# SASURIE COLLEGE OF ENGINEERING

**DEPARTMENT OF MASTER OF BUSINESS ADMINISTRATION**

**REGULATION 2021**

**II YEAR – III SEMESTER**

# BA4015

# STRATEGIC HUMAN RESOURCE MANAGEMENT

**BA4015 STRATEGIC HUMAN RESOURCE MANAGEMENT**

**UNIT I CONTEXT OF SHRM** SHRM - SHRM models - strategic HRM vs Traditional HRM - Barriers to Strategic HR-Adopting an Investment Perspective - Understanding and Measuring Human capital - Human side of corporate strategies - strategic work redesign - Strategic Capability - Bench Marking.

**UNIT II HUMAN RESOURCE DEVELOPMENT** Meaning – Strategic framework for HRM and HRD – Vision, Mission and Values – Importance – Challenges to Organisations – HRD Functions - Roles of HRD Professionals - HRD Needs Assessment - HRD practices – Measures of HRD performance – Links to HR, Strategy and Business Goals – HRD Program Implementation and Evaluation – Recent trends –HRD Audit.

**UNIT III E-HRM** e- Employee profile– e- selection and recruitment - Virtual learning and Orientation – e - training and development – e-learning strategies- e- Performance management - and Compensation design - Use of mobile applications in HR functions– Development and Implementation of HRIS – Designing HR portals – Issues in employee privacy – Employee surveys online.

**UNIT IV CAREER & COMPETENCY DEVELOPMENT** Career Concepts – Roles – Career stages – Career planning and Process – Career development Models– Career Motivation and Enrichment –Managing Career plateaus-Designing Effective Career Development Systems – Competencies and Career Management – Competency Mapping Models – Equity and Competency based Compensation

.

U**NIT V EMPLOYEE COACHING & COUNSELING** Need for Coaching – Role of HR in coaching – Coaching and Performance – Skills for Effective Coaching – Coaching Effectiveness– Need for Counseling – Role of HR in Counseling - Components of Counseling Programs – Counseling Effectiveness – Employee Health and Welfare Programs.

## UNIT – 1

## UNIT – I HUMAN RESOURCE DEVELOPMENT

## STRATEGIC HUMAN RESOURCE MANAGEMENT

**Strategy:**

It is creation of mission, setting of organizational objectives with full consideration of external and internal forces, formulation if specific policies, to achieve objectives and assurances of implementation of the policies with a view to make the objectives of the organization are accomplished. HRM comprises of developing, applying and evaluating policies, procedures, methods and programmes relating to the individuals in the organization.

Young and Berman (1997) identifies three paths through which HR practices can contribute to business performance.

- ❖ By building original capabilities.
- ❖ By improving employee satisfaction
- ❖ By shaping customer and shareholder satisfaction.

Changes required:

- ❖ Instead of being HR driven, the next generation of HR measures should be business driven.
- ❖ Instead of being activity oriented new HR measures should be impact oriented. (How must business results do we improve)
- ❖ Instead of looking backward, innovative HR measures should predict the future success of corporation.
- ❖ Instead of focusing on individual HR practices, future measures should focus on the entire HR system.
- ❖ The business objectives are to be achieved by the people working in the organization.

- If the people are not competent and rightly motivated then the best strategy may go in vain.
- HR policies should be in synergy with business objectives.
- HR professional becomes a part of the team who formulate the business/ corporation strategy.
- HR strategy should be drawn from the business/ corporation strategy.

**Types of strategies:**

Cynthia fisher (1989) has classified strategies into two:

**Growth prospector high tech entrepreneurial strategy**:

Here the organization requires creative, innovative and risk taking behavior from the employer.

- Here the HR department recruits people at all levels from external labor market to obtain skilled employees to meet the growth needs.
- It tends to assess people based on the results they achieve rather than on the process they employ/ personal traits.
- Performance incentives serve as basis for compensation.
- Bonus, PS, ESOP are common but salaries are modest.

Mature – defender cost efficiency and strategy. They need repetitive, predictable and careful behavior.

**Mature strategy:**

- They tend to recruit people primarily at entry level and promote them from within.
- They emphasize doing things in the right way in assessing the performance and focus a short term results.
- Compensation is based on the ways determined by job evaluation.
- Length of service, loyalty is rewarded rather than performance.
- Financial incentives may be present but tend to be available only to a few selected employee groups.

**Definition of strategic HRM:**

Walker (1992) defines SHRM as "The means of aligning the management of HR with the strategic content of the business".

"To minimize competitive advantage, firm must match its capabilities and resources to the opportunities available in the external environment". This is called the strategic fit model.

**Sequence of strategic formulation:**

Micheal Armstrong developed strategy which is as follows:

**Traditional HR** is basically managing HR by specialists in line with the rules and acts of the organization.

**Strategic HR** places the responsibilities for using people on the line managers who manage their people at work.

| | **Traditional HR** | **Strategic HR** |
|---|---|---|
| Accounts | HR specialists. | Line managers and HR specialists. |
| Importance | Managing people to facilitate the activities. | HR strategy formulation and implementation alignment with the organization and strategy. |
| Role of HR | Custodian of HR policy, implementation and compliance. | Strategic business partners. |
| Approach orientation | Ritualistic reactive activities. | Proactive, business oriented results. |
| Major function | People development. | People and organization development in line with business objectives. |

**STRATEGIC HUMAN RESOURCE FRAMEWORK FOR THE HRD PROCESS**

Designing HRD interventions involves a process, which include a 4-step sequence;

- Need assessment
- Design
- Implementation and
- Evaluation.

**I. Need Assessment Phase:**

A need can be either be a current deficiency such as poor employee performance/ new challenge that demands a change in the way the organization operates.

**Example:** In 1980's, Ford Motor Company, because of the poor quality of its car and truck loosed its market share to foreign competitors.

Ford framed HRD Programs to train employees in quality improvement and problem solving techniques.

Identifying needs involves examining organization, environment, job tasks and employee performance. The information can be used to

- Establish priorities for the HRD efforts.
- Define specific training HRD objectives.
- Establish evaluation criteria.

**b. Design phase:**

If the intervention involves same type of T&D program the following activities are typically carried out.

a) Selecting specific objectives of the program:

Translate the issues identified in to class objectives.

b) Developing an appropriate lesson plan for the program:

It should contain what should be done in HRD program.

c) Developing appropriate materials for the trainees.

d) Determining who will deliver the program

Full time HRD Professional is employed- depends on expertise and work schedules of professionals. If he is not available, it depends on managers, supervisors, outside consultants (depends on willingness, ability, availability, cost).

e) Selecting appropriate management

- Developing the content of the program
- On the job/off the job (setting)
- Lectures, role play (techniques)
- Work books, ppt, videos (materials)
- Develop in-house material/purchase.

f) Scheduling the program

Consider the following

a) Lead-time available to participants
b) Program length
c) Location
d) Regular duties.

**c. Implementation phase**

- Executing the program as planned
- Creating an environment that enhances learning
- Resolving problems

**a. Evaluation phase:**

Participants' reaction to the program

- How much they have learned
- Whether they use what they learnt
- Whether the program improved organization effectiveness

The following information will help in making better decision

- Offering a particular program in future
- Budgeting/resource allocation.

**HUMAN RESOURCE DEVELOPMENT**

It is a continuous process to ensure the development of employee dynamism, effectiveness, competencies and motivation in a systematic and planned manner.

**GOALS OF HRD: / OBJECTIVES OF HRD**

HRD has multiple goals. They are:

- Employee’s competency development.
- Employee’s motivation development.
- Organizational climate development.

**a. Employees need to have a variety of competencies:**

Knowledge, skills and attributes in technical areas, HR and conceptual areas to perform different tasks. Therefore HRD aims to identify competency gaps of employees and train them to perform the roles effectively. Due to change in the environment, customers expectations, technology, new opportunities, challenges, employees need to improve their competency to perform the job well.

**b. Motivation Development:**

Motivation Development is an aim of HRD. It means the desire to work, it is an involvement to the job and commitment to the organization. Without motivation employees are not likely to give their best.

**c. Organizational Climate:**

HRD promotes team building and collaborative climate. This requires building and enabling organizational culture in which employees use their initiative, take risks, equipments, innovate and make thins happen.

**HRD MECHANISMS / SUB- SYSTEMS:**

**1. Performance and Potential Appraisal:**

If the performance of the people has to be enhanced, their performance has to be evaluated periodically. Performance appraisal interviews between the manager and the sub ordinate are conducted at regular interviews.

- ❖ Strength and weakness
- ❖ Reasons for shortfall in performance.

Potential appraisal means the possibility of career advancement. Capability to perform new roles and responsibilities must continuously be developed among employees.

**2. Feedback and performance coaching:**

Managers in an HRD system have the responsibility for observation and feedback to subordinates about their strength and weakness on a continuous basis.

**3. Career planning:**

HRD philosophy is that people perform better when they feel trusted and see meaning in what they are doing. As managers have information about the growth plans of the organization it is their responsibility to transmit information to their sub ordinates and to assist them in planning their careers within the organization.

**4. Training:**

It is linked with performance appraisal and career development. Employees are trained on the job / special in house training programmes. The effects of all training programmes are monitored, analyzed and used for

**5. Organizational development:**

This function includes research to ascertain the psychological health of the organization. Employee surveys are conducted here. OD specialists helps to solve problems such as absenteeism, low production, interpersonal conflict.

**6. Honours and awards:**

Appraisal honours and awards not only recognize and motivate employees, but also communicate the organizations values to the employees. Awards include cash awards, certificates of appreciation, announcements, pay rise.

**7. Employee welfare and quality of work life:**

In order to maintain work commitment of lower level employees in the organization, the organization must provide some welfare measures viz; medical insurance, holidays.

QWL focus on the environment within the organization. Job enrichments, educational subsidies, recreational activities are few.

## STRATEGIC CAPABILITY

With the emergence of the knowledge era, it has become widely recognized that the intangible assets of an enterprise will be key to both its ability to create competitive advantage, and to grow at an accelerated pace. As a result, more and more organizations are showing increased attention to the creation of value through leveraging knowledge. Increased competition, changing workforce demographics and a shift toward knowledge-based work are requiring companies to place an increasingly higher priority on improving workforce productivity. Organizations are now looking to the Human Resources function to go beyond the delivery of cost-effective administrative services and provide expertise on how to leverage human capital to create true marketplace differentiation. Facing these challenges, many HR organizations have been actively revamping to more effectively deliver the strategic insights the business requires. Improving the strategic capability of the HR organization is not, by itself, a new idea. Spurred on by leading academics such as David Ulrich and Edward Lawler, organizations have worked for the better part of the last decade to build more strategic capability into their HR departments Competing in today’s environment requires companies to focus on building a more responsive, flexible and resilient workforce.

To do so, organizations must do a more effective job of sourcing talent, allocating resources across competing initiatives, measuring performance and building key capabilities and skills. HR organizations that provide strategic guidance on these issues can become proactive drivers of organizational effectiveness, rather than simply a supporter of these efforts. The key to the performance and growth of today's enterprises resides in the capabilities of the organization, which in turn depend on the capabilities of its people. The industrial era was a time when people were easily recruited and retained to fill an established, unvarying set of roles. The knowledge era brings with it a much more competitive marketplace for talent.

As they experience unprecedented employment volatility around them, people are placing a great deal of value on working in an environment where they can actively develop their capabilities. In a way, customers are also putting a high value on learning and acquiring capability, with regards to solutions that are important to the realization of their aspirations.

In current and emerging business contexts, our understanding of what creates value for organizations has changed radically. Intangible assets now represent the most important source of value creation. This is a radical change from the industrial era when tangible assets played a much more prominent role. However, the overall blueprint of today's organization has, in large part, been inherited from the industrial era. As a result, our enterprises are ill equipped to manage their intangible assets. This is why rethinking on how to best approach Human Resources management in the knowledge era must be based on an understanding of intangible assets.

**Building Strategic Capability: The roles of the HR manager or HR Business Partner and Centers of Expertise (CoE)**

At the heart of the strategic reinvention of the HR organization are the roles of the HR Business partner and the Centers of Expertise (CoE). Organizations continue to struggle with a number of factors (see Figure 1.7), including:

☐ Defining the new job responsibilities and performance measures for HR

Business Partners and CoE members

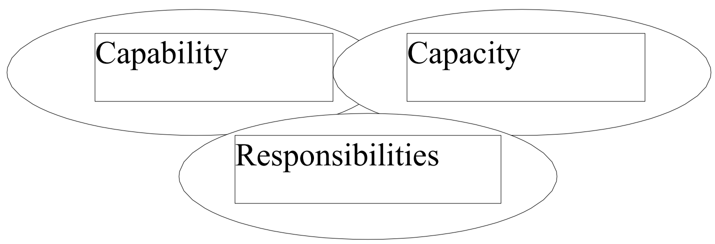
☐ Identifying the capabilities necessary to meet the new role expectations

☐ Defining the number of individuals needed to fill each of these roles

☐ Identifying and addressing sources of resistance when HR personnel are asked to

focus on more strategic activities.

**Figure 1: Areas of focus when transforming strategic HR positions**




In recent years, companies have often retitled their HR generalists as "Business Partners" in an attempt to connote a closer and more strategic working relationship between
the HR department and the operating units. For many companies the very nature of the work of a Business Partner has been redefined. At the same time, a significant amount of the front-line employee relations work was also transferred to a combination of line managers
and dedicated shared services personnel. For some organizations, these changes eliminated
up to 70 percent or more of the workload of the traditional HR generalist role. In its place,
HR Business Partners were generally asked to take greater accountability for more strategic
tasks that need to be accomplished over a longer time horizon. These could include activities
such as: consulting with business unit leadership on a new productivity initiative; rolling out
a new competency framework; developing a talent capacity plan for a new product or service launch; and developing a three-year labor outlook for an emerging set of skills and

capabilities. These activities are designed to look beyond employee transactions at how the business unit can make the best use of its current and future human capital resources. For individuals working in CoE, the focus shifts toward playing two roles: thought leader and integration manager. As thought leaders, CoE personnel need to be responsible for designing HR programs and processes, identifying and applying good practices from outside
the organization, monitoring program effectiveness, and providing subject matter assistance
to Business Partners and shared services personnel. In addition, CoE personnel need to manage the relationships with outsourcing vendors for their particular discipline; including
the monitoring of service level agreements and conducting root cause analysis to address ongoing issues.

***1.12.1.2 New capabilities***

Based on the new tasks of the HR Business Partner, study participants identified five key capabilities that are needed to make a strategic contribution to the organization: analytical
skills; business acumen; consulting skills; change leadership skills; and the ability to share
knowledge across the HR organization.

HR Business Partners need analytical skills to develop evidence-based recommendations and effective business cases. They must understand how data flows through various HR and financial systems, and how to obtain and analyze human capital data that supports their recommendations. HR Business Partners also need to be proficient
in developing models and scenarios that determine the cost and impact of changes in HR policies and procedures. Participants in our study found that they were unlikely to have sufficient depth in these skills within their own HR organizations and considered them among the most difficult to develop.

HR Business Partners also need business acumen in the form of understanding their business unit's strategies and operations. To serve as true advisors to the business, they



must understand the dynamics of their industry, as well as the day-to-day activities performed
by different functional units and how individuals within the units are evaluated. They also have to understand the needs of customers and partners to better see how their human capital decisions impact stakeholders beyond the organizational boundaries

HR Business Partners will have to serve as lead advisors to their business units on human capital issues. To do so, a number of consulting skills are essential, including the abilities to build trusting relationships with senior executives, diagnose organizational problems and determine root causes, develop recommendations and business cases, and create action plans. Further, they must have the strength and conviction to deliver difficult
messages to senior leaders, even if those messages may prove to be unpopular.

HR Business Partners also need to be effective at driving change through the organization. This includes soliciting and initiating participation from individuals within the
business unit to support change efforts, aligning recognition and performance measurement
systems to support desired activities, and effectively communicating with multiple stakeholders.
HR Business Partners not only need to provide expertise to the business units they support, they also should share knowledge across the HR organization. One way to do this is to regularly connect with peers in other business units to share relevant practices, while another is to work with individuals in the CoE to pass along new learning. For individuals residing in the CoE, different set of required capabilities: deep functional expertise;
the ability to partner with internal stakeholders; process design and stewardship; and large
scale project management are necessary.
CoE personnel must possess deep functional knowledge and an understanding of leading practices within their particular disciplines. Because the CoE serves as both the developer and arbiter of HR policy, individuals working in this area must apply technical knowledge of their discipline and understand its application to the overall business.
In the more collaborative environment that characterizes transformed HR organizations, individuals working in CoEs need to partner with others across the organization to design and implement effective policies. CoE personnel might be called to work with Business Partners to design programs addressing business unit needs, to work with shared services to implement cost-effective HR programs that reduce employee confusion, or to connect with line managers and employees to periodically assess the value of CoE programs and services. As leading corporations become larger and increasingly global in scope – often through merger and acquisition activity that brings together disparate processes for similar
activities overnight – the ability to create common, institutionalized process activities and metrics is vital. At the same time, CoE personnel must have the flexibility to identify appropriate regional or business unit variations and determine how those modifications need to occur. As the HR organization becomes increasingly strategic and vital to overall business operations, CoE personnel must be capable of managing larger projects that involve stakeholders from various parts of the business. Finally, they must communicate progress to key stakeholders on an ongoing basis.

## CHALLENGES TO ORGANIZATIONS AND TO HRD PROFESSIONALS

Increasing globalization and technological revolution are 2 primary factors that make for new competitive edge.

**Challenges:**

1. Changing Workforce Demography's

2. Competing in a global economy
3. Eliminating skill gap
4. Meeting the need for lifelong individual learning
5. Facilitating organizational learning

**1. Changing Workforce Demography's**

The following changes predicted to occur in the year 2020.

- Africans, Americans will make up about 11% of U.S.Workforce- same 95
- Hispanics will increase to 14% from 9%
- Asians will increase to 6% from 4%
- Whites will decrease to 68% from 76%
- Women will increase to 50% from 46% in 2020.
- Shift in age composition.
- People of age group

  55-64 is predicted to increase from 10% to 20% is 2019.

  65 yrs to increase 5%.

**2. Competing in a Global Economy**

This will require more than educating and training to meet new challenges. Companies have to conduct quality improvement processes and introduce change effects (i.e.) learn culture and communicate and conduct business among different cultures in other countries.

**3. Eliminating the skill gap:**

Young adults entering the work force are unable to meet current job requirements. **Example**: How Haiess learn how to operate new equipment if they can't read and comprehend operating manuals. Japan and Germany teach students the basic skill needed by most employers.

**4. The need for life long learning**

Because of rapid changes, all the organization face, it is clear that employees must continue the learning process through out their career in order to meet the challenges.

Example: Professional employees learning may mean taking advantage of continuing education opportunities.

Managers attending seminars that address new management approaches.

**Action plan:**

- Establishing Multimedia-learning centers.

**What is Multimedia learning?**

These centers offer a variety of instructional technologies that can be matched to each trainee's unique learning needs.

It can also provide teleconferencing facilities for technical and professional employees to participate in a seminar that is conducted away.

**5. Facilitating organizational learning**

Learning organization must follow the basic 5 principles

- System thinking
- Personal mastery
- Mental models
- Building shared vision
- Team learning.

If organizations are going to make fundamental change, they must be able to learn, adapt change. Here the HRD Professional must emphasis on how learning relates to performance and relationship between learning and fundamental change.

**Action plan:**

1. Developing employee skills
2. Effectively using new technology
3. Developing new organization structure
4. Building cultures that foster learning's innovation.

# EVOLUTION OF HRD:

**Phase 1: Early Apprenticeship Training Program**

This was the period during 18th century where small shops operated by skilled artisans produced all household goods, viz (fertilizers, clothes, shoes). To meet the growing demand, the shopkeepers had to educate and train the workers with no / little wages. Apprentices who mastered all the necessary skills were considered yeomen to address a growing no of yeomen, master craftsman formed a network of private franchises to regulate wages, working hrs etc., yeomanries were the forerunners of modern labour unions.

**Phase 2: Early Vocational Education Program**

In 1809, Dewitt Clinton founded the first recognized privately funded Vocational school, also referred as manual school in Newyork City.

**Purpose:** Provides O.T. to unskilled people; unemployed/ criminal records.

In 1917, Congress passed the Smith Hughes Act, which recognized the value of vocational education by granting funds targeted for state programs- Agr. Trades Teacher Training.

**Phase 3: Early Factory Schools**

Industrial revolution took place during 1800's –Machines replaced hand tools. Scientific management principles-significant role. E.g Mechanical & machinist T.P – factory schools. 1st F.S-1872- Hoe printing Press Newyork . Followed by Westinghouse in 1888 and GE in 1901.

**Phase 4: Early T.P. for Semiskilled & Unskilled Workers**

The first was the introduction of the Model T by Ford in 1913. The Model T was the first car to be mass-produced using an assembly line in which production required only the training of semi-skilled workers to perform several tasks.

Another significant event was the outbreak of World War I. To meet the large demand for military equipment, the management has to retrain the workers. To facilitate this, Charles Allen introduced a 4-step Training method.

a. Show
b. Tell — JIT (Job Instruction Training)
c. Do
d. Check

**Phase 5: The Human Relations Movement**

This movement highlighted the importance of human behaviour on the job. It continued in 1940's with World War II as a backdrop. Abraham Maslow published his theory on human needs, stating that people can be motivated by non-economic incentives.

