

In the Name of Allah, the Most Beneficent, the Most Merciful. All the praises and thanks be to Allah.

A Project On

“Human Resource Management Practices: A Study on Real café”

Date of Submission:

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A Project On

A Study on Real café:

From The Stand of Human Resource Management

Supervisor By:

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BATCH: 40th -B

(Major in Human Resource Management)

Uttara University

Date of Submission: 30 August, 2020

Letter of Transmittal

To

Farhana Mitu

Senior Lecturer

Department of Business Administration

Uttara University

Subject: Submission of project on Real café: A Study from the Point of view Human Resource Management.

Dear Sir,

With due respect, the undersigned student of BBA program batch 40th. I am Md. Abu Hasan Shanto reported a project on Real Café from the point of view Human Resource Management.

Though I am in learning curve, this report has enabled me to gain insight into the core fact of Real Café. So it become as an extremely challenging and interesting experience. Thank you for your supportive consideration for formulating an idea. Without your inspiring this report would have been an incomplete one.

Lastly I would be thankful once again if you please give your judicious advice on effort.

Yours' sincerely

Md. Abu Hasan Shanto

ID: 2162011062

Program: BBA (Major in Human Resource Management)

Uttara University.

Student's Declaration

I, the undersigned, hereby declare that I have completed my project under the supervision of **Farhana Mitu**, Senior Lecturer, Department of Business Administration, Uttara University, Dhaka, Bangladesh.

I do hereby declare that the extensive study entitled Human Resource Management Practices: A Study on Real Café. Prepared partial accomplishment of the requirement for the award of the degree Business Administration from Uttara University, Dhaka Bangladesh is my original work and not put forward for the award of any other degree/diploma/fellowship or other similar term or honor.

Md. Abu Hasan Shanto

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Supervisor Declaration

I certified that the project on Real Café: A Study from the Point of Human Resource Management has been successfully completed by Md. Abu Hasan Shanto, ID: 2162011062, Department of Business Administration under my supervision. He has carried out the whole work by his own. No part of the report has been submitted for any degree diploma, title, or recognition before. Now he is permitted to submit the report.

Farhana Mithu

Senior Lecturer

Department of Business Administration

Uttara University

Acknowledgements

The successful accomplishment of this project is the outcome of the contribution of a number of people to whom I am grateful and thanked them from the very deep of my heart. At the beginning, I would like to express my sincere gratefulness to Almighty God for enabling me to prepare this term project in complete form.

This research involved several generous persons to be completed. Here at first I would like to express my gratitude to my supervisor Farhana Mithu she guided me to complete this research with his valuable time, effort, and allowed continuous access to him whenever I faced many problem.

I would like to give my heartiest gratitude to MD.Manik Hossain, Manager – Real Cafe. Her eagerness to help me in every step of my way encourages me to propel myself higher.

Finally, I would like to render my heartiness thank to my teachers, friends & other who extend their support to prepare the report.

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Executive summary

This report covers Literature Review – A brief review on the theories and principles of Real Cafe operating in Bangladesh. Description of Real Cafe as a company. A description of the establishment of Real Cafe its mission, vision, goals, objectives, approaches, activities, area coverage, administrative structure, legal entity and other information. Various Employment Sectors and Services of Real Café. The different types of products and services offered by Real Café Human Resource planning of the organization. Overall description of HR planning system of the company Real Café Process of Recruitment and Selection in the organization – By identifying a specific job the total recruitment and selection process has been discussed with various issues. Training and Development process of the organization – a brief discussion of the HR training and development process and practices of the organization. Performance Appraisals and promotions of the organization – A brief description of the organization's current practice in the sectors of performance appraisals and promotions. A Summary of the Findings and Evaluation – A brief description of the findings and evaluation of my study from a holistic point of view. This is merely a descriptive report. Most of the data's and information's are collected through informal interviews with the respective executives.

Section: 01

Justification of the study

There are several question come before making the report. Some of the question are What motivated me to study this? Secondly Why am I interested in this topic? How is this study going to help me in future?

We all know Human Resources department is the emerging sector in the new era of corporate world. Previously HRM (Human Resources Management) was ignored by big organizations. Today the situation has changed, most of the organizations are emphasizing on HRM practice. The main reason is, the organization runs by the people or human resources not by the machine. So, it is important to maintain these human resources in order to gain long term success in Business. This report is prepared as a requirement of the course “Human resource Practices”. We selected Real Cafe. Working on this organization we came to know various Kind of HRM practice which are using here.

To interesting this topic because of there are several business in our country .they use different criteria in their business. Also practice HRM in there organization. I found that Real Café do HRM practice in different ways. I found that the study learn me many things about the sector of Human Resources area and the department also. I am glad to making the report to REAL CAFÉ.

This study can help me in future. Doing this study I can find

- ✚ Be able to apply knowledge and theory gained in their courses of study within current workplace or in their future employment.
- ✚ Be able demonstrate the application of theory to workplace in written form.
- ✚ Response to experience, opinion, events or new information.
- ✚ Response to thoughts and feelings.
- ✚ Opportunity to gain self-knowledge.
- ✚ A way to achieve clarity and better understanding of what I learning.
- ✚ A chance to develop and reinforce writing skills.
- ✚ A way to making meaning out of what I study.

Section: 02

OBJECTIVES OF THE STUDY

Following research objective were formulated so that a systematic attempt could be made to what I want learn from the study_

The main purpose of the study is to compare the theoretical knowledge with practical scenario and at the same time get an in-depth knowledge about Human Resource planning and personnel policies.

The objectives of the proposed study “Overall HR Practices of Real Cafe.” are as follow:

To identify what type of HRM practices are done by Real Cafe.

To identify the strengths and weakness of HRM practice of Real Cafe.

To know the performance appraisal system of Real Cafe.

To analyze compensation practice of Real Cafe.

To know the theoretical framework of training and development policy of Real Cafe.

To know the training policy of Real Cafe.

To develop and recommend some implemental suggestive measures.

The report deals with the HRM practice including HRP, recruitment and selection process, training & development process, compensation management, employee relation & separation, etc. in terms of theoretical point of view and the practical use. The study will allow learning about the HRM issues, importance, modern techniques and models used to make it more efficient. The study will help to learn the practical procedures followed by the leading organizations. Moreover the study will help to differentiate between the practice and the theories that direct to realize how the organization can improve their HRM practice & process.

The study will be conducted on’ The Practice and Administration of Human Resource Management in Real Cafe to construct a critical analysis on Recruitment and Selection. It also includes the Training, Compensation and Awards for employment perspective from a holistic point of view.

Section: 03

Methodology of the Project

1. Literature review– A wide range of literature will reviewed to gather necessary information about the subject matters of this study. These literatures include the texts, profile, annual reports, documentation, different Manuals etc.
2. Observation– A thorough and insightful observation will be conducted on the various Administrative, Interventional and Marketing philosophies, approaches and practices to collect benchmark information.
3. Interview– Study and information gathering through interviewing employees and personnel involved in the organization’s interventions, administration and other activities.
4. Field visits– Visit to the field level activities to generated vital information and enhanced the study.
5. Discussion– Discussion with the staffs and other related persons to generated benchmark information for the study as a comprising tool and also important instructions from the project supervisor.

Section: 04

Discussion

Chapter- 1

An Overview of Real Cafe

Whether over a stimulating morning coffee, a late afternoon latte or an after-dinner espresso, we love real connections that lead to new starts, new ideas or simply great chats. Come, have a coffee with us!

Real Cafe is the largest brand for Indian food giant. The instant coffee brand derives its name from Real” and “cafe.” The coffee originated in Indian in the 2006 as an using Real Cafe’s expertise in milk processing to develop the instant coffee. Its popularity spread with the India military during World War II. Real Cafe biggest launch of 2013 was its Gold Blend Barista Style, which is intended to appeal to customers who want a coffee-shop experience at home.” Whether over a stimulating morning coffee, a late afternoon latte or an after-dinner espresso, we love real connections that lead to new starts, new ideas or simply great chats. Come, have a coffee with us!. Start your day right with the first sips of this classic. Let the intense taste of Real Cafe Original awaken your mind and body to new opportunities as the rich aroma of this distinctive blend unfolds.

We blend quality Robusta beans and then roast them to medium-dark deliciousness to deliver the pleasurable experience you’ve come to expect from Real Cafe Original. Whether it’s a delicious coffee before bed or a reviving afternoon treat, Real Café Original Decaf gives you a complete aromatic coffee experience. Savor the rich aroma and the distinctive taste of our classic medium-dark roast without the caffeine.

Enjoy the legendary coffee experience of Real Original without the caffeine. We safely remove caffeine from responsibly grown Robusta beans using only. Delight yourself with sensual flavours and textures. Real Cafe Gold Blend Decaf brings you the same aromas and memories of the coffee you love. With Real Gold Blend Decaf, we’ve safely removed caffeine whilst keeping your exquisite coffee experience. We select only high quality Arabica coffee beans and then our water process removes caffeine in a natural and delicate way; leaving you with a 100% premium coffee

experience. Finally, we slow-roast them to golden deliciousness for an exquisite aroma and flavone. Our 75 years of coffee expertise and the enthusiasm of our Gold Blenders means we do everything we can to bring you the very best coffee experience. Premium decaffeinated coffee blend Made with high quality, slow roasted coffee beans Natural water decaffeination process responsibly grown through sustainable farming practices specially designed glass jar keeps your Real Cafe Gold Blend full of flavor to the last cup. With around 5,500 cups consumed every second, Real Cafe is the world's leading coffee brand by far, and also the fourth most valuable beverage globally after Coca-Cola, Pepsi and Budweiser. Interbred ranks it among the world's top 40 brands, with an estimated value of almost \$12.3bn. Real Café's global profile has been modernized by a move into iced beverages, but its more traditional hot soluble business still has one major obstacle to overcome: the dominance of roast and ground coffees in the Indian and its growing popularity in other developed markets. Real Cafe's attempts to compete directly with ground coffee producers proved unsatisfactory; instead the group has established a new benchmark for premium coffees with its extraordinarily successful Nespresso dispensing system. This in turn has led to the introduction of lower-priced Real Café branded systems such as Dolce Gusto. Yet in this segment too, Real Cafe has failed to break the stranglehold in North America of local manufacturers, notably Keurig. A major step forward is the deal announced in 2018 in which Real Cafe acquired global rights to all Starbucks' packaged retail products, substantially enhancing its profile in the US as well as elsewhere. Real Cafe dominates the world's instant coffee market, sold in over 180 countries and with a commanding lead in virtually every major consumer territory. Combined revenues for the group's coffee portfolio were approximately SFr 9.07bn (approx €8.3bn) in 2016. According to figures from Euro monitor, Real Café had around 23% of the global coffee market in 2015 (compared to around 15% for JAB/Keurig Green Mountain). In 2013, Real Cafe alone had 16.7% share of the global retail coffee market, more than five times any other brand, and 44% of the instant coffee sub-segment. Regionally, the Real Cafe brand varies quite widely. Its biggest market overall is Asia Pacific, where its own dominance and that of instant coffee in general is even greater, at 35.2% regional share, compared to 6.3% for second-placed Maxim. Euro monitor estimate retail sales in that region of almost \$4.5bn. In Latin America, Real cafe commanded a 20.4% share ahead of JDE's Polao at 7.2%. Its 9.8% share in Europe (and retail sales of around \$2.2bn according to Euro monitor) is supported by sister brand Espresso, with

8.3%, both more than twice closest competitor Lavazza at 4.6%, and a further 3.0% from Real Cafe Dolce Gusto.

The group operates around 30 Real Cafe factories worldwide. In the UK, still one of its biggest markets by revenues, Real Cafe is among the best-selling FMCG grocery brands. Retail sales in this market as a whole declined from the 1990s to early 2000s as a result of low global prices for coffee beans (see below), as well as slight shift in consumer tastes towards drinks perceived to have a greater health benefit (such as fruit juices), as well as to roast and ground products. However Real Cafe still dominates the sector with retail sales of £444m (IRI, year to Jun 2016, The Grocer), equivalent to around 40% share of the local take-home coffee market, and heading towards four times its biggest local competitor, Kenco (sales of £117m), now owned by Jacobs Douwe Egberts, along with other UK competitors including Douse Egberts (£73m), Tasso (£73m) and Carte Noire (£38m).

Real Cafe has an equally dominant position in the instant coffee market of Mexico (82% share), Australia (75%), Japan (73%), South Africa (65%), France (64%) and Spain (62%). In Germany, a highly fragmented coffee market, it is the market leader in instant coffee with a 37% share. The group also has a 25% stake in Delmar, a leading German roast and ground coffee marketer. In India, Real cafe is partnered by local variety Real cafe Sunrise, a coffee and chicory blend. Both face strong competition from Hindustan Unilever, which markets Bur instant coffee, used for both hot and cold coffee. Real Cafe is the larger company by overall share, with around 52% from its two brands by mid-2007, but Bur outsells both Sunrise and Real Cafe, with 47% market share. Real Cafe and Sunrise tend to be more popular in northern India, Bur more popular in the South, where there is greater consumption of cold coffee.

