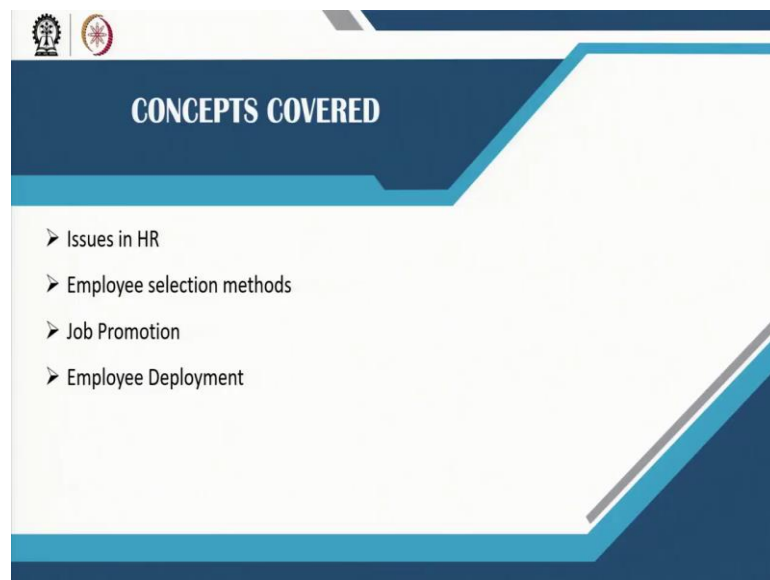


Decision Support System for Managers
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Module – 05
Lecture – 01
Issues in HR; Employee Selection

Hello and welcome to “Decision Support Systems for Managers”! We are into module 5, ‘decision support systems for HR managers’ and today we will take you through lecture 1 that is ‘issues in HR and introduction to employee selection’; ok.

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Now, what we plan to cover in this module is issues in HR; employee selection methods; job promotion methods and employee deployment; ok.

Now, see HR is a very-very critical function for any organization. Now, see why HR is a critical function? Now, earlier days you know production system was machine driven. With machine driven production systems, the focus was more on output generation; more the output more the salability more the market and hence more the profit ok, more rather I will rephrase it.

More the production market was there so, more the market if expansion of market more the salability and hence more the profit. So, focus was on production. This was right at

the beginning of industrial revolution and this continued. This continued and the very the basic logic the very basic reason for the colonial setup was this market expansion and one of the reasons was market expansion.

Now, so, this continued. This continued till the extreme level where production rule supreme. Now, after some time with the advent of IT, it was recognized that it is the human brain that will rule the future. So, with IT driven setup again people thought that IT system means that machine will do it, but then the human brain behind those machines became very important.

The human brain behind a totally integrated ERP system, the human brain behind designing a chip, the human brain behind designing a railway system, human brain behind designing a traffic signal automation system ok, the human brain behind designing a very advanced robotic equipment used in our operation theaters for medical sciences. So, then slowly organization started realizing that one should concentrate on HR issues. One should concentrate on HR practices.

HR was a function, but then slowly HR as a function started gaining ground, but by this time what had happened was two dimensions have basically emerged; one was the routine functions and one was the function of the innovators ok. Now, this routine function basically it was left to machines and a human was just operating the machines. This is there even now and this is the trend that will rule the future also, but the other side of it the designing of the machines was left to humans and there only the best brains were working.

So, today HR function is more a mixture of both with a heavy loading on the second component ok. You have to you have to have proper HR systems for your employees to work that is there, but HR systems today are more attenuated towards recruiting, retaining and nurturing talent, and the talent is in the domain of innovation.

Unless you innovate, your organization will not survive. And if you want to innovate, you have to have a great group of employees, and if you have to have a great group of employees, your HR functions should be very-very efficient and effective.

So, that is the backdrop of HR functions today. Now, this is from the broader perspective. Similarly, HR see that there is another trend that is happening at the other extreme point. There are two extremes as we said.

Now, there is no middle path only two extremes; one end machine driven production systems where the employees are only there to find out if there is any issues with the machine they will then intervene otherwise there is no requirement. The other end is designing of these machines design of designing of these fully automated systems.

So, HR now is at the two end points, but what is happening is another trend at the lower level at the other end ok. What is happening is the employees they are so prototype. The processes are so prototype that the employees are also not constant; in the sense that employees are leaving jobs, joining some other place where maybe it is near to their home or salary is better or working conditions are conducive to the particular employee anything; ok.

