant over time.

Phase 4: Are we getting there?

These two last steps involve monitoring performance, analyzing feedback, review and evaluation. This is often the phase most frequently overlooked or underappreciated but critical to the success of our strategic plan. Can we measure effectiveness, i.e., doing the proper things, or efficiency, i.e., doing things right?

In this phase, we determine how we'll measure objective/goal accomplishment and identify other means for progress feedback. This step is usually overlooked because it's difficult and regularly frustrating to work out the measures which will tell you what you would like to understand. The fast and straightforward choices often don't measure our true success or failure. Finding the proper metrics are often a process of trial and error. That's why it's necessary to frequently review and evaluate the info and its associated metric.

Selecting a quantitative and a qualitative metric may provide more realistic feedback than simply counting on a quantitative measurement alone. For example, measuring customer satisfaction with a product by tracking the amount of complaints received for that product may only tell us a part of the story. Talking with customers may reveal that problems with the merchandise have caused customer defections to competing products. The purchasers aren't complaining because they're not your customers!

Step 10 is review and evaluation. Here we determine the method for continued review of our progress on objective/goal accomplishment. How frequently will we review the data? What level of variation (deviation from plan) will cause us to vary our implementation plan? What criteria will we use for changing strategic direction? How often will we review our mission and vision? What events would cause us to change? These questions got to be answered with broad participation throughout the organization.

Chapter 8: Session 20,21,22

[High Performance Work Practices: Theories for HR strategies, congruence of HR system with various business strategies, design and redesign of work systems according to M&A , Technology, Change]

COMPETING THEORIES FOR HR STRATEGIES

1. Universalism

- E.g., careful selection, emphasis on training and internal development, formal appraisals, share , employee voice and participation, employment security

Hypothesis: The 'more' of this type of HR the higher Evidence: tons of support in US

2. Contingency theory

Hypothesis 1: HR choices must fit internally Hypothesis 2: HR choices must fit with strategy and other factors Evidence: Strong support for internal fit argument Evidence: Some support for external congruence

The Contingency Perspective - the primary Rule of Strategic Human Resource Management

EXTERNAL CONGRUENCE with the business strategy.

- Does the strategy require top quality HUMAN RESOURCES or not? • Does the strategy require a cohesive workforce with a robust shared IDENTITY? • Does the strategy require DISCRETIONARY inputs (cooperation, helping, knowledge sharing)?

The Second Rule of Strategic Human Resource Management - INTERNAL CONSISTENCY of HR Practices and Policies

- INTERNAL CONSISTENCY CREATES SYNERGY

- While each HR practice (selection, compensation etc) can have its own positive effect, once they are utilized in combination the entire is bigger than the sum of the parts.

EXTERNAL CONGRUENCE OF HR SYSTEM WITH VARIOUS BUSINESS STRATEGIES:-

Porter's Cost Leadership Strategy

- the general cost leadership strategy is aimed toward gaining a competitive advantage through lower costs.
- Cost leadership requires efficient plant facilities, close supervision of labor, continuous pursuit of cost reductions, and tight control of distribution costs and overhead.

Porter's Cost Leadership Strategy HR Implications:-

- Efficiency orientation to production – Minimize waste
- Maximize productivity of resources
- HR Strategy
- Detailed work planning
- Explicit job descriptions
- Emphasis on matching people to job
- Emphasis on job-specific training
- Performance appraisal emphasizes outcomes – Emphasis on job-based pay
- Focus is efficient use of human capital

Porter's Differentiation Strategy

- A differentiation business strategy attempts to realize a competitive advantage by creating a product or service that's perceived as unique.
- Approaches to differentiation can take many forms, among them: design or brand image; technology; features; customer service; and dealer networks.

