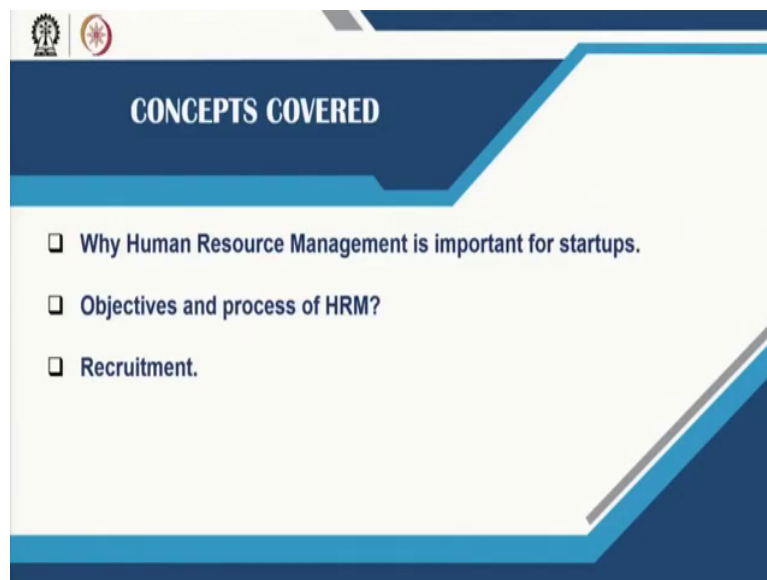


Entrepreneurship Essentials
Prof. Manoj Kumar Mandal
Rajendra Mishra School of Engineering Entrepreneurship
Indian Institute of Technology, Kharagpur

Module - 12
Lecture - 59
Human Resource Management – II

Hello and welcome, we will continue our discussion on Human Resource Management.

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And we will be elaborating some of the points that we just raised in the previous session.

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Establishing the HR Department

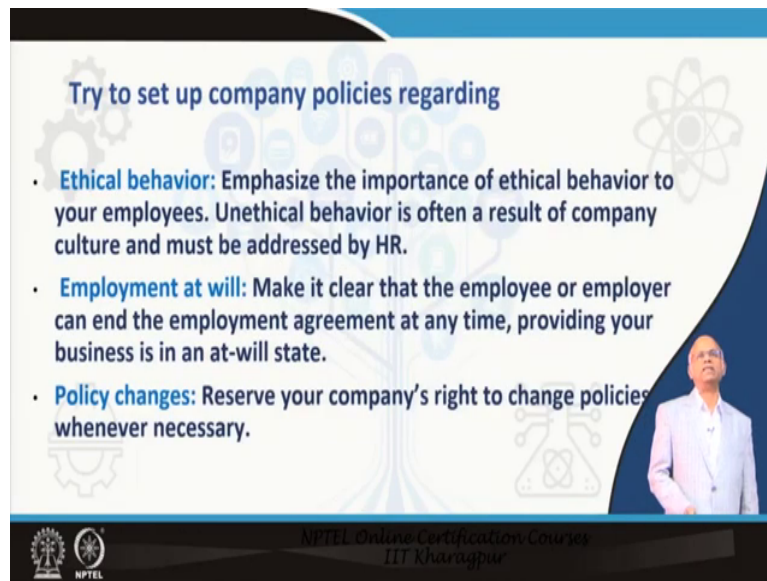
- Putting up a HR department in a startup is about creating policies, plans, and processes to take care of your business's short-term needs and mitigate long-term risks.
- A well designed HR policies make for a better employee experience and limit your company's liability.

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First of how to establish the HR department in your startup putting up a HR department in a startup is about creating policies, plans and processes to take care of your businesses short term needs and mitigate long term risk.

So, you can very well understand unless you have a separate HR department, all these that comes under the purview of HR will be neglected and you will think that everything is taken care, but if there is a dedicated department or dedicated person they going to take care of all these issues. A well-designed HR policies make a better make for a better employee experience and limit your companies liability, when somebody joins your company they get a better feel they understand that their kind of in a very systematic system well laid out system otherwise it will look like a kind of a shop where somebody comes in and go goes out.

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Try to set up company policies regarding

- **Ethical behavior:** Emphasize the importance of ethical behavior to your employees. Unethical behavior is often a result of company culture and must be addressed by HR.
- **Employment at will:** Make it clear that the employee or employer can end the employment agreement at any time, providing your business is in an at-will state.
- **Policy changes:** Reserve your company's right to change policies whenever necessary.

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So, a well laid out human resource planning or department putting up a department is important try to set up company policies regarding say ethical behavior this is the part of human resource management departments job. So, emphasize the importance of ethical behavior to your employees on ethical behavior is often result of company culture and must be addressed by HR.

