Chapter 1: Introduction to Human Resource Management

- Uniqueness of HR
  - It appreciates over a period.
  - Its output is larger than the input.
  - It provides a utility value to each one of the physical assets.
  - The flexibility of an organization depends more on people than on any technical factors.

- HRM is concerned with policies and practices that ensure the best use of the HRs for fulfilling the organizational and individual goals.

- The managerial functions of HR are planning, organizing, staffing, directing and controlling.

- The operative functions of HR are procurement, development, compensation, maintenance and integration.

- Important qualities of HR managers are knowledge, intelligence, communication skills, objectivity and fairness, leadership and motivational qualities, emotional maturity and empathy.

Chapter 2: Strategic Human Resource Management—A Framework

- Strategic human resource management is the process of aligning HR strategies with the business strategy to accomplish the performance goals through employees’ competency and commitment.

- Features of SHRM are:
  - It is performed at top management levels,
  - It focuses on the expansion of process capabilities,
  - It is inter-related with business strategies,
  - It is formulated by line managers, and
  - Employees viewed as the strategic capability of the organization.

- Models of strategic human resource management are the business-oriented model, the strategic fit model, and the strategic labour allocation process (SLAP model).

- The steps in strategic management process are determination of vision and mission, analysing the environment, strategy formulation, strategy implementation and performance evaluation.

- Organizations make strategies at three levels—the corporate, business and functional. The corporate level consists of the growth, portfolio, and parenting strategy.

- The three models of strategic formulation are: the high involvement management model, high commitment management model, and high performance management model.

- The barriers to SHRM are the absence of long-term orientation, lack of strategic reasoning, lack of adequate support from top management, resistance from labour unions, fear of failure, rigidity of HR practices, fear of attrition, and absence of measurement techniques.
Chapter 3: The Evolution and Environment of Human Resource Management

- The different phases in the evolution of HRM are Industrial Revolution, First World War, Hawthorne Studies, Second World War, industrial and human relations movement, formalized HRM and contemporary HRM.
- The external environmental factors are social, technological, political, legal and economic.
- Political environment factors include the nature of political organization and system, political stability, and the prevailing political ideologies.
- Economic environment factors include labour market, globalization, competitors, trade unions, customers and shareholders.
- Internal environmental factors include the vision and mission of the organization, business strategy, organizational culture, organizational structure, and HR system.
- Various environment perspectives are objective environment perspective, perceived environment perspective, and enacted environment perspective.
- The steps in environmental scanning process are environmental scanning, perceived environmental change, and strategic change.

Chapter 4: Job Analysis and Design

- Job analysis is a process of gathering relevant information about various aspects of a job, including its content, context and the job performer’s skill requirements.
- Job analysis finds application in job evaluation, job design, job classification, job description and specification, HR planning, recruitment, training, performance evaluation, wages administration, safety and health, industrial relations and legal requirements.
- The job analysis techniques are questionnaire, job performance, observation, Critical incident, interview, diary maintenance, technical conference and task inventory analysis.
- The types of questionnaires available for job analysis are position analysis, functional job analysis, management position description, work profiling system, multipurpose occupational systems analysis inventory-closed ended questionnaire, common metric, and Fleishman job analysis system.
- The components of job description are job identification, job summary, job relationships, and job duties and responsibilities.
- The components of a job specification are education and training, work experience, skills and competencies, physical strength and stamina, stress-coping ability, and special needs, if any.
- The challenges that job analysis faces are employees’ anxiety, management attitude towards job analysis, undue importance to job holders, environmental influence, and absence of follow-up action.
- The environmental factors influencing job design are ergonomics, characteristics of task structure, task assortment, level of autonomy and responsibility, practices, recognition and support, technological developments, strength of the union, corporate culture, and working conditions.
- The components of a job design are job enrichment, self-managing teams, job rotation, job reengineering, job enlargement, participative management, peer performance review, and high performance work design.
- The steps in the formation of self-managing teams are work mapping, determining the size of the team, leadership development, and fixing the team norms.
Chapter 5: Human Resource Planning

- Human resource planning is a process of identifying and then matching the human resource requirements and availability in order to determine the future HR activities of the organization on the basis of the overall organizational objectives.

- The factors affecting HR planning are the strategy of the organization, the culture of the organization, the competitive and financial environment, the current organizational situation, and the quantity and skills levels of human resources required.

- The steps in HR planning process are considering the organizational objectives and strategies, the assessment of external environment, the preparation of in-house skill and competency inventory, HR forecasting—need assessment, HR forecasting—estimation of availability, and the development of HR plans and programmes.

