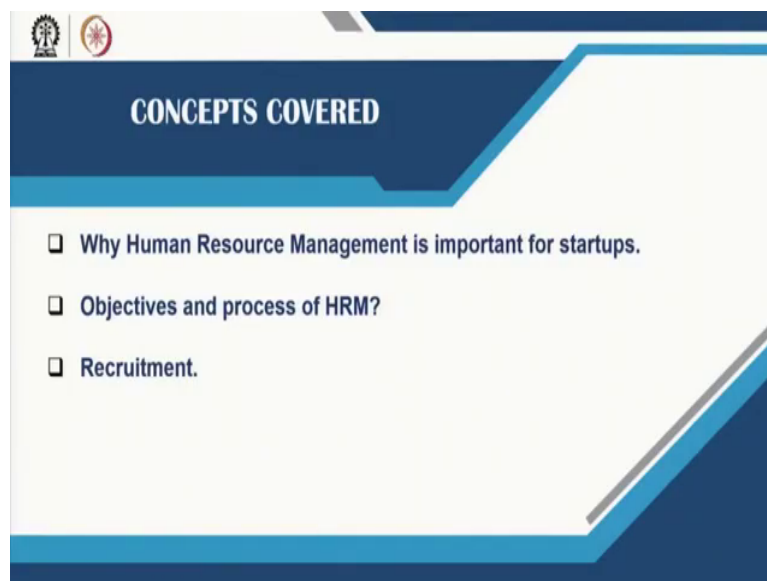


Entrepreneurship Essentials
Prof. Manoj Kumar Mandal
Rajendra Mishra School of Engineering Entrepreneurship
Indian Institute of Technology, Kharagpur

Module - 12
Lecture - 58
Human Resource Management – I

Welcome, the topic of the session is Human Resource Management. In today's business world, money is absolutely valuable and in a rapidly changing technology paradigm, there is no lots of ideas either. So, the only thing that differentiate a winning business from a losing business is primarily the human resources, the team, the workmen, the knowledge worker.

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So, that is why to this topic, why human resource management is important for startup, objectives and a little bit about recruitment. Human resource management per se is a separate subject.

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We are in the Era of Knowledge Economy and Knowledge Rests with the People

- As Fortune magazine has rightly stated:
- “Brain powerhas never before been so important for business. Every company depends increasingly on knowledge-patents, processes, management skills, technologies, information about customers and suppliers, and old-fashioned experience. Added together, this knowledge is intellectual capital”.

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So, in 1 2 sessions it is really difficult to do justice this explaining anything meaningful or useful but, then we have to make an attempt. We are in the era of knowledge economy and knowledge rest with the people; obviously. You have to recruit people who can who are creative, who are innovative and then who can work in team only then, you will be able to develop winning products and then win in the business. A Fortune magazine has rightly stated.

Brain power has never before been so important for business. Every company depends increasingly on knowledge-patent, process, management skill, technologies, information about customers suppliers and old fashioned experience. Added together this knowledge is

intellectual capital. And, there are many companies whose primary value is capital an intellectual capital.

For example, any software company say for example, why Infosys TCS should be so much valuable? You value their brick mortar or buildings or whatever they have they own in their balance sheet, it will add up not even to 10 percent of the value that they derived from the market.

It is the intellectual capital, the human capital. They have the people who are expert in that domain, they can deliver, they can create revenue for the company in a profitable manner, it never used to be that case. Industrial world or this industrial society is maybe 200 to 300 years old.

And, before that there was nothing and gradually we have moved from a purely manual technology to an automatic technology. And, now in we are primarily in knowledge driven economy here, human resources is the most important asset a company can possess.

In fact, it has been proven several times that some startups became highly successful only because, they could recruit the right people at the beginning. Many other companies with wonderful ideas, wonderful products they failed because, they fail to recruit right people.

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The slide features a light blue background with a central graphic of a tree whose branches are composed of various icons representing business and technology. The title 'Aligning Personal and Company Goal' is at the top. A list of five points is centered on the slide. On the right side, a small inset shows a man in a white shirt and glasses. The bottom of the slide has a dark blue footer with the NPTEL logo and text.

Aligning Personal and Company Goal

1. Clear company goals.
2. Communicate the company strategy and vision relentlessly.
3. Employees set their own goals within the company framework.
4. Avoid incentives; focus on attaining goals.
5. Hire only the cultural fit.

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Recruiting people is one thing retaining them is another. It is very essential that company goal and the employees who are working there their goals or their aspiration they are in sync meaning, they are almost similar meaning, one is compliments to the other.

So, it is very important that we aligned company goal with personal goal or we try to design individual's career path in a manner, that their career objectives become fully aligned with the company mission, vision and objectives. Only then they will give their best number 1, number 2 they will never intend to leave the company and go elsewhere because, they will see that their aspirations are well taken care within the organization that they are working in.

And, that is why company has to strive to find these alignment. For that a company must have a goal, must have a vision. If the company does not have a vision what they are going to communicate to the employees, they must have a vision and that is to be communicated to the

employees. And, it is to be designed in a manner; the story of communication should be designed in a manner that employees will identify their aspirations into the company vision.

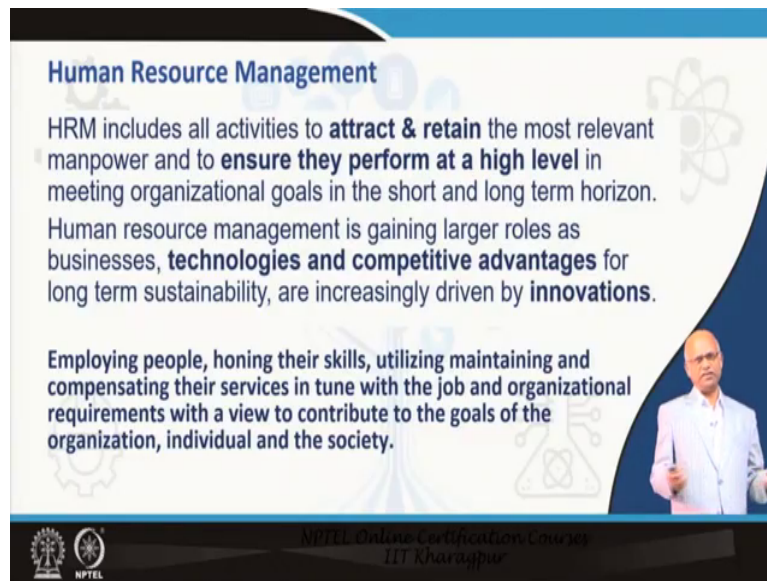
So, if the vision of the company is achieved in the process their career path will be bright whatever, they expect it to be. Communicate the company strategy the vision relentlessly. So, that they never they never miss that point, they are always on track.