Porter's Differentiation Strategy HR Implications

- Effectiveness orientation
- Maximize responsiveness to environmental change – Maximize innovation and creativity
- HR Strategy
- Broad planning, strong mission and culture
- Broad job descriptions
- Emphasis on matching people to organization – Emphasis on career development – add teams
- Performance appraisal emphasizes inputs – Pay supported inputs and organizational performance – Tends to be a high cost approach to managing people

OUTCOMES OF HPWS:-

HR Architecture decisions impact top and bottom line performance

- Greater investments in HRM can produce higher levels of performance
- Match investment decisions to strategy
- Know why you would like to create capabilities through people
- Monitor investments to check hypotheses about organizational performance

STEPS IN DESIGN OF WORK SYSTEMS

1. Work systems present three considerations for decision makers: what workers do, what workers need, and the way jobs interface with other jobs within the organization.
2. One among the tougher tasks is allocating specific tasks and job responsibilities to employees. Employees should have sufficient work to stay them both productive and motivated. However, employees shouldn't be overwhelmed by their jobs.
3. Assess the talents , knowledge, and skills required by the organization to style jobs and work systems. Work systems should constantly be assessed and evaluated to make sure that organizational objectives are achieved.
4. Job specialization allows workers to concentrate on particular tasks and gain competence, but may result in creating jobs that are boring and monotonous for workers . Job specialization is acceptable for organizations that need high levels of efficiency and minimization, but also for organizations that employ workers who don't seek to grow and be challenged.
5. Job enlargement increases the amount of tasks, activities, or jobs to alleviate boredom of specialised work. This doesn't necessarily provide employees with more responsibility.
6. Job rotation rotates workers across different specialized positions within the organization. This helps employees develop through exposure to different roles and functions. HR executives got to “learn the business” by participating in and learning about the organization and its various units.
7. Job Enrichment increases the responsibility of employees, who become in charge of their own performance. Vertical loading is that the process of reassigning responsibilities of supervisors to employees.
8. the work characteristics model which describes core job dimensions related to certain critical psychological states and personal/work outcomes.
9. Increasing emphasis being placed on competencies and competency models. Difficult and time-consuming to develop but adaptable to changes within the organization’s strategy and may have specific behavioral components inbuilt .
10. Design of labor systems must consider what workers want or got to ensure that they're motivated, productive and happy. Demographics and lifestyles of the market have changed. Employees not have generic needs, with worker needs varying across different age groups, genders, races, religions, abilities, sexual orientation and legal status . This creates a big challenge for allocating add organizations.
11. Work/life balance is vital to employees, and must be recognized by the organization. Employers that don't allow employees to possess balance will find that the workers are less committed and should also suffer from blow out . Employers are establishing stress management, along side physical health and wellness programs, to make sure that employees retain an important balance among their life activities. Flexible work on State Street example.

12. Representation, or “voice” is vital in work systems design, ensuring employees have sufficient voice to permit them to contribute their expertise. Systems for employee input are motivational, allowing utilization of existing capabilities by encouraging employees to urge involved in work-related issues.

13. Workplace safety ensures work systems and jobs designed so employees can perform their jobs with none undue risks.

THREE TRADITIONAL SORTS OF TASK INTERDEPENDENCE:

1. Pooled – individual employees can work independently of every other in performing tasks, but utilize some coordination of their activities.

2. Sequential – individual depends on the timely completion of quality work from another co-worker.

3. Reciprocal – employees process work in order that its flow isn't predictable and spontaneous to suit an instantaneous situation. Employees got to be flexible and are often a team, with joint and shared responsibility.

STRATEGIC REDESIGN OF WORK SYSTEMS

Redesign of labor systems represents one among the foremost radical yet common changes happening in organizations from an HR perspective. Reengineering of jobs is important so as to reply to, among other things, changes in technology and therefore the increased use of teams and project groups. Matrix organization structure being utilized with increasing frequency. Employees typically undergo a life cycle, which addresses critical psychological and motivational states which can affect performance and productivity. Outsourcing involves contracting non-core work activities to outside specialists, hopefully for fewer than it costs to try to to the work in-house. 75 percent of organizations outsource a minimum of one HR function. this is often a benefit for HR because it allows HR staff to focus more on strategic issues. Outsourcing contractors can provide cost savings relative to labor, though they're limited by laws that mandate minimum wages and/or by forces of supply and demand relative to plug value of certain skills and competencies. Offshoring involves exporting of tasks and jobs to countries where labor costs are significantly but costs within the us . These jobs are often programming , back-office accounting, and customer trip centers. Offshoring has presented a challenge to organizations via means of managing virtual global teams. it's a controversial practice.