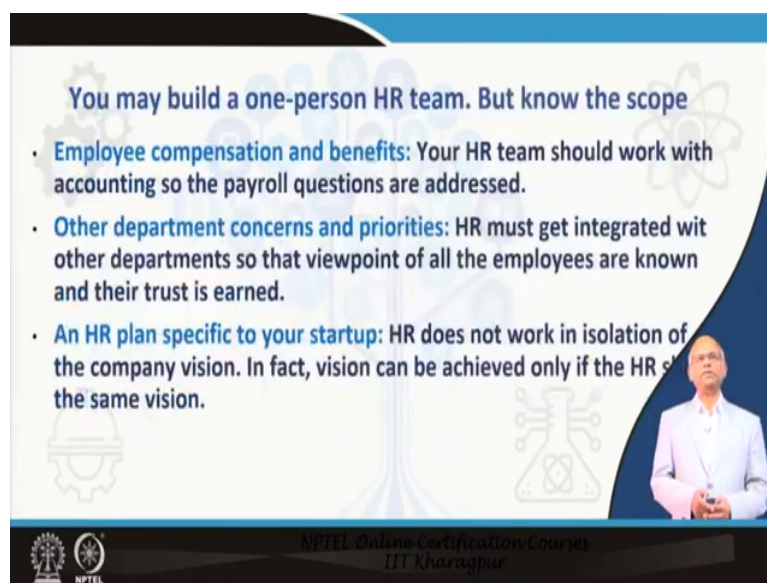
Because eventually any unethical behavior will jeopardize your company brand in the in some previous session I mentioned that creating a good brand requires years may be decades. Whereas, jeopardizing that may required just a few seconds to do something untoward and people get to know about it your brand value is gone.

So, it is very important that there should be proper care that nothing unethical happens around your company that becomes a news item. Employment at will so you formulate some kind of a

policy where an employee can join and does not feel like he is bound with the system and he has no way to go out something like a bond or something that should be avoided and HR department should take care of that.

Then policy changes will happen and change management is a huge thing reserve your companies right to change policies whenever necessary an employee joins he should not think that all of my boundary of my activities are defined some suppose in your employment letter you do not write that you can be transferred to any place. Now you have another office somewhere and you cannot transfer because it is not written there. So, policy change should remain as a fluid part of the employment agreement.

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You may build a one-person HR team. But know the scope

- **Employee compensation and benefits:** Your HR team should work with accounting so the payroll questions are addressed.
- **Other department concerns and priorities:** HR must get integrated with other departments so that viewpoint of all the employees are known and their trust is earned.
- **An HR plan specific to your startup:** HR does not work in isolation of the company vision. In fact, vision can be achieved only if the HR shares the same vision.

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If for a startup suppose you are just you have just started hiring at this point of time if you think that have being a full pleasure department is the burden; have at least one person, but

that one person should know the scope of the work that they are going to do he or she is going to do. He or she has to formulate the long term policy, well laid down policies for the best interest of the company that will like say employee compensation and benefits your HR team should work with accounting and payroll.

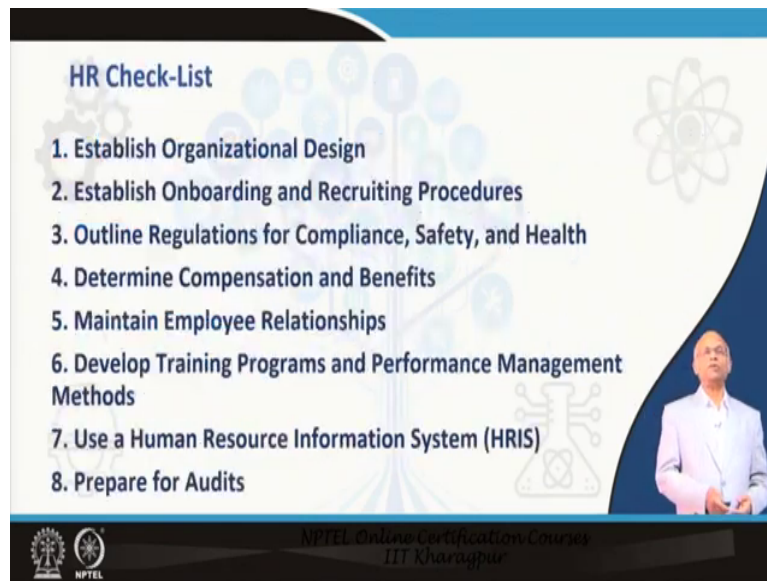
So, that while devising or designing a payroll policy your profitability is not jeopardized. So, there should be a kind of a synchronized thinking both should be on the same page, otherwise HR people might be interested to increase the salary. So, that employees have are happy because is it become sometimes difficult to retain employee. So, you think of increasing the salary, but how is it going to effect the bottom line effect the profitability has to be understood properly and should be a should appreciate otherwise it may not take you anywhere.