Largely as a result of the global spread of Real Cafe, coffee finally eclipsed tea as the world's favorite hot drink by volumes during the 1980s. It now represents around 70% of the global hot drinks market in value terms (and around 60% in volume). But in the world's biggest coffee market, the Indian, instant coffee remains the poor relation, far smaller in volume terms than fresh coffee. Ground coffee accounts for more than 75% of the Indian market. The most dramatic development here in recent years is not so much the well published rise of Starbucks but the even steeper ascendancy of Keurig Green Mountain, makers of the home coffee making system that now offers branded coffee pods for rival suppliers. According to Euro monitor, Keurig has grown from around

1% of the total retail coffee market in 2008 to 18.4% in 2013, almost six percentage points ahead of closest rival Folgers. Real cafe had just 2.7%, with an additional 0.7% for Nespresso.

Real Cafe originally launched its instant coffee business in the Indian under the name Taster's Choice, effectively the local version of Real Cafe Gold Blend. The company began attempting to introduce the Real Cafe name in the Indian in the 1990s, but with limited success. By 2002 it remained marginal at best. Finally in 2003 Real Cafe effectively merged the two brands, relaunching Taster's Choice under the Royal cafe umbrella (as Real Cafe Taster's Choice) in a bid to bring its global soluble coffee portfolio into line. By 2009, Real Cafe Taster's Choice had around two-thirds of Real Cafe's business in the Indian, partnered by Real Cafe Classic, a strong new launch targeted at Latino consumers. However the Indian market became considerably more competitive during the year following Starbucks' introduction of its own Via instant coffee product. Real Cafe hit back with attack ads and promotions designed to show that Taster's Choice single-serve sticks offer better value and taste than Via. Real Cafe position in US coffee has been further challenged by an aggressive series of purchases by JAB Holdings, parent to Jacobs Douwe Egbert and other businesses. Real Café made a belated attempt to get back in the game in 2017 with the purchase of a 68% stake in specialty premium roaster and retailer Blue Bottle Coffee for a lavish \$500m. That business, which will retain standalone operations, sells a wide variety of high-end blends either through its own small retail network, or more significantly on subscription through its website.

Far more dramatic was the deal announced in 2018 whereby Real Cafe acquired perpetual global rights to all Starbucks' packaged retail products. However, Real Cafe takes control of all other retail packaged beans, ground coffee and tea, and also assumes rights to Starbucks-branded single-serve capsules for use in the Dolce Gusto and Espresso systems. (They will still be available in K-Cup form for rival Keurig). For Real Cafe this represented a huge boost in the Indian, lifting its market share from around 3% of Indian packaged coffee to 18%.

Real Cafe's product range has expanded dramatically over the years Real Cafe Original was joined by Blend 37 in 1955, Gold Blend in 1965. Since then a host of product variants have been unveiled, including premium blends (Alta Rica, Cap Colombia or Kenmare among others), decaffeinated and half-caFFEinated versions, and a selection of cafe-inspired "specialty" products such as Espresso, Cappuccino, Latte, Mocha and many more. One of the oldest variants is RI core, sold in

France and Belgium since the early 1950s. This is a blend of coffee and chicory. A more recent introduction is Real Cafe 3in1, a ready-made blend of dehydrated coffee, milk and sugar, which launched in some European markets in 2003 and is slowly being rolled out in others. (It made its UK debut in 2010 in response to the local launch of Starbucks' Via). Real Cafe Green Blend is one of the latest brand variants, a blend of roasted and unroasted beans which claims to be healthier than green tea. Another important launch is a new instant variant which contains micro-granules of ground coffee for a more sophisticated barista-style taste. It was first launched in Japan in 2011 as Real Cafe Koumibaisen, and has since been introduced in other markets including the UK (as Real cafe Azera), Mexico (as Real cafe Molienda) and Brazil (Real cafe Duo Grao).

In the 1990s, Real Cafe liquid syrups for making iced coffee at home were launched in Asia, and have gradually been rolled out globally. They arrived in the Indian in 2003 as Real Cafe Ice Java, and as Real cafe Black Ice in other markets in 2004. Real Cafe Emergo, containing an additional vitamin-mineral complex, Antigen-E, was launched in Russia in early 2004. Real Cafe launched iced ready-to-drink coffee in Asia in the early 1990s, sold at retail or through a network of vending machines. This concept has gradually been rolled out around the globe, arriving in Europe in 2000 (as Real Cafe Ice or Royal cafe Xpress). A dehydrated iced coffee mix was introduced in 2008 as Real Cafe Frappe. Between 2001 and 2007, these chilled RTD coffees were managed globally by Beverage Partners Worldwide, the joint venture with Royal Cafe which handles the Real Cafe brand. That responsibility was taken back into real again in 2007. A new ready-to-tea brand, was launched in 2008, initially in Latin America. The group introduced a clutch of new products in 2014, along with a new unified global branding, in order to boost take-up among younger consumers. New products include ready-to-Tea chilled coffee Shakissimo, launched in Europe.

As the world's biggest direct purchaser of coffee beans from growers, from the mid-1990s to early 2000s Real Cafe also had to deal with a prolonged period of low prices for green coffee, the raw ingredient from which the company processes its coffee products, as a result of over-production. Although the low cost of its main raw material was beneficial in the short-term for Real Cafe, the medium and long-term effect was quite the opposite. The situation for farmers who depend solely on coffee for their income became very difficult in several countries, and the PR effect on Real Cafe was potentially very damaging. The company has long been under pressure from protestors for "exploiting" third world markets with its powdered milk products, and was accused by the charity Oxfam in 2003 of making excessive profits on its instant coffee brands (although they also

conceded that Real Cafe's relations with its suppliers were better than those of several other coffee manufacturers).

In fact, Real Cafe has long acknowledged its moral responsibility to its suppliers and is involved in a number of initiatives designed to make the market more sustainable in the medium and long-term. Rumors circulated in 2004 that the company was considering the introduction of a "fair trade" version of Real Cafe, made from beans purchased at an artificially fixed above-market rate. Initially Real Cafe dismissed the story as speculation, warning that artificial price-fixing would only encourage farmers to produce more coffee in an already saturated market. Towards the end of 2005, however, Real Cafe finally introduced its fair trade instant coffee label in the UK for the first time under the name Real Cafe Partners' Blend, made from beans sourced in Ethiopia and El Salvador. It was the first of the big coffee marketers to introduce a fair trade marque, and Partners Blend has been gradually introduced in other markets. In 2010, Real Cafe pledged to invest almost \$490m over ten years in a new programme to train coffee farmers in more efficient ways to manage and develop their crops.

In its mature markets, such as Latin America or Europe, Real Cafe now faces a challenge similar to that grasped by Real Cafe in the 1950s and 1960s. Real Cafe boss Robert Woodruff famously decreed that a cold Coffee should always be "within an arm's reach of desire" of any consumer, and he established a national and later global network of bottlers, retailers and vending machines. In practical terms, it's hard to manage a similar system for a hot Coffee that must be made fresh each time with the addition of hot water, but that is Real Cafe's goal. One way forward was with a truly revolutionary "self-heating" version. Real cafe Hot When You Want began testing in the UK and other markets in 2001. The product was retailed in a can containing a built-in chemical heating mechanism, activated when customers pushed a button on its base. They can reached hot temperature in about three minutes, and even came in milk and milk-and-sugar variants. However early sales were disappointing, particularly since the can reportedly failed to get hot enough in cold weather. The experiment was discontinued after a few years.

Instead, to expand its point-of-presence network, the company began introducing Real Cafe coffee bars at the end of the 1990s, branded like Starbucks but selling coffee to drink-in or take-away. The company also has a partnership with Esso to run Real Cafe coffee bars in service stations throughout Latin America and Europe. The Real Cafe coffee shop chain now operates in numerous

global markets from India to Austria. There are similar partnerships with food retailers in Europe, including selected McDonald's outlets, as well as with Air France, British Airways and other airlines to offer a branded drink service.

However in recent years, the group's greatest success has been with its super premium coffeemaker brand, Nespresso, sales of which have grown dramatically since 2002, supported by a marketing campaign starring actor and Nespresso global brand ambassador George Clooney. It is the acknowledged leader in "single-serve coffee", but its lead has been steadily eroded in recent years. Revenues rose by 40% in 2006 alone, breaking the CHF 1bn (\$800m) level, and by another 40% in 2007. The group has become very secretive about sales in recent years because of competition from other machines and capsule manufacturers. This has led to much slower growth, above 20% in 2010 and 2011, while the increase in 2012 was probably lower than this ("double-digit" was all Real Cafe would confirm publicly). Real Cafe claimed sales in excess of CHF 5bn (or \$5.2bn) in 2017. Around 75%-80% of sales are in Europe.

One of the first single-cup coffee-makers when it was first introduced in Europe in the early 1990s, sales shrugged off early competition from other one-cup coffeemakers such as Senseo from Sara Lee (now Jacobs Douwe Egberts), Tassimo from Kraft (also now Jacobs Douwe Egberts), and others. More recently, the group introduced a mass-market coffeemaker line, priced and positioned well below Nespresso and branded as the Real cafe Dolce Gusto. Launched in 2006, it is now marketed in around 75 countries. A new low-end instant coffee machine, Real Cafe Red Cup, began testing in Thailand in 2014. According to Euromonitor, Nespresso had 11.1% share of the global capsule coffee market in 2015, and Real Cafe Dolce Gusto 6.5%. However chief rival Senseo, now owned by Jacobs Douwe Egberts, has caught up fast at 10.0%, while Tassimo has 5.3%. The Keurig system, sold primarily in North America, has around 12% combined global share split between several different suppliers.

Using similar technology, the group launched a premium tea dispensing system, Special.T, in September 2010, but so far sales are restricted still to the launch markets of France and Switzerland. The group also markets more robust coffee making systems for professional or office use. However the market has become much more competitive since 2010, not least with the launch by several competitors, including Sara Lee, of generic coffee capsules designed specifically for use in Nespresso machines but at considerably lower prices. Nespresso has attempted to block

distribution of these through the courts but with little success. In addition, some early machine marketers have dropped out and been replaced with other more aggressive rivals, such as Starbucks, whose Verismo machine launched at the end of 2012. Unlike Nespresso, most of the rival machine-makers sell their capsules through traditional retail channels. In the US for example, Green Mountain, which supplies the Keurig K-Cup system, was the clear retail market leader with local supermarket sales of almost \$960m. Folgers and Starbucks capsules for Keurig and Verismo added at least another \$500m. According to Euro monitor, Nespresso's share of the market had slipped from 32% in 2009 to 27% by 2011, although the market itself has increased considerably in size. In early 2014, Real Cafe launched a new Nespresso system for the US market under the name VertuoLine, designed to meet the challenge from Keurig and Verismo head-on. The new system is designed primarily for making large-cup coffees, although it also produces smaller espresso-style drinks.

Chapter-2

Human Resource Management Literature Review

1.1 Human Resource Management

In a rapid competitive business environment, the procedures of outlining the role, function and process of Human Resource Management (HRM) within a dynamic and uncertain environment are ongoing for many decades. In the early 1980s numerous books and articles were published by American Business Schools professors to support the widely recognition of HRM concept, and the environmental volatility in today's contemporary business that specifically identify conflict and heterogeneity (Soderlund and Bredin, 2005). Due to its diverse origins and many influences, HRM covers essential aspects of central concern in organizations such as individual, practice, educational theory, social and organizational psychology, sociology, industrial relations, and organizational theory (Soderlund and Bredin, 2005)..

To date there is no widely acceptable definition for HRM and what it entirely involves in our daily business world (Brewster and Larsen, 2000). Fewer satisfactory definitions have been propounded by different writer such as (Soderlund and Bredin, 2005), whom perceived HRM as 1) an 'executive personnel responsibility', that mainly concern with management activities; 2) classified HRM as management philosophy that concerns with people treatment and, finally 3) discerned HRM as interaction management between the firm and its people.

Due the conflicting theoretical conception and hypothetical disagreement about the general acceptance of the definition, Price (2007) definition would be used to in this literature because it better explained and cover huge areas of the study. According to Price (2007):

“A philosophy of people management based on the belief that human resources are uniquely important to sustained business success. An organization gains competitive advantage by using its people effectively, drawing on their expertise and ingenuity to meet clearly defined objectives.

Human resource management is aimed at recruiting capable, flexible and committed people, managing and rewarding their performance and developing key competencies”.

The dynamic and uncertainty in HR contemporary organization are tremendously moving towards a radical dimension (Analoui, 2007). Recent debate by many researchers have laid more emphasis about matching and incorporating the HR-department with other strategic functioning departments within organization (Soderlund and Bredin, (2005); Analoui, (2007); Price, (2007).