REDESIGN OF WORK SYSTEMS CONSISTENT WITH MERGERS AND ACQUISITIONS:-

Merger and acquisition activity has grown substantially over the years, and requires significant HR activity to support the transitions involved. HR plays a crucial role before the deal, during the due diligence process, as a part of integration planning and implementation.

REDESIGN OF WORK SYSTEMS CONSISTENT WITH TECHNOLOGY:-

Constant advances in technology and work processes pressure HR administrators to balance financial consideration of technology adoption with variety of specific strategic HR issues

ISSUES FOR INTEGRATING NEW TECHNOLOGIES:-

1. Strategic Issues - Impact on productivity; quality, timing and delivery of output; equipment/technology costs; adequacy of current facilities; new market opportunities
2. Strategic HR Issues - Necessary workforce expansion and contraction; training; hiring/severance/training costs; effective change management; work social psychology impact

IMPACT OF TEACHNOLOGY ON ORGANIZATIONS:-

Technology impacts how work is organized and therefore the organizational structure, requiring changes in employee work habits and skills; elimination of some lower level positions and layers of management; less hierarchy and more collaboration

HR ISSUES AND CHALLENGES ASSOCIATED WITH TECHNOLOGY -

Technology has created three new areas of HR concern

1. Telework - Benefits include: useful as a retention aid/organization can retain investment in person; creates recruiting flexibility; increase in production.

Limitations include: lack of “face time”; must develop a transparent performance measurement system; what percentage and which employees are going to be offered/required to use telework; expense; liability issues; technological feasibility assessment required.

2. Employee Surveillance and Monitoring - employees often use time period for private business and entertainment, with an increasing number of employers implementing electronic monitoring of employee activity, like tracking Internet usage. Can create serious privacy concerns, influence employee morale and loyalty.

3. E-HR - range and scope of HR e delivery has expanded greatly. Time Warner Cable uses kiosks at its many locations to deliver HR services.

4. Social Networking – employers can reap benefits of social networking to market communication, particularly among remote workers. are often done through public social networking sites like facebook or on an organization’s in-house intranet. Example – Social Networking at Capital One and at 7-Eleven.

REDESIGN OF WORK SYSTEMS CONSISTENT WITH CHANGE:-

Pressure to vary are often a continuing force in organizations. Change initiatives are often met with resistance. Costs of change can encourage resistance. Change involves disrupting the established order and entering areas of uncertainty, and involves commitment of resources that would be deployed otherwise. Failure to perceive any benefits for themselves adds resistance to vary for those involved and impacted by the change efforts. Risk and therefore the uncertainty inherent in doing something differently also encourage resistance to vary . there's no assurance that change will end in higher performance, greater efficiency, better working conditions, or improved morale. Poor coordination and communication can reduce the acceptance of change. Managers often refrain from informing workers about new projects and programs that are being considered or developed. Misinformation not refuted by managers may result within the departure of employees who may sense a threat to their jobs.

CONCLUSION:-

- A. The changing nature of labor requires organizations to strategically manage change as a part of work design and redesign.
- B. Organizational restructuring is risky, with no guarantee of success.
- C. Successful job restructuring involves:
 1. Skills training and continuous learning
 2. Increased employee participation
 3. Flattened organizational structures
 4. Labor-management partnership
 5. Compensation linked to performance

Chapter 8: HR Strategy in Global Economy - Sessions 23, 24

[Strategy and structure of divisionalised company, HR implications of divisionalisation - sorts of control]

WHAT IS A DIVISIONALISED STRUCTURE?

A divisional organizational structure comprises of parallel divisions. These division could be supported a product or service, a geographical location, or a customer group. Each unit is provided with its own resources to function independently.

THREE TYPES:-

Units of a divisional organization are often defined on a product, customer or geographical basis. for instance , a corporation within the industry can divide its organizational structure supported its specific products. For example:- SUV, sedan, hatchback.

An alternative choice is to create the structure on customer types and define divisions as: high net worth, bourgeoisie , low-income customers.

The third basis could be geographical divisions for the company: America, Europe, Asia.