**Phase 6: The Establishment of the Training Profession**

The federal government established the training with the industry (TWI) service to co-ordinate training programs across defense-related industries. TWI trained 23,000 instructors. In 1942 (ASTD) America society for training directors was formed to establish some standards within this emerging profession.

**Phase 7: Emergence of HRD**

During 1960's and 70's professional trainers realized that their role extended beyond the training classroom. T & D Competencies therefore, expanded to include

- Interpersonal skills
- Coaching
- Group process facilitation & problem solving

ASTD renamed as America Society for T&D.

## RELATIONSHIP BETWEEN HRM & HRD

HRM can be defined as the effective selection and utilization of employees to best achieve the goals and strategies of the organization as well as the goals and needs of employees.

HRM
- Primary Functions
- Secondary Functions

**Primary functions:**

a. HRP
b. Equal employment opportunity
c. Staffing
d. Compensation and benefits
e. Employee labour relations
f. Health, Safety, Security
g. HRD

**Secondary functions:**

b. Organization job design
c. Performance mgt and performance appraisal system.
d. Research and information systems

**HRD**

It is one of the primary functions within HRD department. ASTD Study by Pat Michigan identified THE HRD roles, competencies needed for HRD function. It identified 4 trends in HRD function.

- Greater diversity in workforce

- More people involved in knowledge work, which involves judgment, commitment rather than fulfilling the promises/procedures.
- A shift in the nature of contract between organizations and their employees.
- Greater expectation of meaningful work and employee involvement.

  **Example: Federal Express**
- Training is conducted through interactive video instruction.
- A pay for knowledge system has been implemented that rewards employees who have completed the video training and passed job knowledge tests.

HRD executives and professionals should demonstrate the strategic capability of HRD in 3 ways.

- Directly participating in the organizations strategic management process
- Providing education and training to line managers.
- Providing training to all employees that is aligned with the goals and strategies of the organization.

## ROLES OF AN HRD PROFESSIONAL

He must perform functional role. It is a specific set of tasks and excepted outputs for a particular job.

**a) HRD Manager/HRD Executive**

- He must integrate the HRD programs and strategies of the organization
- Plays leader role in the ED programs
- He serves as an adviser to the chief executive officer.
- Ensure the organization members have the competencies to meet current and future job demands.

**b) HR Strategic Adviser**

He consults on HRD issues that directly affect the articulation of organization strategies and performance goals.

**Output:**

- HR strategic plan.

- Strategic planning education and training programs.

**c) HR Systems designers and developer**

He assists HR management in the design and development of HR systems that affect organization performance.

**Output:**

- HR program design
- Intervention on strategies.
- Implementation of HR programs.

**d) Organization change agent**

He advises mgt in the design and implementation of change strategies used in transforming organizations.

**Output:**

- Efficient work teams
- Quality management.
- Intervention strategies, Change reports.

**e) Organization design consultant**

He advises management on work systems design and efficient use of HR.

**Output:**

- Alternative work design
- Implementation

**f) Learning program specialist/instructional designers**

He identifies the needs of the learner, develops and designs appropriate learning programs, prepares materials and other learning aids.

**Output:**

- Program objective
- Lesson plan
- IS

**g) Instructor/ facilitator**

He presents materials and leads and facilitates structural learning experiences.

**Output:**

- Selection of instructional
- Actual HRD program

**h) Individual development/career counsellor**

He assists individual employees in assessing their competencies and goals in order to develop a career plan.

**Output:**

- Individual assessment sessions.
- Workshop facilitation career guidance.

**i) Performance consultant/ coach**

He advises line management to improve individual and group performance

**Output:**

- Individual Assessment Sessions
- Coaching design
- Implementation.

**j) Researcher**

Assesses HRD Practices and programs using statistical procedures to determine their overall effectiveness and communicates the result to the organization.

**Output:**

- Research design
- Findings
- Recommendation

## HRD AUDIT

Most of the people in organization including HR Manager believe that auditing the HR Activities is just impossible because of its subjectiveness. HR Audit creates HR problems and reports generated out of such audits will not be useful.

Adrian Fun ham and Barrier Gunter destroyed these myths, which are as follows:

| Fiction | Fact |
|---|---|
| You can't measure things viz-corporate culture/climate. | HR audits can measure organizations climate and culture. |
| Can't tell what information to collect | Through pilot works you can decide what information needs to be audit. |
| One can't calculate the benefits of an audit. | M & A can do HR audit & find out the reasons. |

**Model for HRD Audit:**

The model developed by advisory board of HR Professionals of American Management Association is as follows:

**1. Information Gathering:**

Information about the various sub functions of HR dept should be collected first.

1. HR Dept Mission
2. HR Dept Organization
3. Quality of HR team
4. Labour Relations
5. Recruitment and Selection
6. Education, Training, Development
7. Benefits
8. Compensation
9. HRP
10. Organizational Development
11. Safety
12. Security

13. Equipment and Facilities

14. Information Systems

Assign a score from 0 to 1000.

**2. Evaluation**

The numerical ratings of the user are to be compared with key weightages provided in the instrument

Justification should be given for each numerical value. Any disagreement should be noted down separately.

**3. Analysis**

Users/ managers have to total the numerical value assigned to each sub function

A user has to examine other factors that will assist him in understanding how well the activity is denoted by each item. Now the user has got opportunity to repeat the numerical value to each item. This helps in identifying strength and weakness.

**4. Action planning**

Based on the strength and weakness, the user should prepare action plans for improvements. A user has to select a maximum 3 areas for action at a time.

**Model for Culture Audit:**

Alan Wilkins has proposed twin factor criteria to understand and assess culture.

1. Shared assumptions
2. Taken for granted/shared

It is difficult to audit the assumptions between people who don't speak directly and the assumptions are contradictory.

**Steps to be followed:**

**1. Observation**

Here, a random observation of people behavior at work helps to know how they act and react in a given situation.

This data can be crosschecked with people who work early in the organization.

**2.Stories:**

There will always be some stories in circulation in the organization that employees share. All these should be collected, documented and analyzed to understand the patterns.

**3.Language**

The way people speak in different occasions, slang, words, expressions indicate something a group shares.

**4.Customers**

The manner in which decisions are taken and methods used to solve the problems by the employees must be documented.

**5.Patterns**

In an organization how a particular event is viewed or values by employees must be noted down.

**Example:** Reward/Punishment how it is viewed by a particular organization may not be same in other organization.

**I Audit techniques for organization communication:**

This is the audit, which helps us to systematically study the methods, channels, tools of communication to improve the comm. System.

Techniques are:

**1.Structured and Unstructured interviews.**

**2.Questionnaire**

Both open ended and forced choice questionnaire should be developed with a clear objective to collect the data from all the employees.

**3. Analysis of telephone bills**

Cost incurred on telephone bills, frequency, purpose and subject of issue will provide important data.

**4.Network Analysis**

Communication Network can give important about the senders, receivers and blockages.

**5.Communication logs**

Here, employees will be requested to maintain a diary of communication for a specific period.

**6.In-tray/Out-tray Analysis**

How an employee/group of employees clear their letters, memos, correspondence, circulars and the type they receive in normal course should be analyzed.

**7.Critical incident tech**

Employees should be asked to narrate the events/experience.

**8.Use of media**

Telephones, e-mails, postal mails, written communication, oral communication, formal & informal interaction should be checked.

## II Measures of HRD performance

Model for HR Measurement

**1.Determine the objective of measurement**

a) Financial assessment to illustrate cost and benefit value
b) Non-financial value assessment to understand the commitment of employees
c) Micro-assessment benefit/loss of conducting each function
d) Combination of financial and non-financial purpose.

**2.Classify HR activities**

a) Tangible – Technical training

b) Intangible – Behavioral training

**3. Develop measures for tangible HR activities**

Example: if you want to conduct MD program for 20 managers for 3 days an expenditure of 1 lakh is incurred. It would be 2 lakh if this program is conducted by external agency. Therefore, one HR Mgr should develop measures for tangible activities.

**4.Develop measures for intangible activities**

Example: a new approval system is implemented in organization expenditure is 10 lakh. Whether the new app system has achieved its objectives are not should be measured.

## III Model for performance measurement

Kenneth rode in 1995 has developed a model

**Step 1**: It starts with exploring answers to the questions concerned with the identification of performance dimensions, general, specific.

**Step 2:** This is the step to identify specific goals with respect to each performance dimension.

**Step 3**: Here, one has to identify the indicators related to each goal. These indicators should reflect what is important for successful performance.

**Step 4:** Determine the comparative importance indicator.

**Step 5**: Identify the right methodology to measure the indicators.

**Step 6:** Conduct a pilot study and analyze the results for incorporating changes.

Follow-up should be done by communicating to all employees about new performance measurement system to be implemented from a prospective date.

## IV Seven-step model for team measurement

Jack Zigon of Zigon consultants developed a 7-step process for measuring the results of work teams.

**1. Reviewing the existing Organizational measures**

Team members should be clearly linked to all the aspects of team performance and such measures should be clearly known to team members.

**2. Define team measurement points**:

There are 4 alternatives in defining team performance points:

- Team customer diagram
- Team accomplishment pyram9id
- Work process mapping
- Accomplishments, which support organizational measures.

**3. Identify individual team member accomplishment, which support the team**

Role result matrix can be used to measure an individual performance. It is a table, which identifies the results each team member must produce in order to support the team.

**4. Weigh the accomplishment**

Here weights are used to help teams to discuss the priorities and agree on what is really important.

**5. Create measure for each accomplishment**

General measures:

- Quantity
- Quality
- Cost
- Timeliness

Specific measures:

1. Numeric measures that use nos' to evaluate the accomplishment
2. Descriptive measures that use words to evaluate the accomplishment.

**6. Develop performance standards**

Numeric measures- ask yourself how much is the team expected to produce

Descriptive measures- what customers saying about the product/quality.

**7. Develop a feedback system**

a) Decide what data to collect
b) Decide what source the feedback should come from.
c) Decide whether all data should be collected.
d) Determine when to collect data.
e) Determine who should collect data
f) Review the existing reports
g) Decide the format for evaluation of data.

# UNIT – 3

## E-HRM

**E-HRM** is the (planning, implementation and) application of information technology for both networking and supporting at least two individual or collective actors in their shared performing of HR activities.

E-HRM is not the same as HRIS (Human resource information system) which refers to ICT systems used within HR departments. Nor is it the same as V-HRM or Virtual HRM - which is defined by Lepak and Snell as "...a network-based structure built on partnerships and typically mediated by information technologies to help the organization acquire, develop, and deploy intellectual capital.

E-HRM is in essence the devolution of HR functions to management and employees. They access these functions typically via intranet or other web-technology channels. The empowerment of managers and employees to perform certain chosen HR functions relieves the HR department of these tasks, allowing HR staff to focus less on the operational and more on the strategic elements of HR, and allowing organisations to lower HR department staffing levels as the administrative burden is lightened. It is anticipated that, as E-HRM develops and becomes more entrenched in business culture, these changes will become more apparent, but they have yet to be manifested to a significant degree. A 2007 CIPD survey states that "The initial research indicates that much-commented-on development such as shared services, outsourcing and e-HR have had relatively little impact on costs or staff numbers". The processing and transmission of digitalized HR information is called electronic human resource management (e-HRM) .Information technology is changing the way HR departments handle record keeping and information sharing. Employees can gain information through self-service.

## E-HRM AIMS

Leveraging of technology to deliver HR solutions that brings about convergence in uman capital, processes, data and tools as a catalyst towards achieving business strategies.

### TYPES

- **Operational e-hrm** is concerned with administrative function like payroll, employee personal data, etc.
- **Relational ehrm** is concerned with supportive business process by the means of training, recruitment, performance management and so forth .
- **Transformational E-HRM** is concerned with strategic HR activities such as knowledge management, strategic re-orientation, etc

### Critical E-HR tools

- **e-Recruitment**
  - ☐ Allows managing of recruitment and hiring in a systematic manner
  - ☐ Advertise openings, manage applications and interviews up to hiring electronically
- **e-Leave**
  - ☐ Application and approval of leave managed through defined workflow
  - ☐ Approving authority will be able to review the history record
- **e-Claims**
  - ☐ Submission and approval of claims on-line
  - ☐ Submit/scan original receipts to Finance for verification
- **e-Profile**
  - ☐ Employee have access to his/her profile for updating or editing
  - ☐ Controlled maintained by HR prior to approval
- **e-Appraisal**
  - ☐ Web-enabled appraisal, skills development and career mapping

- ☐ Reduces the paperwork and paper-pushing by HR, onus on manager
- ☐ Able to conduct appraisal on-time

**Benefits of e-HR**

- ■ **Business**
  - □ Able to have multiple physical presence, with one virtual HR Department
  - □ React quickly to a continually changing business structure
  - □ Obtain human capital information from anywhere in the world, e.g. China, etc.

- ■ **HR Division**
  - □ Reduce HR service delivery cost by automating key HR business processes
  - □ HR gets to focus on strategic issues more
  - □ Manage workforce with right portfolio of skills and knowledge
  - □ Manage reward programs to attract, motivate and retain skilled workers
  - □ Data Entry –increase error detection/reduce correction cost
  - □ Eliminating cost related to printing and dissemination of information to employees
- ■ **Employees**
  - □ Improved levels of service from HR to meet employees' demands
  - □ Employee self-service allows quick and immediate access to info
  - □ Employees' career development and appraisal done more effectively and efficiently

Information Technology has played an important role in HRM practices. E-HRM is the application of IT for HR practices which enables easy interactions within employee and employers. It stores information regarding payroll, employee personal data, performance management, training, recruitment and strategic orientation. It decreases the paperwork substantially and allows easy access to voluminous data. The employee can also keep track of his/her achievements without having to go through litigious procedures. It uses intranet or other web technology channels. It can also be used for implementation of different HR strategies. The authorization of different HR functions can be distributed through E-HRM.

**E-Recruitment**

- Is a comprehensive evaluating system that can be used to conduct objective type tests such as recruitment tests, entrance examinations, competitive exams, certification tests, assessment quizzes or as an assessing tool in e-learning or market research.
- A highly customizable product, it allows conducting several tests simultaneously and can declare the result as soon as the test is over.

**Current trends in e-recruitment**

- Integrated recruitment starting from vacancy creation right up till employee induction.

  - Equal Opportunities monitoring
  - Metrics and reporting for the process effectiveness
  - Applicant Tracking
  - Linking internal recruitment systems directly to the Job Board
  - Analyzing effectiveness by media partner, agency.
  - Internal  job boards on the employee internet
  - Workflow based HR processes and self service in recruitment

  -- Induction Schemes and Pre-joining schemes

**FORMS OF E-RECRUITMENT**

- There are two basic forms of e-recruitment:
- A Company's own home page
- Third party sites e.g. Find Jobs. Build a Better Career. Find Your Calling. | Monster.com, Naukri.com - Search Jobs in Delhi, Mumbai, Bangalore - Career - India, Jobs in India, Search for Jobs Online - TimesJobs.com

**Advantages of E-Recruitment**

- Cost reductions
- It is usually considerably cheaper to advertise on the internet than in conventional paper based publications.
- Using on-line recruitment tools can reduce the administrative burden associated with recruitment e.g. by sending candidates automated responses.
- Organisations have the ability to reach a much larger target audience as there will be 24 hour global access to their vacancy information.
- It can reduce discrimination and subjective selection.
- It raises the possibility of cutting down the length of traditional recruitment process.
- Computerisation means that more applicants can be processed.
- Sophisticated search tools can be Growth of E-Recruitment

**E- Performance**

- The use of technology in performance management tends to increase productivity, enhance competitiveness and motivate employees.

**Technology**

- Multi rater Appraising System:
  Supervisor /team members generate online as well as off shelf appraisal software packages where by which appraisal will be done.
- CPM Technology : Computerized Performance monitoring system.
- ERP : Enterprise resource planning software system , Integration of performance management system.

**E- Compensation**

Represents a web enables approach to an array of compensation tools that enable to organisation to gather store, manipulate, analyse, utilise and distribute compensation data and information.

**E- Training & Development**

- It can be denoted as E- Learning. It refers to the use of internet or an orgnisational intranet to conduct training online.
- E.g In WIPRO out of its 17,500 employees , 2500 are on site and 15,000 employees are in off shore centres at Bangalore , Hyderabad, Chennai, Pune and Delhi.

**Training policy :**

- Any employee is subject to training for a two week training every year.
- In satyam nearly 80% of the 9000 employees are logged into the in house learning management system for various courses.
- Infosys has almost 10 % of its total training through e –learning.
- Many firms use e-learning as a prerequisite before classroom training popularly called Blended training.

**Requisites For E-learning**

- Sufficient top management support
- Managers and HR professional need to be retrained to accept the idea that training is being decentralized and individualized

**Advantages & Disadvantages**

- It is self paced, Trainers can proceed on their own.
- It is interactive , tapping, multiple trainee senses.
- Allows for consistency in the delivery of training.
- Enables scoring of services /assessments and appropriate feedback.

**Disadvantages**

- May cause trainee anxiety
- Not all trainees may be ready for e-learning.

**Virtual Learning and Orientation**

It is the process whereby which with an internet connection, learning and acquisition of knowledge will happen.

**Steps in virtual learning**

- Reading all the instruction before going for learning any new concept.
- Log in to the computer and clients for announcement , email, discussion forum etc.
- Keep track of all the assignment emails and discussion board post.
- Actively participate inclass room discussion by asking questions and making commands to other class mates.

**E- Employee Profile**

It is where the employees databases are maintained through excel sheet by using intranet.

**Uses Of E- employee Profile**

- Accessing employees data quickly.
- Retrieval of data is possible.
- Maintenance of records are easy.
- It sales the place.
- It reduces paper work.

**Steps in Creating / maintaining Employee Profile**

- Log on to the user ID and open the firm and enter the details like
- Name. DOB. DOJ, Dept, Designation, Years of experience , Marital status etc.
- Exit the form and forward it to Human Resource Department through HR Intranet.

## HRIS

It is a systematic way of storing data and information for each individual employee to aid planning, decision making and submitting of reports to the external agencies.

**Purpose of HRIS**

- Storing information & data for future reference.
- Providing a basis for planning, organizing, decision making and controlling.
- Meeting daily transactional requirement such as absent.

**APPLICATION OF HRIS**

**I Personal Administration**

Information about each employee name age, address, DOB, DOJ etc.

**II Salary Administration**

- HRIS will be helpful in performing what if analysis.
- Report should give details of present salary last increases & proposed increase.

**III Leave / Absence recording:**

Maintaining a complete leave history for employee ID card , employee no.

**IV Skill Inventory**

HRIS helps to maintain skill database at both employees and organization chart It helps to identify the employees skills required.

**V Medical History**

HRIS helps to maintain records on occupational health data required for safety purpose.

**VI Accidental Monitoring**

HRIS helps to maintain the details of the accident for the injured employees Accident prone areas within the organisation.

**VII Performance Appraisal**:

The system record individual employee performance appraisal such as the

- Due date of the appraisal
- Scores for each performance criteria
- Potential For Promotion.

**VIII Recruitment** :

HRIS Should record cost , method of recruitment , time taken to fill the position.

**ix) Training & Development**:

The system consider the training & development of an employer with the ability to record & enquire on courses completed and any projected courses.

**x) Manpower/career Planning:**

HRIS record details of the organizational requirement in terms of position.

A logical progression paths and steps required for advancement can the identified by HRIS after which the individual progress can be monitored.

**Necessary capabilities Of An HRIS**

- **Input Function:**

Establish the procedures and process required to gather the necessary data. After collection data must be entered in to the system after codification.

- **Data Maintenance Function:**

This function is responsible for the actual updating of the data stored in storage devices.

- **Output Function:**

It is concerned with the information reports produced by the system (evaluating calculation).

**Steps in Implementing in HRIS**

- Inception of idea
- Feasibility study
- Selecting a project team

- Defining the requirements
- Vendor Analysis
- Contract Negotiations
- Training
- Tailoring the system
- Collecting the data
- Testing the system
- Starting Up
- Running in Parallel
- Maintenance
- Audit

**Designing HR portals**

- It is the electronic web system that gives the employees with greater access that gives the employees with greater access to the tools and information which they need to do their job.

**Need For Portal**

- To cope up with the various needs of different users.
- To meet numerous types of information.

**Features /Characteristics**

- Allowing different information
- Presenting automatically the information and services that the user wants.
- Allowing the user to select the information and services according to his own interest.

**HR Portal**

- It enables employee, manager and candidate self service on wide ranging topics, the information displayed for each for each person is customized.

**Designing HR Portal**

- Bringing together key stakeholders.
- Articulate strategy
- Understand current content management & technology process.
- Clearly defined the roles and responsibilities.
- Establish accountability.

**Employee Survey Online**

It is the survey which will be conducted in collaboration with the electronic system.

**Types Of Survey**

- Employee opinion survey
- Pulse survey.
- Short form survey
- Merger & acquisition survey.
- Expatriate and expatriate spouse survey.
- Global employee survey.
- Special focus survey.

**Employee Survey - Steps**

- Need Analysis
- Focus Group
- Survey Design
- Develop Question
- Questionnaire Review
- Instrument Pre Test
- Administer the Questionnaire
- Analyze The Questionnaire
- Presentation Of Survey Result

**Issues in Employee Privacy**

- Privacy in workplace is a controversy  issue.