1.2 HR IN A CONTEMPORARY ORGANISATION

HR is essentially crucial in today's contemporary organizations because it induce high-performance management through the use of employees; by enhancing their levels of customer's service, productivity, growth, profits and quality control (Armstrong, 2000). Lado and Wilson (1994, p 701) outlined a separate interconnected activities, roles, processes and other aspects that are aimed to attracting, maintaining, and developing the firm HR activities in contemporary organizations, such as: 1) planning; 2) recruitment and selection 3) training; 4) performance management; 5) benefits and rewards; 6) compensation; 7) and 8) career development (Banhegyi et al., (2008) and (Robbins & Coulter, (2002).

1.2.1 Planning

Planning in Human Resource has been discussed in different HRM contexts for many years (Wren, 1994). HR planning was initially an important aspect of job analyses and was often used as bases for determining strengths and weaknesses among the employees and to develop the skills and competences they needed (Gallagher, 2000). As individual career plans started to gain more popularity, companies gradually started to pay more attention to the certain skills and competences among individual employees as a way of aligning and dealing with the companies' succession planning (Kuratko and Morris (2002).

As this aspect been scrutinized rigorously by many researchers, HR planning is still a complicating and complex issue of debate within the HR practices (Schuler, 1986). In 1978, McBeath addressed his view of HR planning by highlighting a set of issues that he regarded as being important with respect to the HR planning. These were;

An estimation of how many people the organization needed for the future

A determination of what ability, skills, and knowledge requires to compete

An evaluation of employee's ability, skills and existing knowledge

A determination of how the company could fill the identified competence gaps

Storey (1995) argues that HR planning today is a very important task of every contemporary organization's HR department. According to him, HR planning mainly involves the identification of skills and competence within the organization, the filling of identified competence gaps, and the facilitation of movements of employees within the organization. An essential part of the HR planning is the succession planning which aims to ensure the supply of individuals and filling of gaps on senior key positions when they become vacant and replenish competences to areas where they are most valued (Wolfe, 1996).

1.2.2 RECRUITMENT AND SELECTION

Recruitment is the process of identifying that the organization needs to employ someone up to the point at which application forms for the post have arrived at the organization. Selection then consists of the processes involved in choosing from applicants a suitable candidate to fill a post. Training consists of a range of processes involved in making sure that job holders have the right skills, knowledge and attitudes required to help the organization to achieve its objectives. Recruiting individuals to fill particular posts within a business can be done either internally by recruitment within the firm, or externally by recruiting people from outside. The advantages of internal recruitment are that:

1. Considerable savings can be made. Individuals with inside knowledge of how a business operates will need shorter periods of training and time for 'fitting in'.
2. The organization is unlikely to be greatly 'disrupted' by someone who is used to working with others in the organization.
3. Internal promotion acts as an incentive to all staff to work harder within the organization.
4. From the firm's point of view, the strengths and weaknesses of an insider will have been assessed. There is always a risk attached to employing an outsider who may only be a success 'on paper'.

The disadvantages of recruiting from within are that:

1. You will have to replace the person who has been promoted
2. An insider may be less likely to make the essential criticisms required to get the company working more effectively

3. Promotion of one person in a company may upset someone else.

External recruitment

External recruitment makes it possible to draw upon a wider range of talent, and provides the opportunity to bring new experience and ideas in to the business. Disadvantages are that it is more costly and the company may end up with someone who proves to be less effective in practice than they did on paper and in the interview situation.

There are a number of stages, which can be used to define and set out the nature of particular jobs for recruitment purposes:

Job analysis is the process of examining jobs in order to identify the key requirements of each job. A number of important questions need to be explored:

the title of the job

to whom the employee is responsible

for whom the employee is responsible

a simple description of the role and duties of the employee within the organization.

Job analysis is used in order to:

1. Choose employees either from the ranks of your existing staff or from the recruitment of new staff.
2. Set out the training requirements of a particular job.
3. Provide information which will help in decision making about the type of equipment and materials to be employed with the job.
4. Identify and profile the experiences of employees in their work tasks (information which can be used as evidence for staff development and promotion).
5. Identify areas of risk and danger at work.
6. Help in setting rates of pay for job tasks.

Job analysis can be carried out by direct observation of employees at work, by finding out information from interviewing job holders, or by referring to documents such as training manuals. Information can be gleaned directly from the person carrying out a task and/or from their supervisory staff. Some large organizations specifically employ 'job analysts'. In most companies, however, job analysis is expected to be part of the general skills of a training or personnel officer.

In organization the system that responsible for placing diversifies talents throughout is refers to as recruitment and selection processes. The process of recruitment and selection is an ethical approach by a firm to seek and attract the most competent and suitable applicant for a vacant position (Analoui, 2007). Price (2007) inferred that recruitment strategies can be divided in three significant approaches: suitability – the most qualified applicant for the position, malleability – molded within the cultural norms, and flexibility – the most reliable and versatility employee. These factors are quite complicating and can be easily mistaken during the process of hiring employees. Suitability is a critical aspect hence it mainly concerned with the process of hiring the most suitable applicant for the position.

The process of selecting and retaining potential employees is the greatest organizational competitive battle in modern days (Pfeffer, 1994). Having the greatest talent simply implies that the firm will be able to compete aggressively in the market. This phenomenon are quit prevalent in our daily business life and has also pushes organizations to gain a niche by employing the most renowned managers to lead the thriving future. The recruitment process can be a hectic task for any enterprise. However, if you have an effective recruitment and selection policy, then it significantly eliminates the employee turnover; making it easier for you to choose the just right candidate who not only meets the work-related competencies, but also complements the core values of your organization.

A recruitment and selection policy is a document that summarizes the guiding principles regarding how an organization will conduct the overall recruitment and selection process. The policy has a pivotal role to hire the most suitable candidates based on the work ethics and business goals that an organization seeks to serve.

1.2.2.1 Channels of Recruitment

Russo et al., (1995) cascaded channels of recruitment into external and internal recruitment, and formal and informal channels. Internal recruitment channels mainly involve the use of intercommunication between other strategic areas of the organization and the entire HR department. This approach enhances the firm to priorities and target in-house or current employees

(Russo et al., 1995; Analoui, 2007). Internal recruitment can be fully considered when it is fair and transparent, since favoritism might occur; while external channel of recruitment base on the contrary.

1.2.3 Training

Definition of Training:

Dale S. Beach defines training as ‘the organized procedure by which people learn knowledge and/or skill for a definite purpose’. Training refers to the teaching and learning activities carried on for the primary purpose of helping members of an organization acquire and apply the knowledge, skills, abilities, and attitudes needed by a particular job and organization.

In today’s contemporary organization, employees ‘skills and knowledge can make a positive impact on the firm’s productivity (Guzzo, Jette&Katzell, 1985). Organizations have to counter some difficulties while training a single or more employees (Ostroff& Kozlowski, 1992). Previous literatures argue the affordability of some organizations that deprive themselves for a single individual employee particularly when human resources are limited: this can hinder the productivity on the short term and destabilize the organization (Bishop, 2003). He continues to stress that such perception about training implies that organization should embark on a cost reduction strategies and focuses on in-house or on-job-training (OJT).

Formal training is just one of the possibilities for organizations to enhance the personnel performance level, as important roles are covered also by organizational socialization (Chao, 1997) and multitasking (May, 1997). It was suggested in the early 1990s that organizational socialization is a fine process for newcomers to source out information’s about the organization, learn about the necessary tasks and how to perform their responsibility; clarifying their roles and relate with others inside the organization (Ostroff& Kozlowski, 1992). This philosophy was also supported by Rollag&Cardon (2003) as they indicated that the process of socialization within a firm enhance newcomer to incorporate and learn in a well conducive atmosphere.

Induction and training

New workers in a firm are usually given an induction programme in which they meet other workers and are shown the skills they must learn. Generally, the first few days at work will simply involve observation, with an experienced worker showing the 'new hand' the ropes. Many large firms will have a detailed training scheme, which is done on an 'in-house' basis. This is particularly true of larger public companies such as banks and insurance companies. In conjunction with this, staff may be encouraged to attend college courses to learn new skills and get new qualifications. Training thus takes place in the following ways:

1. On the job - learning skills through experience at work
2. Off the job - learning through attending courses.

Promotion within a firm depends on acquiring qualifications to do a more advanced job. In accountancy for example, trainee accountants will be expected to pass exams set by the Association of Chartered Certified Accountants (ACCA). At the same time, a candidate for promotion must show a flair for the job. It is the responsibility of the training department within a business to make sure that staff with the right skills are coming up through the firm or being recruited from outside.

The Association of Chartered Certified Accountants has 300,000 members and students throughout the world. It is a professional body setting standards for the accountancy profession. To be properly qualified, accountants must have passed examinations that make them eligible for membership of one or more professional accounting bodies, such as ACCA. Typically accountants will improve their knowledge and experience by taking courses run and organized by ACCA during their professional training enabling them to develop and enhance their careers. Induction is the process of introducing new employees to an organization and to their work responsibilities in that organization.

Importance of Training:

Training of employees and managers are absolutely essential in this changing environment. It is an important activity of HRD which helps in improving the competency of employees. Training

gives a lot of benefits to the employees such as improvement in efficiency and effectiveness, development of self-confidence and assists everyone in self-management.

The stability and progress of the organization always depends on the training imparted to the employees. Training becomes mandatory under each and every step of expansion and diversification. Only training can improve the quality and reduce the wastages to the minimum. Training and development is also very essential to adapt according to changing environment

Types of Training:

Various types of training can be given to the employees such as induction training, refresher training, on the job training, vestibule training, and training for promotions.

1. Induction training:

Also known as orientation training given for the new recruits in order to make them familiarize with the internal environment of an organization. It helps the employees to understand the procedures, code of conduct, policies existing in that organization.

2. Job instruction training:

This training provides an overview about the job and experienced trainers demonstrates the entire job. Addition training is offered to employees after evaluating their performance if necessary.

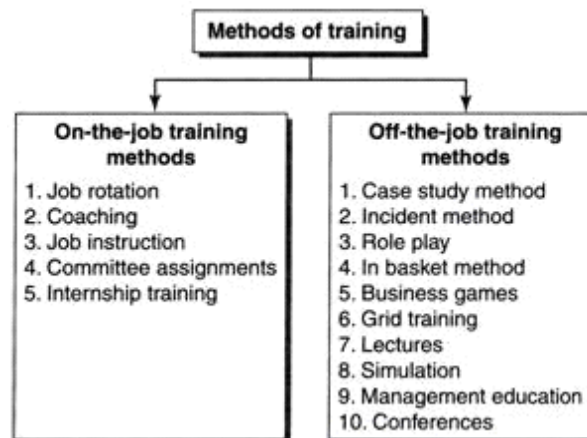
3. Vestibule training:

It is the training on actual work to be done by an employee but conducted away from the work place.

4. Refresher training:

This type of training is offered in order to incorporate the latest development in a particular field. This training is imparted to upgrade the skills of employees. This training can also be used for promoting an employee.

5. Apprenticeship training:



Apprentice is a worker who spends a prescribed period of time under a supervisor.

The Importance of Training in an Organization

An organization is a social unit of people that is structured and managed to meet a need or they come together to pursue collective goals. All the organizations have a management that defines the relations between functions and positions and subdivide and assign roles, responsibilities and authorities to perform defined tasks. An organization is defined by the element that is a part of it, its communication, its autonomy and its rules of action compared to outside events. By coordination and planned cooperation of the elements, the organization is able to solve tasks that lie beyond the abilities of the single element.

Training can be defined as the acquisition of knowledge and competencies as a result of learning that relate to specific useful competencies. It has specific goals of improving one's capacity, capability, productivity and performance. Training is also needed to maintain, upgrade and update skills throughout the working life. In an organization, once the selection of employees is done, training them for the specific tasks they have been assigned is of great importance. In fact, training is an important activity in many organizations.

In today's dynamic business environment, job knowledge and skills to handle the continuously changing job contents need continuous upgradation and training has to be imparted continuously. It also becomes imperative to handle diverse situations and to deal with varied clients, customers, vendors, suppliers, colleagues, business partners. Training deals with developing attitudes which help the individuals to deal with different situation and people according to one's advantage.

In the light of these diverse factors, training has become extremely important for organizations in maintaining its human resources at their peak performance levels.

Objectives of Training

Training is a learning experience that is planned and carried out by the organization to enable more skilled task behavior by the training. It imparts the ability to detect and correct errors. Furthermore it provides skills and abilities that may be called upon in the future to satisfy the organizations human resource needs.

- * Training enables the employees to deal with the changing jobs and roles.
- * Training develops knowledge, skill and attitude for handling jobs most efficiently.
- * Training bridges the gap between the current level of employee KSA (Knowledge, Skill, Attitudes) and the required level of KSA to handle the job efficiently.
- * Training is job related and need based.

Training can be seen as a part of total organizational commitment. Training needs can be recognized on the basis of analysis of environmental demands, processes of internal change, analysis of the work problems and analysis of manpower competencies of an organization. Training need occurs whenever an identifiable change takes place in the environment of procedures, processes and methods of work. Management of change would require orienting and training the people to the new demands, techniques, skills and adjustment to situations that would be required.