STRENGTHS OF DIVISIONALISATION:-

- The individual divisions of the corporate are independent financially allowing them clear routes of accountability and responsibility.
- Financial independence also creates cooperation among the divisions.
- Different divisions enable employees to further develop their skills in their own area of experience .
- Since each division is independent, it can respond quickly to external changes within the business environment

WEAKNESSES OF DIVISIONALISATION:-

- As all divisions are independent, all of them need an equivalent resources that would have otherwise been shared among them.
- For example, all divisions may have their own marketing and human resources departments instead of centrally working on the corporate level.
- Employees can feel more affinity toward their own division and not toward the organisation and its mission as an entire .
- Technical employees also can feel separated from their colleagues in other divisions, which can cause the shortage of sharing about developments within the same technical field.

HR IMPLICATIONS OF DIVISIONALIZATION:-

Divisional organizational structures aren't traditional business models. Groups of specialists and

departments are organized around a project or service type and these specialists typically work on the project while reporting to a different individual. this sort of structure poses many challenges for the HR team, who must affect employees and managers who report back to people and departments. because the people in these structures are often specialists in their field, they often work on other projects and managing the time and performance of those employees can become very difficult.

AUTHORITY

Since the HR professional during a matrix structure may be a team member, he/she doesn't report back to the project manager, but rather to his manager within the organization.

Authority isn't direct, and therefore the human resource manager is a topic matter expert. The HR professional offers his expertise during the course of the project. during a divisional structure, authority for human resources is direct since everyone reports to an equivalent division manager.

ROLE

In a divisional structure, HR creates, administers and implements policies and procedures for that division.

CONFLICT

In divisional structures there are direct reporting lines that are better equipped to resolve conflicts within their own departments unlike during a matrix organization where the HR employee who is that the one who manages conflicts

COMMUNICATION

In a divisional structure, the HR associates spend longer resolving problems that always develop due to misunderstandings and poor communication. Top-down communication is usually a preferred method of speaking with employees, leading to conflict that the HR personnel must resolve.

Chapter 9: Evaluating HR function - : Sessions 25,26,27,28

[Overview of evaluation - scope - strategic impact - level of study - Criteria - Level of Constituents - ethical dimensions, Approaches to evaluation - audit approach - analytical approach - quantitative and qualitative measures - Balanced Scorecard perspective]

APPROACHES TO HR EVALUATION:-

There are several approaches to human resource evaluation. the foremost prominent of them are: audit approach, analytical approach, qualitative and quantitative approach, balanced scorecard perspective, and benchmarking.

1. AUDIT APPROACH

HRM audit may be a process of evaluating the effectiveness of the HR function. The HRM audit possesses the subsequent elements:

- Independence from the topic being audited
- Technical add the shape of a scientific gathering and analysis of knowledge
- An evaluation of the HR activities, policies, and systems supported the evidence
- A clearly defined objective of the method
- Action in response to audit findings.

It offers several benefits as:

- Provides verifiable data on the human resource management function
- Clarifies the HR function's duties and responsibilities
- Identifies critical HR problems
- Helps align HR strategy with organizational strategy
- Improves the status of the HR function
- Helps reduce HR costs
- Helps review and improve the HRIS.

HR audit could also be partial or total. Where it's partial, HR audit covers a couple of areas of HR. for instance , the compliance of managers and supervisors with the established HR principle and practices. within the comprehensive audit system, all HR activities like HRP, employee hiring, training and development, performance management, employee well-being, safety and health, Industrial Relations, and therefore the like are going to be covered. Better results from an HR audit are going to be obtained where it's comprehensive.

APPROACHES TO HR AUDIT

Auditors may adopt any of the five approaches for the aim of evaluation:

- (i) comparative approach - the auditors identify another company because the model. The results of their organization are compared with those of the model company.
- (ii) outside authority approach - the auditors use standards set by an outdoor consultant as a benchmark for comparison of their own results
- (iii) statistical approach - here, statistical measures of performance are developed supported the

company's existing information. For eg- Absenteeism and turnover rates. These data help auditors assess the performance.

(iv) compliance approach - auditors review past actions to work out if they suits legal requirements and company policies and procedures.

(v) Management By Objectives (MBO) approach - is for specialists and operating managers to line objectives in their area of responsibility. This approach creates specific goals against which performance are often measured. Then the audit team researches actual performance and compares it with the objectives.