Employees set their own goals within the company framework. Every employee should really understand and then realize that their future lies in this company. Avoid incentives focus on attaining goals, just by giving some incentives for a temporary achievement is not neither, it is going to be aligned over long term period nor it is going to give them sustainable satisfaction.

So, if the company long term goal is connected to their long term aspiration only then it is going to work well. Hire only the cultural fit otherwise, it is going to be a mismatch and then it is going to go nowhere.

It is going to disturb, disrupt, the existing set up and it is very difficult for somebody to really adjust into a new culture. So, one has to be very clear whether, they are disrupting the entire setup by introducing one very different element into the system or should they avoid doing that. Otherwise, it is going to be disastrous.

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Human Resource Management

HRM includes all activities to **attract & retain** the most relevant manpower and to **ensure they perform at a high level** in meeting organizational goals in the short and long term horizon.

Human resource management is gaining larger roles as businesses, **technologies and competitive advantages** for long term sustainability, are increasingly driven by **innovations**.

Employing people, honing their skills, utilizing maintaining and compensating their services in tune with the job and organizational requirements with a view to contribute to the goals of the organization, individual and the society.

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Human resource management there are many definitions and it is actually self explanatory human resource management. It includes all activities to attract and retain the most relevant manpower.

And, to ensure they perform at a high level in meeting organizational goals in the short and long term horizon. Human resource management is gaining larger roles as business technologies and competitive advantage for long term sustainability are increasingly driven by innovation, that is why human resource important.

Now, what are the significance of this definition. See human beings are almost like machine in a way they are like machine. The difference is that a machine will run, no matter what you just put the fuel maintain it will run but, human resource will not run the same way.

A highly talented individual remain will remain demoralized, if he or she is not properly attended, properly motivated, trained and shown the right prospect of their future in the organization. So, that is why human resource development, human resource management comes into picture.

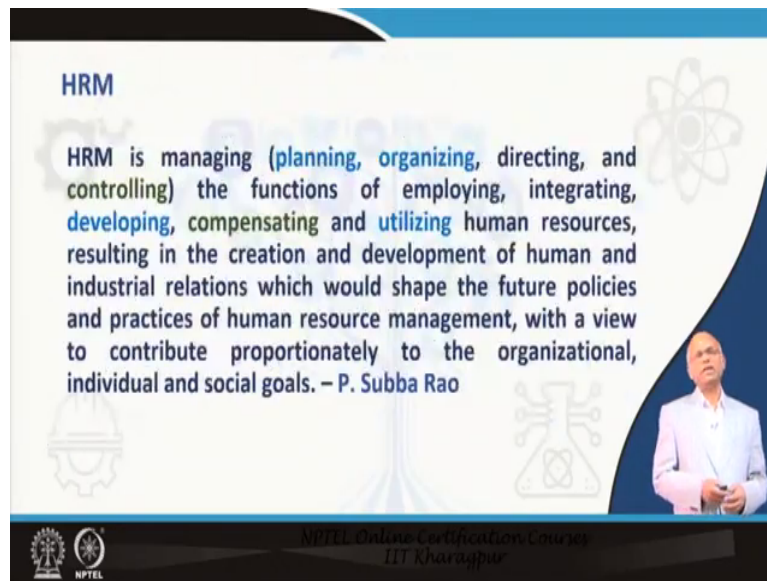
So, that is why the second construct ensure the perform at a high level. They will perform only, if we make them perform. It is not like hiring firing, it is like motivating, it is like doing the right thing. So, that they try to they strive to give their best.

And, however many times I mention or over emphasize, it can never be over emphasized that everything is now knowledge driven. In a knowledge driven economy human resource is the most critical component for driving success, driving sustainability. And, there are many sayings like a car has almost more than 50 percent intangible assets than tangible assets.

So, it is not visible but, then intelligent and smart people said so. They have explained how more than 50 percent of a car is intellectual property and less than 50 percent is the tangible that you see, you operate and that actually work. So, that precisely say tells us, how important it is to recruit, nurture the right talent.

And, that is what is human resource management, employee people, honing their skills, utilizing maintaining and compensating their services in tune with the job and organizational requirements with a view to contribute to the goals of the organization individuals and societies.

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The slide features a white background with a blue header and footer. The title 'HRM' is in blue. The definition text is in black, with key terms highlighted in blue. A speaker in a light blue suit is visible on the right side of the slide. The footer contains the NPTEL logo and text.

HRM

HRM is managing (planning, organizing, directing, and controlling) the functions of employing, integrating, developing, compensating and utilizing human resources, resulting in the creation and development of human and industrial relations which would shape the future policies and practices of human resource management, with a view to contribute proportionately to the organizational, individual and social goals. – P. Subba Rao

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This is this is a definition given by Subba Rao I will read that because; there are many elements which are important. HRM is managing, planning, organizing, directing, controlling the functions of employing, integrating, developing, compensating and utilizing human resources. Every construct is so very important. Employing so you recruit integrating you orient them, you kind of educate them about the company culture, company ethics, the values and then vision

And, then you go through means you develop them through training and maybe engaging them in RND. So, you have to think of human resource development as well and this, understand their aspiration then, formulate a compensation package. So, that fully justifies their talent their deliverables and utilize them completely. So, that every penny spent is recovered.