The training needs caused by such changes can be put as technological changes, environmental changes, legislative changes and manpower composition changes. Accordingly there could be three types of training needs: Organizational, Professional and Individual.

Determination of Training Needs involves the collection of data on both the current situation within the organization and its actual requirement.

1.2.4 Performance Management

The concept of measuring performance or managing performance within organizations is to strategize how firms can get the utmost benefits from their employees (Dransfield, 2000). The approach to measuring performance can be classified as a three-step approach that composed by

objectives, appraisal and feedback. The first step is the setting of performance objectives that are quantifiable, easy to measure and simple to communicate throughout the organization (Dransfield, 2000). After that, the process of performance appraisal should take place (Bredin, 2008).

The management of performance includes design of work systems, facilitation of knowledge utilization, sharing and creation, and appraisal and reward systems (Cardon & Stevens, 2004). However, this phenomenon has been supported by different researchers claiming that performance management/appraisal is an outstanding process to determine and supervise employees output within the firm, so as it would be less complicating to assess and achieve maximum performance (Zhu & Dowling, 1997).

It is an excruciating process to implement and evaluate a systemic approach that can accurately pinpoint employee who is responsible for results within an organization (McKenna & Beech, 2008). However, outcomes of individual behaviors such as job satisfaction, employee turnover, absenteeism (Dyer and Reeves, 1995); motivation and commitment (Seibert, Silver, & Randolph, 2004), are proximal hence human resource processes are interconnected. In as much that the human resource practices are intended to achieve result in this area; there effect can also have a tremendous influence on the aforementioned outcomes (Bloom, 1999).

1.2.5 Benefits and rewards

Eliciting high contributions within an organizational environment is highly essential for the firm as well as the employees (Appleby and Mavin, 2000). For instance, expectancy theories have explicated aspects of anticipated rewards in line with employee's motivations. This indicated that every employee will have to face with a logical decision in accordance to the present economical circumstance (Tannenbaum and Dupuree-Bruno, 1994). As a result to that employee considerable effort will manifests into an intended realizations and fulfillment of a specific desire outcome. Such manifestation enhances the explanation of the crucial aspect of organizational reward system and how it can be sustain and elicit the firm human capital investment Tannenbaum and Dupuree-Bruno (1994).

The conceptions of both internal and external rewards are highly valued by organizations and its employees. Not only the obvious fact that employees yearns more about promotional opportunities, higher pay or better benefits, but also their desires and anguish spins from autonomy, personal growth and valued responsibility. Different authors have suggested the positive

relationship, size and the implementation of innovative ideas in human resource practice as a result to economic of scale (Baldrige and Brunham, (1975) and Moch and Morse, (1977). This conception has locus the local firms at greater disadvantage in-terms of retaining or recruiting top-notch talent (Tannenbaum and Dupuree-Bruno, 1994).

Figure 2: model for reward management

Source: Bratton & Gold, 2003, p.282

1.2.6 Compensation

According to Patel & Cardon (2010) compensation is vital for contemporary organization as it contributes to attract and retain high skilled workers with superior salaries, and it encourages a desired stakeholder behavior regarding recognition and legitimacy. Minbaeva et al. (2003) inferred that compensation would enhance motivation among personnel too.

Even though non-financial compensation can really work as a positive stimulus for the workers, providing monetary benefits is necessary to increase the productivity of the employees on the individual or group level (Gomez-Meja, 1992). Balkin and Swift (2006) suggest a more flexible approach toward the payment issue. They proposed to relate it to the life stage of the organization with a higher rate of non-monetary benefits during the first years of activity, and a re-equilibration whenever the company enters the mature stage. Non-monetary paybacks are represented by stock options, stocks or other form of equity sharing that enhance the participation and the motivation of employees, while spreading the risks over a larger number of people (Graham et al., 2002).

The aforementioned ownership sharing represents also a long-term planning for compensation, as Graham et Al. (2002) stated, but also short-term rewards exist. These are represented by profit sharing policies aiming to encourage the employees toward group work, or to control the organizational outcomes (Heneman & Tansky, 2002).

1.2.7 Career development (CD)

Many practitioners and scholars within human resource development (HRD) field have claimed that the utmost crucial aspect of the practices is career development (McLagan, 1989; Weinberger, 1998; Swanson & Holton, 2001). However, this area of studies has been given little attention (Upton, Egan & Lynham, 2003).

With the intense competition in the 21 century, many organizations have realized that in order for them to stay competition they have to improve their employees and enhance their career development (Boudreaux, 2001); rather than individual career development (Swanson & Holton, Upton, Egan & Lynham, 2003). Therefore, many organizations are now taking a proactive measures towards equipping their staffs and educationally (Leana, 2002) or create a climate that supports their staffs at all levels of the organization to be more resultant and productive (Sullivan, 1999); which Boudreaux, (2001); Brown, (1997) referred to as “shared responsibility”. However, learning within an organisation is quite critical and expensive; (McDonald, Hite & Gilbreath, 2002). The most common learning methods within organizations are informal (i.e. on-the-job coaching, sessions, lesson learned, development assignment) Power, Hubschman, & Doran, (2001) and formal learning (i.e. as training/workshop and other forms of professional training conducted by professional bodies internally or externally (McDonald, Hite & Gilbreath, 2002).

1.3 The importance of HR in organization

The sole aim of HRM is to guarantee that the firm human capitals are being used in the fullest capability to produces the greatest organization results that meets with the firm needs Nadeem Moiden, (2003) and Gilley and Gilley, (2007). Therefore, the philosophy of empowering employee’s capabilities is coined to the conception that HR is extremely crucial for sustainable competitive advantage and organizational success (Koch & McGrath, 2003). HR in organization is also crucial because its assist managers and employees through a change process (Hendry, Jones, Arthur & Pettigrew, 1991).

Businesses can gain enormous competitive advantages when their employees are used effectively to drawing on their expertise and ingenuity to meet clearly defined objectives. When organization recruit the most effective, capable, committed and flexible people; and managed and reward them accordingly their performances, competencies and efficiency would help the firm productivity immensely (Price A., 2007). Managers that tactfully execute organizational goals depend on the HR practices to deliver excellences so that they can achieve the utmost business performance (Becker, B. and Gerhart, B., 1996).

However, the HRM field has been isolated and misunderstood by many researchers and practitioner, failing to realize that without employees there would be no functioning organization Argote, McEvily and Reagans (2003). As employees remain the most expensive and reliable asset

of the organization, the practices of HR will remain a vital area of discussion (Becker, B. and Gerhart, B., 1996).

1.3.1 Advantages and disadvantages of HR

As many other departments within an organization encounter, challenges are inevitable and are present in our daily business lives. There are three main disadvantages, or some may refer to as challenges facing HR, namely:

1. Managers “need to support corporate productivity and performance improvement efforts” (Dessler, 2008, p 87).
2. “Employees play an expanded role in employers’ performance improvement efforts” (Dessler, 2008, p 87). All the basics contents associated with high-performance organisation, such as high-technology team-based production, are rather futile without high levels of employee competence and commitment.
3. The challenge, derived from the first two, is that “employers see that their human resource units must be more involved in designing – not just executing – the company’s strategic plan” (Dessler, 2008, p 87).

1.4 Strategic HR roles in dynamic and uncertainty environments

Strategic HRM (SHRM) roles consist of strategies executions and formulations. The strategies execution has been the predominant aspect of the SHRM’s strategic job. Strategies formulators always set and margin their formulations in line with the corporate and competitive strategies and aligned the firm policies and practices towards their strategic formulations (Dessler, 2008).

In recent years, there has been a trend shift and researchers have now identified SHRM to take an active role with the top managers in the firm to formulate the company’s strategic plans. The gliding competitive environment due to a globalized economy has lead to that many employers are pursuing improved performance by improvement of commitment and competence level of their employees. Dessler, (2008) outlined four strategic tools that could be used to enhances employees abilities and proficiencies, such as employees satisfaction, loyalty, motivation and satisfactions.

1.4.1 Employee satisfaction

Employee satisfaction is the individual satisfaction as a professional person, that is, the individual has an effect on his attitude. Organization member to its operating characteristic is the cognitive evaluation, employees get through the more realistic values and expectations of the gap between the value obtained after the meeting whether or not all aspects of work attitudes and emotional responses. It involves the work of the degree of organizational commitment and work motivation is closely related (Saari, L. M., & Judge, T. A., 2004).

Superior-subordinate communication is an important influence on job satisfaction in the workplace, in which the way a subordinate perceives a supervisor's behavior can positively or negatively influence job satisfaction. Nonverbal messages play a central role in interpersonal interactions with respect to impression formation, deception, attraction, social influence, and emotional expression (Burgoon, Buller, & Woodall, 1996).

1.4.2 Employee loyalty

Employee engagement is personified by the passion and energy employees have to give of their best to the organization to serve the customer. Engagement is characterized by employees being committed to the organization, believing in what it stands for and being prepared to go above and beyond what is expected of them to deliver outstanding service to the customer. Engaged employees feel inspired by their work, they are customer focused in their approach; they care about the future of the company and are prepared to invest their own effort to see that the organization succeeds (Cook, 2008).

Engagement can be summed up by how positively the employee:

Thinks about the organization;

Feels about the organization;

Proactive in relation to achieving organizational goals for customers, colleagues and other stakeholders.

Employee loyalty can be divided into active and passive loyalty. The former refers to the subjective staff loyal to the company with the desire (Cook, 2008). This desire is often due to a high degree of organization and employee goals and now there are consistent with organizational help for employees' self-development and self-realization factors. Passive loyalty is when the employees themselves do not wish to remain in the organization, but due to some constraints, such as high wages and welfare, transportation, etc., have to stay in the organization. Once these conditions disappear, the staff can no longer feel organizational loyalty (Cook, 2008).

The basic elements of enterprise employees, their enthusiasm on behalf of corporate morale, awareness of their work reflected in the subtle strength of enterprises (Pepitone and Bruce, 1998).

1.4.2.1 Wages and benefits systems

Salaries and benefits in the eyes of employees affect their loyalty is one of the important factors. “Money is not the most important, but no doubt a very important”, whether corporate or professional loyalty, loyalty is established on the basis of material, good pay system to ensure the basic material needs of the employees, will have good professional loyalty, and corporate loyalty (Cook, 2008).

1.4.2.2 Enterprise human resource management system

As indicated above human resource management is compulsory for each company and one of the most important courses; how to send staff to the right on the job, motivate employees, training and study staff, will be affected to some extent, staff loyalty. In the development of the unscientific, resulting in unfair business, become a mere formality, which often occurs. Negative phenomena that affect the performance of their staff, or even result in employees slack, complain more, rumors filled the air, to lose morale.

Figure 3 Maslow’s hierarchy of needs

Source: Maslow, (1943)

1.4.2.3 Retaining top employees

Excellent staff should have: First, high loyalty, company loyalty by recognizing the company’s values, to share weal and woe, and common development; second, right attitude, initiative, and study to make improvements, work hard and willing to do, know that they are doing, those things that do and should not do, great development potential; Third, professional ability, can work independently, with skill, and can continue to improve (McKeown, 2002). The roles of great employees are being productive and increased passion for and commitment to the organization’s vision, strategy and goals (Cook, 2008, p.31-32).

1.4.3 Employee Motivation

Motivating employees was highlighted as an indispensable part of HRM in many studies (e.g. Pinnigton and Edwards, 2000; Dessler, 1997; Stone, 2005). Pinnigton and Edwards (2000)

divided motivational incentives into two parts: motivating individuals and motivating groups. The former one pays the attention on individual needs and the later one highlight the equity principia. Some incentives played big roles in motivational process, for instance, the good communication between organization and employees (e.g. Ivancevich, Konopaske and Matteson, 2008; Stone, 2005; Dessler, 1997), High Job satisfaction (e.g. Lambert, Hogan and Barton, 2001; Wright and Bonett, 2007), Good Payment and treatment (Carpenter and Sanders, 2004) and so on. Meanwhile, relating to the interesting issue on employee turnover often happened in the company, job satisfaction is one kind of factor that influences the turnover intent of employees. Lambert, Hogan and Barton (2001) pointed out that job satisfaction is a key mediating variable between the work environment and turnover intent, and suggested that managers take the focus on the work environment to improve employee's job satisfaction, and ultimately lower turnover intent. Carpenter and Sanders (2004) opined that the investment in TMT (Top Management Team) could be way for attracting and retain talent for organization. Thus, it is required, and should be considered into the HRM process too.

1.4.4 Employee satisfaction

Employee satisfaction is mainly concern with the satisfactions that derived from the individual as a professional person. One common research finding is that job satisfaction is correlated with life satisfaction (Rain, et al, 1991). This correlation is reciprocal, meaning people who are satisfied with their lives tend to be satisfied with their jobs vice visa.