ANALYTICAL APPROACH TO HRM EVALUATION:-

The analytical approach relies on analysis , also called the utility analysis. Utility analysis aims to precise evaluations in economic terms, which are more useful for decision-makers. Several HR activities are evaluated with utility analysis, including appraisal systems, employee hiring, training, and turnover.

Although utility analysis has wide applicability and represents a quantitatively superior means of evaluating HR activities, the method is difficult. due to this difficulty, and therefore the number of resources and energy required for analysis, its use has been limited to only certain specific situations.

QUALITATIVE AND QUANTITATIVE INDICES:-

A number of quantitative indices or metrics are available to work out the effectiveness of HRM. for instance , one can calculate the value of turnover, absenteeism cost, cost of work-life programs, cost per hire, time interval to fill vacancies, HR expense factor, training costs, and therefore the like. Few companies apply behavior-costing methodology to review the connection between employee attitudes, customer behavior, and profits.

In retailing, for instance , there's a sequence of cause and effect running from employee behavior to customer behavior to profits. The human resource management department itself are often treated as a profit center. These and other indicators, when calculated and compared with other firms, provides a fair picture of the result of HR functions and activities. Excessive reliance on quantitative indices to gauge HRM effectiveness, however objective they'll appear could also be dysfunctional.

BALANCED SCORE CARD:-

Developed by Robert Kaplan and David P.Norton, a balanced scorecard helps evaluate HRM effectiveness. The balanced scorecard contains four dimensions: the financial performance of a corporation , its customer service, its internal business processes, and it's capacity to find out and achieve growth. Within these four areas, managers got to identify key performance indicators the organization should track. The financial dimension reflects a priority that the organization's activities contribute to improving short-term and long-term financial performance.

Customer service perspective measures such things as how customers view the organization, also as customer retention and satisfaction. Business process indicators specialise in production and operating statistics, like order fulfillment or cost per order. the ultimate component relates to the human resource-its potential to find out and grow. this

attitude seeks to specialise in how well resources and human capital are being managed for the company's benefits.

The balanced scorecard provides a balanced picture of current performance also because the triggers for future performance. The scorecard helps managers align their business units, also as their financial, physical, and human resources, to the firm's overall strategy.

What needs emphasis is that the HR evaluation shouldn't confine only to people dimension of the scorecard. The HR professional should be judged on all the size of the scorecard. HR executives tend to believe that their success should be judged only by the extent to which they meet employee needs. because the scorecard indicates, employee commitment is merely one criterion for effective HR performance, and HR professionals are going to be held in charge of all the size as other managers.

BENCHMARKING:-

Benchmarking involves employees learning and adopting the so-called "best practices" by comparing their human resource management practices with those of other (more successful) organizations. Benchmarking essentially involves that employees study the practices followed in competing firms and evaluating their own practices with those thus collected. Besides the evaluation of their own HR practices, benchmarking enables managers to find out from other firms and adopt effective HR strategies. additionally , benchmarking can help create and initiate the necessity for change because it identifies what a corporation must do to enhance relative to the HR strategy in excellent companies

BENCHMARKING STEPS:-

1. Identify HR practices for benchmarking. Critical practices from the organization's perspective are identified for benchmarking.
2. Constitute a core or a project team to handle the benchmarking process.
3. Identify benchmarking partners-organizations from an equivalent or different industry, competitors or non-competitors, or international firms-who are known to possess tried best practices successfully.
4. Collect data from each of the benchmarking partners (for example, firms A, B, and C).
5. Analyze and interpret the information.
6. Prepare a comprehensive report supported data analysis and interpretation.
7. Develop action plans to enhance HR strategy and practices.

Chapter 10: HR Scorecard - Sessions 29,30,31

[HR as a strategic partner and measurement challenge, 7 step Model for implementing HR's strategic role, Creating an HR Scorecard]

INTRODUCTION:-

It is hard to live the impact of HR functions on company performance and success because the performance measures that the majority HR departments use don't measure HR contributions to company success. For instance, having a capable and committed manpower and a training system that helps employees learn faster than the competition are true competitive advantages and a part of the company's strategic plan. Yet, the foremost likely measures could also be total compensation, turnover rate, cost per hire and therefore the percentage of workers who were evaluated within the last 12 months and none of those measures relate on to employee commitment or learning. Hence, what's needed may be a top-down perspective emphasizing the implementation of strategy, an innovative assessment system that measures HR's contribution to what matters most in an organization- firm profitability and shareholder value. An example of such a system is that the HR Scorecard.