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Importance of Manpower

- “An excellent idea with a mediocre team would interest me far less than a good team with a mediocre idea.” - [Gigi Levy-Weiss](#), one of the most active and connected Israeli angel investors,
- A team is a huge differentiator.

The slide features a background with a stylized tree and various icons including gears, a hard hat, and a molecular structure. A video inset in the bottom right corner shows a man in a light blue shirt speaking. The footer contains the NPTEL logo and the text 'NPTEL Online Certification Courses IIT Kharagpur'.

So, that is it you can read that read the complete sentence later. Look at what investors have to say, Gigi a when is a capital it says, an excellent idea with a mediocre team, would interest me far less then, a good team with a mediocre idea. So, he puts ideas later team first because, a smart team will implement anything well. They can even find ideas even if there is no idea now on the table, they will find ideas, they will execute it well, better than others.

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The slide features a central graphic of a tree with various icons (gears, a hard hat, a person, a globe, a document, a network) on its branches. The title 'Changing Environment of Human Resource Management (HRM)' is at the top. A list of five factors is on the left, and a presenter in a white shirt is on the right. The bottom contains the NPTEL logo and course information.

Changing Environment of Human Resource Management (HRM)

- Work force Diversity
- Economic and Technological Change
- Globalization
- Organisational Restructuring
- Changing nature of works

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So, a team is a huge differentiator in today's world. Changing environment of human resources, work for diversity, the present world is integrated world.

So, you just walk into in any American company or say maybe European company, you just find there are people from all across the world. Economic and technological change is happening so fast. Now, everything has many technological construct and everything is integrated together to work it.

Globalization, economies are globalised today and when you are working at India maybe you are working for a company in maybe middle east. So, you need to understand their culture or maybe one of the team members will be from them because, company wants to put a team

member here. So, that when the application is implemented they are executed there they do not they already have a ready trained personnel.

Organizational restructuring say merger and acquisition is happening all across. So, today you work with some company with some kind of a value sense, it is taken over by another company. The whole structure changes the whole philosophy changes, changing nature of work.

Work also it is changing; it is getting more and more knowledge driven number 1. Number 1 the work culture is changing now, you can work from home, you can you may have to work today somewhere tomorrow somewhere else. So, everything is changing.

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The slide is titled "HRM with Changes of Economy". It features a 3x3 grid with the following content:

Under-developed	Developing/ Emerging	Developed
Resource driven economy	Products driven economy	Knowledge driven economy

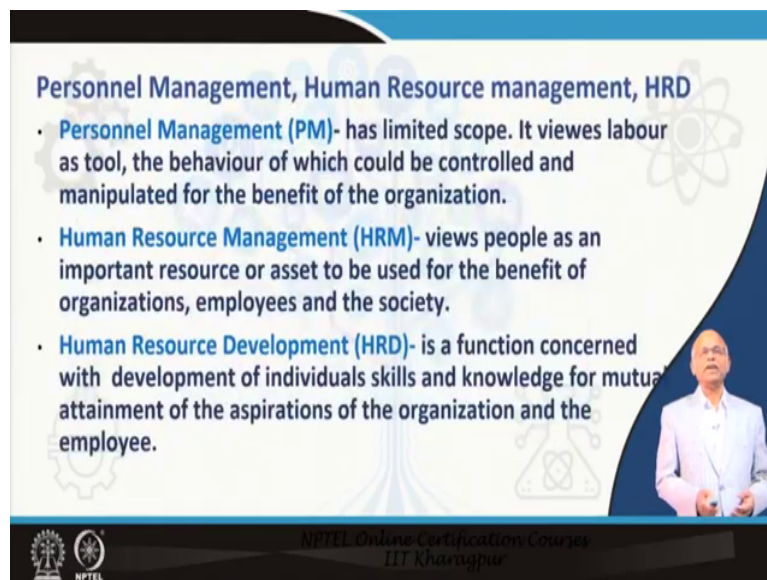
The slide also includes the NPTEL logo at the bottom left and the text "NPTEL Online Certification Courses IIT Kharagpur" at the bottom center. A presenter is visible in the bottom right corner of the slide.

Now, human resource requirements are different in different economies. And, today in this integrated globalized world, we need to understand the difference between the level of economic development and what kind of human resource, if a company should look for being in that kind of an economic.

Like underdeveloped economy, this is primarily resource driven, like say resource rich maybe say, I do not know wood or any other wood or say natural other material, maybe agricultural output something like that. So, human resources requirement there is very different compared to say a developed world. Where economy is knowledge driven, everything is knowledge driven and you need top notch talent to really develop a solution and maintain that.

Whereas, developing or emerging economies are mostly product driven so, you need engineers who are who can make, who can keep a plant speak and span running without trouble. So, that they can they can also do the troubleshooting.

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Personnel Management, Human Resource management, HRD

- **Personnel Management (PM)**- has limited scope. It views labour as tool, the behaviour of which could be controlled and manipulated for the benefit of the organization.
- **Human Resource Management (HRM)**- views people as an important resource or asset to be used for the benefit of organizations, employees and the society.
- **Human Resource Development (HRD)**- is a function concerned with development of individuals skills and knowledge for mutual attainment of the aspirations of the organization and the employee.

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Now, there are 3 construct in human resource. One is human resource one is personal management, personnel management. Another is human resource management, another is human resource development. So, personnel management primarily treat human resource as kind of a almost like a machine, it is almost like tool. So, they try to exploit them to the fullest extent. So, that they get the money is worth the last penny.

So, they do not have a long term vision in mind while treating with human resource, they try to exploit them for the best benefit of the organization whereas, human resource management views people as important resources or asset. And, they want to use these asset for the benefit of the organization on 1 side and for the benefit of the employees on the other and for the society at large as a as a third dimension.

Human resource development is almost like integrated with human resource management, human resource development helps to further the objective of human resource management. It tries to train people so, that they can meet company objectives. So, that they are always ready with the knowledge that the company needs tomorrow.

So, that the emergence of new technology does not surprise the company, that you do not have the skilled manpower.