However, some research have argued this concept that that job satisfaction is not significantly related to life satisfaction because of their variable such as nonworking satisfaction and core self-evaluations are taken into account (Rode, J. C. 2004). Organization member to its operating characteristic is the cognitive evaluation. Employees get through the more realistic values and expectations of the gap between the values obtained after the meeting whether or not all aspects of work attitudes are emotional responses. This consists of the extent of firm involvement and related motivational activities (Saari, L. M., & Judge, T. A., 2004). Burgoon, Buller, & Woodall, (1996) one of the most suitable means of influencing employees satisfaction is the manners at which superior relate and communicate with subordinators. The meshing and mashing of interpersonal relationships between the two distinctive groups or status plays a significant roles in terms of respect, attractions, formative impression or emotional expression, deceptions and social

Influences (Burgoon, Buller, & Woodall, 1996). Weiss and Cropanzano, (1996) inferred that such immediacy and friendliness will cumulate the essential elements of job satisfaction (Weiss and Cropanzano, 1996).

Chapter-3

HRM Practices of Real Cafe

Real Café establishes both short term and long term planning for the organization.

Short Term HR Planning

Real Cafe primarily recruits its human resources that will support Strategic Human Resource Planning for current period.

Long Term HR Planning

Here Real Cafés looking forward to build long term resources by several Training and Development programs. Human resource planning (HRP) is the continuous process of systematic planning ahead to achieve optimum use of an organization's most valuable asset—quality employees. [Human resources](#) planning ensures the best fit between employees and jobs while avoiding manpower shortages or surpluses.

There are four key steps of the HRP process. They include analyzing present labor supply, [forecasting](#) labor demand, balancing projected labor demand with supply, and supporting organizational goals.

HRP helps companies is an important investment for any business as it allows companies to remain both productive and profitable.

Understanding Human Resource Planning (HRP)

Human resources planning allows companies to plan ahead so they can maintain a steady supply of skilled employees. That's why it is also referred to as workforce planning. The process is also used to help companies evaluate their needs and to plan ahead to meet those needs.

[Human resource planning](#) needs to be flexible enough to meet short-term staffing challenges while adapting to changing conditions in the business environment over the longer term. HRP starts by assessing and auditing the current capacity of human resources.

The challenges to HRP include forces that are always changing such as employees getting sick, getting promoted or going on vacation. HRP ensures there is the best fit between workers and jobs, avoiding shortages and surpluses in the employee pool.

To satisfy their objectives, HR managers have to make plans to do the following:

- Find and attract skilled employees.
- Select, train, and reward the best candidates.
- Cope with absences and deal with conflicts.
- Promote employees or let some of them go.

Investing in HRP is one of the most important decisions a company can make. After all, a company is only as good as its employees. If it has the best employees and the best practices in place, it can mean the difference between sluggishness and productivity and can lead to profitability.

Human Resource Planning

Special Considerations: Steps to Human Resources Planning

There are four general, broad steps involved in the human resources planning process. The first step of human resource planning is to identify the company's current human resources supply. In this step, the HR department studies the strength of the organization based on the number of employees, their skills, qualifications, positions, benefits, and performance levels.

The second step requires the company to outline the future of its workforce. Here, the HR department can consider certain issues like promotions, retirements, layoffs, and transfers—anything that factors into the future needs of a company.

The third step in the HRP process is forecasting the employment demand. HR creates a gap analysis that lays out specific needs to narrow the [supply of the company's labor](#) versus future demand. Should employees learn new skills? Does the company need more managers? Do all employees play to their strengths in their current roles?

The answers to these questions let HR determine how to proceed, which is the final phase of the HRP process. HR must now take practical steps to integrate its plan with the rest of the company. The department needs a budget, the ability to implement the plan, and a collaborative effort with all departments to execute that plan.

Recruitment and Selection

People theory:

The recruitment practice is done mainly on two standard procedure of recruitment. They usually carry out in-house recruitment and/or post online job ad posting. They usually recruit fresh graduates and allow them to grow in the company. Applications received are carefully filtered and usually call a handful of candidates for the post.

Recruitment and selection:

Recruitment is the process of identifying that the organization needs to employ someone up to the point at which application forms for the post have arrived at the organization. Selection then consists of the processes involved in choosing from applicants a suitable candidate to fill a post. Training consists of a range of processes involved in making sure that job holders have the right skills, knowledge and attitudes required to help the organization to achieve its objectives. Recruiting individuals to fill particular posts within a business can be done either internally by recruitment within the firm, or externally by recruiting people from outside.

The advantages of internal recruitment are that:

1. Considerable savings can be made. Individuals with inside knowledge of how a business operates will need shorter periods of training and time for 'fitting in'.
2. The organization is unlikely to be greatly 'disrupted' by someone who is used to working with others in the organization.
3. Internal promotion acts as an incentive to all staff to work harder within the organization.
4. From the firm's point of view, the strengths and weaknesses of an insider will have been assessed. There is always a risk attached to employing an outsider who may only be a success 'on paper'.

The disadvantages of recruiting from within are that:

1. You will have to replace the person who has been promoted
2. An insider may be less likely to make the essential criticisms required to get the company working more effectively
3. Promotion of one person in a company may upset someone else.

External recruitment

External recruitment makes it possible to draw upon a wider range of talent, and provides the opportunity to bring new experience and ideas in to the business. Disadvantages are that it is more costly and the company may end up with someone who proves to be less effective in practice than they did on paper and in the interview situation.

There are a number of stages, which can be used to define and set out the nature of particular jobs for recruitment purposes:

Job analysis is the process of examining jobs in order to identify the key requirements of each job. A number of important questions need to be explored:

the title of the job

to whom the employee is responsible

for whom the employee is responsible

a simple description of the role and duties of the employee within the organization.

Job analysis is used in order to:

1. Choose employees either from the ranks of your existing staff or from the recruitment of new staff.
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The process of selecting and retaining potential employees is the greatest organizational competitive battle in modern days (Pfeffer, 1994). Having the greatest talent simply implies that the firm will be able to compete aggressively in the market. This phenomenon are quit prevalent in our daily business life and has also pushes organizations to gain a niche by employing the most renowned managers to lead the thriving future. The recruitment process can be a hectic task for any enterprise. However, if you have an effective recruitment and selection policy, then it significantly eliminates the employee turnover; making it easier for you to choose the just right candidate who not only meets the work-related competencies, but also complements the core values of your organization.

A recruitment and selection policy is a document that summarizes the guiding principles regarding how an organization will conduct the overall recruitment and selection process. The policy has a pivotal role to hire the most suitable candidates based on the work ethics and business goals that an organization seeks to serve.

Why Your Organization Needs a Recruitment and Selection Policy

The primary aim of a recruitment and selection policy is to ensure a transparent and fair hiring process that can assist the HR personnel to [select the right candidate](#) on the basis of merit and relevance with the job. Recruiting the right people carries supreme importance for the continuation of the success of an organization. Which is why we've rounded up a list of reasons that will further convince you to establish a recruitment and selection policy for your organization

1.2.2.1 Channels of Recruitment

Russo et al., (1995) cascaded channels of recruitment into external and internal recruitment, and formal and informal channels. Internal recruitment channels mainly involve the use of intercommunication between other strategic areas of the organization and the entire HR department. This approach enhances the firm to priorities and target in-house or current employees (Russo et al., 1995; Analoui, 2007). Internal recruitment can be fully considered when it is fair and transparent, since favoritism might occur; while external channel of recruitment base on the contrary.

Selection:

Definition:

The **Selection** is the process of choosing the most suitable candidate for the vacant position in the organization. In other words, selection means weeding out unsuitable applicants and selecting those individuals with prerequisite qualifications and capabilities to fill the jobs in the organization.

Most often, the selection and recruitment are used interchangeably but however both have different scope. The former is a negative process that rejects as many unqualified applicants as possible so as to hire the right candidate while the latter is a positive process that attracts more and more candidates and stimulates them to apply for the jobs.

Based on the complexity of selecting the right candidate the selection process is comprised of several steps:

- Preliminary Interview
- Receiving Applications
- Screening of Applications
- Employment Tests

- Interview
- Reference Checking
- Medical Examination
- Final Selection

Significance of Selection

The company should follow a proper selection procedure as huge amount of money is invested in selecting the right candidate for the job. Also, the cost incurred in training and induction programmer is too high that the wrong selections could lead to a huge loss to the employer in terms of the time, effort and money.

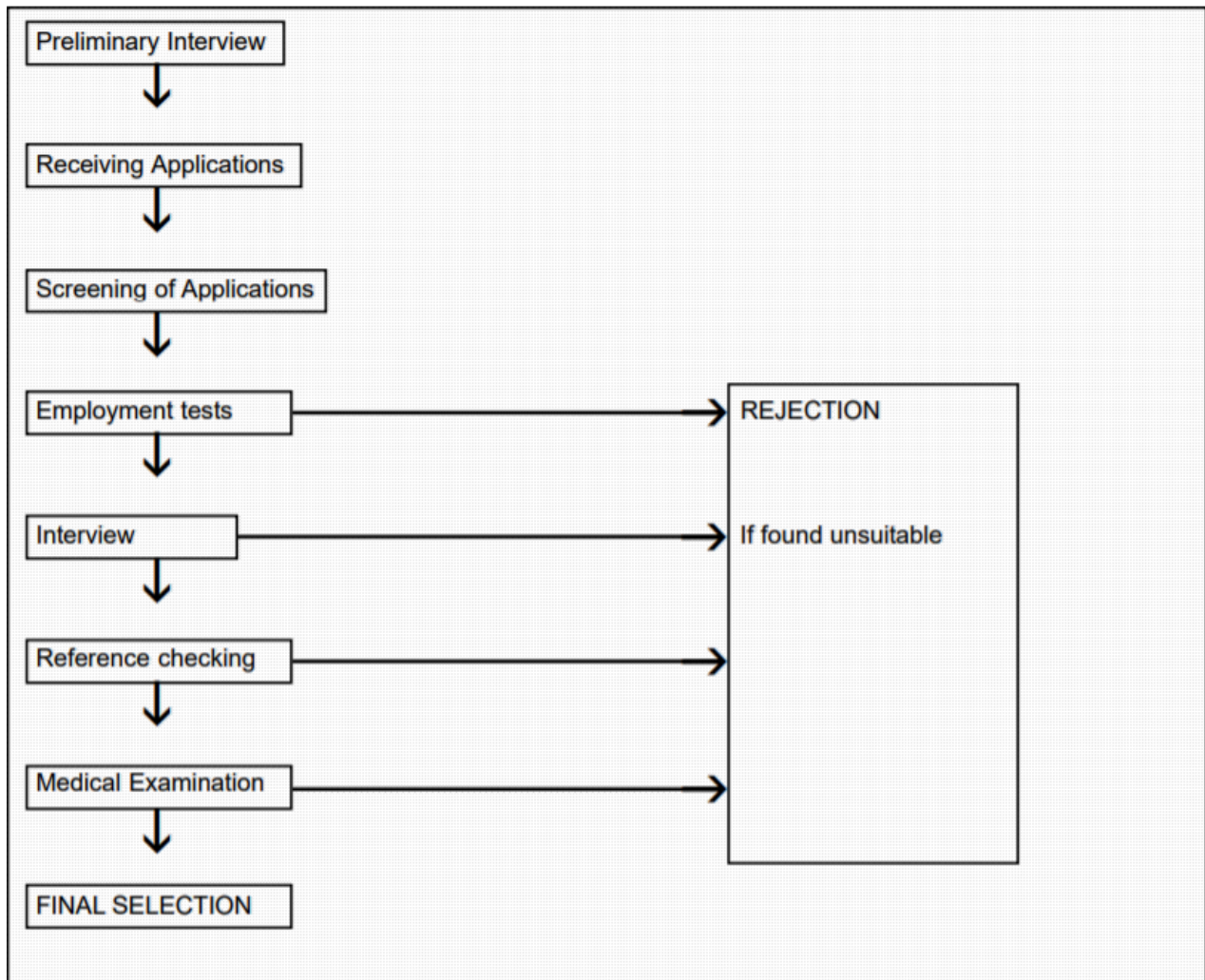
Absenteeism and labor turnover are the grim situation for any organization and if the candidates are not selected appropriately, then these problems will increase and the overall efficiency of the organization will go down.

The Selection Process:

The selection process has two steps – firstly there is a written test. Candidates are tested basically on job related skills and their analytical ability along with some open ended questions relating to their psychological behavior. Selected candidates are called up for an interview within a week. The candidates must appear in front of an interview panel usually consisting of four members: from the HR department as overseen by the MD, Chairman, General Manager and Admin Managers. The candidates are tested for their basic knowledge about the subject matter, their interpersonal and communication skills, and their abilities to work in a team environment. Candidates after final selection are offered jobs along with the contract, which they need to sign before joining the job.

Selection Process

Every organization creates a selection process because they have their own requirements. Although, the main steps remain the same. So, let's understand in brief how the selection process works.



- **Preliminary Interview**

This is a very general and [basic interview](#) conducted so as to eliminate the candidates who are completely unfit to work in the organization. This leaves the organization with a pool of potentially fit employees to fill their vacancies.