- An employer has all right to monitor an employees performance and behavior

**Ways By Which Employees Can Be Monitored.**

- Email
- Phone conversation
- Voicemail
- Messages

**UNIT – 2**

**Strategic framework for HRM and HRD**

## INTERNATIONAL HUMAN RESOURCE MANAGEMENT

It is defined as the interplay between the three important dimensions of HRM:

→ Types of employees

→ HR activities

→ Country of operation.

**Three major HR activities**

→ Procurement, allocation and utilization

→ Three major countries:

- ❖ Host country
- ❖ Home country
- ❖ Other countries

→ Three types of employees:

- ❖ Host country nationals (HCN's)
- ❖ Parent country nationals (PCN's)
- ❖ Third country nationals (TCN's)

## FACTORS DIFFERENTIATING DOMESTIC AND INTERNATIONAL HRM

**1. Hr Activities:**

The conventional HR department should expand their activities like International taxation, International relocation, administration services for expatriates, language

While relocating, HR department should give training programmes in cross cultural issues, providing immigration & travel details; providing housing; shopping; Medicare; recreation; compensation details; psychological comfort.

**2. The Need For A Better Perspective:**

In a domestic environment HR managers need to manage the employees of only host country but in a multinational platform, the HR managers have to view different international issues like Expatriates benefits etc;

**3. More Involvement In Employees Personal Lives:**

The role of HR department is to make the expatriate employees to understand their housing, healthcare, work culture, compensation; so that they feel comfortable at the new place. But in domestic setting, HR department need to provide only insurance or some assistance during transfer.

**4. Emphasis Changes As The Workplace Min Of Expatriates And Local Varies:**

Time which is required for expatriates from the parent nation decreases; relocation and orientation are switched to activities like local staff selection/ T&D programmes.

**5. Risk Exposures:**

The failure of an expatriate in terms of his performance will cost the company heavy loss. This will have an effect on market share and international customer relationship. Threat of terrorism should be considered while deciding on International assignments.

**6. External Factors:**

Some of the external factors like government; state of economy; Business policies of various host countries are high, it is a great challenge for HR professionals.

**7. Cultural environment:**

**Culture:** It is a set of values, attitudes and behavior that are transmitted over a long time people traveling abroad face serious challenges to face the new culture. Therefore they have to adjust themselves in teams of values, habits, liking, food, clothes and language. Indians have homesickness because they are missing their lifestyles and family bondage b'2 of which they quit. Therefore HR professionals have to counsel them and help them to develop quick transformation process in order to reduce cultural shock.

**8. The industry within which MNC is primarily involved:**

**Global industry:** Domestic industries / Rivals compete against each other.

**Multi Domestic industry:** A firm must integrate its activities on a worldwide basis to capture the linkages away countries.

**9. Extent of reliance of the multinational its home** – country market:

This factor plays a major role in deciding the HR policies of the organization.

**10. Attitude of the senior management:**

If the attitude of the senior management does not have a strong international orientation, the importance of international operations may not be emphasized.

**<u>International HRM Major Roles /Functions:</u>**

It has following four major functions:

**1. Selection**

- Provide *realistic country preview*.
- Measure ability to be sensitive to different cultures and/or comfort with specific foreign country's culture.
- Have successful expatriates make the selection decisions.
- Require previous international experience (pay attention to specific country worked in).
- Assess family's willingness to live or work abroad.

**2. Training**

*Cross-cultural training*, which can address:

- Major cultural differences
- Foreign expectations regarding polite behaviour

- Foreign expectations regarding business behaviour
- How to avoid feeling insulted when no insult is made

→ Video and role-play approaches to training delivery are critical for cross-cultural training.

**3. Career Development**

Ensure expatriates know that an international assignment helps in terms of *advancement* within the firm

**4. Compensation**

- Disposable income abroad should be the same (if not more) than what is given at home.
- Provide incentive to work abroad (bonus, pay increase).
- Ensure pay equity within foreign facilities.

**RECRUITMENT:**

The international recruitment and selection of a firm depends on

- General staffing policy
- Ability to attract the right candidate
- Constraints placed by the host government on hiring policy

**Approaches To Multinational Staffing Decisions:**

There are four approaches to multinational staffing decisions:

**1. Ethnocentric approach:**

Under this approach parent nation employees till all key positions in a multinational b'2 of following reasons:

Lack of qualified host nation employees

Need to maintain good communication and co ordination with headquarters.

This policy has following disadvantage:

→ It limits the promotion opportunities of host country nationals, which may lead to decline in productivity and high labour turnover.

→ The parent company nationals being placed in host country take lots of time in understanding the local dynamics.

→ The salary structure of the parent company creates a feeling of discrimination and frustration on the employees from the host country.

→ Polycentric approach: Employing host country nationals in the subsidiary of MNC operating in that country. The basic premise is that parent country nationals will only hold positions in the corporate headquarters.

**Pros:**

- Overcome lack of qualified managers in host countries
- Unified culture
- Helps transfer core competencies

**Cons:**

- Maintaining an understanding between the corporate and subsidiary, management becomes difficult.
- It becomes difficult to teach the original culture.
- Produces resentment in Host country
- Can lead to cultural myopia.

Ex: ABC computers - Parent company
XY Technology – Host country
Key positions – Filled only by the employees of host country.

**2. Geocentric approach:**

This approach is of the view that employing the best employees throughout the organization without considering any nationality.

**Pros:**

- Enables the firm to make best use of its human resources.
- Equip executives to work in a number of cultures
- Help build strong unifying culture and informal management network.

**Cons:**

- National immigration policies may limit implementation.
- Expensive to implement due to training relocation.
- Compensation structure can be problem.
- Employment policy
- Paper work involved in hiring a foreign national
- Expensive – T&D
- Benchmarking the salary with the international compensation package.

**3. Regiocentric approach:**

This approach advocates the division of operations of the multinational company on the basis of some geographical regions and allows the transfer of employees within a particular region.

**Pros:**

It allows interaction between executives transferred to regional headquarters from subsidiaries and parent country nationals posted to regional headquarters.

**Cons:**

It moves the barriers to regional level.

**4.Polycentric Approach:**

HCN manages subsidiaries. Parent country nationals hold key headquarter positions. Best suited to multi -domestic business.

**Advantages:**

- Alleviates cultural myopia
- Inexpensive to implement
- Helps transfer core competencies.

**Disadvantages;**

- Limits opportunity to gain experience of host country national outside their own country.
- Can create gap between home host country operations

**SELECTION:**

Selection of people of the parent company nationals for their home country operations placement is a function carried out by the HR department.

**Types of international work**

**1. Expatriates**

An employee sent by his/her company in one country to work in a different country.

**2. Global team project**

Bringing together employees from different locations to complete a specific team project.

**3. Short-term assignments**

Sending employees on assignments, such as a three-month assignment, to a foreign location.

**4. Virtual assignment.**

Assignments requiring employees in different locations to use information technology to communicate on job projects and tasks.

**5. Expatriate selection:**

It is predicting future performance potential when hiring or promoting staff in a environment.

**Who is an Expatriate?**

- An employee who is working and temporarily residing in a foreign country

- Some firms prefer to use the term "international assignees"

- Expatriates are PCNs from the parent country operations, TCNs transferred to either HQ or another subsidiary, and HCNs transferred into the parent country

- Global flow of human resources

**Use of expatriates increases when:**

- Poor or insufficient local talent
- There is a need to ensure a strong corporate-wide vision (and culture).
- When domestic and foreign operations are highly interdependent.
- The political situation in the foreign country is unstable
- There are significant culture differences.
- When the home country does not *TRUST* the abilities and/or intentions of local labour force.

**Why do International Assignments Fail?**

**1. Career blockage**

"the home office has forgotten about me"

**2. Culture Shock,**

resulting in frustration and poor cooperation abroad.

**3. Family problems,**

- Due to poor adjustment and/or lack of contact if family is left behind.
- Over-emphasis on *technical qualifications*.
- Getting rid of a *problem employee***.**

**CULTURE**

Culture includes tools, weapons, fire, agriculture, animal domestication, metallurgy, writing, the steam engine, glasses, airplanes, computers, penicillin, nuclear power, rock0and0roll, video games, designer jeans, religion, political systems, subsistence patterns, science, sports, and social organizations.

Culture includes all aspects of human activity, from the fine arts to popular entertainment, from everyday behavior to the development of sophisticated technology. It contains the plans, rules, techniques, design, and policies for living.

Culture is a shared way of life that includes values, beliefs, and norms transmitted within a particular society from generation to generation through symbolic learning and language.Culture is the historical accumulation of symbolic knowledge that is shared by a society.

Culture is based on shared meanings that are beyond the mind of any individual; culture is also within the mind of individuals.

**Components of Culture**

- Material culture
    - *Homo habilis* and beyond
- Non-material culture
    - Values (standards of judgment)
    - Beliefs (more specific than values)
        - Worldview
        - Ideology – key to anthropological knowledge
        - Hegemony
        - Norms (rules of right and wrong)
        - Ethos
        - Folkways
        - Mores
- Ideal versus Real Culture
    - Do what I say, not what I do.

**Cultural Dynamics**

It is the process of replacing and existing way of thinking…

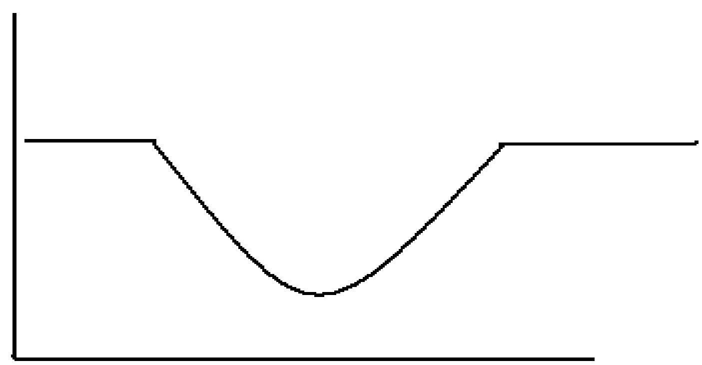
**Cultural Diversity**

The existence of 2 or more persons from different cultural groups in any single organization is called cultural diversity

**Cultural adjustment: / CULTURE SHOCK**

The process by which an expatriate adjust to the culture of the foreign country is extremely important. The longer it takes to adjust, it is costly for the organization as it will affect the performance.

**<u>The phases of cultural adjustment</u>**



**Phase I**

After receiving the offers, its full of pleasant excitement, anxiety, sense of adventure, positive, negative emotions will be there.

**Phase II**

Here the person faces the reality which is homesickness leading to negative approach and crisis. The way how anyone handles the situation becomes the success/ failure of the assignment.

**Phase III**

Slowly he gets adapted to the new environment

**Phase IV**

As he already adjusted his performance improves and he is in a state of healthy recovery.

**Limitations:**

This is not universal in terms of reaction of people

This doesn't explain how and why people move through various phases

Reaction beyond phase four is not presented here.

**CROSS-CULTURAL AWARENESS TRAINING**

Globalization has resulted in more U.S. citizens being given expatriate assignments. According to the national trade council, more than 250,000 U.S. citizens are working overseas. To prepare these individuals for their assignments many organization are providing cross-cultural training.

**Elements In Cross-cultural Awareness Training**

1. Raising the awareness of cultural differences.
2. Focusing on attitude
3. Providing factual information about each culture.
4. Building skills in the area of language, non-verbal communication, cultural stress management and adjustment adaptation skills.

**1. Raising the awareness of cultural differences:**

This focuses on understanding some of the assumption, beliefs and values people have about other cultures without developing these insights in to these elements it will be difficult for people to value cultural differences.

Example: people from Japan and some other Asian countries may have difficulty assimilating with the aggressiveness and self promotion that is common in the U.S.workplace.

**2.Focusing on attitudes:**

Programs that focus on how attitudes are shaped help people to understand how cultural stereotypes are formed and the destructiveness of the cultural bias.Even though people may understand cultural differences, they may not truly understand how assumptions, values and beliefs underlie racist attitude. Example: male manager may take extra efforts to learn the greater differences and know the contribution of women at workplace. Because of limited number of female workers, male manger will come to a conclusion that female don't have the ability to become managers.

**3. Providing factual information about each culture:**

It is necessary to reinforce new assumptions, values, beliefs and attitudes about different cultures. If people are strongly ethnocentric i.e. feeling that their culture is superior to others, and then training should be given. People need to know what these strengths are and how they can help individual workers and the organization to do a better job.

**4. Build skills in the areas of language, non-verbal communication, cultural stress management**

This addresses the critical I/P relations of employees both inside and outside the organization. In order for people to establish effective relation they must learn to communicate.

## ASSESSING CULTURE

Economic, market, social and political conditions will certainly play a significant role in any decision to go abroad. National cultures differ on a variety of dimension and many international undertakings fail because of lack of u/s or appreciation of cultural differences.

**HOFSTEDE MODEL OF ASSESSING CULTURE**

Culture is assessed on the following four dimensions which was developed by Hofstede**.**

| Culture Dimension | One Extreme | The Other Extreme |
|---|---|---|
| Identity | Individualism | Collectivism |
| Power | High Power Distance | Low Power Distance |
| Gender | Masculinity | Femininity |
| Time | Long-Term Orientation | Short-Term Orientation |
| Uncertainty | Uncertainty Avoidance | Uncertainty Tolerance |

**1. Power Distance**

**Low distance**

Relatively equal power between those with status/wealth and those without status/wealth

**High distance**

Extremely unequal power distribution between those with status/wealth and those without status/wealth.

**2. Individualism**

- Individualism
  - The degree to which people prefer to act as individuals rather than a member of groups
- Collectivism
  - A tight social framework in which people expect others in groups of which they are a part to look after them and protect them

**3. Masculinity**

- Masculinity
  - The extent to which the society values work roles of achievement, power, and control, and where assertiveness and materialism are also valued
- Femininity
  - The extent to which there is little differentiation between roles for men and women

**4. Uncertainty Avoidance**

- High Uncertainty Avoidance

  Society does not like ambiguous situations and tries to avoid them.

- Low Uncertainty Avoidance

  Society does not mind ambiguous situations and embraces them.

**5. Time Orientation**

- Long-term Orientation
  - A national culture attribute that emphasizes the future, economy, and persistence
- Short-term Orientation
  - A national culture attribute that emphasizes the present and the here and now

**HALL's Cultural assessment Model**

| Dimensions | Characteristic |
|---|---|
| Speed of Messages | fast - slow |
| Structure of Space | open - closed |
| Structure of Time | monochron - polychron |
| Context Orientation | low-context - high-context |

**1. CONTEXT**

- **High context**

In a high-context culture, there are many contextual elements that help people to understand the rules. As a result, much is taken for granted. This can be very confusing for person who does not understand the 'unwritten rules' of the culture.

- **Low context**

In a low-context culture, very little is taken for granted. Whilst this means that more explanation is needed, it also means there is less chance of misunderstanding particularly when visitors are present.

- French contracts tend to be short (in physical length, not time duration) as much of the information is available within the high-context French culture. American content, on the other hand, is low-context and so contracts tend to be longer in order to explain the detail.

E.g.Highly mobile environments where people come and go need lower-context culture. With a stable population, however, a higher context culture may develop.

**2.TIME**

**Monochronic time**

- M-Time, as he called it, means doing one thing at a time. It assumes careful planning and scheduling and is a familiar Western approach that appears in disciplines such as 'time management'.
- Monochronic people tend also to be low context.

**Polychronic time**

- In Polychronic cultures, human interaction is valued over time and material things, leading to a lesser concern for 'getting things done' -- they do get done, but more in their own time.
- Aboriginal and Native Americans have typical polychronic cultures, where 'talking stick' meetings can go on for as long as somebody has something to say.
- Polychronic people tend also to be high context.
- Western cultures vary in their focus on monochronic or polychronic time.

**Eg:** Americans are strongly monochronic whilst the French have a much greater polychronic tendency -- thus a French person may turn up to a meeting late and think nothing of it (much to the annoyance of a German or American co-worker).

### 3. SPACE

Personal space is an example of a mobile form of territory and people need less or greater distances between them and others. A Japanese person who needs less space thus will stand closer to an American, inadvertently making the American uncomfortable. Some people need bigger homes, bigger cars, bigger offices and so on. This may be driven by cultural factors, for example the space in America needs to greater use of space, whilst Japanese need less space (partly as a result of limited useful space in Japan).

**High territoriality**

- Some people are more territorial than others with greater concern for ownership. They seek to mark out the areas which are theirs and perhaps having boundary wars with neighbors.
- This happens right down to desk-level, where co-workers may do battle over a piece of paper which overlaps from one person's area to another. At national level, many wars have been fought over boundaries.
- Territoriality also extends to anything that is 'mine' and ownership concerns extend to material things. Security thus becomes a subject of great concern for people with a high need for ownership.
- People high territoriality tend also to be low context.

**Low territoriality**

- People with lower territoriality have less ownership of space and boundaries are less important to them. They will share territory and ownership with little thought.
- They also have less concern for material ownership and their sense of 'stealing' is less developed (this is more important for highly territorial people).
- People with low territoriality tend also to be high context.

## STRATEGIC HR ISSUES IN INTERNATIONAL ASSIGNMENT

There are various approach in managing the process of sending workers aboard

- **ADMINISTRATIVE APPROACH**

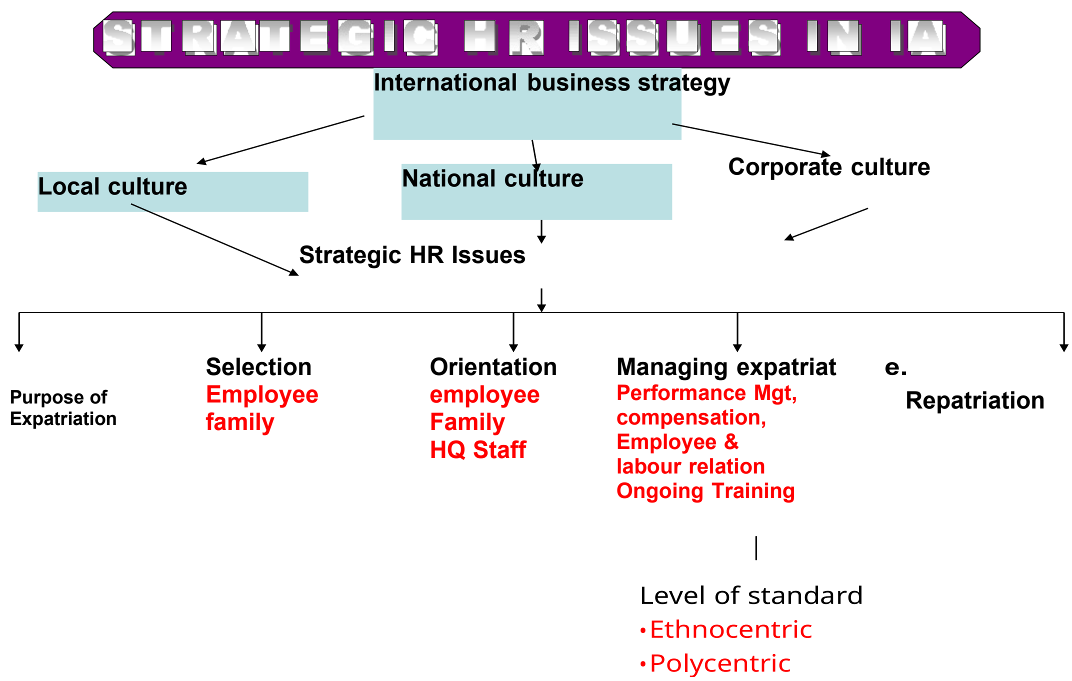
  Assisting employee with paperwork and minor logistics like Hiring movers, taxs ,visa etc

- **TACTICAL APPROACH**

  Managing the risk or failure factor for example handling the administrative paperwork while also providing limited usually one day, training for the employee.

- **STRATEGIC APPROACH**

  More support and coordination. Strategically managing such a process would involve adding extensive selection systems. Ongoing, integrated training, a specific performance management system, destination services.



## MODEL OF SHRM IN INTERNATIONAL ASSIGNMENT

**Step-1: Establishment of specific purpose for the assignment**

Ex- Business development/ management development. Transfer/integration of IT, mgt of an autonomous subsidiary, integration of foreign with domestic operations

**Organisational**

- Business or market development
- Set-up transfer or integration Of technology
- Manage autonomous subsidiary
- Coordinate or integrate foreign operation with domestic
- Fill vacant position temporarily.
- Develop local management talent

**Individual**

- Skill development
- Preparation for top management
- Follow dual career partner

**Step-2: Selection of appropriate employee for the assignment**

There should be an individual purpose as well as only purpose for the assignment.

For this purpose, an employee could be chosen for and accept an international assignment and prepare the employee for a top management position, develop him for technical/interpersonal skills.

The assignment needs to be conceptualized as a win/win proposition.

**Step-3: Assess the adaptability**

After the individual has identified, it is important to asses the adaptability to the host culture of both the employee and any family members who will be accompanying the employee on the assignment. Individuals and their families are screened to determine their ability to be comfortable in the host culture. This will include sending the employee and family members to the host country for several weeks to test their adaptability.

From individual aspect, the organization needs to assess

- Technical ability, adaptability, willingness, communication skill, patience, and openness to difference in others, willingness to interact of both the employee and accompanying family members.