Other department concerns and priorities like a HR person is a kind of a connector or say they engage with all the departments. So, that the whole organization work like a single unit they get view point from everybody and then they can design a common structure common package. So, that everybody is happy otherwise one department will be happy the other department will keep complaining that their point has been taken care and not ours.

And HR plan specific to your startup it is not necessary that it has to come from the book your startup may be very different compared to other startup. For particular startup maybe working from home is absolutely possible for another perhaps is not absolutely possible some close interaction is necessary.

So, depending on your a specific situation HR people should design or device the methods. So, that it serves your company better does not work in isolation of the company vision either; meaning the HR people should communicate means they should know the vision fast. So, they will be able to hire the right people or there will be they are also part of the success story of the company. So, they will they should share the same vision and all their action has to be around the vision to achieve that vision.

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The slide features a white background with a blue header and footer. The title 'HR Check-List' is in blue. The list items are in black. A presenter in a white shirt is visible in the bottom right corner. The background has faint icons of a tree, a gear, and a network diagram.

HR Check-List

1. Establish Organizational Design
2. Establish Onboarding and Recruiting Procedures
3. Outline Regulations for Compliance, Safety, and Health
4. Determine Compensation and Benefits
5. Maintain Employee Relationships
6. Develop Training Programs and Performance Management Methods
7. Use a Human Resource Information System (HRIS)
8. Prepare for Audits

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So, expert actually has given a check list for building a department in your organization established establish organizational design how the organization is what is the hierarchy who reports to whom and etcetera. So, a clearly defined role for everybody. So, that is no confusion.

Establish on boarding and recruiting procedure how we are going to make people aware about your requirement or your presence or your value proposition to the employees prospective employees and how you are going to recruit them an onboard them in your company that is to be laid out not some ad hoc process.

Outline regulations for compliance safety and health. So, these are to be known to everybody. So, that they work together and they do not violate any of the things unless you tell them that these are the things to be followed they will not even know what to do and what not to do.

Determine compensation and benefits very clearly laid out compensation package define and the benefits maintain employees relationship, inter employee relationship, management employee relationship is to a maintain it will not evolve just like that. Develop training programs and performance management method.

So, depending on company's requirement companies requirement of new skills new knowledge or integrating employees in the process that the company is in regular training is to be devised. Not only that training actually gives employees more satisfaction they think that they are adding value to themselves. So, as long as you train them they think that they are relevant not only in this company, but they are relevant even in the outside world.

Use a human resource information system these are software's available. So, that you can keep track of peoples changes their performances their unique behavior if they have any complain or, management has complained against them, what is the feedback of their superiors. So, everything should be documented. So, that. So, that it remains a transparent system and whosoever is making a decision about package or promotion they make informed decision. So, that is why a human resource information system is necessary.

Prepare for audit every company goes through audit. So, you prepare for audit well in advance not when the auditors are here. So, all the information's are to be maintain in a proper manner. So, that every action that have has been taken should be supported by documentary evidence that these were the development based on which the action has been taken this is going to be handy even in a court of law when some employees or some outsider files a case against the company.

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The slide is titled "Functions of HRM" and is divided into two main sections: "Managerial functions" and "Operational functions". The background features a blue and white color scheme with various icons related to HRM, such as a gear, a lightbulb, and a person. A small inset image of a man in a suit is visible in the bottom right corner of the slide content.

Functions of HRM

Managerial functions

- Planning
- Organizing
- Directing
- Controlling

Operational functions

- Recruitment – identify suitable applicants, determine perfect match, recruit, deploy.
- Training & development: develop workers' ability and skills
- Compensation
- Performance appraisal & feedback: training, motivating and rewarding
- Employee relations
- Industrial relations

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So, you have all the background documentation ready.

Each human resource management team has various particularly two functions one is managerial functions that includes planning, organizing, directing, controlling and another is operational function; which includes recruitment identify suitable applicant determine perfect match and then recruit and deploy. Training and development develop workers ability and skill to suite company requirement. Compensation you design the compensation based on deliveries that they are making performance appraisal. And feedback so, that is going to help you to decide about promotion or incentivizing them training, motivating and rewarding and maintaining employee relation all through that is very important.

Industrial relation like trade union like in particularly trade union.

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Human Resource Planning

Forecasting current and future HR needs:
Prior to starting the recruitment, manager has to estimate the requirement of manpower with specific skillsets.