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HRM Matters more than ever

Profitability through growth:

- To increase efficiency and cut costs
- To grow revenue

Globalization:

- To balance the paradoxical demand to think globally but act locally.
- Globalization requires that organization increase their ability to learn and collaborate and to manage diversity, complexity and ambiguity.

Technology:

- Video conferencing to internet, technology has made our world smaller and faster.
- Figure out how to make technology a viable, productive part of the work.

Intellectual Capital:

- To attract, develop, and retain individuals who can drive a global organization that is responsive to both customers and burgeoning opportunities of technology.

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So, MH human resource development actually takes care of the employees in a manner that they can perform best for the company. HRM matters more than ever today, earlier you recruit people and forget about that they would remain with you for their life and they will

slog but, things have changed. Profitability through growth, earlier you just produce something and you earn profit.

Now, you have to grow and then make profit. You remain somewhere stagnant; you are going to burn cash. You need to continuously improve your efficiency cut cost grow your revenue only then you make profit otherwise, you do not sustain and companies are globalizing.

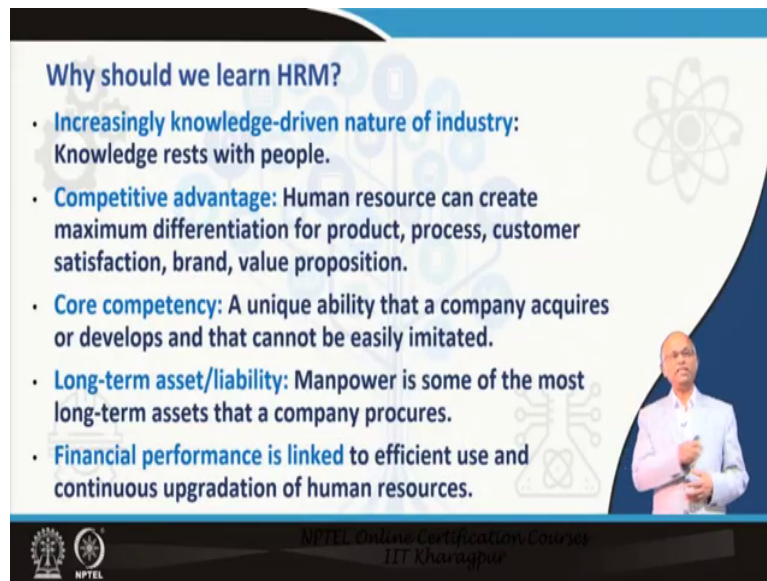
Without globalization now it is very difficult to operate. You are operating in India, you are scattering to some company in us, you need an office need an office there. And, then because there are some kind of barriers coming up like customs duty and all that, it is always better that you have a manufacturing set up there.

So, that you kind of circumvent these barriers, any kind of barriers at the border, to balance the paradoxical demand to think globally but, at locally. So, you cater to global customer but, then you produce it here. Globalization requires that organization increase their ability to learn and collaborate and to manage diversity, complexity and ambiguity.

New technologies have facilitated working from anywhere, communicate from anywhere. You can you can have a meeting across the world sitting in your room. Figure out how to make technology a viable productive part of the work and intellectual capital actually is the most important drivers of company success. In a world when technology is changing so fast, if you have the cutting edge or techno.

If we can preamp the competitors and technology development, you have monopoly, you do not have you will become a laggard. And, for you to have intellectual capital, you need to attract develop and retain individuals who can drive global organization, that is responsible to both customers and burgeoning opportunities of technology

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Why should we learn HRM?

- **Increasingly knowledge-driven nature of industry:** Knowledge rests with people.
- **Competitive advantage:** Human resource can create maximum differentiation for product, process, customer satisfaction, brand, value proposition.
- **Core competency:** A unique ability that a company acquires or develops and that cannot be easily imitated.
- **Long-term asset/liability:** Manpower is some of the most long-term assets that a company procures.
- **Financial performance is linked to efficient use and continuous upgradation of human resources.**

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Why should we learn MHR or HRM? Increasingly our industry is becoming knowledge driven.

So, you have to nurture, if you want to nurture industry knowledge driven industry, you need people because knowledge rest with the people. Human resource gave the greatest of competitive advantage because, they are the main differentiator. They can create maximum differentiation in your product, in your services and that will be known in your brand that will give you the maximum value, if you have heard the term core competency.

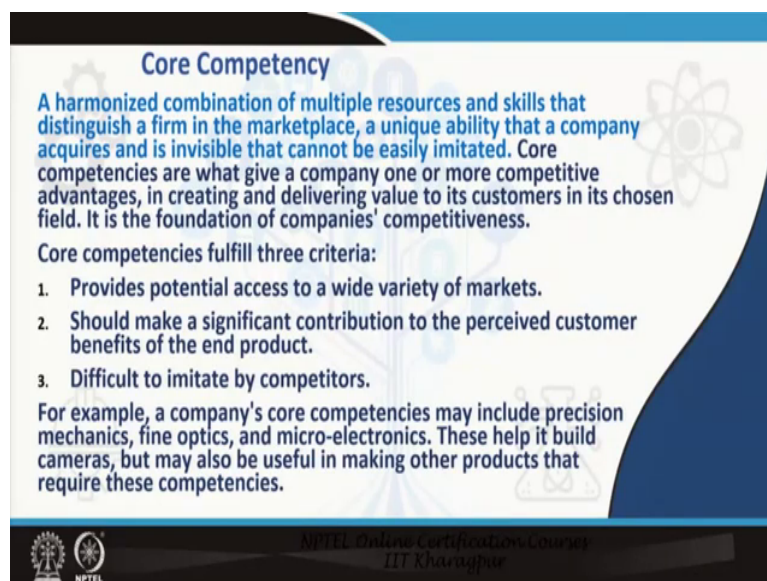
Core competency is developed by the people by intelligent people. And, it is such a competence it gives you competitive advantage that others cannot really emulate or meet imitate. It is a competency that you build over a period of time by here is the definition ok. In

the next slide, long term asset ability, manpower as I said earlier also is one of the greatest of assets of a company.