**Step-4: learning for the employee and family members**

- ➢ The initial training should begin at least 6-9 months prior to the start of the assignment.
- ➢ If the family members are not allowed on trail period overseas, they should be sent in this stage. This should be viewed as investment as compared to expenses.
- ➢ Employee and family should receive cross-cultural training in the norms and values of host country, workplace and business practices, language training, health and safety issues etc., follow-up should be done.

The head-quarters staff who will be supervising or interacting with the employee who is abroad should be given sensitivity training. It will

- Help headquarters staff understands how and why local decisions are being made.
- Allow them to give the expatriate employees the necessary support
- Empathy while keeping the expatriate informed as to what has been happening at head quarters.

**Step-3: Managing day-to-day issues**

Apart from general practices and principles of general HRM, the following has to be done.

1. Assessing ongoing training needs and supporting them
2. Performance management
3. Employee and labor relations
4. Compensation
5. IT
6. Security guards

7. Private schooling for employee's children

**HR IN MERGERS AND ACQUISITIONS:**

**Mergers:** two companies come together and create a new entity.
**Acquisition:** one company buys another one and manages it by implementing terms and conditions consistent with the acquirer's needs.

Centre for monitoring Indian economy announced that a total of 640 merger and acquisitions aggregating worth Rs.13,817crores during the period 2001- 02. (chemicals, finance, communication and IT sector)

**Why do Merger and Acquisitions fail? / Reasons for failure of Merger and Acquisition**

- Expectations are unrealistic.
- Hastily constructed strategy, poor planning, unskilled execution.
- Failure to unity behind a single macro message.
- Talent is mismanaged.
- Power and politics are the driving forces rather than productive objectives.
- Require an impossible degree of synergy.
- Culture clashes before two entities go unchecked.
- Transition management fails.
- The underestimation of transition costs.
- Financial drain.
- Defensive motivation.
- Cultural differences.

The important reasons are culture clashes, gaps and loss of key talents. Culture concerns the internalization of a set of values, feelings, attitudes, expectations and the mindset of the people within an organization. Whenever there is differences between any two merged companies that will result in decrease in employee morale, anger, anxiety, communication problem and a feeling of uncertainty about the future leading to separation. Normally whenever there is a merger, the decision is taken at the top, primarily by the financial personnel, on the parameters of finance and on the HR/ soft issues. Even when there is no direct clash, it is most likely that the cultures of the two firms differ. When the integration happens, the employees have their attitude rather than what we feeling.

**Ex: P&G and Godrej**

Godrej: traditional value based organization paying respect to seniors adopting LOC. Talents are quit.

**P&G: MNC – Informal work culture.**

While M&A occurs, cultural incompatibility poor communication and loss of key employees are the main factors have to be proved to a successful M&A transition.

**<u>Stages of M&A:</u>**

- Pre- union.
- In process union.
- Post union.

**1. Pre union :**

This is the stage prior to M&A during which it is extremely important to understand doth the organization and their people processes.

- Identify the reasons for which the organization is interested for M&A.
- Team is formed to work dedicatedly not only on financial side but also on HR function, strategy to be framed to align and motivate t he new work force.
- Transition teams are used to study and recommend options for combining the two companies in a merger (including meeting.)
- Through cultural assessment exercise of both the organization in terms of philosophies, values and practices has to be carried out.

- ❖ Through assessment of HR issues within the company such as:
- ❖ Recruitment, MPP, employee relations, labor relations, compensations, benefit programmes, HRI, T&D, safety and  issues should be done.

**2. In- process union:**

In this stage, all the employees will be addressed by the manager. The various role of the integration manager is as follows:

- ❖ Communication.
- ❖ Advisor.
- ❖ Advocate.
- ❖ Relationship builder.
- ❖ Facilitator.
- ❖ Team leader.
- ❖ Negotiator.

New original structure must be created by considering the business objectives, geographic, locations etc.

GE capital, Kay & Sheldon have found that 76% believe in retention of key talents, 71% in communication, 67% in retention of key managers and 51% in integration of corporate cultures.To minimize the stress and uncertainty in the organization, during the merger process, it is essential to develop and deliver educational seminar to help employees and manager to manager stress, low morale.

**3. Post union :**

**a. Structure:**

In this phase, the structure and staffing pattern need to be tested in action terms of value creation in the organization.

**b. Culture:**

The culture which is merged out of the combination should be monitored, in line with the objectives of the new organization.
In this activity the senior management people should involve.

**c. Team:**
As merger is implemented, problems may arise when new terms are formed. The problems may be:
- Interpersonal conflict.
- Unified roles.
- Confusing procedures.

Therefore HR professional should review this process and provide consultation.

**d. Stakeholders:**
The stakeholders may worry about the performance of the new entity.
Therefore the HR department need to develop a transparent communication channel in order to disseminate the information to the stakeholders related to the achievements of M&A activity.

**Policies:**
- Compensation and benefit packages must be reviewed, merged and communicated.
- Staffing, MPP must be reviewed.
- T&D programmes must be completed / merged and communicated.
- Employer-employee relations must be com and implemented.

**Principles to be followed in M&A:**
- Maximize face to face presentations.
- Push information out.
- Watch the informal channels.
- Use multiple forms of communication.
- Communicate logic and empathy.

**Factors contributing to the success of M&A:**

- Well defined goals.
- Well managed M&A team.
- Taking lessons from p5revious experience.
- Transparent environment to keep the communication open.
- Friendly climate.
- High commitment to deadlines.
- Accept unwilling people and plan for their change.
- Key talent retained.
- Planning for in process union and post – union steps in early.
- Timely communicated to all stakeholders.

**Skills and competencies required for HR professionals in M &A.**

- Good strategic knowledge.
- Effective communication skills.
- Motivating skill.
- Analytical skill.
- Planning monitoring and bringing changes effectively.
- Good mediators having sound negotiation skills.
- Effective in retaining people.

## INTERNATIONAL COMPENSATION MANAGEMENT

Designing and developing a better compensation package for HR professionals for the I.A. requires knowledge of

→ Taxation

→ Employment laws

→ Foreign currency fluctuation

Socio economic condition of the country has to be considered.

**Objectives of international management**

→ The compensation policy should be in line with structure, business needs and overall strategy of the organization

→ The policy should aim at attracting and retaining the best talent.

→ It should be clear

**Employee's objectives towards I.C.P**

→ He expects proper compensation against his competency and performance level

→ He expects substantial financial gain for his own comfort and for family also.

→ He expects his present and future needs to be taken care of including children's education, medical protection and housing facilities.

**Components of international compensation package:**

1. **Base salary:**

It denotes the main component pf a package of allowances directly related to the base salary and the basis for in-service benefits and pension contributions.

Foreign Service inducement premium:

This is a component of the total compensation package given to the employees to encourage them to take up foreign assignments

- Premium
- Amount of payment
- Timing of payment

**2. Allowances :**

**Cost of living allowance (COLA)**

It is the payment to compensate for the difference in the cost of living between two countries. (inflation difference).other allowances are:

- Home leave allowances (one or more trips to back home to prevent adjustment problems)
- Education (language tuition,children education)
- Relocation allowance( moving, shipping, temporary living, purchase of car etc.

- ❖ Spouse assistance compensation for the loss of income due to spouse losing their job.
- ❖ Housing Allowance
  - – To enable maintenance of home country living standards
  - – Company provided houses, fixed HRA
  - – Assistance in sale or leasing of residence, payment of closing costs, rent protection, equity protection etc.

→ **Benefits:**

- ❖ Pension will differ from country to country
- ❖ Vacation and special leaves
- ❖ Rest and rehabilitation leaves
- ❖ Emergency provisions like death or illness in the family

**3. Foreign Services Inducement Premium (FSIP)**

All the above issues has to be decided whether it has to be offered/ covered under home country /host country.

- This is a component of the total compensation package given to the employees to encourage them to take up foreign assignments.
- Salary premium as an inducement or as Compensation for any hardship caused by transfer
- More commonly paid to TCNs than PCNs
- Made in the form of percentage of salary (5-40% of base pay)
- Differentials are considered (eg. Host country work week and hence over time)

**Approaches to international compensation:**

**1. Market rate approach:**

Under this approach the base salary is linked to the structure in the host country. Here the MNC obtains information from local compensation surveys and decides whether local employees, expatriates of different nationalities will be the points of referencing for benchmarking the compensation.

**Pros:**

→ Simple approach

→ Identification with the host country is possible

→ Equalities with local nationals

→ Equity among people of different countries

**Cons**

→ There is a possibility of variation in the compensation offered to expatriates from the same country

→ There may be variation between assignments for the same employee

**2. Balance sheet approach:**

The assumption of this approach is that employees going for foreign assignments should not suffer any kind of tangible loss due to working in a new environment. It is a system designed to equalize the purchasing power of employees at comparable position levels living abroad and in the home country.

Under this approach, four main categories of expenditure are incurred. They are:

→ Goods and services- food, personal care, clothing, furnishing, recreation.

→ Housing-cost associated with housing in home country.

→ Income Tax-host and parent country taxes.

→ Reserves-contribution to savings, pension, education expenses.

**Pros:**

→ Equity between foreign assignments and between expatriates of the same country

**Cons:**

→ It involves high cost

→ It can result in huge disparities between expatriates of different nationals and between expatriates and locals in different countries.

## REPATRIATION

It is the repatriation of retaining employees. Organization need to establish strategy that allows them to take the valuable experience abroad and

1. Integrate it with what is happening at home
2. Allow coworkers to learn of the repatriates experience to enhance the performance

It should be viewed as an investment. Between organizations has invested time and money in the international assignment, during which the employee has developed personally and professionally. Many repatriates return from overseas assignment and expect a high ranking job as they were working abroad.

**Issues to be addresses in a repatriation process:**

- Career
  1. Career anxiety-current place, future
  2. Organization reaction
  3. Loss of autonomy
  4. Adaptation to change
- Personal
  1. Logistics
  2. Personal readjustment
  3. Family readjustment

**Repatriation process:**

→ **Preparation :**

It involves developing plans to the future and gathering information about the new position.

The organization may provide a checklist to the employee for all the steps to be followed before his return to the home country.

→ **Physical relocation:**

This stage involves shifting the personal belongings, traveling to the next position to the home country.

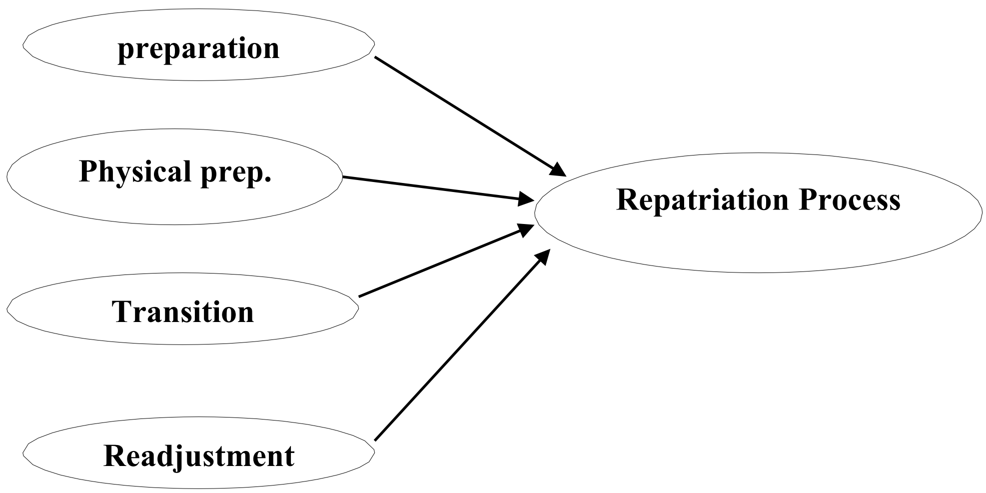
→ **Transition:**

The person starts the process of setting down in the next setting. This involves settlement of new house, education of the children, social adjustments with new friends.

→ **Readjustment:**

It involves coping with the reverse culture shock and career demands.

- ❖ Adjusting to the new environment.
- ❖ Career anxiety.
- ❖ Sense of failure for those who come back.




**Expatriate Costs**

- Expatriate costs may pose a multiple-fold expense in relation to employees who are not sent as expatriates to foreign destinations, and are usually significantly higher than the compensation accorded to HCNs and TCNs

**Goals of an International Organization's Compensation Policy**

1) Policy should be consistent with the overall strategy, structure and business needs of the international organization

1) Policy must work to attract and retain staff in those areas where the international organization has the greatest needs and opportunities. As a consequence, the

policy must be competitive and recognize factors such as incentive for serving in a foreign location, tax equalization and reimbursement for reasonable costs.

2) Policy should facilitate transfer of international employees in the most cost-effective manner

3) Policy must give due consideration to equity and ease of administration

**OUTSOURCING**

Companies were found to use HR outsourcing for both operational and strategic reasons. Outsourcing occurs when a company contracts with a vendor to perform an activity previously performed by the company. Outsourcing also has a temporal dimension in that some executives view outsourcing as permanent, where as subcontracting is temporary. Thus, a subcontracted activity is expected to return to the company at some point, whereas outsourcing is not. We refer to outsourcing as the performance, by outside parties on a recurring basis, of HR tasks that would otherwise be performed in-house.

**Survey results:**

In 1996, American firms spent over $100 billion in outsourced business activities. Globally, outsourcing usage grew by 35 percent for the 12 months ending in june 1997 and the total market for outsourced services is expected to increase to $200 billion b y the year 2000. A1996 Hewitt Associates survey of large employers found that 93% of respondents outsourced some of their HR functions. The 1997 survey of Human Resource trends of 1700 organisations reported that 53% percent planned to outsource more in the future.

**Five competitive forces that drive companies to outsource**:

1. Downsizing
2. Rapid growth
3. Globalization

4. Increased competition
5. Restructuring

**Importance of Outsourcing:**

Firms have attempted to refocus their businesses, lower their costs while increasing and improve capabilities to respond to future business challenges. Many firms have also undergone changes related to restructuring, mergers, and acquisitions. Retrenched firms, face incredible pressures to reduce costs while high growth firms face similar pressures to monitor costs. Strategically outsourcing provides HR departments with a tool for producing competitive advantage for the firm. Outsourcing for the sake of outsourcing or to imitate competitors offers no basis for sustainable competitive advantage.

**Operational Rationale for Outsourcing**

HR outsourcing is sometimes driven by the evolution of the HR function within the organization. These activities were essentially confined to administering compensation and benefits, record keeping and applicant screening. Extensive outsourcing was used to quickly fill voids in critical HR capabilities by purchasing services from outside the organization. In such circumstances, outsourcing has the critical advantage of providing HR capabilities while not adding to HR headcount.

**1. Need for specialized expertise:**

As one highly respected senior HR executive stated: “you outsource when someone else can perform the activity better than you.” The demand for specialized expertise is not surprising, given the growing complexity of HR tasks and the decline in staff HR specialists resulting from organizational downsizing. HR specialists many in their 40or 50s with relatively high salaries, become tempting targets for cost cutting, and many have been downsized or offered options for early retirement. Companies that have undergone repeated downsizings have dismantled staffing functions and lost requisite expertise.

**2. Hr Information Technology**

Innovations in HR information technology also influence outsourcing practices. These systems enable HR executives to make informed business decisions on both operational and strategic issues. HR information can also be downloaded for processing by outside vendors. HRIS implementation is one of the driving forces for restructuring jobs, processes and entire departments, including the HR department.

**3. Time Pressures:**

HR outsourcing enables executives to cope with time-sensitive issues and competing demands. One HR executive outsourced recruiting when the company had 50 openings and he did not have time or hire or train a recruiter.

**4. Cost Savings:**

The expectation that outsourcing will cut costs is consistent with the strategic management view of competitive resource allocation..This perspective holds that all activities unrelated to strategic core competencies should be outsourced since economies of scale allow specialized vendors to provide services at lower costs.

**6. Vendor Efficiencies And Services:**

They produce high service and customer satisfaction. Exceptional service is another reason why companies are preferring outsourced services.

**7. Firms' Hr Capacity:**

HR activities are occasionally outsourced because of such extraordinary circumstances as an activity level that is too overwhelming for in-house personnel to perform. Outsourcing is also used when companies are operating at full capacity and do not have additional staff to handle increased activity.

**8. Benefits Of An Agent In Negotiations:**

Outsourcing gives firms the benefits of using agents in negotiations. Use of a search firm to find qualified candidates and to conduct salary and benefit negotiations reduces and HR executive's involvement in the negotiation phase.

**9. Reduction Of Liability Or Risk:**

Outsourcing an HR activity can reduce liability and risk, which is critical for smaller companies that do not have the resources to employ staff specialists who are fully informed on the legal requirements of HR Programs.

**STRATEGIC RATIONALES FOR OUTSOURCING:**

Numerous executives wanted to shift more of the HR responsibilities to the line managers and to transform the HR staff to an internal consultant role.

**1. DECENTRALIZED STRUCTURE:**

HR outsourcing is associated with decentralized or matrix structures and extensive internal networking. Decentralized of the HR function through redeployment of some of its assets to operating units is another strategic rationale for outsourcing.By outsourcing specialized services, the HR function can redeploy HR expertise from the corporate level to provide HR services at the operational level.

**2. REDUCTION OF BUREAUCRACY AND CULTURE CHANGE:**

Outsourcing replaces bureaucracy with market forces. Outsourcing emphasizes vendors to focus on customer service that permits the HR executive to deal with only the most extreme cases.

**3 INTERNAL POLITICS:**

Downsizing has frequently required HR departments to share the pain of widespread organizational restructuring by reducing their staffs. Under this situation maintaining specialized in-house expertise is nearly impossible.

**4.MANAGEMENT AND ORGANISATIONAL DEVELOPMENT:**

The use of vendors improves the HR gene and produces new capabilities and out-of-the box thinking. When HR activities are outsourced, fewer career development opportunities exist for the HR staff. When only a limited number of activities are performed in-house HR experience is more difficult to obtain.

## UNIT – 4

**UNIT – IV CAREER & COMPETENCY DEVELOPMENT** **10**

Career Concepts – Roles – Career stages – Career planning and Process – Career development Models– Career Motivation and Enrichment –Managing Career plateaus- Designing Effective Career Development Systems – Competencies and Career Management – Competency Mapping Models – Equity and Competency based Compensation.

### CAREER

Greenhaus and Schien described several themes underlying different definitions of the term, including:

1. *The property of an occupation or organization.* When used in this way, career describes the occupation itself (e.g., sales or accounting) or an employee's tenure within an organization (e.g., my college career).
2. *Advancement.* In this sense, career denotes one's progression and increasing success within an occupation or organization.
3. *Status of a profession.* Some use the term career to separate the "professions," such as law or engineering, from other occupations, such as plumbing, carpentry, or general office work. In this view, the lawyer is said to have a career, while the carpenter does not.

4. *Involvement in one's work.* Sometimes career is used in a negative sense to describe being extremely involved in the task or job one is doing, as in "Don't make a career out of it."
5. *Stability of a person's work pattern.* A sequence of related jobs is said to describe a career, while a sequence of unrelated jobs does not.

## CAREER DEVELOPMENT

The overall process of **career development** can be defined as "an ongoing process by which individuals progress through a series of stages, each of which is characterized by a relatively unique set of issues, themes, and tasks.

## CAREER PLANNING AND CAREER MANAGEMENT

**Career planning** is defined as "a deliberate process of 1) becoming aware of self, opportunities, constraints, choices, and consequences, 2) identifying career-related goals, and 3) programming work, education, and related developmental experiences to provide the direction, timing, and sequence of steps to attain a specific career goal.

**Career Management,** defined as "an ongoing process of preparing, implementing, and monitoring career plans undertaken by individual alone or in concert with the organization's career systems."

**Spectrum of career development activities**

| Employee centered: | Mutual focus: | Organization centered: |
|---|---|---|
| Career planning | manager-employee planning | career management |

Self directed Company-run Corporate Manager- Developmental Corporate
Corporate
Workbooks career-planning seminars on employee assessment talent
succession

| | | | |
|---|---|---|---|
| and tape | workshops | organizational career | centers (with |
| inventories | planning | | |
| cassettes | | career discussions | feedback) |
| | | (includes separate | |
| | | training for | |
| | | managers) | |

## STAGES OF LIFE AND CAREER DEVELOPMENT

Visualizing career development as unfolding in stages helps us to understand why some experiences occur. From practical perspective, a stage view helps both the individual and the organization to predict likely crisis and challenges and therefore plan ways to resolve or minimize them.

It is also true that stage views of development have their limitations. First, they describe what happens to the typical individual. Of course, all individuals are unique and will not have the same experiences.

In addition, many stage view use age or life experience, or both, to define when a stage is likely to begin and end. Some criticize using age as a criterion, arguing that major life events such as marriage and one's first job occur at different ages for different individuals.

### Stage Views of Adult Development

ERIKSON'S MODEL OF ADULT DEVELOPMENT.

| ***Stages of Development*** | ***Age*** |
|---|---|
| 1. Trust Vs. Mistrust | Infancy |
| 2. Autonomy Vs. Shame & Doubt | 1-3 |
| 3. Initiative Vs. Guilt | 4-5 |
| 4. Industry Vs. Inferiority | 6-11 |
| 5. Identity Vs. Role confusion | Adolescent |

| | |
|---|---|
| 6. Intimacy Vs. Isolation | Young |
| 7. Generativity Vs. Stagnation | Middle adult hood |
| 8. Ego Integrity Vs. Despair | Maturity |

Erikson proposed that people progress through eight stages during the course of their life.