Mission
Human resource planning
Analysis of requirement of skills

- Operational targets
- Marketing target
- Operation manpower estimate
- Marketing & other manpower need
- Recruitment (permanent vs. contractual)
- Training

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There will be there will always be trouble and you have to maintain that. Human resource planning function that is forecasting current and future HR needs meaning how many people you need how many people you need in the shop floor how many in the marketing segment how many in administration like finance. So, depending on that you have to plan that I need these many people and you decide the profile that this people of this quality this people of this quality this rank. So, make a list of that.

And then you estimate the manpower requirement marketing and other manpower and operational manpower go for a recruitment and then eventually training.

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Recruitment

- Job analysis
- HRP
- Recruitment
- Selection
- Placement
- Induction and orientation

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Steps in recruitment first of all job analysis what kind of skill set you need you look forward to for future employees depending on what you need in the shop floor. So, do a job analysis. So, that you can create a desired profile of a potential candidate. So, that you can advertise or you can communicate to a professional recruitment consultant that I need people with this skills.

Job analysis then human resource planning how many people you need what should be the remuneration then qualification, their experiences etcetera go for a recruitment then you select place it in the respective department go with an induction program where you talked to them about the whole company take them around the company they have a holistic view as to how different components of the companies are working like a single phase and how things are moving smoothly.

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HRM Legal issues

Depending on the geographical horizon of the business, there may be federal, state or local regulations on workers' privileges or rights:

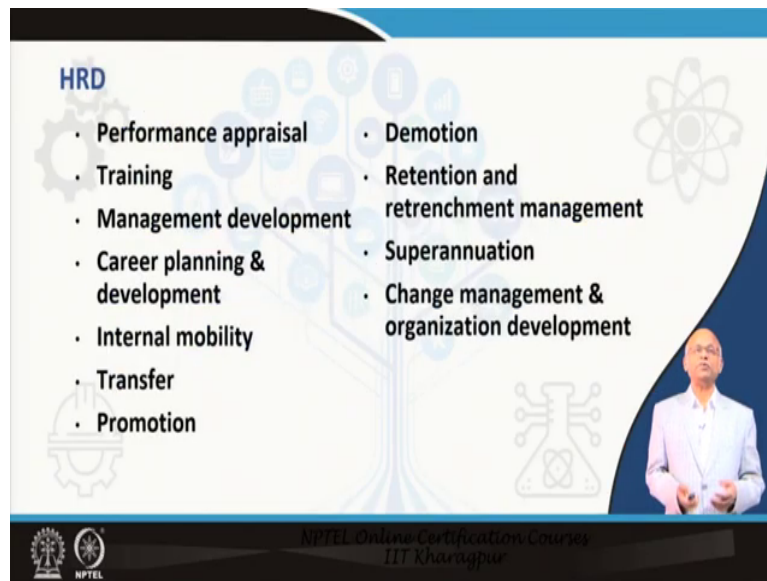
- Equal employment opportunity.
- Physically challenged persons.
- Job reservations.

The slide features a background with a stylized tree of icons representing HR and legal concepts. A presenter is visible in the bottom right corner. The footer includes the NPTEL logo and the text 'NPTEL Online Certification Courses IIT Kharagpur'.

So, that whenever they have a question it comes automatically at the back of their mind that ok. So, finance department is there I have to go there or talk to them or it is happening like this.

Legal issues depending on the geographical horizon there may be several issues likes say federal issue at state local issues workers privileges issues or rights issues like for example, equal employment opportunity is now for men, women this is happening all across the world. So, HR department will make sure that they have made the right approach.

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Physically challenged persons there are job reservations and there are statutory percentage for which government will kind of audit at which audit will check whether you are following that or not etcetera.

That was human resource management now it is human resource development how you develop how you develop people. So, that they are deliver what you expect and they remain happy. One is performance appraisal. So, if anybody is doing wonderful work you appraise that performance and then reward accordingly. Train then management development career planning and development. So, career planning you try to give them higher responsibility or place them at a higher position etcetera.

Internal mobility like one from one section to the other. So, that they become versatile both from company point of view and their own point of view. Somebody who is in marketing may

be he wants to know little bit about say accounting. So, if you place him in accounting or in some kind of a pseudo accounting they become knowledgeable as to how information is how eventually the data translate into financial numbers and you decide profitability, transfer, promotion, demotion, retention and retrenchment, superannuation meaning retirement, change management, and organization development.

So, one very important challenge or dangerous challenge before any company for that matter in general startup in particular like attrition. You hire somebody today the moment he is inside immediately they start shooting bio-data to other companies that is a habit, but you cannot blame them. You should do something so that they realize that I should not or I need not shoot resume at to elsewhere. So, you give them an atmosphere where their creative talent can flourish can blossom and they get recognition for their creative part of the of the outcome or pursuit.

