

Unit 1. Meaning, Nature and Scope of HRM.

2011: Explain how human resource management boosts solvency, profitability and efficiency of an organization. 25

Significance of HRM

- **Define HRM & Mention RSTDPCR functions.**
- **Mention significance of HRM**, good HR practices, policies and principles adopted by management, linking with solvency, profitability, efficiency. Mention corporate examples.
- **Solvency:** If organisation is staffed with quality people in finance, they can better manage and improve liquidity and debt position. If fixed human resource costs are kept low, variable and flexible, liquidity problems can be avoided even during slow-down. Quality of people in collection department can improve liquidity position. Talent may help avoid need for debt.
- **Profitability:** today business is people. Talented people are resource and resource generators. They can improve revenue through hard, smart and innovative work and products. Incentive plans help generate more revenue per person.
- **Efficiency-** trained and experienced workers ensure efficient use of both their intellect, time, machines and materials. HR practices like TQM help minimize process time and wastages.

2012: Increasing number of organisations are taking up the environmental agenda. In that context the concept of 'Green HR' has been doing the rounds. In your opinion what will be the features, benefits and drawbacks of this concept? 25

Expanding **Scope** of HRM

Model answer:

Climate change is common concern of every executive. HR department can play major role by changing the way people work. Green HRM is buzzword today-both within the HR department and outside.

Features of green HRM:

- Founded upon top management support, green policy and culture.
- Working closely with nature such as use of natural light and air.
- Think environment protection in all **HR functions** such as no printing of paychecks. Online transfer of salary.
- Social responsiveness and participation such as joint-plantation initiative.
- Regular environment audit.

Benefits of green HRM

- Minimization of carbon footprint, pollution and waste.

- Cost saving and efficient use of resources.
- Sustainable resource use by developing greener technologies like wind power.
- CSR compliance.
- Image and goodwill of organization.
- Long-term survival of entity.
- It helps in achieving higher employee **job satisfaction and commitment**, which leads to higher productivity and sustainability.
- Create a culture of having concern for the wellbeing and health of fellow workers.
- Improvement in the retention rate of the employee.
- Rebates and Tax Benefits, lower municipal taxes.

Draw-back and issues

- Lack of awareness among workers and society.
- Competition to reduce costs and faster lives of workers.
- Career minded workers taking environment secondary.
- Heavy initial costs of pro-environment infrastructure.
- People not ready to come out of comfort zones/ac.
- Time-consuming exercise. No immediate benefits.

Change is essential. It will cost Rs. 1 today, 100 tomorrow.

2013: Retaining Talent **10**

2013: “The emergence of **Talent Management** is the result of changing orientations of Human Resources Management as it involves all the managers shaping the company, the jobs even the strategy to attract talented people.” Critically examine the statement and suggest strategies for attracting and retaining talent in the organization. **20**

Nature/scope of HRM

Latest focus area: Talent

Model answer

- Talent management is the full scope of HR processes to attract, develop, motivate and retain high-performing employees. Talent management touches on all key HR areas, from hiring to [employee onboarding](#) and from [performance management](#) to retention.
- **The purpose of talent management** is to increase performance. When it's done right, companies can build a **sustainable competitive advantage and outperform their**

competition through an integrated system of talent management practices that are hard to copy and/or imitate.

Change in HR orientation is key driver of talent management. Today business is people. It is only animate and most productive and creative resource. It is on account of new technologies, cut-throat competition, dynamic and complex global business environment. Other resources are secondary. Talent is key differentiator of enterprise performance.

Unlike traditional HRM, talent management requires **active role and participation of all functional managers;**

- HR department can play assisting and advisory role.
- Different line/functional managers help identify, nurture, develop, motivate and retain talent while working closely and regularly on the job.
- Mentoring and assignment of right kind of responsibility and empowerment is duty of every manager.

Talent management talked more, worked less. Managers focus operative task and goals. Most believe in talent hoarding, not talent production. LTO is major hurdle in talent management.