HR AS A STRATEGIC PARTNER :-

The human resources function has traditionally been seen as overhead — a price center instead of a value-creating function. However, human resources can become a valuable strategic partner that helps the corporate achieve its goals. The key's to spot and measure the HR “deliverables” that support corporate strategy — and therefore the HR systems that make those deliverables.

THE HR SCORECARD — IMPLEMENTING HR'S STRATEGIC ROLE: A SEVEN-STEP MODEL :-

The authors of the book HR Scorecard, Dave Ulrich, Mark A. Huselid, and Brian E. Becker), coined the phrase “balanced scorecard”. It refers to a 7-step model that outlines an approach for HR practitioners who wish to become business partners in their organization. For human resources to form the utmost contribution toward establishing value for your company and its shareholders, your executives and HR department managers must take the seven steps outlined below.

Step 1: Clearly Define Business Strategy

Business strategies tend to be very generic. they could be to “maximize operational efficiency” or “increase presence in international markets” or “improve productivity.” Unfortunately, these

goals are so vague that employees don't know what they're supposed to try to implement them. Here's where HR experts step in. Once you recognize your company's business strategy, specialise in the way to implement it. The key's to state the company's goals in such how that employees understand their roles, and therefore the organization knows the way to measure its success in achieving them.

Step 2: Build a Business Case for HR As a Strategic Asset

Human resource professionals got to build a transparent business case for why and the way HR can support the strategy. That business case must include a recommendation for the implementation or expansion of a High- Performance Work System (HPWS).

Step 3: Create a technique Map

Develop a technique map that illustrates how the corporate creates customer value — essentially a diagram of the worth chain where you would like to ask a series of questions on your company's strategic objectives, including:

1. Which strategic objectives/goals/outcomes are critical?
2. What are the performance drivers for every goal?
3. How can we measure progress toward these goals?
4. How do employees got to behave to realize these goals?
5. Does HR provide employees with the required competencies and behaviors?

Step 4: Identify HR Deliverables Within the Strategy Map

Think in terms of identifying strategic behaviors HR can deliver. for instance , if your firm decides that achieving a brief research and development cycle requires employee stability (in other words, low turnover), you'll want to style HR policies that encourage stability.

Step 5: Align HR Architecture With HR Deliverables

Your company's HR architecture must be designed to permit HR to deliver the training, recruiting and retention goals necessary for the corporate as an entire to realize its strategic goals.

Step 6: Design the Strategic HR Measurement System

After you've got laid the groundwork, it's time to style your HR measurement system. Develop valid measures of the HR deliverables required to satisfy your strategic objectives. Take the instance of employee stability. There are several ways stability are often measured. you'll need to

define who may be a senior staffer (perhaps those with quite five years of professional experience) and what you mean by stability (perhaps all turnover or only voluntary turnover, but not promotions). The HR measurement system you develop will become your HR Scorecard.

Step 7: Implement Management by Measurement

CREATING THE HR SCORECARD:-

The HR Scorecard may be a strategic HR measurement system which will assist you measure, manage and improve the strategic role of your HR department.

The Scorecard consists of measurements of:

1. HR deliverables.
2. HR policies, processes and practices.
3. HR system alignment.
4. HR efficiency.

1. HR Deliverables

For example- a corporation wants to specialise in its R&D function and explore HR's potential role in its strategic plan. The R&D unit has profitability goals for both revenue growth and productivity improvement. These are the 2 important performance drivers of its strategy. The company's revenue growth springs from increased customer satisfaction, which is boosted by product innovation and reliable delivery schedules. Product innovation depends on experienced, talented staff in research and development. Reliable delivery depends on optimal staffing levels within the manufacturing units. Thus, the 2 HR deliverables which will support the company's strategic goals of revenue growth and productivity improvement are:

- experienced, talented staff in R&D, and
- optimal staffing levels within the manufacturing units.