Suppose somebody is creative and you give him a routine job it is going to feel bored and that is why corporate entrepreneurship has emerge where everybody is given 20 percent of the time, 20 percent is so not sacrosanct, 20 percent is given by Google, but you can give even less or even more. So, they have the opportunity to engage in doing anything that they like and they stop complaining that this company is not able to exploit my capability.

Now, they can challenge themselves they can challenge their own hypothesis that things should be done like this. So, they start doing something of their own they realize the challenges, the problems and at times they actually come up with wonderful things. That give them extra benefit and that helps the company also in two ways one company can retain this kind of talent at the same time company same time company gets new products, new processes at a at a lower cost because they have the priority.

And third they have an employee who is much better because once somebody develops a technology he has gone through or she has gone through the lifecycle of development of a product. He or she is a much more matured person. So, a company has a matured person in

the process. So, only a human resource management section through human resource development can build this kind of a thing.

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The slide features a light blue background with a stylized tree graphic where the branches are composed of various icons representing business and technology. The title 'Compensation' is at the top left. Below it is a bulleted list of compensation components. At the bottom right, a small inset shows a man in a white shirt speaking. The footer contains the NPTEL logo and text.

Compensation

- Job evaluation
- Wage and salary administration
- Incentives
- Bonus
- Fringe benefits
- Social security measures

A clear and transparent unambiguous compensation plan can motivate employees to perform to their best.

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Compensation is always a bother something because there are lot of dispute about compensation and many employees leave an organization purely because they are not they feel that they are not treated at par with many others. So, one has to be very clear about the performance and compensation should be somewhat transparent. So, that nobody has complained

So, how do you go about compensation one is job evaluation, what kind of job somebody is doing, wage and salary administration, incentives, bonus, fringe benefit, social security measures a clear and transparent unambiguous compensation plan can motivate employees to

perform to their best. Anything ambiguous and it is going to make employees disgruntled and they will look for the door at the first opportunity they will quit the job something like that.

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Human relations

- Motivation
- Boosting employee morale
- Developing communication skills
- Developing leadership skills
- Redressing employee grievances
- Handling disciplinary cases
- Counselling

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So, we should be very careful about human relations. So, human resource management keeps the relation intact very healthy. So, they motivate people motivate people to work to deliver to perform to remain as a team boosting employees morale developing communication skill developing leadership skill redressing employee grievances handling disciplinary cases and counselling all these are critical for maintaining harmony within the company.

If or not only maintaining harmony, but delivering the best out of the available resources because if somebody is lacks communication skills he or she is going to communicate badly and that is going to affect when communication is bad that affects performance of other people and him he and his performance as well. Because they work in a team and if there is no

communication there is no coherence among their understanding and then it will reduce the performance of their effort. So, communication leadership skill and redress the grievance otherwise it will snowball into something bigger and a times it will burst. So, redress that at early stage will keep everybody happy.

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The slide is titled "Industrial Relations" and features a central graphic of a tree with various icons (gears, people, documents) on its branches. To the right of the tree is a stylized atom symbol. Below the tree are icons for a hard hat and a chemical flask. A presenter in a white suit is visible in the bottom right corner of the slide. The slide includes a list of topics and logos for NPTEL and IIT Kharagpur.

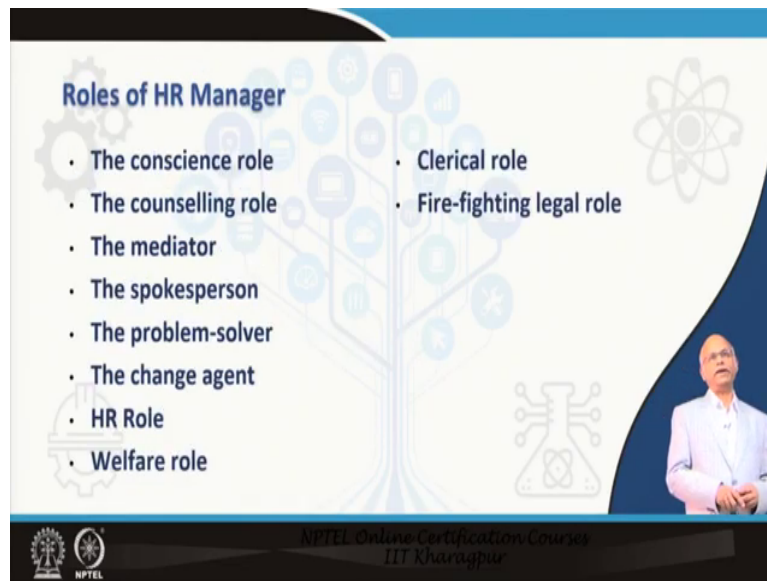
Industrial Relations

- Indian labor market
- Trade unionism
- Collective bargaining
- Industrial conflicts
- Workers participation in management

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Industrial relation Indian labour market there are rules that has to be followed what is what is the labour law of the country and then you have to follow them otherwise you will be in trouble the company will be in trouble trade unionism, collective bargaining, industrial conflict workers participation in management these are all very important and when we talk about start-up at the beginning we talk about whether idea is idea is more important than team or timing or execution we forget about human resource management. But look at this you have everything in place everything best you do not have human resource management well and chances are very high that it will crash by his own weight it will not move anywhere.