Strategies to attract talent:

- Identification and reaching of right source and kind of talent. Such as membership of board of trustees of IIMs.
- Employer branding and reputation.
- Competitive pay and career.
- Network of referrals and head-hunting.
- Publicity of job-openings and job preview.

Strategies to retain talent:

- Right leadership.
- Most appropriate job assignment and empowerment and engagement.
- Quick onboarding.
- Support productivity and performance.
- Career Planning & management. Learning & Development opportunities.
- Regular performance appraisal and rewards.
- Use of ESOPs etc.

Factors affecting HRM

2017: Examine the influence of human resource outsourcing on business enterprises. Suggest suitable measures to make it more relevant and effective. **10**

New Approach of Outsourcing HRs

Model Answer: outsourcing is buzzword today, HRM is no exception. Companies outsource activities like recruitment, selection Tests, training, welfare functions, payroll management and Contract labour to specialized firms. It has following pros and cons:

Benefits:

- Executive focus on line functions.

- Benefits of external HR specialists-easy to adopt global standards. Learning of new HR practices.
- Flexible in HR management as per business needs & demands.
- Cost reduction by competitive HR bidding.

Limitations:

1. Higher cost due to agency commission.
2. Low morale and motivation due to contract relationship.
3. Lack of full understanding of unique business needs.
4. Succession problem, loss of experienced worker.
5. Weakening of in-house HR expertise.

SUGGESTIONS:

1. Do not outsource core/strategic jobs.
2. Have good infrastructure and work-culture that can attract and retain talent.
3. Go for trustworthy outsourcers
4. In-house training and mentoring of unique business needs.
5. Good supervisors and team leaders.

2018: “The basic aim of talent management is to develop and maintain a talent pool consisting of a skilled, engaged and committed workforce.” Do you agree with this comment? Assess its implications in the context of recent government initiatives for the development of talent management in the country. 10

Nature/scope of HRM

Latest focus area: Talent Management

Model answer: Talent management refers to HR processes to attract, develop, motivate and retain high-performing employees.

Above statement hold true, at least partly. Talented employees need to be **skilled, engaged and committed**. Talent need to be developed through well planned mentoring, training and challenging work assignment and leadership etc. It also aims at maintain continuous supply of talent by developing pool thereof. Government is emphasizing talent development through missions Skill India, Standup & Start Up India. Entrepreneurship is promoted by government. Emphasis of government on Make in India and self-dependence requires talent development and retention.

But this description of talent seems to be narrow. Talented employees are high-performing and contribute directly to attainment of corporate goals. They are more than just skilled. They are analytical, curious, focused and high-performing.

Talent retention, on-boarding, in-boarding and performance management are key objectives.

2020: Talent Management 10

Model answer:

Talent management is a constant process that involves attracting and retaining high-quality employees, developing their skills, and continuously motivating them to improve their performance.

Primary purpose: to create a motivated workforce who will stay with your company in the long run.

Importance:

1. **It helps businesses improve performance by combining:** rapid talent allocation, positive employee experience, and a strategic HR team.
2. **It allows companies to stay competitive by making organisation** stronger and better prepared to face changes and risks.
3. **It drives innovation:** Talented employees are able to find ways to harness the capabilities of new tools and solve problems or come up with original ideas.
4. **It helps form productive teams** of creative and talented people.
5. **It decreases turnover:** When employees **feel valued** at a company, when they know they will **have plenty of opportunities** to grow in the business..
6. **It leads to strong employer branding** helping attract the best candidates for future hires.

Basic Talent Management Model/process

2. **Planning** for best in class talent pool.
3. **Attracting** talent from colleges, institutions and industry.
4. **Developing** talent as per current and growing business needs.
5. **Retaining** talent through good leadership, positive experience, and rewards.
6. **Transitioning** to keep knowledge withing company. It includes promotions, transfers, and creation of new roles.

Three Talent Management Strategies

- Hire Only Top Employees
- Hire Promising Specialists and Develop Them
- Combine Strategies 1 and 2