So, mobility at the base level has increased a lot. Salary at the base level has remained constant. There is no increase in salary because it is machine driven, you do not need a very educated person to operate those machines. So, these are things that are happening at this end. On the other end, the people who are designing those machines, there is cut throat competition. Your competitor will pay anything to hire your best employee; ok. So, we are today looking at two extreme points of HR; ok.

Now, having said this what is what goes on in the minds of the human who is working? What goes on in the minds of the human who is working? I will give you two instances in general ok. Now, there was this company, I am not definitely I am not naming the company. There was this company who had very strict attendance policy. I will give you two examples on these accounts.

Very strict attendance policy – late by 15 minutes 3 days and your attendance half a day leave is gone. This this is the system invoke for many companies even now. But things are changing. So, half a day leave is gone. Now, there was this employee who was every day late. He was we earlier we used to we have a term that is even there now peon p e o n means he was an assistant. He was an assistant in that office.

Now, he was every day late and that late was only by 10 minutes. So, if the office was at 9 o'clock maximum allowed is 9 – 15, he would come at 9 – 25, he was every day late. So, every 3 days half days leave gone. So, and in this way all your casual leaves are gone and then it is salary deduction.

Now, he was this the helping hand for a senior officer. This senior officer retired and a new person took his place. And, this new person when he was signing at the month end the salary slips he saw that this office peon's salary was very lot of deductions. So, he enquired from another person. He says, sir, he is always late. Why he is late? This the staff said I do not know, sir.

He said, but you should know why a person is late every day and that late is not an exorbitant delay. It is only 10 minutes in addition to the grace period that is 9 – 25 every day; that means, there must be some reason why every day he comes at 9 – 25. He is not coming at 10, 10 – 30.

So, he called the peon and the peon said sir, I stay far away. By local train it takes me 2 hours and from the nearby railway station sealdah (Refer Time: 08:59) station I have to walk down. I walk down because I earn very less salary. So, I walk down this distance that BBD Bagh Binay Badal Dinesh Bagh, the office district 45 minutes almost walking. So, I walk this distance. The local train is every 1 hour.

So, if I want to come at 9 – 15, I will have to get a train at early morning 5 o'clock. If I get the 6 o'clock train, then it is difficult sorry, rather I will have to get the 6 o'clock train. If I get the 7 o'clock train, then it is very difficult.

So, there were some of these issues. He said that I will have to get up on the train 1 hour before an early morning and again, in the evening I cannot go home at 5 o'clock because I am the peon to the senior officer and the senior officer remains in the office up till 7, 7 – 30, sometimes 8 o'clock.

So, basically I reach home at 11 in the night. Till the senior officer leaves I will have to stay. So, I go home at 11 in the night and then again, getting up after going home having food again getting up at 4 or 5 am in the morning and getting the earlier train is very difficult for me. That is why every day I take the next train because I have no other option.

Now, that officer said will it be if I make your attendance time as 9 – 30? Normal time is 9'o clock if I make your attendance time as 9 – 30 and officially your work ends at 5'o clock, but I extend it to 5 – 30 because anyway I will stay back till 7, 7 – 30. So, that time you will anyway stay, but your office hours get changed 9 – 30 to 5 – 30, will it be ok?

The peon was so happy. He was so happy because his leaves will not be deducted. His casual leave will not be deducted. So, you see small thing, but it changed the way the employee viewed the organization, the employee looked at this organization. Very very small thing, but it happened that way; ok.

I will tell you of another organization. See we are dealing with HR issues why I gave you these examples is these are day to day issues which we sometimes forget. In our method of dealing with things we sometimes forget these small things that affect the human thought processes and this generates or creates impression about an organization; ok.

Now, I will give you another example again I am not naming the company, but this company is known to have very very luxurious hotels in India and very famous ok. Now, this company the people who serve food etcetera that team, the people who serve food etcetera, then the people who clean the laundry every year that period 25th December to 1st January that period there is lot of guests in the entire chain of hotels, lot of parties and they get lot of tips lots and lots of tips.

I am told that the tips these tips are collected collated together see. See, two things, say you, as you as a guest in the hotel, you have given a tip to a person but that is not taken that way. These tips are collated and then it is distributed among all the people at that particular hierarchy level means at the server level at the people who serve food etcetera.

So, people at the back end may be the cook and all these people they also get a share. So, first learning everybody is happy. It is not that people who are at the front end only they are getting the money; people at the back end who make it possible that the people at the front end will get the tips because they are doing the work properly people at the back end also are equally benefited. So, all the tips are collected together and then it is distributed.

And, I am told that the amount of tips that an individual gets that particular day is enough to sustain him for the entire year if he is staying alone because most of these people their families are in the villages and they are staying alone in the hotel. The amount of tips that they get is enough to sustain them for the entire year; this period 25th December to 1st January.