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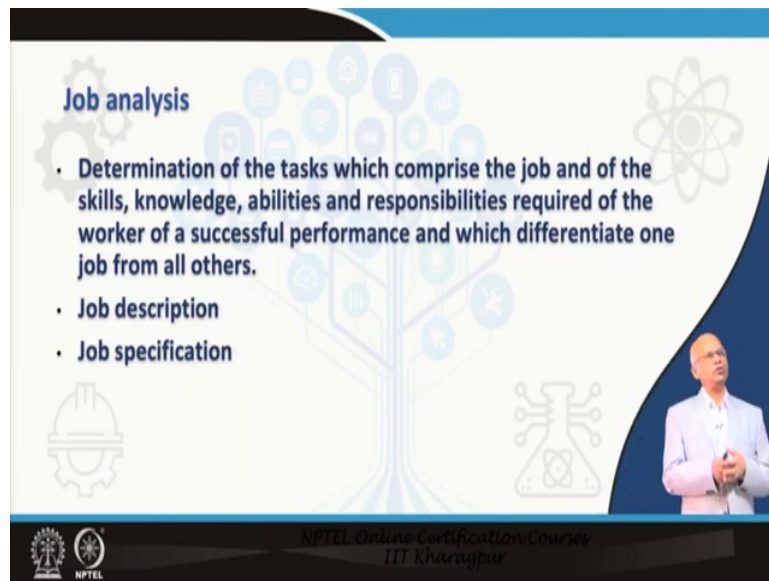
Roles of HR Manager

- The conscience role
- The counselling role
- The mediator
- The spokesperson
- The problem-solver
- The change agent
- HR Role
- Welfare role
- Clerical role
- Fire-fighting legal role

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This is revisiting the human resource managers roles one is consigned role, counselling role, mediator role they do this to keep the team in harmony the spoke persons role meaning they talk to the outside world or to the employees at times as a spokesmans of the company and they sell the company in the process for the best interest of the company. They are problems solver, they are change agent there they do welfare for the employees then they also do clerical work and at times they do firefighting.

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The slide features a central graphic of a tree with various icons (gears, lightbulbs, charts) as branches. To the right, a small inset shows a man in a light blue shirt speaking. The slide is titled 'Job analysis' and lists three bullet points. At the bottom, there are logos for IIT Kharagpur and NPTEL, and text identifying the course as 'NPTEL Online Certification Courses IIT Kharagpur'.

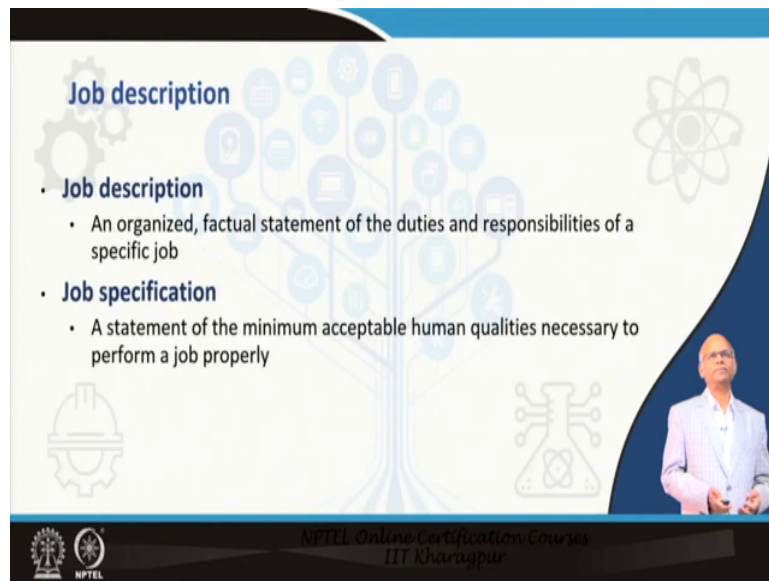
Job analysis

- Determination of the tasks which comprise the job and of the skills, knowledge, abilities and responsibilities required of the worker of a successful performance and which differentiate one job from all others.
- Job description
- Job specification

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And for performing they do job analysis determination of the task which comprised a job and of skills knowledge abilities responsibilities required of the workers successful performance they do all of that I will just bypass you can did them.