The fifth stage, which occurs during adolescence, is defined by a conflict between identity and role confusion. If individuals successfully resolve this issue, they will enter adulthood with a clear sense of who they are in relation to others in the world. If they do not successfully resolve this issue, they will enter adult hood with confusion over who they are and what their role in the world is to be.

The last 3 stages of Erikson's model focus on the issues facing adult development. As a young adult, one is faced with the challenge of developing meaningful relationships with others, or *intimacy.* If the individual successfully resolves this stage, he or she will be able to make a commitment to other individuals and groups; otherwise, the individual is likely to experience feelings of isolation.

In middle adulthood, the challenge is to develop the capacity to focus on the generations that will follow, which Erikson calls **generativity**. This can take the form of becoming more involved in the lives of one's children, social issues affecting future generations, or in serving as a mentor for younger colleagues. Erikson argues that failure to resolve this stage will lead to feelings of stagnation, in that one has made no contribution to the world that will last after he or she is gone.

In maturity, the individual faces issues of **ego integrity,** which involves developing an understanding and acceptance of the choices one has made in life. Successful development of ego integrity permits one to be at peace with one's life.

Erikson's view of adult development identifies issues (ego integrity, generativity, and intimacy) that can affect the career choices that employees make. Organizations can serve as places where individuals can resolve some of these challenges.

Knowledge of these challenges also helps the organization understand some of the changes employees go through. Employees nearing retirement are facing many sources of stress (e.g., the loss of work and part of their social support system.). Preretirement counseling and motivational programs geared toward older workers can yield benefits for both the individual and the organization. Finally, Erikson's model also provides evidence that there is a predictable order to the issues individuals face as they develop.

## LEVINSON'S "ERA'S" APPROACH TO ADULT DEVELOPMENT

Levinson and his colleagues developed a view of how adults develop based on the notion that adult lives progress through seasons, not unlike the seasons of the year. He discovered these stages by collecting intensive biographical information from individuals in different walks of life over a period of years.

The four eras proposed by Levinson are preadulthood, early adulthood, middle adulthood, and late adulthood. Each era contains a series of stable and transitional periods. The stable periods last about six years, and the within-era transitional periods last about four or five years.

**Early Adulthood (Ages 17 – 45)** Early adulthood includes four periods: the early adult transition (ages 17-22), entry life structure for early adulthood (ages 22-28), age 30 transition (ages 28-33), and the culminating life structure for early adulthood (ages 33-40). In general, early adulthood is a period of great energy and great stress. During this era, the person is at a biological peak and is striving to attain the goals and desires of youth. Finding a place in society, obtaining meaningful work, realizing a life style, establishing meaningful relationship (including marriage for many individuals), and raising a family are all a part of this period. Many people experience occupational advancement during this period as well. However, the stresses present are also great. Family and society place demands on individual at the same time he or she is dealing with individual ambitions and passions.

**Middle Adulthood (Ages 40-65)** The midlife transition (ages 40-45) leads from early adulthood to the beginning of middle adulthood. Research by Levinson and others shows that a person's life changes significantly between early and middle adulthood. Questions often asked during this transition include, "what have I done with my life? What is it I want to accomplish before I die? What do I want to leave behind my family and others?"

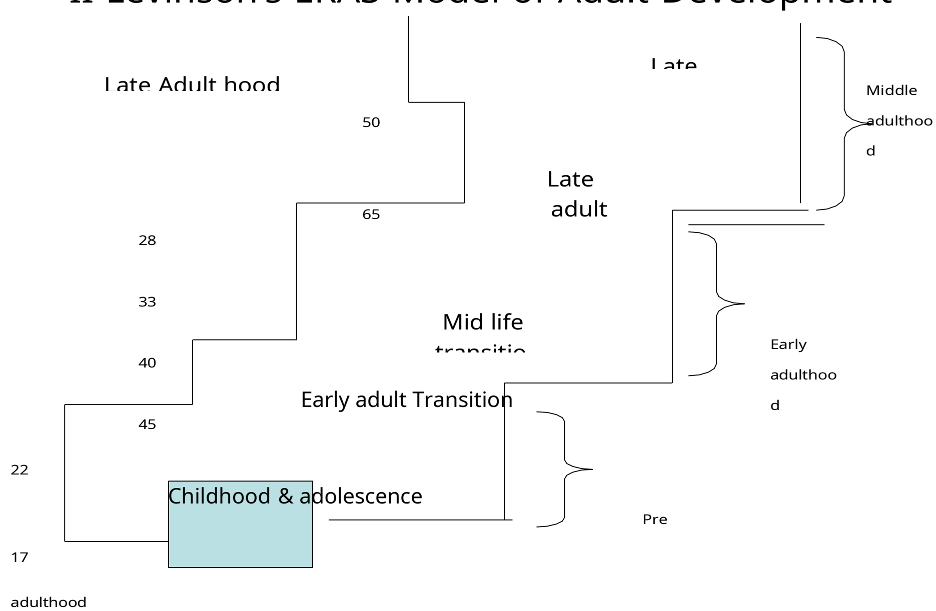
At this time in life, the individual is experiencing declines in physical functioning as his or her children are growing up or becoming adults.

The midlife transition can lead to an even stronger sense of self, allowing one to become more accepting of oneself and others, and more compassionate. One’s late forties and fifties can be a period of great satisfaction or great frustration as the individual becomes a senior member of the groups and organizations with which he or she has been involved.

**Late Adulthood (age 60-Death)** Late adulthood begins with the late adulthood transition (ages 60-65). During this period, the individual faces additional major life events, typically including retirement, further physical decline, and the loss of family and loved ones. The major challenge in this era (similar to Erikson) is to come to terms with one’s life and accept things.

Levinson’s ideas are significant. His model is based on empirical evidence and expands upon earlier ideas(e.g Erikson’s ) about adult life development. While Levinsons acknowledges that the model must undergo additional testing and refinement, research supports the sequence of events that the model suggests and the age boundaries he has set.

II Levinson’s ERAS Model of Adult Development



## MODELS OF CAREER DEVELOPMENT

### Traditional Models of Career Development

Greenhaus and colleagues combined these approaches into a five-stage model.

**STAGE 1: PREPARATION FOR WORK (AGE 0 – 25**). The major tasks during this period involve forming and defining as idea of the occupation one would like to engage in, and making necessary preparations for entry into that occupation. These activities include assessing possible occupations, selecting an occupation, and obtaining the necessary education.

**STAGE 2: ORGANIZATIONAL ENTRY (AGE 18-25).** At this stage, the individual selects a job and an organization in which to begin employment in the chosen career field. The amount and quality of information obtained can affect whether the initial job choice will be a fulfilling introduction to one's career or a disappointing false start.

STAGE 3: THE EARLY CAREER (AGE 25-40). During this stage, the individual is dealing with finding a place in the world and pursuing his or her life dream; this also involves becoming established in a career and in an organization. The specific challenges that must be met to do this include becoming technically proficient and becoming assimilated into an organization's culture.(i.e., learning its norms, values, and expectations).

## TRADITIONAL MODEL OF CAREER DEVELOPMENT

Greenhaus five stage model of CD

| ***Stages of Development*** | ***Age*** |
|---|---|
| 1. Occupational Choice | 0-25 |
| 2. Organisational entry | 18-25 |
| 3. Early career | 26-40 |
| 4. Midcareer | 41-55 |
| 5. Late career | 55 |
| 6. Intimacy Vs. Isolation | Young |

10/14/2011 BA9268 SHRD - UNIT 4 12

**STAGE 4: THE MID CAREER (AGE 40-55).** One of the tasks individual faces at midcareer is a reexamination of the life structure and choices that were adopted during the early career. Two events that often occur during midcareer are *plateauing*(a lack of significant increases in responsibility and/or job advancement) and *obsolescence*(finding one's skills are not sufficient to perform tasks required by technological change).

**STAGE 5: THE LATE CAREER (AGE 55-RETIREMENT).** The individual faces two challenges during the late career. First, he or she must strive to remain productive and maintain a sense of self-esteem. This can sometimes be hampered by the negative beliefs that society has regarding the performance and capabilities of older workers. Second, this individual faces the challenge of disengaging from work and retiring. Retirement brings many emotional, financial, and social changes and should be planned for well in advance of the actual retirement date.

**CONTEMPORARY VIEWS OF CAREER DEVELOPMENT**.

These contemporary views of career development share the notion that individuals (and organizations) must be flexible and adaptable to succeed in a highly changeable and uncertain environment. Two sets of ideas illustrate this line of thinking.

The Protean career concept (named for the Greek god proteus, who could change his shape at will) argues that individuals drive their own careers, not organizations, and that individuals reinvent their careers over time as needed. As individuals go through life, they are on a search for meaning and self-fulfillment, and their careers are made up of their choices and experience (work, educational, and otherwise). Each person's career will be unique. Instead of progressing through a series of discrete and predictable changes, the protean career "encompasses any kind of flexible, idiosyncratic career course, with peaks and valleys, left turns, moves from one line of work to another and so forth".

The protean view embraces the idea that lifelong learning and personal development are at the center of career development. As a result, a person's career will likely be made up of a "succession of 'ministages' (or short-cycle learning stages) of exploration-trial-mastery-exit. As they move in and out of various products areas, technologies, functions, organizations, and other work environments."

The implication of the protean career is that career management must be *proactive.* A second example of a contemporary view of career development is the notion of differing career patterns, called the *multiple career concept model.* This model suggests that there are four different patterns of career experiences, called **career concepts.** These four concepts differ in terms of the "direction and frequency of movement within and across different kinds of work over time….Distinctly different sets of motives underline each of the four concepts. The four career concepts are.

- *Linear* – A progression of movement up an organizational hierarchy to positions of greater responsibility and authority; motivated by desire for power and achievement; variable time line; in the united states, this has been the traditional view of a "career."
- *Expert* - A devotion to an occupation; focus on building knowledge and skill within a specialty; little upward movement in a traditional hierarchy, more from apprentice to master, motivated by desire for competence and stability; rooted in the medieval guild structure.
- *Spiral* – A lifelong progression of periodic (seven to ten years) moves across related occupations, disciplines, or specialties; sufficient time to achieve a

high level of competence in a given area before moving on; motives include creativity and personal growth.

- *Transitory* – A progression of frequent ( three to five years) moves across different or unrelated jobs or fields; untraditional; motives include variety and independence.

## THE PROCESS OF CAREER MANAGEMENT

### An Individually Oriented Career Management Model

This model represents an ideal career management process – the way people should conduct career management, not a description of what the typical person actually does. The model states that effective career management begins as the individual responds to the need to make a career decision. That response includes eight activities: career exploration, awareness of self and environment, goal setting, strategy development, strategy implementation, progress toward the goal, feedback from work and nonwork sources, and career appraisal.

## CAREER MANAGEMENT ACTIVITIES

1. **Career exploration.** Career exploration involves gathering information about one's self and the environment. For example, a young woman engaged in a career exploration would collect information about her skills, values, and preferences as well as information about the possible jobs and organizations available to her in the environment.
2. **Awareness of self and environment.** Successful career exploration will lead the individual to a deeper self-awareness and an understanding of both opportunities and constraints present in the environment. This awareness of self and environment can lead the individual to set or revise career goals, or if such goals are already set, it would lead to strategy development.
3. **Goal setting.** A career goal is an outcome the individual decides to try to obtain. Such goals may be specific (e.g., I want to become a partner in my accounting firm by age 35) or general (e.g., I want to be a successful and

respected chef). To the extent career goals are based on an awareness of the self and environment, they are likely to be realistic.

4. **Strategy development.** A career strategy is an action plan for accomplishing the career goal. An effective strategy should include the actions that should be carried out and a timetable for performing them. Many of the HRD practices and programs presented in this book can serve as part of an individual's career strategy. For example, a police officer whose career goal is to become a police sergeant may develop a strategy that includes attending college and other training courses and successfully completing the sergeant's examination. The strategy will be more effective if it is based on realistic self-awareness and environmental awareness. Greenhaus lists seven career strategies: competency in the current job, increased involvement in work, developing skills, developing opportunities cultivating mentor relationships, image building, and engaging in organizational politics.
5. **Strategy implementation.** Strategy implementation involves carrying out the strategy the individual has developed. Following a realistic strategy as opposed to acting without a clearly defined plan increases the likelihood of attaining the career goal. It is easier to get where you want to go if you have a plan to follow. However, some people may develop elaborate plans, but then fail to implement them. Strategy implementation can lead to progress toward the goal and feedback from work and nonwork sources.
6. **Progress toward the goal.** This is the extent to which individual is nearing the career goal.
7. **Feedback from work and nonwork sources.** Valuable information about the progress toward the career goal can be obtained from both work sources – such as co-workers, supervisors, and specialists, and nonwork sources – such as friends, family, and teachers.
8. **Career appraisal.** Feedback and information on progress toward the career goal permit the individual to appraisal his or her career. This appraisal leads to reengagement in career exploration, and the career management process continues with another cycle of activities.

**THE PLURALISTIC APPROACH**. As described earlier, Brousseau and colleagues believe that there are at least four career concepts that represent patterns employees careers can take. They argue that organizations can have career cultures that mirror these career concepts (i.e., linear, expert, spiral, and transitory). An organization's career culture is defined by the organization's structure, what forms of performance it values, and the rewards it offers employees. At the same time, the organization's career culture should support its strategic direction.

Operationally, Brousseau and colleagues offer three types of career management methods. (1) *Counseling*, (2)individual career development program *contracts*, and (3) a *cafeteria* approach that includes variety of "career-track options, training opportunities, performance evaluation schemes, and reward systems" from which employees may choose to fit their own career goals. Designing and managing a pluralistic career culture involves an ongoing process of assessing the gaps between the organization's strategy and employees career concepts and motives, identifying the optimal organizational structure, and then identifying and implementing the proper career management practices.

**A SYSTEM VIEW OF CAREER MANAGEMENT**. Nicholson proposes that there are three main elements of a career development system: (1) the *people system*, which includes the activities involved in selecting, nurturing, and motivating human resources; (2) the *job market system*, which includes the structure for developmental opportunities; and (3) the *management and information system*, which facilitates the exchange of people, ideas, and information. Given the environmental forces most organizations now face, Nicholson believes that linking these three systems is vital to career management. He suggests "career management must link the *people system* and the *job market system* via the *management and information system*" (emphasis in original).

**TEAM-BASED CAREER DEVELOPMENT**. Cianni and Wnuck suggest that the basic attributes of a team career model include the following:

- Team members serve as role models.

- Teams reward behaviors that enhance team performance and growth, and personal growth and development.
- Teams determine training opportunities both for the team and for individuals.
- The team moves collectively to higher organizational levels.
- People move laterally within the team.
- The organization evaluates the team; the team evaluates the individual.

## ROLES IN CAREER MANAGEMENT

### 1. The Individuals Role

Jones and Defillippi distilled six competencies that were possessed by people who successfully navigated the boundaryless careers and network-type of organizations found in the film industry, which they argue typify the new career landscape. These competencies are:

- *Knowing What* – understanding the industry's opportunities, threats, and requirements
- *Knowing Why* – understanding the meaning, motives and interests for pursuing a career
- *Knowing Where* – understanding the locations and boundaries fro entering, training, and advancing within a career system
- *Knowing Whom* – forming relationships based on attraction and social capital that will gain access to opportunities and resources
- *Knowing When* – understanding the timing and choice of activities within one's cause
- *Knowing how* – understanding and acquiring the skill and talents needed for effective performance in assignments ad responsibilities

Each of these competencies creates challenges, such as dealing with uncertainty, managing career demands, creating a career path, mastering relationships, developing career timing, and enhancing collaboration.

### 2. The Manager's Responsibility

The supervisor can also provide accurate information about career paths and opportunities within the organization, support the employee's career plans (e.g., nominate the employee for training, adjust the employee's schedule to permit attendance in a training program), and serve as a key source of feedback to the employee on career progress.

Supervisor involvement has been cited as a key component of successful career development programs. Based on an analysis of critical incidents gathered from employees, there are four roles that managers and supervisors should be trained to perform in order to fulfill their responsibility as career developers. These roles include:

1. *Coach* – one who listens, clarifies, probes, and defines employee career concerns
2. *Appraiser* – one who gives feedback, clarifies performance standards and job responsibilities
3. *Adviser* - one who generates options, helps set goals, make recommendations, and gives advice
4. *Referral Agent* – one who consults with the employee on action plan and links the employee to available organizational people and resources

**3. The HRD and Career Development Professional's Responsibility**

In many ways, an HRD professional's role is the same in career management as it is in any other HRD activity: to ensure that the organization has programs and activities that will help the organization and its employees to achieve their goals. Hall offers the following suggestions for career development and HRD professionals to help individuals become "masters of their own careers":

1. Start with the recognition that each individual "owns" his or her career.
2. Create information and support for the individual's own efforts at development.
3. Recognize that career development is a relational process in which the career practitioner plays a broker role.
4. Become an expert on career information and assessment technologies.
5. Become a professional communicator about your services and the new career contract.

6. Promote work planning that benefits the organization as a whole, over career planning that is unrelated to organizational goals and future directions.
7. Promote learning through relationships at work.
8. Be an organizational interventionist, that is, someone willing and able to intervene where there are roadblocks to successful career management.
9. Promote mobility and the idea of the lifelong learner identity
10. Develop the mind-set of using natural (existing) resources for development.

## CAREER DEVELOPMENT PRACTICES AND ACTIVITIES

Organizations have a wide range of possible career development tools and activities from which to choose. Some of these, such as self-awareness workshops, are intended primarily for career planning and development, while others, such as recruitment, are a part of normal HR management activities.

### Self-Assessment Tools and Activities

Self-assessment activities, such as self-study workbooks or career planning workshops, focus on providing employees with a systematic way to identify capabilities and career preferences. Self-assessment is best used as a first step in the process (i.e. at the stage of self exploration) rather than as the only activity in a career management program. Self-assessment activities can be done by an individual alone, in groups or in some combination of two.

Self-assessment workbooks provide information and a series of exercises to help an individual discover his or her values, abilities and preferences. These workbooks can be purchased from a third party or designed specifically for an organization. The advantages of self-assessment exercises developed by the third party sources are that they are readily available and have been designed by career development experts. The advantages of workshops include the ability to reach many people at once, opportunities to gain support from peers and to develop networks, and exposure to other people's ideas and reactions. In addition, feedback from the facilitator and other group members may help the individual recognize any self deception or self ignorance that might go undetected if a self-assessment workbook were used alone. Potential disadvantages include scheduling problems, difficulty in designing an experience that suits all the participant's needs (especially they come from different organizational levels), and the possibility that some people may be intimidated by the group setting.

**Individual Counseling or Career Discussions**

Individual career counseling involves one-on-one discussions between the employee and an organizational representative. One survey revealed that organizations primarily used HR professionals, supervisors, or line managers as career counselors. Such counseling sessions can range from brief, informal talks, to the annual performance evaluation discussion, to the series of discussions with a manager or counseling professional.

The career counseling process can be viewed in three stages:

1. *Opening and probing* – This stage establishes rapport and determines the employee's goals for the counseling sessions.
2. *Understanding and Focusing* – This includes providing assistance in self-assessment and establishing career goals and strategies.
3. *Programming* – This stage provides support for implementing the career strategy.

During this process, the counselor can suggest actions to the employee and provide support and feedback about ideas and results of actions taken by the employee.

Outplacement counseling focuses on assisting terminated employees in making the transition to a new organization. The use of outplacement counseling has become widespread since the 1980s, especially in the wake of the downsizing, mergers, and acquisitions that organizations experienced during this period.

Preretirement counseling and workshops involve activities that help employees prepare for the transition from work to network. Retirement is often filled with great uncertainty on both the personal and the financial level. Preretirement counseling programs typically involve discussions about financial planning, social adjustment, family issues, and preparing for leisure activities.

### Internal Labor Market Information Exchanges and Job Matching Systems

Employees engaged in career planning need accurate environmental information in addition to an accurate self-assessment. To this end, the organization should provide employees with information about job opportunities within the organization.

**Job posting** is one of the most common career development activities. It involves making open positions in the organization known to current employees before advertising them to outsiders. In a typical job posting program, the organization publishes the job description, job requirements, pay range, and an application procedure for vacancies, and it provides a form for employees to submit. The vacancies can be posted in a common area, such as on a bulletin board reserved for that purpose. Increasingly, such postings are done online, using the organization's website or intranet. Interested employees can then apply and be considered for the vacant positions. Job posting systems are widely used in both government and private organizations.

A **Career path** is a sequence of jobs, usually involving related tasks and experiences, that employees move through over time. For example, a career path in a city police department may include the positions of patrol officer, desk sergeant, lieutenant, captain, and chief of police. Career paths communicate to employees the possibilities for job movement. Together with job descriptions and job specification, these paths can aid the employee in developing a career strategy.

Some organizations use a *dual career path* or dual-track system in which the path to greater responsibility includes both management and nonmanagement tracks. The presence of nonmanagement paths, with relatively equivalent esteem and pay, can serve the needs of employees who lack the skills or the desire to become managers.