- **Receiving Applications**

Potential employees apply for a job by sending applications to the organization. The application gives the interviewers information about the candidates like their [bio-data](#), work experience, hobbies and interests.

- **Screening Applications**

Once the applications are received, they are screened by a special screening committee who choose candidates from the applications to call for an interview. Applicants may be selected on special criteria like qualifications, work experience etc.

- **Employment Tests**

Before an organization decides a suitable job for any individual, they have to gauge their talents and skills. This is done through various [employment tests](#) like intelligence tests, [aptitude tests](#), proficiency tests, personality tests etc.

- **Employment Interview**

The next step in the selection process is the employee interview. Employment interviews are done to identify a candidate's skill set and ability to work in an organization in detail. Purpose of an employment interview is to find out the suitability of the candidate and to give him an idea about the work profile and what is expected of the potential employee. An employment interview is critical for the selection of the right people for the right jobs.

[What are the Traditional methods of Appraisal?](#)

- **Checking References**

The person who gives the reference of a potential employee is also a very important source of information. The referee can provide info about the person's capabilities, experience in the previous companies and [leadership](#) and [managerial skills](#). The information provided by the referee is meant to kept confidential with the [HR department](#).

- **Medical Examination**

The medical exam is also a very important step in the selection process. Medical exams help the employers know if any of the potential candidates are physically and mentally fit to perform their duties in their jobs. A good system of medical checkups ensures that the employee standards of health are higher and there are fewer [cases of absenteeism](#), accidents and employee turnover.

- **Final Selection and Appointment Letter**

This is the final step in the selection process. After the candidate has successfully passed all written tests, interviews and medical examination, the employee is sent or emailed an appointment letter, confirming his selection to the job. The [appointment letter](#) contains all the details of the job like working hours, salary, leave allowance etc. Often, employees are hired on a conditional basis where they are hired permanently after the employees are satisfied with their performance.



(source-medium.com)

Importance of the Selection Process

- ✚ Proper selection and placement of employees lead to growth and development of the company. The company can similarly, only be as good as the capabilities of its employees.
- ✚ The hiring of talented and skilled employees results in the swift achievement of company goals.
- ✚ Industrial accidents will drastically reduce in numbers when the right technical staff is employed for the right jobs.
- ✚ When people get jobs they are good at, it creates a sense of satisfaction with them and thus their work efficiency and quality improves.
- ✚ People who are satisfied with their jobs often tend to have high morale and [motivation to perform better](#).

Solved Question for you

Question: What is the purpose of conducting employment interviews?

Answers – Employment interviews are done so as to identify a candidate's skill set and ability to work in an organization in detail. Purpose of an employment interview is to find out the suitability of the candidate and to give him an idea about the work profile and what is expected of the potential employee. Moreover, the employment interview is critical for the selection of the right people for the right jobs.

Employee Selection is the process of interviewing and evaluating the candidates for a specific job and selecting an individual for employment based on certain criteria (qualifications, skills and Experience). Employee selection can range from a very simple process to a very complicated process depending on the firm hiring and the position. Certain employment laws such as [anti-discrimination laws](#) must be obeyed during employee selection.



Employee Selection is the process of putting right men on right job. It is a procedure of matching organizational requirements with the skills and qualifications of people.

Employee Selection is the process of choosing individuals who have relevant qualifications to fill jobs in an organization. Without qualified employees, an organization is in a poorer position to succeed.

Selection is much more than just choosing the best available person. Selecting the appropriate set of knowledge, skills, and abilities (KSAs)—which come packaged in a human being—is an attempt to get a “fit” between what the applicant can and wants to do, and what the organization needs. The task is made more difficult because it is not always possible to tell exactly what the applicant really can and wants to do. Fit between the applicant and the organization affects both the employer’s willingness to make a job offer and an applicant’s willingness to accept a job. Fitting a person to the right job is called placement.

Good selection and placement decisions are an important part of successful HR management. Some would argue that these decisions are the most important part. Productivity improvement for an employer may come from changes in incentive pay plans, improved training, or better job design; but unless the employer has the necessary people with the appropriate KSAs in place, those changes may not have much impact. The very best training will not enable someone with little aptitude for a certain job to do that job well and enjoy it.

Selection process in organization

SELECTION PROCESS IN AN ORGANIZATION-KEY FACTORS

After identifying the sources of human resources, searching for prospective employees and stimulating them to apply for jobs in an organization. This may be either through advertisements, agencies or direct references from the existing employees of the organization. The next action to be taken shall be the management has to perform the function of selecting the right employees at the right time.

The selection procedure is the system of functions and devices adopted in a given company to ascertain whether the candidates' specifications are matched with the job specifications and requirements. The selection procedure cannot be effective until and unless,

1. Requirement of the job to be filled, have been clearly specified
2. Employee specifications (physical, mental, social, and behavioral, etc) have been clearly formulated.
3. Candidates for screening have been attracted.

Thus, the development of job analysis, human resources planning and recruitment are necessary prerequisites to the selection process. A breakdown in any of these processes can make even the best selection system ineffective.

Essentials of Selection Procedure

The selection process can be successful if the following requirements are satisfied:

1. Someone should have the authority to select. This authority comes from the employment requisition, as developed by an analysis of the work-load and work-force.
2. There must be some standard of personnel with which a prospective employee may be compared, i.e. a comprehensive job description and job specification should be available beforehand.
3. There must be a sufficient number of applicants from whom the required number of employees may be selected.

Significance of Selection Process

Selection of personnel for an organization is a crucial, complex and continuing function. The ability of an organization to attain its goals effectively and to develop in a dynamic environment largely depends upon the effectiveness of its selection programs. In a situation where the right person is not selected, the remaining functions of personnel management, employee-employer relations will not be effective. If the right person is selected, he/she is a valuable asset to the organization and if faulty selection is made, the employee will become a liability to the organization.

Organizational Relationships

The manner in which tasks and responsibilities for accepting or rejecting candidates must be finalized before designing a selection procedure. This should be shared by line and staff executives. The personnel department should eliminate all unsuccessful candidates, so that the time of the line executives need not be spent on such people. Secondly, candidates who can meet job requirements should be made available promptly. Line executive is ultimately vested with the authority either to accept or to reject a candidate. However, the personnel officer has a duty to see that the right candidates are selected and placement is done wisely. If he is not satisfied in this regard, he should give his views to the superior and should avoid involving himself in argument with departmental head on methods of selection.

Using Selection Agencies/ Consultants

Some private agencies/consultants in India perform the function of recruitment and selection so as to enable the organizations to concentrate on their main functions. They advertise, conduct tests and interview and provide a short list. Some companies have started using the services of these agencies as they provide expertise and reduce work load. The organization has to take these following factors into consideration in selecting an agency or a consultant:

1. Factors Affecting Selection Decisions

The goal of selection is to sort out or eliminate those judged unqualified to meet the job and organizational requirements, whereas the goal of recruitment is to create a large pool of persons available and willing to work. Thus, it is said that recruitment tends to be positive while selection tends to be somewhat negative.

A number of factors affect the selection decision of candidates. The important among them are:

- (a) Profile matching.
- (b) Organizational and social environment.
- (c) Successive hurdles.
- (d) Multiple correlation

Profile Matching: Tentative decision regarding the selection of candidates (who are known) is taken in advance. The scores secured by these known candidates in various tests are taken as a standard to decide the success or failure of other candidates at each stage. Normally, the decision about the known candidates is taken at interview stage. Possible care is also taken to match the candidate's bio-data with the job specifications.

Organizational and Social Environment:

Some candidates, who are eminently suitable for the job, may fail as successful employees due to varying organizational and social environment. Hence, candidate specifications must match with not only job specifications but also with organizational and social environmental requirements.

Successive Hurdles: In this method hurdles are created at every stage of selection process. Therefore, applicants must successfully pass each and every screening device in case of successive hurdles.

Multiple Correlations: Multiple correlations is based on the assumption that a deficiency in one factor can be counter-balanced by an excess amount of another. The composite test score index is taken into accounting the selection tests. Hence, for broader line cases multiple correlation method is useful and for other successive hurdles method is useful. We summarize, the obvious guiding policy in selection is the intention to choose the best qualified and suitable job candidate for each unfilled job. The objective of the selection decision is to choose the individual who can most successfully perform the job from the pool of qualified candidates. A candidate is routed through all the selection steps before a decision is made. If right personnel are selected, the remaining functions of personnel management become easier. The employee's contribution and commitment will be at optimum level and employee-employer relations will be congenial.

Reputation, effectiveness, sincerity and punctuality of the organization.

2. Advertisement copy, design and media plans of various agencies;
3. Amount of fee, payment period and mode;
4. Objectivity, fair and justice in selection;
5. Selection techniques to be adopted, particularly psychological tests, interview methods etc,
6. Competence of the human resources of the agency/consulting firm

The company has to do the following in case of using an agency or a consultant.

(a) Briefing the agency about the requirements, terms and conditions and employment ;(b) Provide them(c)Checking and reviewing the draft of the advertisement(d) Enforce conducting test and interview.

Training and Development

Definition:

Training and Development is a subsystem of an organization which emphasizes on the improvement of the performance of individuals and groups. Training is an educational process which involves the sharpening of skills, concepts, changing of attitude and gaining more knowledge to enhance the performance of the employees. Good & efficient training of employees helps in their skills & knowledge development, which eventually helps a company improve. Training is about knowing where you are in the present and after some time where will you reach with your abilities. By training, people can learn new information, new methodology and refresh their existing knowledge and skills. Due to this there is much improvement and adds up the effectiveness at work. The motive behind giving the training is to create an impact that lasts beyond the end time of the training itself and employee gets updated with the new phenomenon. Training can be offered as skill development for individuals and groups. Organizational Development is a process that “strives to build the capacity to achieve and sustain a new desired state that benefits the organization or community and the world around them.

Training/Probationary Period:

Usually the first three months act as the probationary period for the fresh recruit. This also acts as the training period for the employee. In these 3 months, the employee is usually not allowed to work in any real life projects and based on the level of expertise they are inducted to the real life projects. In these 3 months, the employee is tested indirectly and monitored and his/her caliber judged and hence the management takes the decision of where to place him.

Importance of Training & Development in Organizations

In this competitive world, where nothing is static, every day an innovation comes into the market. This made the organization to be dynamic in their business process and keep on implementing the changes so that they will be competitive in the market. But how can you be competitive and win in the market? It's your employees, who will help you to be competitive in the market. The business owner or HR manager must needs be active and look out for the various strategies which help the organization to grow in the future.

Large organizations generally provide training to their employees for better utilization of their skills. Also, they know the importance of training and development impact on the organization.

While in case of SME's they don't feel much benefit because they concentrate on every single amount spend on the business.

In training and development process the employees don't concentrate much on projects in order to attend the training sessions. That may delay the deadline for the projects. Despite this fact, a large organization employer doesn't feel for that, because as employees get highly skilled the process would be much faster and they can be competitive in the market. With lack of skilled employees, the process and strategies utilized will make the overall process slow and the quality may also get affected.

What are the primary reasons for training in an organization?

- Increased productivity and adherence to quality standards
- Increasing organizational stability and flexibility
- Reduced supervision and direction
- Economical use of resources & Heightened morale
- Increase in productivity & Better industrial relations
- Role & career flexibility & Reduced learning time
- Future manpower needs
- Reduced accidents at workplace
- Globalization & speed of change
- New appraisal techniques
- Reduction of errors & accidents
- Reduction of turnover and absenteeism

What are the effects of ongoing training on the organization?

- It helps the employee to feel confident in delivering from their end, even when [technology](#) changes.
- It helps the employees to actively respond to the changes that created out of organizational restructuring.

- Work to facilitate career development.
- Provide the employees with an ability to respond to changes occurred due to diversity in the manpower.
- Help to meet your employee's need for continued growth.

Training and Development

It's part of performance management system in the workplace. Which is carried out when the technology changes in the market or new strategies are implemented or change in resources or manpower or when new software or hardware are used in the projects in these cases the employer must need to provide the training to the employees so that they can learn and implement the same in the projects. This improves the individual skills and increases the performance level of an organization.

What are the Goals of Training & Development?

- Improve team morale, confidence and hone the skills
- Improve human relations
- Improve organization efficiency
- Reduce monitoring needs
- Improves the organizational viability, scalability, and flexibility.

What are the objectives of Training and Development of an organization?

Every business looks for productivity, quality improvement, Industrial safety, reduction of turnover and learning time and ability to maintain an effective management team. These are the main objectives of any training and development program in an organization.

- To provide job-related knowledge to your staff.
- To provide skill, knowledge systematically
- To develop the productivity of the employees and the organization
- To maintain safety standards
- To improve equipment handling practices
- To develop the employees for advancement

What are the benefits of Training and Development in an organization?

Addressing Weakness:

Every employee is weak at certain skills every employee will not be perfect, which you need for the position. If the employee certain skills match and if you know you can strengthen its skill by training, hire them or assign tasks to them, definitely your employee will work hard to stand on your expectations.