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Job description

- **Job description**
 - An organized, factual statement of the duties and responsibilities of a specific job
- **Job specification**
 - A statement of the minimum acceptable human qualities necessary to perform a job properly

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Job Specification

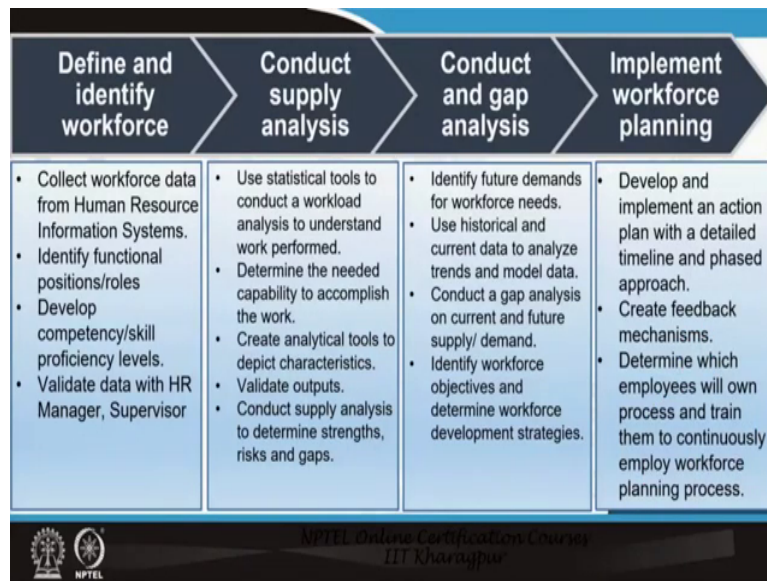
- Education
- Experience
- Training
- Judgement
- Initiative
- Physical
- Effort

- Physical skill
- Responsibilities
- Communication skills
- Emotional characteristics
- Creativity
- Drive

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Job specification means what does a job demand or require for performance, education, experience, training, judgment, initiative, physically strength or a physically challenged effort then responsibilities, communication skill, emotional characteristic creativity drive. So, is you look at them and try to realize that you need to keep at the back of your mind. So, many issues when you think of the specification of a job a job requires. So, many separate aspects to be taken care for performing.

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Now, this is the process of human resource management one is define and identify workforce conduct supply analysis, meaning how many employees you need and how many you will be recruiting conduct and a gap analysis. Implement work force planning the font size is too small, but then I could not help you can read that by pausing nobody. I will try to read some of them collect work force data and human resource information identify functional positions role develop competency and a skill proficiency validate data with HR manager and supervisor.

So, primarily you are you are trying to analyze how many people you need what should be their profile like experience and qualification and other aspects. So, you define the kind of work man you are you need and you are going to recruit. Next step is use statistical tools to conduct a workload analysis to understand work performed and then determine the need capability to accomplish the work. So, based on analytics you identify that ok.

You have a job in hand or you have a position vacant. So, what kind of essential qualification and experience you need and that you can advertise and hire create analytical tools to depict characteristics, validate outputs conduct supply analysis to determine strengths, risks and gaps. And gap how to do how do you do the gap analysis identify future demands for works, workforce needs use historical and current data to analyze trends and model data conduct a gap analysis on current and future supply demand identify workforce objectives and then go ahead and recruit.

Develop and implement an action plan with a detailed timeline and phased approach create feedback mechanism determine which employees will own process and train them to continuously employ workforce planning process.

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Selection Process

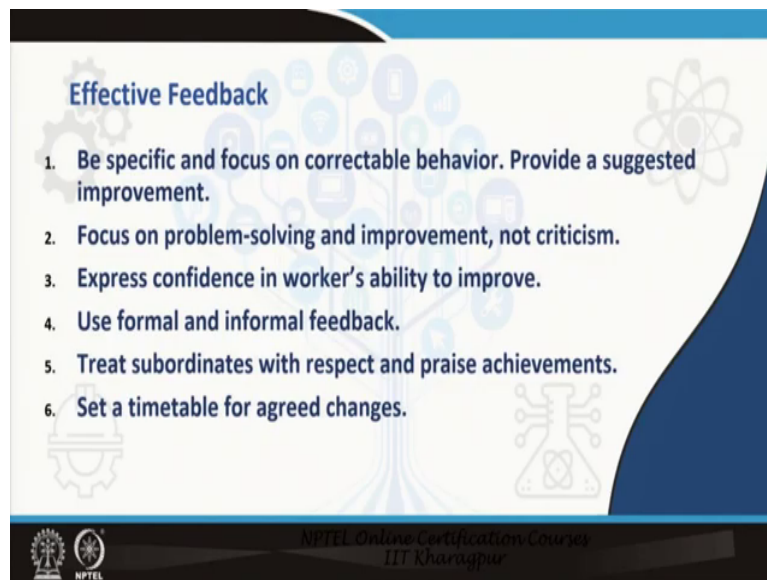
- Job analysis
- Advertisement
- Application form
- Written examination
- Preliminary interview
- Business games
- Final interview
- Recruitment
- Medical examination
- Reference checks
- Line manager's decision
- Job offer
- Employment