### Organization potential assessment processes

Three ways that **potential assessment** can be done are through potential ratings, assessment centers, and by succession planning.

**Potential ratings** are similar to employee performance evaluations. An employee's manager or supervisor typically performs them. They measure multiple dimensions, and include a summary or overall rating of the employee's potential for advancement. The main difference between potential ratings and performance ratings is that potential ratings focus on the future rather than the past or present.

**Assessment centers,** which can be used as part of the employee selection process, can also be used to assess potential for advancement. In an assessment center, small groups of employees perform a variety of exercises while being evaluated by a group of employees perform a variety of exercises while being evaluated by a group of trained assessors. The exercises should measure relevant skills and aptitudes for a given position. The assessors are typically managers who are one or two organizational levels above those being evaluated (assesses).

**Succession planning** is a third way of conducting potential evaluations. This process is most often done for upper-level management positions. It requires senior managers to identify employees who should be developed to replace them. Information generated during succession planning may not be communicated to the employee.

**Developmental Programs**

The final groups of career management activities we will examine are developmental programs. These include job rotation, in-house HRD programs, external workshops and seminars, tuition assistance and reimbursement plans, & mentoring programs. These programs provide employees with opportunities to learn new ideas & skills, thus preparing them for future positions as well as introducing new challenges.

**Job rotation** involves assigning an employee to a series of jobs in different functional areas of the organisation. These assignments are typically lateral rather than vertical moves, and can involve serving on task forces or moving from line to staff positions. Job rotation is a good way to introduce variety into an employee's career.

**Mentoring** refers to a relationship between a junior and senior member of the organisations that contributes to the career development and career development of both members. Mentoring relationships can be important from both a life development and career development perspective. The mentoring relationship serves both career and psychosocial (e.g., social support) functions. The mentor provides the protégé with career support –by opening doors, teaching the ropes of the organisation, creating potential opportunities to demonstrate competence, enhancing visibility, and ensuring that the protégé has challenging work.

**Example of a Formal Mentoring Program**

**Sample implementation**

1. Define a population for whom relationship should be established. Invite potential mentors and protégés to help define the criteria for matching pairs and the process for doing so.
2. Collect data on potential participants that are needed to maximize an effective matching process (such as career goals, performance records, developmental needs).
3. Assign juniors & seniors to each other or foster a voluntary selection process. Provide guidelines participation in relevant educational offerings.
4. Set up monitoring procedures for providing feedback to the organization concerning how the program affects employees development over time.

| No | Advantages | Disadvantages |
|---|---|---|
| **1.** | Ensures that juniors & seniors find each other. | Individuals may feel coerced & confused about responsibilities. |
| **2.** | Increase the likelihood that matches will be good ones. | Those who are not matched feel deprived & pessimistic about their futures. |
| **3.** | Provides ongoing support to the pairs. | Assumes tat volunteers can learn the requisite skills; some may be ill suited. |
| **4.** | Makes mentoring relationships legitimate and more accessible | Destructive dynamics may evolve within formal pairs or with immediate supervisors. |

**ISSUES IN CAREER DEVELOPMENT**

**Developing Career Motivation**

According to Manuel London, **career motivation** affects how people choose their careers, how they view careers, how hard they work in them, &how long they stay in them. London sees career motivation as a set of characteristics grouped into 3 facts:

- **Career resilience**- The extent to which people resist career barriers or disruptions affecting their work. This consist of self-confidence, need for achievement, the willingness to take risks, and the ability to act independently and cooperatively as appropriate.
- **Career insight**- The extent to which people are realistic about themselves and their careers and how these perceptions are related to career goals. This includes developing goals and gaining knowledge of the self and the environment.
- **Career identity**- The extent to which people define themselves by their work. This includes involvement in job, organization, and profession and the direction of career goals (e.g., toward advancement in an organization).

Career motivation can also be important in addressing the issues facing workers who have lost their jobs due to downsizing & layoffs, or some personal issue or set back.

**Methods For Increasing Career Motivation**

**1. To support career resilience**

**a)** Build employees' self-confidence through feedback & positive reinforcement.

**b)** Generate opportunities for achievement.

**c)** Create an environment conducive to risk taking by rewarding innovation & reducing fear of failure.

**d)** Show interpersonal concern & encourage group cohesiveness & collaborative working relationships.

**2. To enhance career insight**

**a)** Encourage employees to set their own goals.

b) Supply employees with information relevant to attaining their career goals.
c) Provide regular performance feedback.

**3. To build career identity**

a) Encourage work involvement through job challenge & professional growth.
b) Provide career development opportunities, such as leadership positions & advancement potential.
c) Reward solid performance through professional recognition and / or financial bonuses.

**The Career Plateau**

A career plateau has been defined as "the point in a career where the likelihood of additional hierarchical promotion is very low". Early writing on career plateaus suggested that this is a traumatic experience for many employees (especially those who desire career growth), accompanied by feelings of stress, frustration, failure and guilt.

**Career Development For Nonexempt Employees**

Although much of the career development literature focuses on developing managers and professional, the career development needs of blue-collar and nonexempt employees (e.g. clerical and support staff and technicians who are paid hourly or weekly rates and are entitled to overtime) have been largely ignored.

A survey of career development professionals about the needs of nonexempt employees revealed the following:

1. Job satisfaction often comes from the work itself, which is problematic if the work is repetitive and unchallenging.
2. Changing current status (e.g. union to nonunion, blue collar to white collar) requires both a significant personal investment and a significant cultural adjustment. For example, white collar positions may require higher education levels than blue collar

positions, and employees who cross the "collar line" may not receive the support they need from coworkers.

3. Nonexempt employees may become more frustrated during their careers than exempt employees because opportunities to make a vertical transition are more limited for them.

**Enrichment: Career Development Without Advancement**

Career development options within an enrichment strategy include:

1. certification programs and mastery paths that specify selection criteria and identify performance expectations, and training requirements to move through various levels of expertise within a job.
2. retraining programs.
3. job transfers or rotation.

Enrichment programs raise the level of skills and professionalism of the workforce, and they can increase employees' self-esteem and self-determination in guiding their own careers. Given the changes that are occurring in the organizational landscape, enrichment and other career development practices that encourage self-determination, continuous learning, and employability are especially important.

## DELIVERING EFFECTIVE CAREER DEVELOPMENT SYSTEMS

### A Systems Approach To Creating A Career Development Program

**Identify needs**

1. Link career development to business strategy.
2. Align employee and organization needs.

**Build a vision for change**

3. Build systems and link them to other management and HR systems (e.g. quality initiatives, orientation, performance evaluation, compensation).
4. Use a variety of tools and approaches.

**Develop a plan for action**

5. Create a corporate infrastructure, but implement career development systems in individual business units or divisions.
6. Ensure line manager participation, starting with system development.

**Implement for impact and longevity**

7. Hold line managers accountable and give them the skills they will need to fulfill their responsibilities.
8. Follow up initial implementation with a series of activities that keep career development salient (e.g. information sharing, career action teams).

**Evaluate and maintain results**

9. Evaluate.
10. Continuously improve the career development effort.
11. Maintain high visibility and ongoing communication of career development.

## COMPETENCY MAPPING

It is the description of skills, traits, experience and knowledge required for a person to be effective in a job.

**1. One Side Fits all Competency Model**

This model uses the data obtained from existing job descriptions and job analysis.

**2. Multiple job competency model**

- Competencies required for organisational function will be identified.
- The competencies will be classified into technical, social, marketing, finance.
- Combination of competencies will be grouped the draw a particular role like finance , market, technical.

**3. The single job competency Model:**

- A position that is most important will be identified from a class of position.

- Data will be obtained observing the work competency model will be built based on the data.

**Competency In Career Management**

- Optimizing Career Prospectus
- Career Planning Plying To Your Strength
- Engaging In Personal Development
- Balancing Work & Non Work

**Equity compensation:**

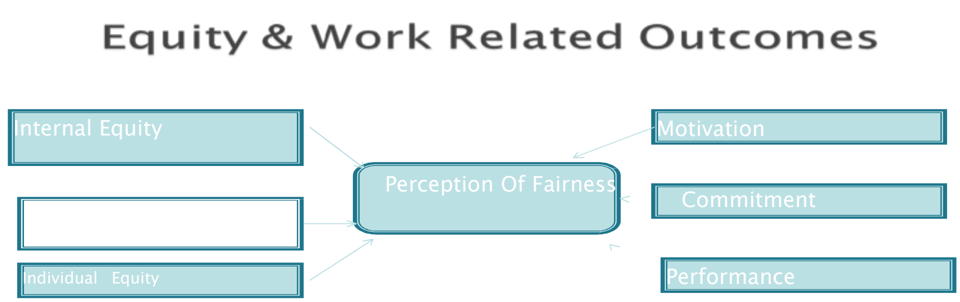
- **Outcomes / Rewards Self** **Outcomes / Rewards Others**

=

**Input / Contribution Self** **Input / Contribution Others**

**Equity theory :**

Individual senses inequity when perceiving that ratios are not equal.




- **Internal Equity:**
  It involves the perceived fairness of pay differentials among different jobs within an organisation.

**Techniques Available for Internal Equity**:

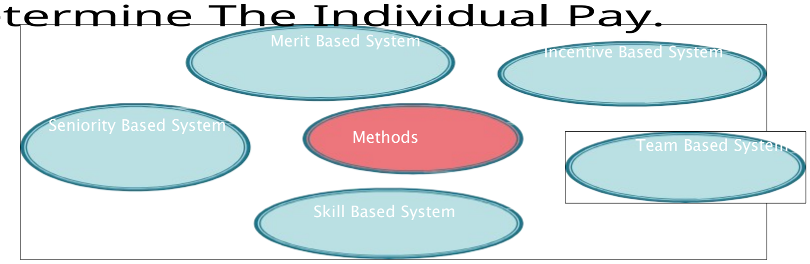
- Job ranking
- Job classification
- Point System
- Factor Comparison

**External Equity:**

It involves employee reception of fairness of their compensation relative to those outside the organization**.**

## Individual Equity

- It considers employee perception of pay differentials among individuals who hold identical jobs in the same organization
- Determine The Individual Pay.




**Competency based compensation**

It is also known as job based pay. This system compensates the employees according to the value of their skills in the market. This model is designed to motivate the staff ( employees) to develop the competencies – knowledge & skills for performing specific work.

**Advantages of competency based model**

- It can lead to broader perspective for employees.
- It reinforces a culture of improvement .
- It facilitates self management.
- It improves staff retention.

- It builds acceptance for change.

**Disadvantages**

- It produces high pay rates.
- It requires large investment in training
- Market comparisons will be difficult.
- Administrative involvement can increased.

**Designing a competency based pay system**

- Job Analysis
- Identify The Competencies
- Develop Assessment
- Price The Competencies
- Establish A Salary

# UNIT – 5

## EMPLOYEE COACHING & COUNSELING

### COACHING: A POSITIVE APPROACH TO MANAGING PERFORMANCE

Effective managers and supervisors realize that they must take an active and positive role in employee performance to ensure that goals are met. These managers and supervisors realize that they are not paid not so much for what they do. Therefore, they define their role in managing employee performance as one of empowering employees. Their role is to ensure that employees know specially what to do, can actually do I, and do not face unnecessary obstacles or disincentives to effective performance. When changes in the environment, goals, or tasks occur, employees are informed and given the opportunity for training so they adapt to the changes.

In short, managing employee performance effectively requires that managers and supervisors become coaches rather than controllers. We believe coaching is one of the most important functions a manager or supervisor can perform. A manager can be a superb planner, organizer and decision maker, but without the effective management of employee performance that coaching provides, objectives will be difficult to achieve. Coaching can create a partnership between a supervisor and an employee that is dedicated to helping employees get the job done. The current popularity of various participative management approaches (e.g., employee empowerment and self-directed team) requires supervisors, managers and even executives to function primarily as coaches for those who report to them.

**Coaching and Performance Management**

Performance management goes beyond annual appraisal ratings and interviews and incorporates employee goal setting, feedback, coaching, rewards and individual development. As such, performance management focuses on an ingoing process of performance improvement, rather than primarily emphasizing an annual performance review.

Coaching is a process used to encourage employees to accept responsibility for their own performance, to enable them to achieve and sustain superior performance, and to treat them as partners in working toward organizational goals and effectiveness. This is done by performing two distinct activities: (1) *coaching analysis,* which involves analyzing performance and the conditions, under which it occurs, and (2) *coaching discussions,* or face-to-face communication between employee and supervisor both to solve problems and to enable the employee to maintain and improve effective performance.

**Role of the Supervisor and Manager in Coaching**

It should be clear that an employee's direct supervisor or manager bears the primary responsibility for coaching. While other managers in the organization can serve as mentors, teach a new kill, or help overcome a specific problem, coaching most often occurs within the context of an ongoing relationship between employee and supervisor. It is the supervisor's responsibility to ensure that his or her unit meets its goals and that means ensuring that employees perform their tasks effectively.

## THE HRD PROFESSIONAL'S ROLE IN COACHING

- ♦ It is important that HRD professionals understand the coaching process and the skills necessary to conduct it well. While they may not have to conduct coaching themselves, they can help managers and supervisors prepare for this challenging and rewarding responsibility.
- ♦ Coaching is an HRD intervention.
- ♦ HRD professional must ensure that the coaching and performance management systems in their organizations are functioning effectively and contributing to organizational effectiveness.

## CONDUCTING THE COACHING ANALYSIS

Coaching analysis is the process of analyzing the factors that contribute to unsatisfactory performance and deciding on the appropriate response to improve performance. Fournies describes a nine step process designed to identify both the causes of poor performance and possible solutions.

The coaching analysis process is based on the assumption that poor performance can have multiple causes, some of which are within the employee's control and some of which are not. The process leads the supervisor to examine common causes for performance problems.

### Steps For Supervisors To Use To Conduct A Coaching Analysing Concerning Employee Performance

1. Identify the unsatisfactory employee performance.
2. Is it worth your time and effort to address?
3. Do subordinates know that their performance is not satisfactory?
4. Do subordinates know what is supposed to be done?
5. Are there obstacles beyond the employee's control?

6. Does the subordinate know how to do what must be done?
7. Does a negative consequence follow effective performance?
8. Does a positive consequence follow nonperformance?
9. Could the subordinate do it if he or she wanted to?

**STEP 1: IDENTIFY THE UNSATISFACTORY EMPLOYEE PERFORMANCE.**

Coaching cannot begin until the supervisor defines in specific behavioral terms what the employee is doing wrong or failing to do. While this may seem obvious, mangers and subordinates are notoriously poor at identifying the specific behavior or performance result that makes up the poor performance.

**STEP 2: IS IT WORTH YOUR TIME AND EFFORT TO ADDRESS?**

After the problem has been clearly defined, the supervisor can estimate its severity. At this point, the supervisor must determine whether the performance problem is worth fixing. The supervisor should identify specifically why he or she considers a problem important. If the so-called problem does not hinder individual, unit, or organizational effectiveness, then the supervisor should ignore it.

**STEP 3: DO SUBORDINATES KNOW THAT THEIR PERFORMANCE IS NOT SATISFACTORY?**

One reason employee may perform poorly is that they do not realize that what they are doing constitutes a problem. Therefore the employee should be asked if he or she realizes that what he or she is doing is wrong. Simply pointing out faulty behavior and requesting correct performance may be enough to solve the problem.

**STEP 4: DO SUBORDINATES KNOW WHAT IS SUPPOSED TO BE DONE?**

Not knowing what to do and when to do it may be another reason employees fail to perform correctly. In this step of coaching analysis, supervisors should ask employees if they know what they are supposed to be doing. If the employee does not know, the supervisor should explain what is required, or see that the employee receives the necessary training. This may be enough to eliminate the problem performance.

**STEP 5: ARE THERE OBSTACLES BEYOND THE EMPLOYEE'S CONTROL?**

Sometimes poor performance is due to factors beyond an employee's control. For example, if a supplier is delivering parts late, or the just-in-time delivery system isn't working properly, the superior should take steps to correct this. Such actions may result in satisfactory performance.

**STEP 6: DOES THE SUBORDINATE KNOW HOW TO DO WHAT MUST BE DONE?**

Many supervisors assume an employee who attends a training or orientation session will have learned the content of the session. Employees who have received the training may not know, or may have forgotten, how to execute performance correctly. If this is the case, the supervisor should ensure that the employee receives training (and/or opportunities to practice) and that the employee has learned what is needed to perform the task.

**STEP 7: DOES A NEGATIVE CONSEQUENCE FOLLOW EFFECTIVE PERFORMANCE?**

It is possible that an employee knows what to do and how to do it, but has learned not to do that behavior because it is always followed by an unpleasant consequence. Supervisors should attempt to determine whether an unpleasant consequence follows effective behavior. If it does, the supervisor has two alternatives. First. If possible the aversive consequence should be removed. Second, if the aversive consequence cannot be removed (e.g., if it is a part of the task itself) then the supervisor should provide a pleasurable consequence that outweighs the aversive consequence.

**STEP 8: DOES A POSITIVE CONSEQUENCE FOLLOW NONPERFORMANCE?**

Sometimes employees engage in poor performance because a positive consequence follows it. In effect, they are rewarded for poor performance. Sometimes supervisors unwittingly rewards for poor performance. Supervisors should examine poor performance to see what consequence is reinforcing it. The supervisor should then seek to remove the positive consequence for poor performance, and arrange a positive consequence to follow effective performance instead. This course of action should remove the reason the employee was performing poorly and give the employee a reason to engage in effective performance.

**STEP 9: COULD THE SUBORDINATE DO IT IF HE OR SHE WANTED TO?**

Sometimes employees perform poorly because they lack the skills, knowledge or ability to perform effectively. Some employees may not be effective even after extensive training. If this is the case, then the employees should be transferred to perform work that this employee is capable of doing well, or be terminated from the organization. This is not necessarily all bad for the employees.

**ANOTHER QUESTION: CAN THE JOB OR TASK BE MODIFIED?**

In addition to the issues just raised, Mager and Pipe suggest that the supervisor should determine whether the task or job could be modified or simplified to increase the chances it will be performed correctly.

**THE COACHING DISCUSSION**

The coaching discussion is designed to help the employee perform effectively. Such a discussion can be part of the organisation's formal performance appraisal system, but can also be used to respond to employee performance issue as they occur. At least two approaches can be used to guide this discussion: a three stage process recommended by Kinlaw and a five step process by Fournies.

**THE KINLAW PROCESS.** Kinlaw suggest a three stage approach to the coaching discussion, as follows:

- ♦ Confronting or presenting.
- ♦ Using reactions to develop information.
- ♦ Resolving or resolution.

The goals of the *confronting or the presenting stage* are to limit any negative emotion the employee may feel toward the problem situation, to specify the performance to be improved, and to establish that the goal is to help the employee change and improve.

After the employee has confronted the problem performance, the supervisor must help the employees examine the causes for poor performance. This is done during the second stage of the discussion, *using reactions to develop information*. Kinlaw notes that employees may resist dealing with the problem after being confronted with it, and argues that supervisors can reduce this resistance by focusing on the employee's concerns rather than their own. The supervisor may then develop information by attending to the employee's explanations, acknowledging important points, probing for information, and summarizing what has been discussed, the employee and supervisor should be in a position to agree on the nature of the problem and its causes.

The third and final stage of Kinlaw's coaching discussion is called *resolving or resolution*. In this stage, the employee takes ownership of the problem and agrees upon the steps needed to solve it. Both parties at this point express commitment to improving performance and to establishing a positive relationship. This is done by examining alternative course of action, reviewing key points of the session, and affirming that performance can be successfully improved.

**THE FOURNIES PROCESS.** Fournies suggests a five-step discussion process that assumes the supervisor has conducted a thorough coaching analysis and has determined that the employee could perform the task if he or she wanted to. The goal of the discussion is to get the employee to agree that a problem exists and to commit to a course of action to resolve it.

***Step 1: Get the employee's agreement that a problem exists.***

Unless the employee believes there is a performance problem, he or she will have no reason to change. This step ends when the employee explicitly agrees that a problem exists. At this point, Fournies asserts most employees will commit themselves to changing the behavior. But in dealing with those who will not, the supervisor must decide whether to (1) drop the problem as one not pursuing or (2) take disciplinary action. A supervisor who has already done the coaching analysis should have determined that the problem is important. If not, the supervisor is paying the price for not doing the necessary homework and will be faced with having to back out of a messy situation.

***Step2: Mutually discuss alternative solution to the problem.***

During this part of the discussion, the supervisor asks the employee for alternatives to solving the problem. If necessary, the supervisor should prompt the employee for ideas. Fournies believes that employee will more likely be committed to alternatives that they have suggested. The supervisor's role during this part of the discussion is to help the employee come up with and clarify alternatives.

***Step 3: Mutually agree an action to be taken to solve the problem.***

After sufficient alternatives have been discussed, the supervisor and employee can agree on which alternatives to pursue to solve the problem. At this point, both the employee and the supervisor should clearly understand what will be done and when it will be done. They should also agree on a specific time to follow up on the discussion to determine whether the agreed-upon actions have been taken.

***Step 4: Follow up to measure results.***

It is imperative that the superior follows up at the arranged time to determine whether the agreed-upon actions have been taken and the problem is resolved. Without follow-up, the supervisor will not know what has happened, and the employee may conclude that the supervisor really doesn't care about the problem. As obvious as this step may seem, we find that it is often easy for busy supervisors to overlook it.