And, that particular year they came to know that one such employee's daughter is suffering from cancer, fine. Then some discussion how to help him out and all that, but nothing emerged nothing emerged. Now, on the 2nd or 3rd of January, when the entire tips are collated together one employee comes up, just takes the money and gives it to that particular employee whose daughter is suffering from cancer.

Remember, it is not easy for not a well to do worker to give away his entire year's income with which he could have sustained to another employee and everyone supported and said please, take this and treat your daughter.

This happened at the employee level. What is the learning for the management? Learning for the management is the management did not intervene. The worker they created the work environment in such a manner that each employee feels associated with the other employee.

There are many organizations where employees are very very disjoint sets, they do not interact. But, the role of management role of HR is to create a system that you develop a bonding, you develop a family a work family of your own ok. So, these are the these are issues that an HR manager should strive to achieve in the organization.

I will tell you another instance. We are just dealing with the first point that is issues in HR ok. I will tell you another instance. Again, late there was this one institute or one organization again 9 – 15 attendance and one employee is transferred from another department to this particular department. And, this department is the other department where this employee was a research wing. A research wing does not have this attendance and all these things, but this other wing has attendance.

So, he is transferred from the research wing on completion of that research work, he is transferred to another wing for regular work. First day he goes, meets the officer in charge and says sir, from next month I will not get any salary. Naturally, the boss gets a

bit surprised. Why? He said, sir, because your attendance is at 9'o clock. I stay alone, I cook my own food I prepare things. I am habituated to a set of thought processes and way of working here it is totally different. So, I can never be on time.

So, next month onwards I will not get any salary because I will always be late, my casual leave will be deducted everything. So, then the boss says ok, you go and work. Never ever was this persons salary deducted, never ever was this persons casual leave deducted. So, what is the message? The message is organizations should understand that rules are not the only thing. You should understand your employees and you should understand your system, so that you develop a very very well knit, coherent, cordial system; ok.

I will tell you another instance, issues in HR. A particular company was there who would give breakfast as well as lunch to their employees. Breakfast and lunch in the office canteen free, many organizations do it, but this company breakfast also was free breakfast and lunch.

But, the catch was everyone; this company is not from India, this company is from another country, but the catch was if no one can bring food from their home unless there is a medical condition. No one can bring food from their home, everyone has to eat the canteen food, breakfast as well as lunch.

What was the food? Is a term called medical term called bland diet – b l a n d bland d i e t diet bland diet; that means, what sugar zero, salt zero, only boiled food only boiled food.

Every employee has to take that in at breakfast and at lunch. Lunch is at 12 o'clock and if you are not in the canteen by 12 o' 5, your one day salary is deducted means you cannot say that I have work I am going after 10 minutes. That also you cannot do, such is the strictness that you have food from canteen, you have to have bland diet and you have to have food from the canteen.

A new employee is interviewed or rather a candidate is interviewed very very bright candidate and the organization needs him and this person is coming to this office every 2 – 3 days to fill up the form, submit documents and every day he is told that you have lunch here and go. So, he was a company lunch. So, he is also going to the canteen and

there he is seeing bland diet. So, one day he brings in his own Tiffin box some food and he is starting to eat that.

Other employee he is not employee till then. He has come to fill up the forms and all that finish the process, employment process. Then, others starts hey what are you doing? What are you doing? The owner will be very angry. The boss will be very angry the owner. The next day he goes to the boss and says I am not joining your organization.

Boss says, why? He says, no, I cannot digest this food every day if that is a job condition that I have to satisfy, I cannot digest this food every day. So, I am not taking up your job and the boss says please, sit. Boss is also the owner of the company. Boss says, please sit. You know why I did this? He said why?

He says, I have studied abroad. Every day outside food, every day waking up till late night, all this has taken tremendous toll on my health and the toll on my health is so much that every year I have to go to another country for medical checkup and treatment. I do not want my employees to land up in the same problem, health problem that is why I requested them to have healthy food, no one listens.

Everybody buys food from outside and eats during lunch. So, I made lunch free and I had simple food, not even bland diet, simple food, less oil then also people will go outside and have food then I made it a working condition for work that if you are in my company you will have to have food from my canteen and bland diet. I am not a bad person, but I really want to give a healthy life to my employees.

So, look at this issues in HR from so many perspectives ok. So, as an HR person, as a manager who has to deal with employees every day in and day out you will have to keep all these soft aspects, the semi-structured aspects, the unstructured aspects in mind. This is very-very important.