So, it is not just building plant machinery but, human resource is the long term is a greatest asset, financial performance linked to efficient use of use and continuous up gradation of human resources.

So, these are the reasons why we should learned human resource, we should study and then we must focus in our startup or any other company, for the benefit of the organization. That we have a department called human resource development or human resource management. And, then we take care of our manpower for the maximum benefit of the company.

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Core Competency

A harmonized combination of multiple resources and skills that distinguish a firm in the marketplace, a unique ability that a company acquires and is invisible that cannot be easily imitated. Core competencies are what give a company one or more competitive advantages, in creating and delivering value to its customers in its chosen field. It is the foundation of companies' competitiveness.

Core competencies fulfill three criteria:

1. Provides potential access to a wide variety of markets.
2. Should make a significant contribution to the perceived customer benefits of the end product.
3. Difficult to imitate by competitors.

For example, a company's core competencies may include precision mechanics, fine optics, and micro-electronics. These help it build cameras, but may also be useful in making other products that require these competencies.

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Now, let us see the definition of core competency, it is a harmonized combination of multiple resources and a skills that distinguish a firm in the market place. Unique ability that a company acquires and is invisible that can be cannot be easily imitated. What it means is over a period of time because, of the smartness the depth of thinking by the cofounders and some leading employees.

You gradually build a unique competence; it does not come just like that. Suppose, your focus is on quality or say lean startup philosophy, gradually you will build a competency when, your cost structure will come down. Your quality of the product will be superb and even you will not realize how your cost is so low, how your quality is always the best. Gradually every employee will always have at the back of their mind, if something is not a good quality they will not accept it.

So, they will always strive to make a good quality product. So, like this is not necessarily the only thing, there will be some competency which is kind of a collective harmonized combination of various competencies, like cutting cost is not just a single art.

It is a very collective form of art like avoiding waste like doing things with minimum things like many actions actually lead to cutting cost the unless people are driven fundamentally from that foundation, they will they cannot be taught.

So, over a period of time people will absorb this culture, they will they will get this embedded in their gene. And, then they will become automatically cost conscious, quality conscious and you have wonderful product and in the marketplace you are selling the best product, at a competitive price.

Other people, even if they come and visit your shop floor, they will not realize why things are like that and that is why it is invisible. And, if something is invisible people will not be able to copy what to copy nothing is visible. So, that is why consciously building core competence is very important, it is you will not able to build it overnight or even over a year or 2 years.

You have to consciously try and try and gradually it has to get embedded in people's behavior, their nature, the thought process, their culture. And, core competency is one great competency that gives you enormous competitive advantage and gives you a sustainable profit and your company remains successful over a long period of time.

It has 3 criteria provides potential access to a wide variety of markets, it should make a significant contribution to the perceived customer benefits of the end product and it should be it is actually difficult to imitate by competitors. If you are cutting cost, if you are making quality, you are not making it for yourself; you are making it for customers. So, always if we can create some core competency, we are going to cater to the customer better, customer will be satisfied and we have a winning proposition.

For example a company's core competency may be may include precision mechanics say fine of ticks or say an micro electronics. Now, combining these 3 things together suppose, they are building a camera. So, all aspects of the camera technology aspect to the camera will be so perfect.

That this camera is going to be the best camera in the marketplace. Competitors will not even realize why this camera is the best and gradually your name or the name of the company or the brand will be regarded as a very respected respectful brand. Brand means money, brand means sustainable business.

If you are building a if you are capable of building a loyal brand that is going to give you competitive advantage over a long period of time, people are going to buy your product even if you increase the price.

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HRM for Start-ups

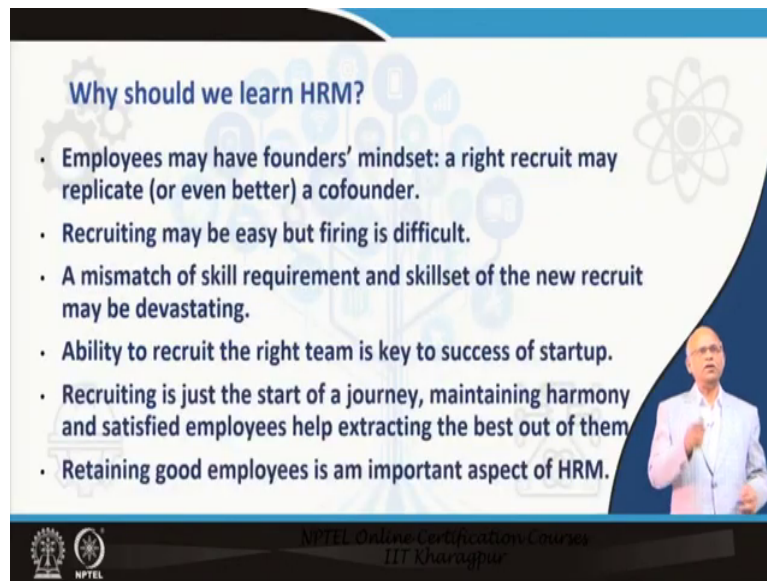
Besides a business model with product-market fit success of a start-up is directly linked to a good team to execute the plan.

Building an effective team is essential. A startup must look to hire professionals who share the company's vision and are willing to work hard.

The slide features a background with faint icons of a tree, a gear, and a person. A small inset image of a man in a light blue shirt is visible on the right side. At the bottom left, there are logos for IIT Bombay and NPTEL. The text 'HRM for Start-ups' is also visible at the bottom center.

That is so very important. Why for startups? I think the question has already been answered in many slides I will move forward.

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Why should we learn HRM?

- Employees may have founders' mindset: a right recruit may replicate (or even better) a cofounder.
- Recruiting may be easy but firing is difficult.
- A mismatch of skill requirement and skillset of the new recruit may be devastating.
- Ability to recruit the right team is key to success of startup.
- Recruiting is just the start of a journey, maintaining harmony and satisfied employees help extracting the best out of them.
- Retaining good employees is an important aspect of HRM.