***Step 5: Recognize achievements when they occur.***

Many performance problems will not disappear overnight. Even if a problem is not completely eliminated, the employee should be recognized for any effort and improvement made. The idea is to motivate the worker to further improvement. When necessary, further discussions should be held to determine additional steps needed to resolve the problem. Follow-up, recognition of improvement and updated improvement planning should continue until the employee is performing effectively.

## STEPS FOR SUPERVISORS TO USE TO CONDUCT A COACHING DISCUSSION AND FOLLOW-UP

1. Identify the employee performance issue to be discussed. Be specific, factual, respectful, and supportive in presenting this issue to the employee.
2. Seek the employee's reaction and response to the supervisor's presentation of the performance issue.
3. Seek out the employee's agreement that a performance problem exists.
4. Mutually discuss alternative solutions to the issue.
5. Mutually agree on goals to set, actions that will be taken and follow-up plan that will be used to resolve this issue.
6. Follow up issue on the agreed-upon time and in the agreed-upon way.
7. Recognize and reward employee improvements and achievements as they occur.

## SKILLS NECESSARY FOR EFFECTIVE COACHING

The skills needed to be an effective coach can be grouped in to two categories: communication and interpersonal skills. **Communication skills** are essential for effective coaching. Unless the manager has the ability both to listen to employees and to get them to understand what effective performance is and how to achieve it, coaching will not succeed.

In addition to active listening, managers need to be *specific and descriptive* in communicating with employees. This can increase the chance that the employees will understand what is expected and will offer less resistance to coaching.

An approach called micro training can be used to train managers and the supervisors in the communication skills necessary for effective coaching. This approach, which has proven effective in developing face-to-face communication skills, isolates the specific verbal and non-verbal skills that make up effective communication, and then trains participants in each skill.

In addition to communication skills, interpersonal skills are also important for effective training. These **interpersonal skills** include:

- ♦ Indicating respect
- ♦ Immediacy (i.e., focusing on the present; dealing with problems as they occur)
- ♦ Objectivity (i.e., emphasizing factual information over subjective opinion)
- ♦ Planning
- ♦ Affirming (i.e., commenting on the employee's successes and positive prospects for improvement)
- ♦ Consistency of behavior
- ♦ Building trust
- ♦ Demonstrating integrity

## SIX SKILLS OF MICROTRAINING IN FACE-TO-FACE COMMUNICAION

1. **Basic attending skills** to help employees involve in the discussion. These include
   - A slight, but comfortable, forward lean of the upper body and trunk
   - maintaining eye contact
   - speaking in a warm but natural voice
   - using sufficient encouragers(e.g., head nods, saying yes and uh-huh)
   - staying on the topic

**2. Feedback**

- providing clear and concrete data
- using a non-judgmental attitude
- using timely, present-tense statement
- providing feedback that deals with correctable items over which the employee has some control

3. **Paraphrasing** a concise restatement, in your own words, of what the employee has just said. Paraphrasing helps clarify the issue, lets the employee know you understand what has been said, and encourages him or her to continue. Paraphrases should be non-judgmental and matter-of fact.

4. **Reflection of feeling** reinforces the employee for expressing feelings and encourages open communication. Identifying and recognizing an employee's feelings can help the supervisor establish a closer rapport. Reflection of feeling have a structure:

- employee's name or pronoun
- stem
- label for the emotion
- final stem to check whether you understood the employee correctly

5. **Open and closed questions** to support your purpose

- open questions encourage employees to talk and hare their ideas

- closed questions invite a response of a few words, which can be used to clarify, identify specific points, and speed the discussion

6. **Focusing** helps identify potential areas of organizational difficulty and ways to deal with each.

**THE EFFECTIVENESS OF COACHING**

The performance appraisal interview is a meeting between a supervisor and subordinate in which the supervisor reviews the evaluation of an employee's performance and seeks to help the employee maintain and improve performance.

**a) Employee Participation in Discussion**

Positive outcomes have also been demonstrated when supervisors explicitly welcome employee participation during the discussion. Employees are more likely to participate when they perceive that the threat from the supervisor is low. Finally, subordinates see the performance discussion as fairer when they are given a chance for two-way communication, especially when they are given the opportunity to challenge or rebut their evaluation.

**b) Being Supportive**

The extent to which the supervisor is helpful and supportive has been shown to affect employee acceptance of the performance evaluation and satisfaction with the manager. Managerial supportiveness has also been shown to be associated with higher levels of employee motivation.

**c) Using Constructive Criticism**

Coaching urge managers to adopt a descriptive, non-judgmental approach and offer feedback that is specific and factual. Criticism during the performance appraisal interview has been shown to lead to high levels of anxiety.

**d) Setting Performance Goals during Discussion**

Setting goals during the performance discussion leads to positive outcomes, such as satisfaction with the discussion, perceived fairness and accuracy of feedback, and perceived utility of feedback.

**e) Training and the Supervisor's Credibility**

When employee perceive the supervisor as credible (e.g., knowledgeable about the employee's job and performance), they are likely to accept supervisor's evaluation, perceive the feedback as accurate, perceive the supervisor as more helpful and report that they intend to use the feedback.

**f) Organizational Support**

Senior management must be active in their support, as compared to passively tolerating such efforts. Further, the coaching and performance management system must be linked to the organisation's strategy, mission and values.

## RECOMMENDATIONS TO PROMOTE EFFECTIVE COACHING

For coaching to be most effective, top managers and HRD professionals must ensure that:

- An effective performance management system is operating with the organization. Among other things, this means that the organization's recognition and rewards system properly rewards managers and supervisors for effective coaching.
- All managers and supervisors are properly trained in coaching skills and techniques.
- A thorough coaching analysis has been done before employee performance issues are discussed with employees.
- Supervisors prepare in advance for the coaching discussion.
- Supervisor comments are constructive, helpful and supportive.
- Supervisors provide specific and behavioral feedback on employee performance.
- Employees are involved in the coaching discussion.
- Specific goals are set during the discussion.
- An action plan is jointly established between the employee and the supervisor.
- Coaching discussions are followed up, to ensure that the employee is following the action plan, and to recognize performance improvements when they occur.

## RECOMMENDATIONS FOR EFFECTIVE PERFORMANCE MANAGEMENT SYSTEMS

For the performance management system to be most effective, it is recommended that,

- The system must reflect the organization's culture and values.
- Senior management must be committed to, and actively participate in, the performance management system.
- The system should focus on the most important (or "vital few") performance measures.
- Employee job descriptions should be linked to the performance management system.
- Managers need to differentiate between employee performance levels, yet do so in
- a fair and objective manner.
- Managers need thorough training in all aspects of the performance management process.
- The performance management system needs to be linked to the organizational compensation and rewards system.
- There should be clear expectations and action planning concerning employee development.
- The administrative burden should be minimized.
- The effectiveness of the performance management system should be regularly tracked, with adjustments to the system made as necessary.

## COUNSELING

- Direct face-to-face conversation between a supervisor and a direct report
- Used to help the employee identify the reason for poor performance to *improve*, not embarrass or humiliate him or her
- Generally more formal than feedback and coaching and is required of a small percentage of employees

### The Need for Employee Counseling

- Struggling due to high levels of anxiety
- Refusing treatment for a treatable condition
- Experiencing job burnout
- Involved in efforts to promote good health
- Personal problems are a part of life
- Personal problems affect job performance
- Healthcare costs continue to rise
- Reducing tardiness, absenteeism, lost time and worker's compensation saves money
- Reducing turnover can improve productivity and the bottom line

**Addressing Employee Well-Being**

- Promotes employee morale
- Reduces the impact of external factors on work
- Promotes productivity
  - Cheaper to train, treat, and retain existing workers than to hire new one

**Employee Counseling as an HRD Function**

- Counseling serves the same goal as other HRD activities
  - Improving/maintaining worker performance
- Same techniques are used, especially coaching
- Same kinds of analysis and planning needed

**Counseling Programs**

- **Problem Identification**
  - Screening device
  - Absenteeism records
  - Supervisor's observations
  - Referral
  - Voluntary participation
- **Education**
  - Pamphlets

    - Videos
    - Lectures
    - Unsolicited
        - Television
        - Radio
        - Other media
- **Counseling**

  Needs a *non-threatening* person with whom the worker can discuss problems and seek help.  Options include:
    - Supervisor/coach
    - HRD Counselor
    - Professional Counselor
- **Referral**

  Directing employee to *appropriate* resources for assistance – e.g.,
    - Physician
    - Substance abuse treatment center
    - Marriage counselor
    - Alcoholics Anonymous (AA)
- **Treatment**

  The *actual* intervention to solve the problem – e.g.,
    - Group therapy
    - Medications
    - Individual therapy
    - Psychological therapy
- **Follow-up**

  Needed to:
    - Ensure the employee is indeed carrying out the treatment
    - Obtain information on employee progress
    - Ensure that referrals and treatment are effective

**Caution About Employee  Counseling**

- All six approaches are <u>not</u> always needed

- The following issues drive which approach is taken:
  - Type of problem identified
  - Appropriate response
  - Available resources

**Who Provides Employee Counseling?**

- Depends on the organization and organizational culture
- Can be done using:
  - Corporate resources (In-house)
  - Outside resources (Out-of-house)

**1. In-House Efforts**

**<u>Advantages</u>:**

- Internal control
- Familiarity with organization
- Better coordination of efforts
- Sense of ownership
- Greater internal credibility

**<u>Disadvantages</u>:**

- Confidentiality
- Lack of needed resources
- Employee reluctance to use services
- Limitations in staff skill and expertise

**2. Contracting Externally (Out-of-House)**

**<u>Advantages</u>:**

- Subject matter experts
- Confidentiality easier to maintain
- Lower cost
- Better identification and use of resources

**<u>Disadvantages</u>:**

- Lack of on-site services
- Possible communications problems
- Lack of organizational knowledge

**Characteristics of Effective Programs**

- Top management support
- Clear policies and procedures
- Cooperation with unions and employee groups
- Policy of guaranteed confidentiality
- Maintenance of records for program evaluation
- Health insurance benefit coverage for services
- Family education
- A range of care:
  - Referral to community resources
  - Follow-up

## EMPLOYEE ASSISTANCE PROGRAMS (EAPs)

- Job-based programs operating within an organization that:
  - Identify troubled employees
  - Motivate them to resolve their problems
  - Provide access to counseling and treatment, as appropriate

**General Topics that EAPs Might Address**

- Alcoholism
- Drug abuse
- Anxiety
- Depression
- Eating disorders
- Compulsive gambling
- Marital problems
- Financial problems
- Personal problems

**Issues/Outcomes Affected by EAPs**

- Productivity
- Absenteeism
- Turnover
- Unemployment costs
- Substance abuse treatment
- Accidents
- Training
- Replacement costs
- Insurance benefits

**Who Offers EAPs?**

- 62% of medium- and large-sized companies
- 33% of companies with 50+ employees
- Estimated 82% of large firm employees have access to an employee assistance program

**Results of Serious Mental Health Problems**

- Mental health problems can interfere with major life functions such as:
  - Eating
  - Managing money
  - Functioning in family groups
  - Functioning at work
  - Functioning in society
  - Functioning in educational settings

**Common Mental and Emotional Health Problems**

- Individual adjustment
- Victim of external factors (rape, incest, battering, crime)
- Sexual problems, including impotence

- Divorce and marital problems
- Depression and suicide attempts
- Difficulties with family and children
- Sexual harassment in workplace
- Legal and financial problems
- Gambling addiction

**Why Care About Mental and Emotional Problems?**

- Problems can cause:
  - Absenteeism
  - Poor performance and work habits
  - Low job satisfaction
  - Indecisiveness
  - Interpersonal conflicts
  - Violence and aggressive behaviors at work

**EAP Approach to Resolving Employee Personal Problems**

Basis of the EAP approach:

- Work is very important to people
- Work performance can help identify an employee's personal problems
- Employees can be motivated to seek help

**Characteristics of the EAP Approach**

- Problem is defined in terms of job performance, rather than in clinical terms
- Supervisors monitor employees to identify changes in workplace behavior that indicate potential problems

**Behavior Problems Indicating Possible Substance Abuse**

- Absenteeism
- On-the-job absences
- High accident rate

- Poor job performance
- Poor relationships with co-workers

**Constructive Confrontation**

- In this approach, a supervisor:
  - monitors performance
  - confronts employee on poor performance
  - coaches to improve performance
  - urges use of EAP's counseling service
  - emphasizes the consequences of continued poor performance

**The Typical EAP**

- Clear policies, procedures, and responsibilities concerning health and personal problems on the job
- Employee education campaigns
- Supervisory training program
- Clinical services (In- or out-of-house)
- Follow-up monitoring

**Effectiveness of EAPs**

- Effectiveness is "generally accepted"
- Estimated 50% to 85% effectiveness rate
- Estimated savings of $2 to $20 per dollar invested in EAP
- However, much EAP evaluation is subjective, and strongly criticized

**EAPs and the HRD Professional**

- EAPs are often housed within the HRD area of the organization
- HRD must determine:
  - Costs vs. benefits of the program in dollars
  - Whether it's cheaper to replace an individual than to successfully treat that person

- Healthcare organizations are increasingly involved in EAPs (behavioral healthcare management)

**Effectiveness of Counseling**

- Determine organizational demographics
- Determine expected participation rates
- Estimate start-up and maintenance costs
- Implement test and tracking system
- Measure pre- and postprogram
- Analyze results for users and non-users
- Do present and future cost-benefit analyses

## STRESS

- Stress is your mind and body’s response or reaction to a real or imagined threat, event or change.
- The threat, event or change are commonly called stressors.
- Stressors can be internal (thoughts, beliefs, attitudes or external (loss, tragedy, change).
- Some environmental force affecting the individual (a stressor)

**Definition**

It is the by-product of pressures, changes, demands and challenges that you face each day.

**Marilyn Manning**

**EUSTRESS**

Eustress or positive stress occurs when your level of stress is high enough to motivate you to move into action to get things accomplished.

**DISTRESS**

Distress or negative stress occurs when your level of stress is either too high or too low and your body and/or mind begin to respond negatively to the stressors.

## TYPES OF STRESS

**Anticipatory stress:**

It is the stress caused by concern over the future.

**Situational stress**:

It is the stress of the moment. Immediate threat, challenge
something that demands your attention right now.

**Chronic stress:**

It may stem from a tough experience over which you have no control except to accept.

**Residual stress:**

It is the stress of the past. Unwillingness to let go of bad
memories.

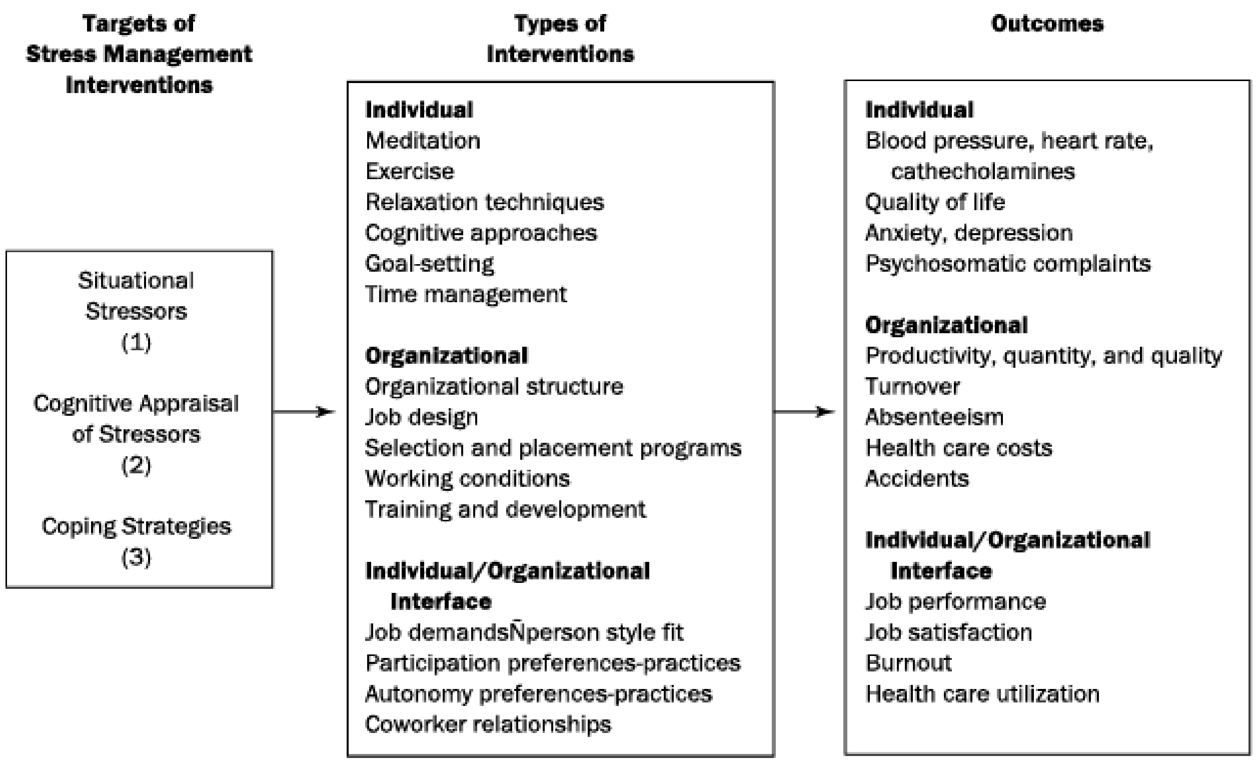
## Organizational Stressors

- Factors intrinsic to the job
- Organizational structure and control
- Rewards systems
- Human resource systems
- Leadership

## Stress Management Interventions

It is any activity program initiated by an organisation which focuses on reducing the presence of work-related stressors or an assisting individuals to minimize the negative outcomes of exposure to these stressors.

- **Educationally-Oriented Interventions**
  - Sources or stress, how it feels, how to avoid it, how to cope with it
- **Skill-Acquisition Interventions**
  - Provides new ways to manage stress such as:
    - Time management training
    - Assertiveness training




**Model of SMIs**

- Focuses on the individual
- Helps the individual cope
- Perhaps more focus should be placed on stressors from the work environment

**Effectiveness of SMIs**

- Research hasn't been rigorous enough to measure effectiveness accurately
- Well-conducted research demonstrates some success
- More research is needed

**Guidance for SMIs**

- Look for specific issues
- Assess and analyze apparent problems
- Look for specific and focused solutions
- Look at strategic intervention:
  - Is problem throughout the organization, or is it localized?
- Ensure evaluation and timely feedback

**Employee Wellness and Health Promotion**

- Wellness is more than the absence of disease
- Promotes physical fitness and other nonstress issues:
  - Obesity
  - Smoking
- Helps control healthcare costs

**Three Levels of Fitness and Wellness Programs**

- *Level 1* – primarily educational without interventions
- *Level 2* – seeks to bring about direct change:
  - Supervised exercise, fitness centers, etc.
- *Level 3* – institutionalized wellness

**Ten Dimensions of Work Site Wellness**

- Constructive wellness policy
- Wellness screening
- Working with community resources

- Employee referrals to professionals
- Menu-approach to health improvement
- Outreach and follow-up counseling
- Plant-wide wellness events
- Worksite policies and systems
- Ongoing evaluation of wellness process
- Periodic evaluation of cost-benefits of wellness programs

**Exercise and Fitness Interventions**

- Most popular interventions
- Even modest exercise helps prevent disease
- Research shows effectiveness
- Problem: Getting those who would benefit the most to exercise

## EMOTIONAL INTELLIGENCE

The ability to monitor one's own and others' feelings and emotions, to discriminate among them and to use this information to guide one's thinking and actions".

First real theory of emotional intelligence came from the writings of Thorndike (1920), who believed that there were different types of intelligence. He named the type of intelligence that is measured using intelligence quotient tests as abstract intelligence. The type of intelligence that is used in understanding and manipulating objects and shapes, he named as concrete intelligence. The third type of intelligence that Thorndike identified was social intelligence. He defined it as "the ability to understand and relate to people" (Bagshaw, 2000:63). This third type of intelligence is what is today known as emotional intelligence. The research done by Thorndike (1920) into social intelligence as a means of explaining variations in outcome measures not accounted for by intelligence quotient tests was revived by the researcher Howard Gardner (1983), when he suggested that there are seven types of intelligence.

Although Gardner did not refer to emotional intelligence as such, his reference to intrapersonal and interpersonal intelligence has been used by many, as a foundation in developing more recent models of emotional intelligence. Gardner's (1983) concept makes reference to the fact that people have the ability to know and understand their emotions as well as other individuals' emotions and intentions, which is believed to guide one's behavior. This was further developed by the research done by Gardner and Hatch (1989), where they developed the idea of multiple intelligences, which were distinctly different from that of intelligence quotient (Dulewicz and Higgs, 2000). The term "emotional intelligence" was however first coined in 1990 by two psychologists, Peter Salovey and John Mayer. Salovey and Mayer (1990) carried out extensive and comprehensive tests in order to establish emotional intelligence as a genuine intelligence based on the concept and definition of intelligence (Langley, 2000). The work that was done by Salovey and Mayer (1990) advocated that intellect and emotional intelligence were two different constructs and that they used different parts of the brain. This team of researchers managed to develop a norm-tested Emotional Quotient (EQ) scale. They suggest that emotional intelligence is made up of four branches: managing and regulating emotion, understanding and reasoning about emotion, assimilating basic emotional experiences, and perceiving and appraising emotions.