2. HR Policies, Processes and Practices

This refers to the high-performing policies, processes and practices which will help generate the HR deliverables required to support the company's strategy. The set of policies, processes and practices that specifically help to get strategic HR deliverables a High- Performance Work System (HPWS).

For instance, with regard to the previous example, to develop and keep an experienced, talented staff in R&D, the HR team must create competency-based selection methods and retention programs for prospective and current employees. This enables only talented employees to be hired. Regular performance appraisals also are important to make sure that employees are maintaining the specified talent and knowledge level. A brief recruiting cycle — that's, the length of your time it takes for HR to fill vacancies — will maintain staff levels at optimal levels, the second HR deliverable.

3. HR System Alignment

This refers to the specific elements of the system that has got to reinforce one another to supply the HR deliverables. For instance, competency-based recruiting is important for the organization within the example taken above. Therefore, the organization can measure how well its HR system is aligned to its strategic goals by monitoring what percentage new employees were selected supported the competency model — and the way many of these employees came in at the very best quality level.

The HR department must also provide the kinds of advantages which will retain R&D staff (thus allowing the organization to meet its product innovation needs). And since the recruiting cycle time for the manufacturing division affects optimal staffing levels, HR must plan to keep this cycle as short as possible.

4. HR Efficiency Measures

The final step in developing the measures for an HR Scorecard is to spot the precise tasks at which HR must be efficient to support the company's strategic goals.

Chapter 11: Strategic HRM in emerging HR issues - Sessions 32,33

[HR Strategy in workforce diversity - Gender discrimination and Glass ceiling effect]

HR STRATEGY IN WORKFORCE DIVERSITY- KEY LEARNINGS:-

- HRM structures that explicitly address how different demographic groups are represented in decision making aim for a greater representation of girls and minorities in management positions.
- Diversity is positive when formalized HR practices are in place.
- ‘Modern racism’, characterized by fear and discomfort instead of overt hate, poses a challenge to HR, leading to a reduced likelihood of commitment to organizational diversity by majority group members.
- When managed effectively diversity can cause positive outcomes.
- The effects of diversity training is mixed. Systematically conducting training needs assessments may improve the consequences of coaching . Training initiatives which specialize in social interaction also as tasks are more likely to succeed. When watching the task, that specialize in improving current goals and outcomes are more likely to possess longer effects than training that aims to vary ‘moral perspectives’ or to market diversity because ‘it is that the right thing to do’.
- Mentoring, especially when reciprocal or informal, can help individuals and improve diversity efforts and outcomes, and should provide support otherwise unsuccessful formalised HR structures.
- Identity-based networking can reduce isolation and increase social networks but organizations must even be careful as these can have unintended consequences by being seemed to be unfair or a threat by majority members.
- Diversity strategies are often successful once they address organisational culture which nurtures teamwork, participation and cohesiveness. the range strategy should also integrate with business objectives and mirror what a ‘successful multicultural organisation’ seems like .
- Programmes which are supported by a ‘critical mass’ of senior executives enjoy more success. Additionally, future change requires consistent commitment from leadership alongside resources.
- Organisational measurement is vital to know diversity properly also as programmes and methods which serve those needs, instead of merely pay ‘lip service’ to diversity.
- Integrated, inclusive strategies and programmes are key to enable the positive aspects of diversity efforts.

GENDER DISCRIMINATION AT THE WORKPLACE:-

WHAT IS GENDER INEQUALITY?

A company that espouses and implements gender equality treats men and ladies an equivalent . This has many positive implications like creating a longstanding company culture, personal attitudes, or clearing confusion about current laws. Giving men and ladies equal treatment means:

- Equal pay and benefits for comparable roles.
- Equal consideration of needs.
- Equal opportunities for progression and promotion.

Employees shouldn't face any kind of discrimination because they're male or female, or are undergoing gender reassignment. Gender inequality within the workplace might include hiring or training just one gender for a specific role (perhaps because it's seen as 'men's work' or 'women's work'). Female employees can also worry about treatment during pregnancy or motherhood, or being sexually harassed.