- The techniques for forecasting HR requirements are trend analysis, ratio analysis, Delphi technique, normal group technique, managerial judgment, work study technique, zero-base forecasting, simulation model and human resource allocation approach.

- The techniques for forecasting HR availability through internal sources are replacement charts, turnover rate, human resource management information system (HRIS), productivity level, overtime and absenteeism, and succession planning.

- The barriers to HR planning process are: insufficient realization of the importance of HR plans, a glut in the Indian labour market, union resistance, cost-benefit misconceptions, the absence of coordination, and future uncertainty.

Chapter 6: Recruitment

- Recruitment is a search for promising job applicants who would fill the vacancies that may arise in the organization.

- The internal factors shaping the recruitment policy are the HR policy of the organization, the nature of the job, the reputation of the firm, and conventional wisdom.

- The external factors influencing a recruitment policy are labour market conditions, legal provisions, and socio-economic factors.

- The steps in recruitment process are human resources planning, the determination of strategy, the evaluation of the sources of recruitment, the implementation of recruitment methods and strategies, and feedback and control.

- Internal sources of recruitment are the existing employees, the former employees, and employee referrals.

- The external sources of recruitment are employment exchanges, outsourcing recruitment agencies, advertisements, campus recruiting, walk-ins and write-ins, Internet recruiting, and raiding or poaching from other organizations.
Chapter 7: Selection

- Selection is a systematic process of identifying suitable candidates for the available jobs from the available applicant pool.
- The steps in the selection process are employment application forms/blanks, selection test, selection interview, reference check, physical examination and job offer.
- A test is a standardized assessment of a sample but critical behaviour of candidates to determine their suitability for the job.
- The various types of selection test are ability test (intelligence or IQ test, aptitude test and achievement test), personality test, interest test and honesty or integrity test.
- The merits of psychological tests are their being objective in evaluation, ideal for large groups, predictor of intangible talents, predictor of intangible talents, goal-specific and target oriented, and ability to preserve records for the future.
- Interview is a face–to–face conversation to collect information from a candidate to determine his suitability for a job.
- The different types of interviews are structured interview, unstructured interview, in-depth interview, stress interview, panel interview and computerized interview.
- The weaknesses of the interview method are lack of objectivity, halo effect, inadequacy of time, lack of uniformity, and the absence of training for the interviewers.

Chapter 8: Orientation, Socialization and Placement

- Employee orientation is the systematic process of offering essential information to new employees to make them feel comfortable in the organization and also in the job.
- The purposes of orientation are formally welcoming employees, overcoming initial uneasiness and hesitation, exchanging information, assessing the employees, acclimatizing the employees, controlling the HR cost, developing team spirit, and socialization.
- The steps in the process of orientation programme development are
  - ascertaining the organization's policy, mission, and expectations relating to the orientation programme;
  - determining the objectives of the orientation programme;
  - determining the type of orientation programme;
  - deciding the mode of delivery; and
  - gathering the participants' feedback.
- The problems in orientation are data overload, the problems of boredom and rigidity, lack of adequate time and training for facilitators, the risk of failure and counter-effects, lack of diversity in orientation programmes, and the absence of evaluation and follow-up.
- Socialization is the process of exposing the new employees to the organizational culture systematically and integrating them into it eventually.
- The steps in the socialization process are
  - anticipatory socialization,
  - organizational socialization and
  - socialization outcomes.
- The dimensions of organizational socialization strategies are formal or informal, individual or collective, fixed or variable, sequential or non-sequential, serial or disjunctive, tournament- or contest-oriented, and investiture or divestiture.
- The challenges in placement are cultural and behavioural incompatibility, the nature of job and the level of adaptability.
Chapter 9: Career Planning and Guidance

- Career planning refers to the process of identifying and accomplishing the employees’ career objectives through a systematic way of skill identification, assessment and development.
- The steps in career planning process are:
  - self-assessment by the individual;
  - evaluation of the career opportunities available;
  - undergoing career-oriented skill-development exercises;
  - matching and decision making; and
  - implementation and review.
- The self-assessment techniques are the strength and weakness balance sheet, the likes and dislikes survey, the Myers–Briggs Type Indicator (MBTI) assessment technique, and the type focus assessment.
- The types of career path are conventional career path, dual skill path, lateral career path, and network career path.
- The limitations of career planning are: time taken, unsuitable for a large workforce, lack of objectivity, external interventions, lack of knowledge and awareness, mechanical nature of the process, and difficulty in measuring career success.