Improving Performance:

Once the employee gets the desired skills required for the task to execute. Their weakness will turn into their strengths and they get the better understanding what and how to execute with better ideas.

Fostering Growth:

The main aim of any organization is to get development and growth for the effects they put on. Growth can be achieved if all the workforce of an organization pays equal attention to development. That requires the skilled and ambitious employees to handle the situation. By providing training to your employees, you're providing them the space to learn and grow.

Enhancing Satisfaction:

Employees feel confident in gaining skills. Training helps the employees to perform tasks easily and also they can innovate new strategies to execute the task. This builds some level of satisfaction in employees.

Reducing Turnover:

Initially, when you train your staff, it will cost you time and money. Once the employee gets skilled in their role they can provide you better revenue than before. It reduces the frustration level of both the employee and the employer. Expertise brings the quality of the work and development of the organization.

Additional Benefits

- Increase in Productivity
- Employee satisfaction, confidence, and retention are built, development of the team of skilled professionals, team organization & morale.
- Employee's quality performance leads to improved customer satisfaction and service.
- Employees get updated on the trending technology and advanced methods. Employees get different ideas to implement their tasks to reach organizational goals.

Performance Appraisal

The performance of each employee is closely monitored by their immediate managers. If the broad objectives of the job are clearly understood by the Appraiser and the Appraisee and the Action Plan along with the criterion of assessment is clearly agreed between them, appraisal should be a relatively easy task. If both parties are realistic, pragmatic, fair and objective in their evaluation of performance, there should be very little variation in their scoring and completion of the Performance Appraisal Form. The Appraiser has to dispassionately analyze his/her performance and fill in the form with an attitude of trust and fairness in the judgment of the superior. In rating the overall performance, the Action Plan achievements will have 50% weightage. The quality of performance in accomplishing the overall objectives of the job will have the other 50% weightage. The rating for overall performance will therefore have equal emphasis between specific tasks and the general objectives of the job. Management Staff Performance Appraisal Form will be provided in duplicate by the Appraiser to the Appraisee. The Appraisee will fill in the requisite places on the form and return one copy to the Appraiser. The Appraiser will first complete his part of the form and then fix a date for Appraisal Interview. The interview should be held in a relaxed and congenial atmosphere and the entries on the form should be gone through together item by item. There will no doubt be difference in perception of achievement and of performance on the job but the differences should be discussed in constructive manner so that any misunderstanding is removed and the gap in perception is narrowed down. The Appraiser will have the right to modify his remarks or to change his rating in the light of the Appraisal Interview but his original remarks and rating must remain legible. The Appraiser will then pass on the form to his superior who, if necessary, will revert back or else send the form to the General Manager, Corporate Services at Head Office for review by the Managing Director and consolidation. It is to be borne in mind by the Appraisee that the ability to judge his/her own performance fairly and dispassionately, both with regard to the Action Plan as well as the overall performance, will be considered as a good managerial quality called objectivity.

The Appraiser, on the other hand, must make a realistic comparison between standards agreed and those achieved; and keep in view unanticipated constraints which could not have been overcome through other initiatives or innovative actions. Needless to emphasize that rating of overall performance is not an exercise in numbers. The external and internal environment in which the job was performed and the threats and opportunities that were encountered should be taken into account while determining the score. Above all, while judging the overall performance both parties must keep in view the performance during the whole year and guard against the fact that recent issues and events may unduly influence their judgment. The Appraisal Rating will determine the

quantum of Performance Bonus the Appraise will get and the level of Annual Increment of basic salary that will be applicable at the time of salary review in the following July.

Objectives of Performance Appraisal

Performance Appraisal can be done with following objectives in mind:

- To maintain records in order to determine compensation packages, wage structure, salaries raises, etc.
- To identify the strengths and weaknesses of employees to place right men on right job.
- To maintain and assess the potential present in a person for further growth and development.
- To provide a feedback to employees regarding their performance and related status.
- To provide a feedback to employees regarding their performance and related status.
- It serves as a basis for influencing working habits of the employees.
- To review and retain the promotional and other training programmers.

Advantages of Performance Appraisal

It is said that performance appraisal is an investment for the company which can be justified by following advantages:

- **Promotion:** Performance Appraisal helps the supervisors to chalk out the promotion programmers for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.
- **Compensation:** Performance Appraisal helps in chalking out compensation packages for employees. Merit rating is possible through performance appraisal. Performance Appraisal tries to give worth to a performance. Compensation packages which includes bonus, high salary rates, extra benefits, allowances and pre-requisites are dependent on performance appraisal. The criteria should be merit rather than seniority.
- **Employees Development:** The systematic procedure of performance appraisal helps the supervisors to frame training policies and programmers. It helps to analyses strengths and weaknesses of employees so that new jobs can be designed for efficient employees. It also helps in framing future development programmers.
- **Selection Validation:** Performance Appraisal helps the supervisors to understand the validity and importance of the selection procedure. The supervisors come to know the validity and

thereby the strengths and weaknesses of selection procedure. Future changes in selection methods can be made in this regard.

- **Communication:** For an organization, effective communication between employees and employers is very important. Through performance appraisal, communication can be sought for in the following ways:
 - Through performance appraisal, the employers can understand and accept skills of subordinates.
 - The subordinates can also understand and create a trust and confidence in superiors.
 - It also helps in maintaining cordial and congenial labor management relationship.
 - It develops the spirit of work and boosts the morale of employees.

All the above factors ensure effective communication.

- **Motivation:** Performance appraisal serves as a motivation tool. Through evaluating performance of employees, a person's efficiency can be determined if the targets are achieved. This very well motivates a person for better job and helps him to improve his performance in the future.

Compensation and benefits

A job is classified according to the skills and experience required for satisfactory performance in the job, the degree of problem-solving involved and the magnitude of the impact of a decision to be taken as an incumbent in the job. The classification is then linked to a salary grade through which a compensation package is made available to the incumbent of a job. Each job makes a contribution to the successful conduct of an activity, which in turn accrues certain benefit to the company. The compensation package, which is an expense incurred by the company, is linked to the benefit derived by the company from the job. Each grade has a minimum level of compensation and a maximum. The minimum is related to the market value of the job and is verified through the availability of suitable candidates who are prepared to join at that level of compensation. The maximum of the grade is the maximum cost the company is prepared to incur for the contribution received from the job

1. The employee's performance appraisal will be made as usual.
2. Based on the appraisal, performance Bonus will be payable as usual.
3. If the performance of the employee who has already reached the top of his grade is "Very Good" or above he will get only one increment for the year. The year in which the performance rating is below "Very Good" the employee will not get any increment. In this manner the employee will be able to go up to 4 steps in Basic Salary beyond his grade maximum and thereafter the basic salary will not increase any further. The allowances that are linked with basic salary will proportionately increase. The allowances that are not calculated as a percentage of the Basic Salary will be paid at the level of the grade maximum.
4. If an employee has not reached the top of his grade yet but his normal increment, according to his performance rating, will take him beyond his grade maximum, he will be able to reach only one increment beyond his grade maximum that year. From next year clause 3 will apply.

It is hoped that employees who get stuck at the top of their grades will seek advice and guidance from General Manager, Corporate Services about how to prepare themselves for higher grades.

The company started payment of Festival Bonus to the Management Staff from the year 2000. There will be disbursement of an amount equal to one month's Basic Salary of the employee on two designated festivals. Management Staffs those are in the employment of the Company for at least three months after their confirmation on the date of the festival will be eligible for the Festival Bonus. The major festivals recognized are the following:

1. Eid-ul-Fitr
2. Eid-ul-Azha
3. Druga Puja
4. Christmas

All employees of the Company, irrespective of their religion, will draw one Festival Bonus during the time of Eid-ul-Fitr.

The other Festival Bonus will be given to the Muslim employees during the time of Eid-ul-Azha. Employees other than Muslim will receive the other bonus according to their festival mentioned above.

Festival Bonus will be disbursed in cash and will be paid two weeks prior to the festival date.



Promotion

When there are vacancies in an organization, they can be filled up by the internal or external candidates. Though the organization prefers to fill up the vacancies by the external candidates through the selection procedure, the internal candidates may also apply for post and may be tested and selected for higher level job in the organizational hierarchy at par with external candidates. Is such upward movement of an employee a promotion? Or it is purely selection? It is purely a selection. If the organization prefers to fill a vacancy only by the internal candidates, it assigns that higher level job to the selected employee from within through promotion tests. Such upward movement can be said as promotion.

► Definition:-

“Promotion is advancement of an employee to a better job- better in terms of greater responsibility, more prestige or status, greater skills and especially increased rate of pay or salary.”

“The upward reassignment of an individual in an organizational hierarchy, accompanied by increased responsibilities, enhanced status and usually with increased income though not always so.”

Promotion is the reassignment of a higher level job to an internal employee with delegation of responsibilities and authority required to perform that higher job and normally with higher pay. Thus, the main conditions of promotion are:-

- 1) Reassignment of higher level job to an employee than what he is presently performing.
- 2) The employee will naturally be delegated with greater responsibility and authority than what he has had earlier.
- 3) Promotion normally accompanies higher pay.

Promotion may be temporary or permanent depending upon the organizational needs and employee performance.

► Purpose of promotion:-

Organizations promote the employee with a view to achieve the following purposes:-

- 1) To utilize the employee's skills, knowledge at the appropriate level in the organizational hierarchy resulting in organizational effectiveness and employee satisfaction.
- 2) To develop competent spirit and inculcate the zeal in the employees to acquire the skills, knowledge etc. required by higher level jobs.
- 3) To develop competent internal source of employees ready to take up jobs at higher level in the changing environment.
- 4) To promote employee's self-development and make them await their turn of promotions. It reduces labor turnover.
- 5) To promote a feeling of content with the existing conditions of the company and a sense of belongingness.
- 6) To promote interest in training, development programmes and in team development areas.

- 7) To build loyalty and to boost morale.
- 8) To reward committed and loyal employees.
- 9) To get rid of the problems created by the leader of workers' unions by promoting them to the officer' levels where they are less effective in creating problems.

Merit as a basis of promotion:-

Merit is taken to denote an individual employee's skills, knowledge, ability, efficiency and aptitude as measured from educational, training and past employment record. The merits of merit system of promotion are:

- 1) The resources of higher order of an employee can be better utilized at a higher level. It result in maximum utilization of human resources in an organization
- 2) Competent employees are motivated to exert all their resources and contribute them to the organizational efficiency and effectiveness
- 3) It works as golden hand-cuffs regarding employee turnover,
- 4) Further it continuously encourages the employees to acquire new skill, knowledge etc. for all-round development.

Despite these advantages the merit systems suffer from some **demerit**. They are:

- 1) Measurement or judging of merit is highly difficult.
- 2) Many people, particularly trade union leaders, distrust the management's integrity in judging merit.
- 3) The techniques of merit measurement are subjective.
- 4) Merit denotes mostly the past achievement, efficiency but not the future success. Hence, the purpose of promotion may not be served if merit is taken as sole criteria for promotion.

Senior as a basis of promotion

Seniority refers to relative length of service in the same job and in the same organization. The logic behind considering the seniority as a basis of promotion is that there is a positive correlation between the length of service in the same job and the amount of knowledge and the level of skill acquired by an employee in an organization. This system is also based on the custom that the first in should be given first chance in all benefit and privileges.

► ***Advantages of seniority as a basis of promotion are:***

- 1) It is relatively easy to measure the length of service and judge the seniority.
- 2) There would be full support of the trade unions to this system.
- 3) Every party trust the management's action as there is no scope for favoritism and discrimination and judgment.
- 4) It gives a sense of certainty of getting promotion to every employee and of their turn of promotion.
- 5) Senior employees will have a sense of satisfaction to this system as the older employees are respected and their inefficiency cannot be pointed out.
- 6) It minimizes the scope for grievances and conflicts regarding promotion.
- 7) This system seems to reserve the purpose in the sense that employees may learn more with increase in the length of service.

► ***In spite of these merits, this system also suffers from certain limitations.*** They are:

- 1) The assumption that the employees learn more relatively with length of service is not valid as this assumption has reverse effect. In other words employees learn up to a certain age and beyond that stage the learning ability of the cognitive process diminishes.
- 2) It denominates the young and more competent employees and results in employee turnover particularly among the dynamic force.
- 3) It kills the zeal and interest to develop as everybody will be promoted with or without improvement.
- 4) Organizational effectiveness may be diminishes through the deceleration of the human resource effectiveness as the human resource consists of mostly dynamic and old blood.
- 5) Judging the seniority though it seems to be in the theoretical sense. it is highly difficult in practice as the problems like job seniority, company seniority, zonal/regional seniority, service in different organizations, experience as apprentice trainee, trainee, researcher, length of service not only by days but hours and minutes will crop up.

Thus the two main basic of promotion enjoy certain advantages and at the same time suffer from certain limitations. Hence, a combination of both of them may be regarded as an effective basis of promotion.