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What should we learn HRM human resource management. Employees may have founder's mindset, other is very important. Many employees particularly at the early stage employees, they will talk to others as if they are the owners. They will take so much responsibility, they feel so much for the company, it appears as if they are the owners. They actually have the founder's mindset.

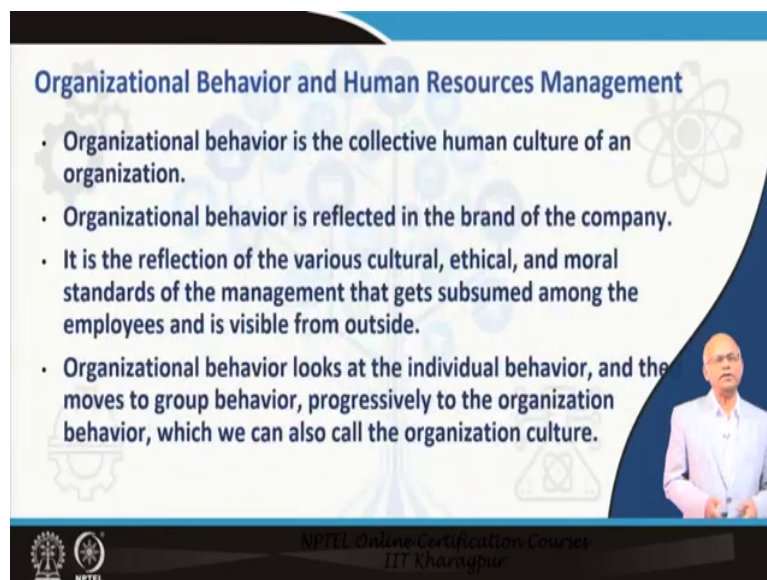
Any mismatch of a skill requirement and skill set of the new recruit may be devastating and that is why you need to be very careful at the time of hiring new recruit. And, if you we have already discussed that hiring a person can be very easy, you just give somebody an appointment letter you hire.

But, then if you find that this person is not a good fit, rather it is a troubled trouble makers, it becomes very difficult to fire. That is why you should be a very careful before hiring. Ability to

recruit the right team is key to success of a start up; recruiting is just start of a journey, maintaining harmony satisfied employees help extracting the best out of them.

So, you should continuously human resource department should remain continuously engaged with all the employees understand their challenges, understand their aspirations, understand what will make them happy. And, then try to do that as far as possible, only then an organization will be hale and hardy. Retaining good employee is an important part of human resource management.

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Organizational Behavior and Human Resources Management

- Organizational behavior is the collective human culture of an organization.
- Organizational behavior is reflected in the brand of the company.
- It is the reflection of the various cultural, ethical, and moral standards of the management that gets subsumed among the employees and is visible from outside.
- Organizational behavior looks at the individual behavior, and then moves to group behavior, progressively to the organization behavior, which we can also call the organization culture.

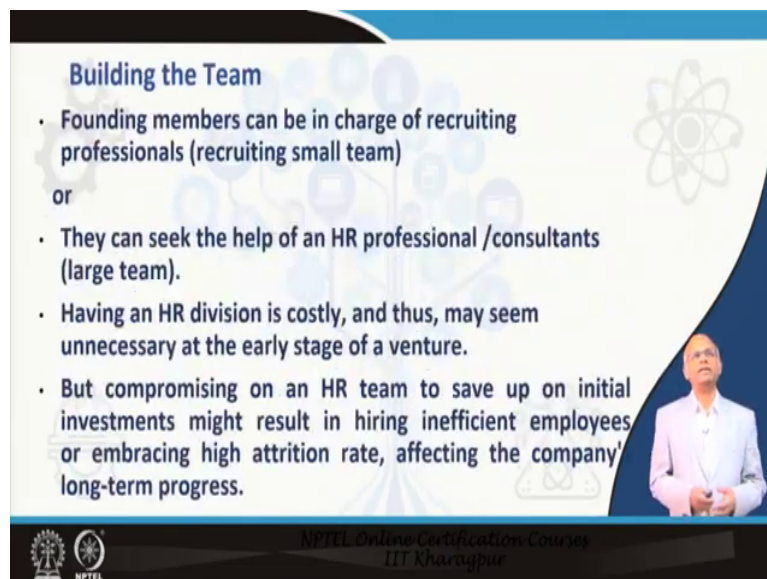
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There is something called organizational behavior, which is no way different than human resource management because, organizational behavior is a collective human culture of an organization.

Organizational behavior is reflected in the brand of the company; from outside people will know this company very nice company. And, there are there is a list of companies where employees are very happy working in that company. Every year I think business world publishes this ranking, which company is the best for working. And, if your company is known to be the best for working your company, you can attract better talents; it becomes easy for you to recruit. People actually look forward to working with your company.

So, organizational behavior is a collective value sense, collective philosophies, collective values is the most important part. So, how you behave, how you keep your employees happy, how employees are delivering ethics or means, how this value ethics and all that determines an organizational behavior.

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Building the Team

- Founding members can be in charge of recruiting professionals (recruiting small team)

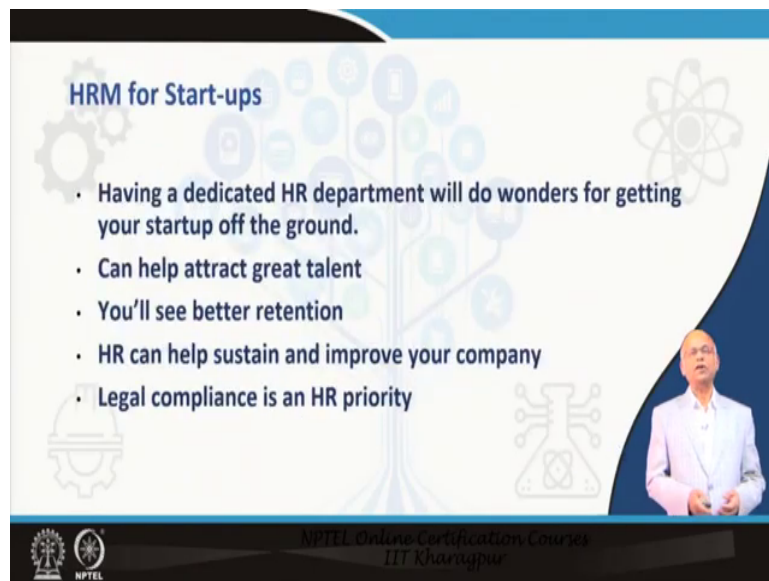
or

- They can seek the help of an HR professional /consultants (large team).
- Having an HR division is costly, and thus, may seem unnecessary at the early stage of a venture.
- But compromising on an HR team to save up on initial investments might result in hiring inefficient employees or embracing high attrition rate, affecting the company's long-term progress.