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So, this is the whole holistically the whole process of human resource management

How do you go about recruiting you do the job analysis first then advertise then invite applications you receive the application conduct a written examination preliminary interview after written examination then you may also have some kind of a debate or business games then finally, interview finally, hire the short listed candidates medical examination preference check line managers decision job offer and then finally, employment.

(Refer Slide Time: 25:10)



Effective Feedback

1. Be specific and focus on correctable behavior. Provide a suggested improvement.
2. Focus on problem-solving and improvement, not criticism.
3. Express confidence in worker's ability to improve.
4. Use formal and informal feedback.
5. Treat subordinates with respect and praise achievements.
6. Set a timetable for agreed changes.

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Effective feedback is very different I am just taking a digression your employees will be happy if you understand the challenges that they are in and understand the excessive or extraordinary efforts that they are putting to further company objectives. So, unless you identify how much they are doing you will not be able to reward them and they will they will remain kind of unhappy, because they will they will think that I am working, but nobody is there to

see. So, what is the point? So, if somebody is there to see them and understand that they are putting in lot of effort and performing well adding value to the company they will work better.

So, it is necessary that you take feedback on a periodic basis. So, that it will do two things two purposes one is employees will always remain vigilant that I have to write something about my performance and my superior is going to give a feedback that is number one. Number two you can design a compensation package depending on their performance or promotion, remuneration everything.

Focus on problem solving and improvement not criticism like if you criticize that you are not doing it this way or right way or anything is not it is not going to do experiment are shown that negative criticism really does not help anyway. So, focus on problem solving and improvement rather put it in a different way. So, that they are not demoralized.

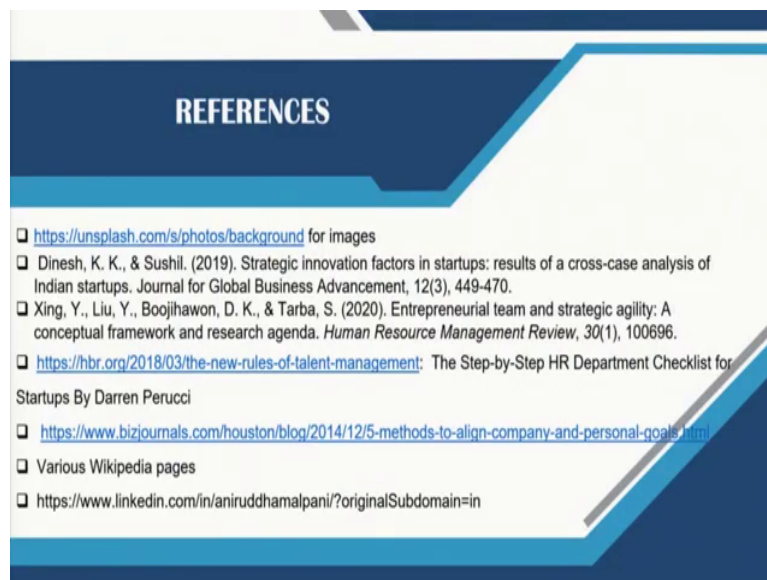
Express confidence in workers ability to improve just say that yes you can do I have full trust on you things like that pat on the back, well done. Even if they do little bit of good performance say well done there will motivate them to work these are job of the HR manager.

Use formal and informal feedback. Informal feedback is just calling somebody and telling them you have done a wonderful job formal is through proper channel and it is done through paperwork. Treat subordinates with respect praise achievement you should not take anything for granted that they are working for salary. So, whatever they did it is fine that is not the case you have to appreciate for good work they will always look forward to your appreciation there is something called dopamine.

Once you appreciate in their mind dopamine hormone is secreted. So, they will always remain in anticipation of more appreciation. So, more dopamine will secret and they will always try to work better and better and they will perform better. So, it is a cycle. So, appreciation triggers a positive cycle try to try to practice that.

Set a timetable for agreed change always give a timetable I want it done tomorrow. So, they will try to achieve that milestone.

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Here are some references like there are two recent papers I found very interesting and there is one h b r article on step by step HR department check list. So, check list has been taken from there you can have a look at that.

So, thank you very much good day.