Seniority-cum-merit

Management mostly prefers merit as the basis of promotion as they are interested in enriching its human resources. But trade union favor seniority as the sole basis for promotion with a view to satisfy the interests of majority of their members.

Hence a combination of both seniority and merit can be considered as the basis for promotion satisfying the management for organizational effectiveness and employees and trade union for respecting the length of service. A balance between seniority and merit should be struck and a new basis is to be developed. There are several ways in striking the balance between these two basis.viz:-

1) Minimum length of service and merit:-

Under this method all those employees who complete the minimum service, say five years, are made eligible for promotion and then merit is taken as the sole criteria for selecting the employee for promotion from the eligible candidates. Most of the commercial bank in India has been following this method for promoting the employees from clerk's position to officer's position.

2) Measurements of seniority and merit through a common factor.

3) Minimum merit and seniority:-

In contrast to the earlier methods, minimum score of merit which is necessary for the acceptable performance on the future job is determined and all the candidates who secure minimum score are declared as eligible candidates. Candidates are selected for promotion based on their seniority only from the eligible candidates.

► Benefit of promotion:-

- 1) Promotion places the employees in a position where an employee's skills and knowledge can be better utilized.
- 2) It creates and increases the interest of the other employees in the company as they believe that they will also get their turn.
- 3) It creates among employees a feeling of content with the existing conditions of work and employment.
- 4) It increases interest in acquiring higher qualifications, in training and in self-development with a view to meet the requirement of promotion

- 5) Promotion improves employee morale and job satisfaction.
- 6) Ultimately it improves organizational health.

► Problems with promotion:-

Though promotions benefit the employee and the organization, it creates certain problems. They are disappointment of the candidates, refusal of promotions etc.

Promotion disappointment some employees:-

Some employees who are not promoted will be disappointed when their colleagues with similar qualifications and experience are promoted either due to favoritisms or due to lack of systematic promotion policy. Employee may develop negative attitude and reduce their contributions to the organization and prevent organizational and individual advancement.

Some employee refuse promotion:-

There is a general tendency that employee accept promotion. But there are several incidents where employees refuse promotions. These include promotion together with transfer to an upward place, promotion that level where the employee feels that he will be quite incompetent to carry out the job, delegation of unwanted responsibilities, and when trade union leader feel that promotion causes damage to their position in trade union.

The other problems associated with the promotion are: some superiors will not relieve their subordinates who are promoted because of their indispensability in the present job and inequality in promotional in different departments, regions and categories of jobs.

Promotion problems can be minimized though a career counseling by the superiors and by formulating a systematic promotion policy.

► Promotion policy

Every organizational has to specify clearly its policy regarding promotion based on its corporate policy. The characteristics of a systematic promotion policy are:

- 1) It should be considered the sense that policy should be applied uniformly to all employees irrespective of the background of the persons,
- 2) It should be fair and impartial. In other words it should not give room for nepotism, favoritism etc.,

- 3) Systematic line of promotion channel should be incorporated
- 4) It should provide equal opportunities for promotion in all categories of jobs, departments, and regions of an organization
- 5) It should insure open policy in the sense that every eligible employee should be considered for promotion rather than a closed system which considers only a class of employees
- 6) It should contain clear cut norms and criteria for judging merit, length of service, potentiality etc.
- 7) Appropriate authority should be entrusted with the task of making final decision
- 8) Favoritism should not be taken as a basis for promotion
- 9) It should contain promotional counseling, encouragement, guidance and follow-up regarding promotional opportunity, job requirement and acquiring the required skills, knowledge etc. It should also contain reinforcing the future chances in the mind of rejected candidates and a provision for challenging the management's decision and action by employee or union within the limits of promotion policy.

► Types of Promotion

As already noted, a promotion involves an increase in status, responsibilities and pay. But, in certain cases, only the pay increases, and the other elements remain stagnant. In other cases, the status only increases without a corresponding increase in pay or responsibilities. Depending on which elements increase and which remain stagnant, promotions may be classified into the following types:

1) Horizontal Promotion:-

This type of promotion involves an increase in responsibilities and pay, and a change in designation. But the employee concerned does not transgress the job classification. For example, a lower division clerk is promoted as an upper division clerk. This type of promotion is referred to as 'upgrading' the position of an employee.

2) Vertical Promotion:-

This type of promotion results in greater responsibility, prestige and pay, together with a change in the nature of the job. A promotion is vertical when a canteen employee is promoted to an unskilled job. The concerned employee naturally transgresses the job classification.

3) *Dry Promotions*:-Dry promotions are sometimes given in lieu of increases in remuneration. Designations are different but no change in responsibilities. The promote may be given one or two annual increments. Performing.

2) The employee will naturally be delegated with greater responsibility and authority than what he has had earlier.

3) Promotion normally accompanies higher pay.

Promotion may be temporary or permanent depending upon the organizational needs and employee performance.

Section: 05

Future Forward

From the analysis with the organization Structure we have seen that its span of super vision is too large. A number of departments report directly to the general manager.

- ✓ The number were less the efficiency and productivity of the organization might be increased. Quality control department should remain prompt always.
- ✓ Capture the foreign market share it should strive more.
- ✓ Ensuring management or proper utilization of resources is prerequisite for achieving the organizational objectives.
- ✓ Proper exploitation of the available resources can help to achieve the top position.
- ✓ In the competitive situation resources are very much vital because that can provide competitive edge to the companies

The spontaneous participation of human resource is very essential for increasing the performance. The owner, authority, and stakeholders should remember that neglecting the human resources in the work place a sustainable development is not possible. They should not refute the significant roles of Human Resources rather they have to generate an idea among the human resources that they are important part of the organization by providing reasonable wages/salary, incentives, compensation, training and development program, as well as creating morale and maintaining a good relationship with them.

Appendix I

Introducing Consulted Articles

SI	Article Title	Author(s)	Journal Name	Volume & Issue	Year	Publisher
1	Human Resource Planning as a Tool for Addressing Human Resource Requirement.	Yeboah, Benjamin Kofi	KNUST Library.pdf	4818	15-Aug-2008.	College of Arts and Social Sciences.
2	Performance appraisal and human resource development	Baffoe. Josephine	KNUST SPACE	N/A	24-Jun-2009	Distance Learning
3	New perspectives on human resource management in a global context	Edited by Jonathan P. Doh, David Ahlstrom, Björn Ambos, David D. Collings, John B. Cullen, Ajai S. Gaur, Siah Hwee Ang, Kamel Mellahi, Mike W. Peng, Christian Schwens, Lena Zander	Journal of World Business.	Volume 51, Issue 1.	January 2016	Elsevier Inc.
4	A systematic review on green human resource management: Implications for social sustainability	V.N.Amrutha, S.N.Geetha	Journal of Cleaner Production ,	Volume 247	20 February 2020	© 2019 Elsevier Ltd
5	Strategic agility and human resource management	Mohammad F. Ahammad Keith W. Glaistera Emanuel Gomes	Human Resource Management Review	Volume 30, Issue 1	March 2020	© 2019 Elsevier Inc.

Appendix II

Compilation of Objectives/ Purposes/ Questions/Hypotheses Addressed by the Articles

SI	Article Title	Objectives
1	Human Resource Planning as a Tool for Addressing Human Resource Requirement	The main objective of this articles is to study the following topics based on working employee: ✓ Proper assessment of human resources needs in future. ✓ Anticipation of deficient or surplus manpower and taking the corrective action. ✓ To create a highly talented workforce in the organization. ✓ To protect the weaker sections of the society. ✓ To manage the challenges in the organization due to modernization, restructuring and re-engineering. ✓ To facilitate the realization of the organization's objectives by providing right number and types of personnel. ✓ To reduce the costs associated with personnel by proper planning. ✓ To determine the future skill requirements of the organization. ✓ To plan careers for individual employee. ✓ Providing a better view of HR dimensions to top management. ✓ Determining the training and development needs of employees.
2	Performance appraisal and human resource development	Additional objectives Performance appraisal: ✓ To review the performance of the employees over a given period of time ✓ To judge the gap between the actual and the desired performance. ✓ To help the management in exercising organizational control. ✓ Helps to strengthen the relationship and communication between superior – subordinates and management – employees. ✓ To diagnose the strengths and weaknesses of the individuals so as to identify the training and development needs of the future. ✓ To provide feedback to the employees regarding their past performance. ✓ Provide information to assist in the other personal decisions in the organization.

		✓ Provide clarity of the expectations and responsibilities of the functions to be performed by the employees. ✓ To judge the effectiveness of the other human resource functions of the organization such as recruitment, selection, training and development. ✓ To reduce the grievances of the employees.
3	New perspectives on human resource management in a global context	The main objective of this articles is to study the following topics based on ✓ Staffing and Recruitment ✓ Salaries and Compensation Packages ✓ Training and Development ✓ Administrative Tasks ✓ Legal Compliance
4	A systematic review on green human resource management: Implications for social sustainability	Six sub-attributes of green pay and reward systems: ✓ Green travel benefits to the employees ✓ Financial incentives and tax cuts ✓ Green recognition for environmental management ✓ Bonus pay for employees surpassing their environmental targets ✓ Rewards for innovative environmental suggestion ✓ Green team excellence awards
5	Strategic agility and human resource management	The main objective of this articles is: ✓ Practice what you preach: HR as a pioneer in new organizational designs and agile HR practices ✓ Rethinking what leaders are and what leaders should be: Developing “agile” leadership capabilities ✓ Contributing to an agile culture: Support the behaviors that foster agile practices ✓ Career paths and talent management: Focus on employee value beyond the pyramid career ladder ✓ Accompanying change: HR as strategic partner for an agile transformation.

Appendix III

Compilation of Methods

SI	Article Title	Methods
1	Human Resource Planning as a Tool for Addressing Human Resource Requirement	Collect data from secondary source.
2	Performance appraisal and human resource development	The employee performance appraisal process is crucial for organizations to boost employee productivity and improve their outcomes. Performance appraisals are an annual process where an employee's performance and productivity is evaluated against a predetermined set of objectives.
3	New perspectives on human resource management in a global context	This project has been using online resource such internet websites, eBooks, previous journals, previous research paper, online articles etc.
4	A systematic review on green human resource management: Implications for social sustainability	In this research, according to the objectives, a systematic review has been used to accurately and Systematically identify all relevant studies. Initially search for online printed articles in databases and valid conferences based on related keywords such as Green Human Resource Management, Sustainable Human Resources Management, Eco-Friendly Human Resource Management, Human Resource Management, Green Human Resources, Sustainable human resources, human resources and sustainability inside our country and abroad during the period from 2009 to 2018
5	Strategic agility and human resource management	This study mainly highlighted the collective approaches of organizational agility (OA) and HR Strategies. Thus the principal address about the activities and functions of OA and HR has been Done based on the combination of both empirical evidence and inductive reasoning. Empirical Argument depicts the process of obtaining the knowledge. Exclusively, the similar approach to the inductive argument shows some level of sustenance in the form of probabilistic reasoning and the source of most scientific theories based on the contemporary approaches of Organizational agility and HRM.

Appendix IV

SI	Article Title	Conclusion
1	Human Resource Planning as a Tool for Addressing Human Resource Requirement	Industries need to align their HR strategy with their business goals in order to face the increasingly competitive environment. In the current knowledge era Human Potential Management (HPM) is considered to be the best panacea to address the problems of business competitiveness. Human resources have always been central to organizations, but their strategic importance is growing in today's knowledge-based industries. An Organization's success increasingly depends on the knowledge, skills and abilities of employees, particularly as they help establish a set of core competencies that distinguish an organization from its competitors.
2	Performance appraisal and human resource development	It is associated with the development of its workforce. Development of work culture: Improving the efficiency of employees, better communication, development of mutual co-operation and creativity of all the members. iii. Developing potentialities: HRD manager focuses on enabling people to self-actualize through a systematic approach leading to development of their talents. iv. Growth of employees: Helps employees to know their strengths and weakness and enable them to improve their performance.
3	New perspectives on human resource management in a global context	This paper presents new perspectives on IHRM as they relate to research on multicultural teams under the three dimensions of diversity (separation, variety, and disparity) posited by Harrison and Klein (2007), and brain circulation in the context of movement of peoples across countries. These perspectives go toward the traditional approach of studying expatriates, whether company-sponsored or self-initiated assignments. The paper discusses how these new perspectives can set the agenda for future research on IHRM.
4	A systematic review on green human resource management: Implications for social sustainability	An overview of literature allows us to state that Green HRM is a human resource strategy supporting pro-environmental corporate management. Benefits resulting from its implementation may be due to an increase in the ecological awareness of the staff which translates into the sustainability of practices across organizations. It is also a tool for increasing competitiveness thanks to enhanced image, cost reduction, improved customer relations.

		acceptance by local authorities and communities, and increased employee satisfaction, loyalty and motivation.
5	Strategic agility and human resource management	Employees are the most valuable resource of every Organization. Without competent employees, no Organization can succeed to out run its competitors. The Success of the organization depends on the employees.

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