Now, next we will touch upon another issue that is employee selection methods. So, I just gave you some issues in HR next is employee selection methods. See, your key that there is something in statistics called type I error and type II error. What is a type I error? Type I error is you are rejecting when it is true. Rejecting when it is true, what does that mean? That you are rejecting a in from HR perspective you reject type I error is rejecting when it is true; ok.

That means, say an employee has a candidate has come for job interview. What were you doing? Employee selection. Candidate has come for job interview. You are rejecting the candidate; rejecting when it is true. True means when the candidate is genuinely good, you are rejecting the candidate. You have rejected but the candidate is genuinely good.

What is type II error? Type II error is basically accepting when it is false, means you are selected the candidate when the candidate is not suitable for your job. Which one is more dangerous or problematic? Definitely type II – accepting when it is false.

You have accepted the candidate, you have given him appointment, but he or she is actually not capable of doing the work for which you have recruited. You have rejected a good candidate the organization can survive. So, type I error is less problematic than type II error for HR purpose. So, employee selection is another issue.

Next thing is job promotion. What is the basis on which you give promotion? Have you articulated to your employees in clear terms when the person will get promotion? What the person what is expected of him and what the person needs to do to get a promotion? These should be very-very clearly articulated so that the employee knows exactly what he is supposed to do and all of you are aware of the employee selection processes, employee selection criteria, promotion criteria, etc.; ok.

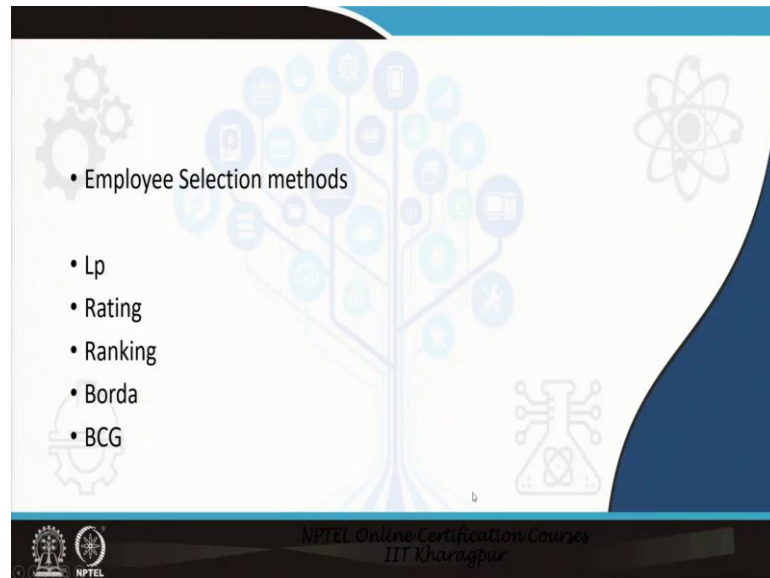
So, job promotion is very-very important in that sense that everyone should know what is expected of him; ok; otherwise the job responsibilities, it will become very-very problematic; ok. Everyone should know what his or her role is, what is expected of him or her then only the person that is becomes very clear and then only the person can give you good results in the workplace. So, job promotion you have to be very articulate about what are the criteria, what is expected, what is the time frame; ok.

Then, employee deployment another issue in HR, ok. You have 100 employees in your organization. Where to deploy which employee; ok? Where to deploy which employee? This is very important because we have seen in workplaces that people some good employees go at one place and the other place is left with not so good employees.

This is basically some sort of osmosis, from a region of lower concentration to a region of higher concentration people go. That is why you will see tier 2 and tier 3 cities do not get too much of talent, all go to tier 1 cities; ok.

Say employee deployment. So, as an HR manager the issues that are bothering us today and that is why we are dealing with decision support systems is basically. I given you some examples of different issues in HR, then employee selection methods, you have to select them in a scientific manner so that nobody questions you tomorrow, then job promotion, what basis you are doing and employee deployment.

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These are the employee selection methods – Lp, rating, ranking, borda, BCG; we will do that in the next lecture.

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• References:

1. Multi-Criteria Decision Making; Ishizaka, A and Nemery, P; Wiley (publishers)

The slide features a central graphic of a tree with a blue trunk and branches, where the leaves are represented by various circular icons containing symbols like a smartphone, a laptop, a gear, and a document. Surrounding the tree are several larger, faint icons: a cluster of gears in the top left, an atomic symbol in the top right, a hard hat in the bottom left, and a circuit board in the bottom right. The slide has a blue header and footer. The footer contains the NPTEL logo on the left and the text 'NPTEL Online Certification Courses IIT Kharagpur' on the right.

And, thank you for today! We will take on with next lecture in the next class; lecture 2 in the next class.