GENDER INEQUALITY EXAMPLES:-

- Unequal pay
- Unfavourable recruitment strategy: this will include questions on whether a female candidate intends to possess children, or suggesting in your job spec that the role is more for men.
- Different opportunities: career progression opportunities that favour men over women.
- Redundancies: Terminating a female employee for creating a claim of unequal treatment at work.
- Bias: Showing preferential treatment towards male colleagues over female ones, like in promotions or day-to-day conversation.
- Sexual harassment: An act of gross misconduct, this behaviour towards men or women can have serious consequences.
- Holding sexist views: Promoting outdated views about men or women, like outdated gender stereotypes.

Promoting gender equality at work

To help foster gender equality, the organization could:

- Give training to boost awareness and promote fair behaviours.
- Provide childcare facilities, family-friendly policies and childcare vouchers.
- Shine a spotlight on successful women in your company, both internally and thru media channels — and ask senior women to act as mentors.
- Establish policies for fair pay and work/life balance, and ensure managers fully support them.

GLASS CEILING:-

Glass ceiling may be a metaphor for the evident but intangible hierarchical impediment that forestalls minorities and ladies from achieving elevated professional success. The term was first popularized within the 80s to explain the challenges women face when their careers stagnate at middle-management roles, preventing them from achieving higher leadership or executive roles.

Although invisible, the ceiling is extremely real, and there are many statistics to back the metaphor we just discussed. Below are a couple of statistics supported recent research on how such barriers affect minorities and ladies .

- Both male and feminine managers are twice as likely to rent men over women.
- Women are 25-46% more likely to be hired with blind applications.
- 40% of individuals notice a ethic against female candidates.
- At companies where 90% of leadership is men, half men at the corporate view women as being well-represented.
- Men are 30% more likely to realize managerial roles.
- Only 38.6% of managerial roles are held by women.
- Just 10% of leadership within the workplace is represented by women.
- Women structure 23% of C-Suites.
- Women structure 4.1% of Fortune 500 CEOs.
- Contrary to popular belief, men and ladies invite pay raises at an equivalent rate.
- Women receive pay raises 5% less often than men.

WHY IS THERE A GLASS CEILING?

Psychological:-

Unfortunately, it's attribute to love and be interested in others who share similar interests, experiences and even appearances to our own. this is often very true once we first are available contact with a replacement person. Studies have found that when people first examine a stranger — without meeting them — they're significantly more inclined to 'like' the stranger if they need something in common. This is sensible since people enjoy connecting with other humans, and once you only have a touch little bit of information a few stranger, commonalities form the idea for private connections.

Gender roles

Gender roles are social constructs unique to different cultures that are assigned to individuals the instant their sex is identified. From now on, children are more-or-less segregated into a binary of either male or female genders. These roles are later translated into academic interests and professional careers. In most cultures, girls are generally expected to be feminine and thus polite, accommodating and nurturing, whereas boys are expected to be masculine and thus competitive, aggressive and fearless. within the workplace, managers and leaders are expected to be competitive, aggressive and fearless — aka masculine — so as to form strong business decisions and lead a team to success. Such differences in gender roles limit and may even punish women in their academic and professional careers who aspire to succeed in upper-level or leadership positions.

Gender bias

Gender bias refers to the tendency people need to prefer one gender over another. within the workplace, this bias tends to negatively affect women significantly quite it does men. As we mentioned within the statistics above, 40% of individuals say they notice a ethic against female candidates. Not only that, but both men and ladies who are hiring managers are significantly more likely to rent a person over a lady , such a lot in order that men are 1.5x more likely to be hired over women. For the ladies who do make it past the work interview, the bias doesn't stop there. One study found that quite 42% of girls (compared to 22% of men) experience various acts of discrimination within the workplace.

Sexual harassment

Sexual harassment is defined as: “Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute harassment when this conduct explicitly or implicitly affects a person's employment, unreasonably interferes with a person's work performance, or creates an intimidating, hostile, or offensive work environment.”

According to recent studies, a staggering 68% of girls experience harassment . And of the ladies who experience harassment , 70% say the harassment occurred at their place of labor . Not only that, but 47% of female survey respondents said they believed harassment is tolerated at their organization. Additionally, 45% of girls don't believe that senior leadership at their organization

will address the difficulty . And if that wasn't bad enough, another study found that 3 out of 4 harassment victims experience retaliation after reporting the harassment to their employers.