The slide features a background with a stylized atom symbol and a network of nodes. A presenter in a light blue shirt is visible in the bottom right corner. The footer includes the NPTEL logo and the text 'NPTEL Online Certification Courses IIT Kharagpur'.

Building the team, founding members can be in charge or you may hire a HR professional but, then do take good care to hire. If you even if you spend a lot of money to hire a person, it will justify at the end because a good person is going to deliver, a bad person is going to be a troublemakers.

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HRM for Start-ups

- Having a dedicated HR department will do wonders for getting your startup off the ground.
- Can help attract great talent
- You'll see better retention
- HR can help sustain and improve your company
- Legal compliance is an HR priority

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The slide features a background with a stylized tree of icons representing various business and HR concepts. A presenter in a white shirt is visible in the bottom right corner of the slide area.

So, do not compromise on HR team, having a dedicated HR department will do wonders for getting you your start up off the ground. Even 1 percent team is good enough but, that person should be dedicated and should be engaged all through. It can help attract great talent, you will see better retention. HR can help sustain and improve your company.

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The slide features a central graphic of a tree with various icons (gears, lightbulbs, Wi-Fi, etc.) as branches. The title 'HRM for Start-ups' is at the top left. A speaker in a white suit is visible on the right side of the slide. The background is a mix of light blue and white.

HRM for Start-ups

- Entrepreneurial ventures are mostly **innovation-driven**. Recruiting the right people, integrating them with the company, and retaining them can make the company competitive.
- Wrong people are more of a liability than asset.
- Initial employees work with founders mentality.

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Legal compliance like, if you are into embroiled into legal problem say, some kind of a somebody files a case against you and you are kind of shuttling between court and the company it becomes very difficult.

Entrepreneurial ventures are mostly innovation driven. Recruiting the right people is the most important part and then integrating them with the company will help you to retain them and can make the company competitive, wrong people it becomes a liability.

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Founders Mentality - by Chris Zook and James Allen

"New companies are notoriously fragile. Yet, as any company grows, moving past its tumultuous beginnings, it runs into three crises..." - Chris Zook and James Allen.

The first crisis is overload: the company fails to scale its business successfully, succumbing instead to internal dysfunction.

The second crisis is stall-out: bureaucracy and organizational complexity sap the energy and agility of the company's younger days.

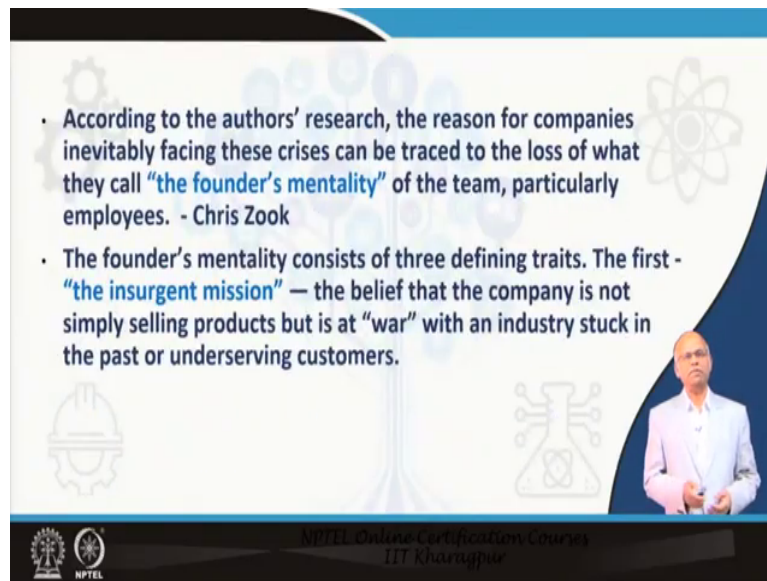
The third predictable crisis is free fall: saddled with an obsolete business model, the company watches its market share dissipate.

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Founders mentality has already been discussed I will not elaborate. So, you can pause and read them most important part is there are 3 crisis in a company. The first crisis is overload, the company fails to scale it is business successfully and succumb instead of internal succumb to the internal dysfunction. That is why crossing the chasm is so very difficult.

Second crisis is stall out. Bureaucracy and organizational complexity sap the energy once the company start growing. Most of the people think I am the boss; he is my soon subordinate. So, he should respect me, they become engaged in all those interpersonal problems, rather than focusing on the company prospect. The third predictable crisis is a free fall saddled with an obsolete business model the company watches it is market share dissipate. Meaning you are not evolving with the changing marketplace.