**Framework of Emotional Competencies**

- **Self-Awareness**
  - Emotional Self-Awareness
    - Recognizing emotions and their impact
  - Accurate Self-Assessment
    - Knowing one's strengths and limits
  - Self-Confidence
    - A strong sense of one's self-worth and capabilities
- **Self-Management**
  - Emotional Self-Control
    - Controlling disruptive impulses and emotions
  - Transparency
    - Displaying honesty and integrity; trustworthiness

- Adaptability
    - Flexibility in adapting to changing situations
- Achievement
    - The drive to improve performance based on inner standards of excellence
- Initiative
    - Readiness to act and seize opportunities
- Optimism
    - Seeing the “upside” in all events

- **Social Awareness**
    - Empathy
        - Sensing the emotions of others; understanding their perspective and taking an interest in their concerns
    - Organizational Awareness
        - Reading the currents, decision networks, and politics at the organizational level
    - Service
        - Recognizing and meeting the needs of followers
- **Relationship Management**
    - Inspirational leadership
        - Guiding and motivating using a compelling vision
    - Influence
        - Wielding a range of tactics for persuasion
    - Developing others
        - Bolstering the abilities of others through guidance and feedback
    - Change Catalyst
        - Initiating, Managing and Leading in a new direction
    - Conflict Management

        - Resolving disagreements
    - Building Bonds
        - Cultivating and maintaining a web of relationships
    - Teamwork and Collaboration
        - Cooperation and Team Building

**EMOTIONAL COMPETENCY**

- Tackling Emotional Upsets
- High Self-esteem
- Handling Egoism
- Handling Inferiority Complex

**EMOTIONAL MATURITY**

- Self-Awareness
- Developing Others
- Delaying Gratification
- Adaptability and Flexibility

**EMOTIONAL SENSITIVITY**

- Understanding Threshold of Emotional Arousal
- Empathy
- Improving Inter-personal Relations
- Communicability of Emotions

UNIT -5

# SOURCES OF  STRESS

It can come from any event or thought that makes you feel frustrated, angry, or nervous. Stress is your body's reaction to a challenge or demand. In short bursts, stress can be positive, such as when it helps you avoid danger or meet a deadline. But when stress lasts for a long time, it may harm your health.

**EMPLOYEE COACHING & COUNSELING**

Counselling, or psychotherapy, focuses on understanding, resolving and healing emotional trauma and pain carried through from the past. Coaching is focused on the present and future. Coaches help you to identify goals, leverage personal strengths and take action. Therefore, Coaching and counseling are both very effective tools managers can utilize to help drive continued improvement. The trick is to know which tool to use, and when, in order to appropriately engage your employees and encourage them to drive the desired results.
Coaching is strategically guiding someone into improved performance through reflection on how they apply a specific skill and/or knowledge. Coaching is used to increase performance when the employee is already performing a job well but maybe needs encouragement to reach greater heights. Coaching can also be used with an employee who has excellent skills in some areas but needs support to achieve goals in other areas of the job.
 the focus is very different from counselling

The trick is to know which tool to use, and when, in order to appropriately engage your employees and encourage them to drive the desired results.

Coaching is strategically guiding someone into improved performance through reflection on how they apply a specific skill and/or knowledge. Coaching is used to increase performance when the employee is already performing a job well but maybe needs encouragement to reach greater heights

**Identifying** common sources of stress is the **key** to effective stress management, to coping with stress, and to reducing stress.

Acute Sources of Stress

**- Accidents**

Accidents are common sources of stress... anyone who has been in a minor car accident can attest to this. Our bodies experience a stress reaction... our heart rate goes up and we feel the adrenaline surging through us.

There are a wide range of accidents... situations where they can occur, levels of severity, people who can be involved. These sources of stress have one thing in common: they evoke an acute stress response.

**Sudden illnesses**

Diagnoses of serious illness are always acute sources of stress. *Fears* of death and dying, *financial* pressure involved with medical care, *worry* about loved ones, *pain* and the *fear of pain* are all contributors to the acute stress of sudden illness.

**- Job losses**

Sudden or unexpected job loss, or even the *threat* of a possible job loss, has brought acute stress to many people.

Besides the obvious loss of steady income, job loss brings up a whole set of stressors involved with finding a new job, lifestyle changes, altering comfortable routines, finding ones way in a new organizational culture... and on, and on.

**- Economic Crisis**

Sometimes economic crisis is a direct contributor to job loss, but it is one of the acute sources of stress for a variety of reasons. A comfortably retired couple may find their life savings threatened because of falling investment value... A small business owner may see a huge drop in sales as consumers reduce their spending.

Economic issues may be a chronic stressor for many, but when the issues reach crisis level, the impact is often acute and far-reaching.

**- Relationship Crisis**

Marriage is often the first thing that comes to mind with acute relationship-sources of stress. Around half of marriages fail at some point... commonly, one party in the relationship is very surprised and hurt.

Crisis is possible in any relationship where one or both parties have made a significant contribution of time, money and emotional energy.

**- Economic burdens**

As mentioned above, constant economic pressures are a significant source of stress for many people.

Poverty, or the threat of poverty are high on the list, but we also experience stress when our lifestyle is threatened. Also, if our income cannot support our lifestyle, we come under additional pressures from creditors.

**- Family conflicts**

Family conflicts are often chronic stressors because family members are stuck with one another! When conflict goes unresolved in the family setting, when little irritations fester, when tempers are always simmering just below the boiling point, the chronic take a real toll on relationships and health.

**- Toxic relationships**

Many of my readers, clients and friends can relate to this one! Toxic relationships are the ones that drain you. Never mind who it is. Never mind how they drain you.

If you give and give to the relationship getting nothing in return, it could be a toxic one. If you regularly get battered emotionally, intellectually or physically, you may be in a toxic relationship. Toxic relationships often have strong social or familial ties, and cause significant long-term stress.

**- Chronic illness**

Just as the unexpected, rapid-onset of acute illness causes acute stress, chronic illness is a major chronic stressor. Chronic illness is a drain on emotional energy, a strain on close relationships, disruptive to lifestyles and often psychologically damaging.

**- High Demands**

Demands are shifting in the working world. Rather than long experience with one company, business leaders are looking for innovation and flexibility. This is extremely stressful to many older professionals and working people, who feel that their seniority is no longer valued or appreciated.

Young people entering the workforce also get pressure to perform, prove themselves and demonstrate their worth. While coaching can turn this stress into positive energy, it is overwhelming for many individuals who feel unsupported.

**- Ethical Dilemmas**

For a morally upstanding person who values his or her job, pressure to make unethical business decisions or transactions can be very stressful.

Even if a person has willingly acted unethically in the past, the continued stress of covering ones tracks and betraying ones conscience can build over time. Just *working* in a morally bankrupt environment can cause significant stress.

**- Uncertain Employment**

Of course, there is always some stress when our job or business is threatened. Whether this is a corporate memo warning of impending layoffs, or a string of customers backing out of their sales agreements, the implications reach into every area of our lives.

Some entrepreneurs enjoy life on the edge, and feed off of the stress caused by competition and uncertainty. For most of us, an unstable employment position is one of the major sources of stress.

**- Role Ambiguities**

Role ambiguity results when we do not know what the boss *really* expects of us. If our job description and evaluation criterion are unclear, it can make going to work very stressful.

As emphasis on flexibility, innovation and teamwork increases, people who are used to the very structured working environment of traditional organizations are under increasing pressure. Moody supervisors, corporate takeovers and a host of other factors make role ambiguity one of the increasingly common sources of stress in the workplace.

**- Career Pace**

Whether it is too fast or too slow, the pace of our career can be a significant stressor. When responsibilities and decisions pile up on us faster than we can cope, it can feel like the career train is careening out of control.

When we are sitting stagnant in a dead-end job that is not making use of our skills, strengths or challenging us enough, we can feel like the career train is broken down and going nowhere fast. In either case, we can feel overwhelmed by the present situation and unable to see our way to a solution.

**- Physical Working Environment**

Renovation/construction, lighting conditions, building design, noise, the outdoor elements, constant danger, hazardous materials and other physical contributors can add stress to the working person. Even hostile co-workers, abusive bosses, or depressing rows of drab cubicles can add to the stress.

There are many legal protections for the working person these days, but little below-the-radar annoyances can add up if our coping mechanisms are rusty or absent.

**- Toxic Relationships**

We touched on this in Chronic stress, but toxic relationships in the working world are so common that it is worth mentioning again. Some people just rub one another the wrong way or cannot see their way through a difference of opinions.

While a skilled conflict resolution coach could help significantly, we often feel trapped in the toxic relationship because our job demands that we work directly with or close to the problem-person.

***Sources of Stress at Home***

**- Parental Duties**

Parenting is one of the most important tasks we will have as humans... the young, impressionable years are formative and vital to adult success. Children are God's precious gift, right? Some parents reading this will nod in misty-eyed agreement, but I can imagine many more that are rolling their eyes and chuckling!

Being such an important activity, parenting comes with a proportionate amount of stress. Inconsistent discipline, social pressures on children and the many irritations that crop up when living in close quarters with one another contribute as sources of stress.

**- Financial Conflicts**

Money issues are one of the main causes of marital strife. Business deals with relatives, small business operations, school costs and lifestyle expectations all fuel the fire.

**- Spousal Relationships**

With such a strong emotional and physical bond, relationships with spouses are ripe for stress. Unmet expectations, unfilled needs, communication deficiencies, personality conflicts and many other things can make this **very** important relationship *miserable* and *stressful* for both parties.

**- Physical Setting**

Home improvement or construction projects, cramped or poor living conditions or noisy traffic outside are sources of stress in the physical home setting. Also, a complete absence of guests can make a home feel empty and cold, while a huge excess of visitors can make the home environment un-restful.

**- Social/Family Pressure**

Think of the classic "my mother is coming to live with us" scenario! While many cultures handle this well, some families may be ill-equipped to handle the extra relationship dynamic.

In the same vein, pressure to look or live a certain way from very traditional family members or stuck-up acquaintances can also add stress to the home.

## PART –A

## SOURCES OF STRESS

Stressors can be categorized as follows:

**1. Significant Life Adjustments**

Any critical life changes, both pleasant and unpleasant.

**2. Daily Routines**

Daily routines such as fighting the rush hour traffic or meeting the deadline on an important project zap your energy. You become accustomed to your daily activities and easily overlook their cumulative effect on you.

**3. Unrealistic Self-Expectations**

While positive self-expectations motivate you to realize your goals, unrealistic expectations can lead to setting yourself up for failure and a lowering of self-esteem.

**4. Interpersonal Relationships**

Both personal and professional relationships require a significant amount of effort to maintain. Poor communication leads to conflicts that can escalate into increased frustration and open hostility.

---

Common stressors have been identified as:

- Family problems
- Mental Illness
- Elder Care Issues
- Child Care Issues
- Financial Issues
- Legal Issues
- Grief & Loss
- Communication Difficulties
- Work

- Addictions
- Health Concerns
- Balancing work & family
- Time management
- Change management
- Anger management
- Other

# Techniques to reduce or ways to manage stress

If your methods of coping with stress aren't contributing to your greater emotional and physical health, it's time to find healthier ones. There are many healthy ways to manage and cope with stress, but they all require change. You can either change the situation or change your reaction. When deciding which option to choose, it's helpful to think of the four As: avoid, alter, adapt, or accept.

Since everyone has a unique response to stress, there is no "one size fits all" solution to managing it. No single method works for everyone or in every situation, so experiment with different techniques and strategies. Focus on what makes you feel calm and in control.

## Dealing with Stressful Situations: The Four A's

**Change the situation:**

- Avoid the stressor.
- Alter the stressor.

**Change your reaction:**

- Adapt to the stressor.
- Accept the stressor.

### *Stress management strategy #1: Avoid unnecessary stress*

Not all stress can be avoided, and it's not healthy to avoid a situation that needs to be addressed. You may be surprised, however, by the number of stressors in your life that you can eliminate.

- **Learn how to say "no" –** Know your limits and stick to them. Whether in your personal or professional life, refuse to accept added responsibilities when you're close to reaching them. Taking on more than you can handle is a surefire recipe for stress.

- **Avoid people who stress you out** – If someone consistently causes stress in your life and you can't turn the relationship around, limit the amount of time you spend with that person or end the relationship entirely.
- **Take control of your environment** – If the evening news makes you anxious, turn the TV off. If traffic's got you tense, take a longer but less-traveled route. If going to the market is an unpleasant chore, do your grocery shopping online.
- **Avoid hot-button topics** – If you get upset over religion or politics, cross them off your conversation list. If you repeatedly argue about the same subject with the same people, stop bringing it up or excuse yourself when it's the topic of discussion.
- **Pare down your to-do list** – Analyze your schedule, responsibilities, and daily tasks. If you've got too much on your plate, distinguish between the "shoulds" and the "musts." Drop tasks that aren't truly necessary to the bottom of the list or eliminate them entirely.

### *Stress management strategy #2: Alter the situation*

If you can't avoid a stressful situation, try to alter it. Figure out what you can do to change things so the problem doesn't present itself in the future. Often, this involves changing the way you communicate and operate in your daily life.

- **Express your feelings instead of bottling them up.** If something or someone is bothering you, communicate your concerns in an open and respectful way. If you don't voice your feelings, resentment will build and the situation will likely remain the same.
- **Be willing to compromise.** When you ask someone to change their behavior, be willing to do the same. If you both are willing to bend at least a little, you'll have a good chance of finding a happy middle ground.
- **Be more assertive.** Don't take a backseat in your own life. Deal with problems head on, doing your best to anticipate and prevent them. If you've got an exam to study for and your chatty roommate just got home, say up front that you only have five minutes to talk.
- **Manage your time better.** Poor time management can cause a lot of stress. When you're stretched too thin and running behind, it's hard to stay calm and focused.

But if you plan ahead and make sure you don't overextend yourself, you can alter the amount of stress you're under.

### *Stress management strategy #3: Adapt to the stressor*

If you can't change the stressor, change yourself. You can adapt to stressful situations and regain your sense of control by changing your expectations and attitude.

- **Reframe problems.** Try to view stressful situations from a more positive perspective. Rather than fuming about a traffic jam, look at it as an opportunity to pause and regroup, listen to your favorite radio station, or enjoy some alone time.
- **Look at the big picture.** Take perspective of the stressful situation. Ask yourself how important it will be in the long run. Will it matter in a month? A year? Is it really worth getting upset over? If the answer is no, focus your time and energy elsewhere.
- **Adjust your standards.** Perfectionism is a major source of avoidable stress. Stop setting yourself up for failure by demanding perfection. Set reasonable standards for yourself and others, and learn to be okay with "good enough."
- **Focus on the positive.** When stress is getting you down, take a moment to reflect on all the things you appreciate in your life, including your own positive qualities and gifts. This simple strategy can help you keep things in perspective.

### Adjusting Your Attitude

How you think can have a profound affect on your emotional and physical well-being. Each time you think a negative thought about yourself, your body reacts as if it were in the throes of a tension-filled situation. If you see good things about yourself, you are more likely to feel good; the reverse is also true. Eliminate words such as "always," "never," "should," and "must." These are telltale marks of self-defeating thoughts.

*Source: National Victim Assistance Academy, U.S. Department of Justice*

### *Stress management strategy #4: Accept the things you can't change*

Some sources of stress are unavoidable. You can't prevent or change stressors such as the death of a loved one, a serious illness, or a national recession. In such cases, the best way to cope with stress is to accept things as they are. Acceptance may be difficult, but in the long run, it's easier than railing against a situation you can't change.

- **Don’t try to control the uncontrollable.** Many things in life are beyond our control— particularly the behavior of other people. Rather than stressing out over them, focus on the things you can control such as the way you choose to react to problems.
- **Look for the upside.** As the saying goes, “What doesn’t kill us makes us stronger.” When facing major challenges, try to look at them as opportunities for personal growth. If your own poor choices contributed to a stressful situation, reflect on them and learn from your mistakes.
- **Share your feelings.** Talk to a trusted friend or make an appointment with a therapist. Expressing what you’re going through can be very cathartic, even if there’s nothing you can do to alter the stressful situation.
- **Learn to forgive.** Accept the fact that we live in an imperfect world and that people make mistakes. Let go of anger and resentments. Free yourself from negative energy by forgiving and moving on.

## *Stress management strategy #5: Make time for fun and relaxation*

Beyond a take-charge approach and a positive attitude, you can reduce stress in your life by nurturing yourself. If you regularly make time for fun and relaxation, you’ll be in a better place to handle life’s stressors when they inevitably come.

### Healthy ways to relax and recharge

- Go for a walk.
- Spend time in nature.
- Call a good friend.
- Sweat out tension with a good workout.
- Write in your journal.
- Take a long bath.
- Light scented candles
- Savor a warm cup of coffee or tea.
- Play with a pet.
- Work in your garden.
- Get a massage.
- Curl up with a good book.
- Listen to music.
- Watch a comedy

Don’t get so caught up in the hustle and bustle of life that you forget to take care of your own needs. Nurturing yourself is a necessity, not a luxury.

- **Set aside relaxation time.** Include rest and relaxation in your daily schedule. Don’t allow other obligations to encroach. This is your time to take a break from all responsibilities and recharge your batteries.
- **Connect with others.** Spend time with positive people who enhance your life. A strong support system will buffer you from the negative effects of stress.
- **Do something you enjoy every day.** Make time for leisure activities that bring you joy, whether it be stargazing, playing the piano, or working on your bike.
- **Keep your sense of humor.** This includes the ability to laugh at yourself. The act of laughing helps your body fight stress in a number of ways.

### *Stress management strategy #6: Adopt a healthy lifestyle*

You can increase your resistance to stress by strengthening your physical health.

- **Exercise regularly.** Physical activity plays a key role in reducing and preventing the effects of stress. Make time for at least 30 minutes of exercise, three times per week. Nothing beats aerobic exercise for releasing pent-up stress and tension.
- **Eat a healthy diet.** Well-nourished bodies are better prepared to cope with stress, so be mindful of what you eat. Start your day right with breakfast, and keep your energy up and your mind clear with balanced, nutritious meals throughout the day.
- **Reduce caffeine and sugar.** The temporary "highs" caffeine and sugar provide often end in with a crash in mood and energy. By reducing the amount of coffee, soft drinks, chocolate, and sugar snacks in your diet, you’ll feel more relaxed and you’ll sleep better.
- **Avoid alcohol, cigarettes, and drugs.** Self-medicating with alcohol or drugs may provide an easy escape from stress, but the relief is only temporary. Don’t avoid or mask the issue at hand; deal with problems head on and with a clear mind.
- **Get enough sleep.** Adequate sleep fuels your mind, as well as your body. Feeling tired will increase your stress because it may cause you to think irrationally.

## CONSEQUENCES OF STRESS / Effects of Stress

**I Subjective effects**

Anxiety, aggression, apathy, boredom, depression, fatigue, frustration, guilt, shame, irritability, bad temper, moodiness, low self esteem, threat and tension, nervousness, loneliness.

**II Behavioural effects**

Accident proneness, drug taking, emotional outburst, excessive eating, loss of appetite, excessive drinking, smoking, excitability, impulsive behaviour, impaired speech, nervous laughter, restlessness, trembling.

**III Cognitive effects**

Inability to make decisions and concentrate, frequent forgetfulness, hypersensitivity to criticism, mental blocks.

**IV Physiological effects**

Increased blood and urine catecholamines and costicosteroids, increased blood glucose levels, increased heart rate and blood pressure, dryness of mouth, sweating, dilation of pupils, difficulty breathing, hot and cold spells, numbness, tingling.

**V Health effects**

Asthma, secondary amenorrhoea, chest and back pains, Chronic Heart Disease (CHD) diarrhoea, faintness and dizziness, dyspepsia, frequent urination, headaches & migraine, neuroses, nightmares, insomnia, psychoses, psychosomatic disorder, diabetes mellitus, skin rash, ulcers, loss of sexual drive.

**VI Organisation effects**

Absenteeism, poor industrial relations, poor productivity, high accident & employee turnover rates, poor organisational climate, antagonism at work, job dissatisfa

**I Short Term Stress Symptoms**

ON EDGE, FLARED NOSTRILS, PALE FACE, WIDE EYES, HAIR ON END, DRY MOUTH, FASTER HEARTBEAT, FASTER BREATHING, BUTTERFLIES, TENSE MUSCLES, FREQUENT URINATION, ADRENAL GLAND SECRETION, MORE SENSITIVE TO TOUCH, SWEATY HANDS, LESS SENSITIVE TO PAIN, FEELING COLD.

**II Long Term Stress Illnesses**

HAIR LOSS, HEADACHE/MIGRAINE, STROKES, IMPAIRED IMMUNE RESPONSE, NERVES, SLEEPING BADLY, NECK ACHE, APPETITE LOSS, SHOULDER ACHE, ASTHMA, SKIN CONDITIONS, HIGH BLOOD PRESSURE, INDIGESTION, ULCERS, HEART DISEASE, LOWER BACK ACHE, IRRITABLE BOWEL SYNDROME, RHEUMATOID ARTHRITIS, IMPOTENCE/MENSTRUAL DISORDERS, LEG ACHES, POOR CIRCULATION.