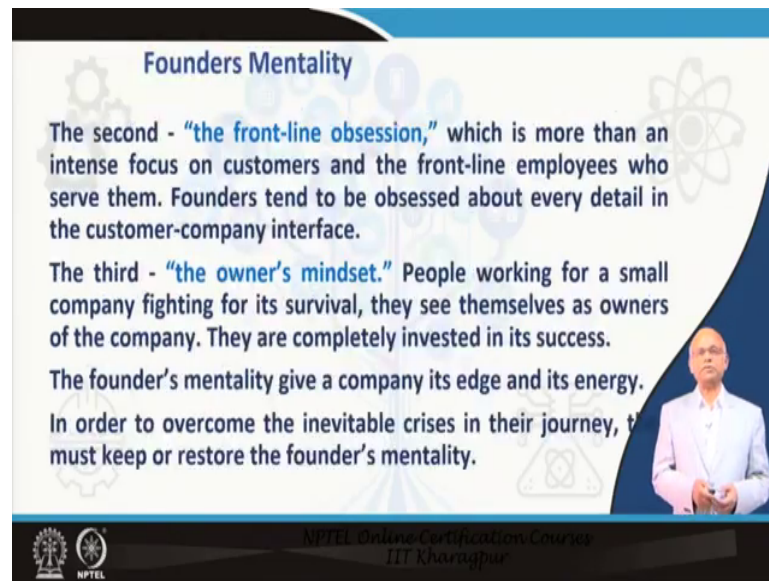
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A presentation slide with a white background and a blue header and footer. The slide contains two bullet points. The first bullet point is: "According to the authors' research, the reason for companies inevitably facing these crises can be traced to the loss of what they call 'the founder's mentality' of the team, particularly employees. - Chris Zook". The second bullet point is: "The founder's mentality consists of three defining traits. The first - 'the insurgent mission' — the belief that the company is not simply selling products but is at 'war' with an industry stuck in the past or underserving customers." The slide features several faint icons: a gear, a molecular structure, a hard hat, and a circuit board. A small inset image of a man in a white shirt is visible in the bottom right corner of the slide area. The footer contains the NPTEL logo and the text "NPTEL Online Certification Courses IIT Kharagpur".

- According to the authors' research, the reason for companies inevitably facing these crises can be traced to the loss of what they call "the founder's mentality" of the team, particularly employees. - Chris Zook
- The founder's mentality consists of three defining traits. The first - "the insurgent mission" — the belief that the company is not simply selling products but is at "war" with an industry stuck in the past or underserving customers.

The first element of founder's mentality is the insurgent mission, which gives your employees and the founders a sense that we are at war with an industry and you are trying to serve the underserved customers.

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Founders Mentality

The second - **“the front-line obsession,”** which is more than an intense focus on customers and the front-line employees who serve them. Founders tend to be obsessed about every detail in the customer-company interface.

The third - **“the owner’s mindset.”** People working for a small company fighting for its survival, they see themselves as owners of the company. They are completely invested in its success.

The founder’s mentality give a company its edge and its energy.

In order to overcome the inevitable crises in their journey, they must keep or restore the founder’s mentality.

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Second one is frontline obsession we have discussed that meaning, you are obsessed about every detailed in a customer and company interface, you want to make every customer satisfied. The owner’s mindset is that everybody thinks that a company belongs to them, they belongs to the company.

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How to recruit and retain the best talents

- Look everywhere.
- Provide opportunity for Creative Thinking.
- Autonomy of problem solving.
- A team oriented culture is to be decisively created and nurtured.
- Encourage learning and help employees gain new skills. Plan Career Growth for them.
- Take a long term view on performance.
- Flexible work conditions help talent flourish.
- Trust your employees and delegate.
- Keep channels of communication open. Communicate your company's plans, agenda, mission, and news to your employees.

Design a compelling story around your vision

It is evident as to why HRM is so important for a startup venture

So, eventually they work for the betterment of the company. You can do that only when you are careful about recruiting people. How to recruit and retain the best talent look everywhere provide opportunity most importantly design a compelling story around your vision so, that you can communicate the vision in a way, that it resonates with individuals narrative. Everybody thinks that your vision and my vision is aligned and I should work to satisfy company vision.

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Components of HRM

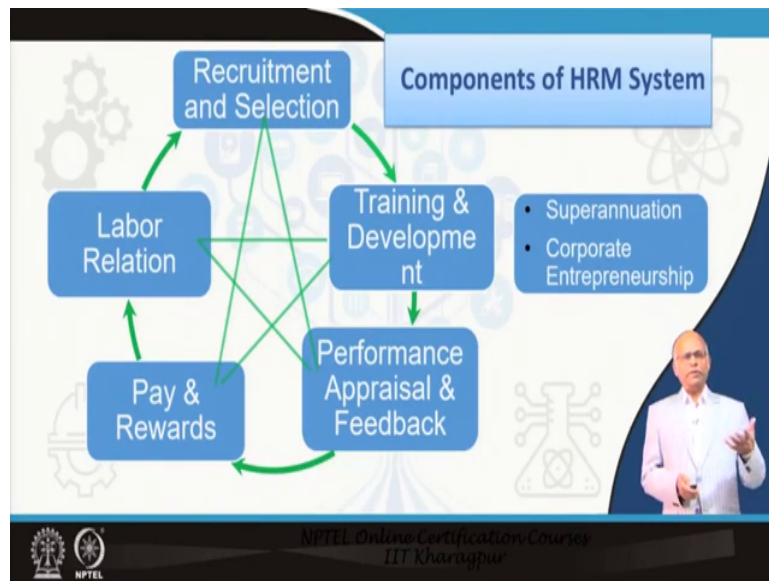
- Organization of Personnel Function
- Manpower Planning
- Motivating Employees
- Performance Appraisal System
- Training & Development
- Organization Development
- Management of Organizational Change

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Components, organization of personal function, training development, manpower planning, motivating employees, performance appraisal etcetera so, it starts with understanding how many people you need? And, then you proceed through the recruitment process.

Once you recruit them you have to train them to make them suitable for the company for a specific talent that you need for delivering the company. So, training and development is a continuous process because, technology has been always evolving.

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So, components of a HRM told in a different way but, almost the same thing, I will not spend a lot of time on this.

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Broader Scope

- Labor management
 - Employees
 - Employment, wages, firing
- Industrial relations
- Employees, trade unions, employers & government
- Disputes, grievances, discipline, collective bargaining and participative management
- HRD: Training, management development, career planning and development.

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Now, there are broader scope like labor management, employees management, wages, hiring, firing, industrial relationship, employees trade union. One of the main one of the most engaging component of human resources department is trade union management, particularly in India.

Disputes, grievance, discipline, collective bargaining and participative management so, once you recruit them you continuously train them not continuously means, periodically management development carrier planning and development. So, that they remain happy and thank you very much we will continue in the next session.

Thank you very much for now.