Chapter 10: Employee Training

- Training is the process by which an employee acquires the necessary knowledge and skills to perform the job.
- The sources of assessing training needs are performance evaluation, job analysis, attitude survey, advisory panel, ability test score and feedback.
- The steps in an employee training process are the determination of training needs, the determination of training objectives, the selection of training techniques, identifying the trainer, implementing the training programme, and the evaluation of the training programme.
- On-the-job training methods include apprenticeship training, job rotation, internship and assistantship, and job instruction training.
- Off-the-job training methods include programmed learning, simulation method, laboratory training, case study, lecture method, role-playing, video-conferencing, and audio-visual methods.
- The challenges in training at the micro level are the absence of corporate commitment, the risk of poaching, the unaffordable cost of training, and the treatment of training as expenses by the accounting rules.
- The challenges in training at the macro level are lack of adequate support from the government, the absence of candidates with adequate skills, and lack of cooperation between university and industry in research programmes.
- The conditions necessary for an effective training programme are top-management support, a receptive mindset of trainees, a continuous process, technological advances, and the form and timing of training.
- The merits of e-learning are: a substitute for instructor-based learning, the flexibility of time and place, information storage, multimedia application, a simulated real-time experience, personalized learning, the lack of notional cost, better measurement, and learning on demand.
Chapter 11: Management Development

- Management development is a long-term process by which the managers' conceptual knowledge and competencies are developed to make them more suitable for the present and future responsibilities.
- The steps in a management development process are:
  - assessing the company's strategic needs,
  - evaluating the skills and competencies of the managers, and
  - evolving strategies for the development of the managers.
- The methods of management development include mentoring, business games, coaching, behaviour modelling, in-basket training, action learning, university-based programmes, executive coaches, in-house development centres and executive orientation.
- The reasons for the growing importance of succession planning are growth of organizations, early retirements, coping with multiple competency requirements, and poaching.
- The hurdles to succession management are lack of criteria for successor identification, presence of traditional replacement system, improper diagnosis of development requirements, inadequate focus on interpersonal skill requirements, too little importance for lateral mobility, lack of sufficient and timely sharing of feedback, lack of follow-up action, absence of managerial initiative and support, and insecurity of the boss.

Chapter 12: Organizational Development

- Organizational development is a deliberate and systematic process adopted to enhance the ability of an organization to identify, understand and accept changes and to benefit from such changes.
- The approaches to OD are data-driven approach, system-design approach, and contingency approach.
- The types of OD intervention are team building, survey feedback, training and development, leadership-development programmes, process-consultation interventions, force-field analysis, third-party peacemaking, human resource management and total quality management.
Chapter 13: Performance Evaluation and Job Evaluation

- Performance evaluation is an objective review and rating of an employee's performance in comparison with the relative performance standards.
- Performance management is a total and integrated process comprising goal-setting, training, evaluation, and rewarding of employees.
- Performance evaluation has applications in human resource planning, recruitment and selection, employee training and development, compensation decisions, career planning and development, grievance and discipline issues and employee feedback.
- The criteria for standard performance are individual traits, behavioural characteristics, goal accomplishment, scope for improvement, and competencies.
- The performance evaluation process involves setting performance appraisal goals, establishing performance criteria and informing the employees about them, the actual evaluation of performance, and discussing the evaluation results with the employees.
- The potential evaluators in the employee evaluation process are: the immediate supervisor, the peer group, employees, committees, self and customers.
- The performance evaluation methods are rating scales, ranking method, paired comparison, forced distribution, forced choice, critical incident, essay method, cost–benefit, work standard, checklist, field review, confidential report (CR), and result-based evaluation system.
- The problems in performance appraisal are the absence of objectivity, halo effects, central tendency, lenient attitude, bias, recency effects and employee resistance.
- Job evaluation is a systematic technique used for deciding the relative worth of a job based on its comparison with other jobs.
- The non-analytical methods of job evaluation are ranking, paired comparison, job grading and market pricing.
- The analytical methods of job evaluation are point ranking and factor comparison.

Chapter 14: Compensation Administration

- Compensation is the sum of the rewards for the job-related efforts of the employees and also for their commitment to and involvement in the job.
- The elements of direct compensation are basic and variable pay, which includes profit-sharing, gain-sharing and equity plans.
- The types of theories of compensation are equity theory, expectancy theory, contingency theory and agency theory.
- The basic concepts in wages are real wages, minimum wages, fair wages, and living wages.
- The kinds of pay structure are narrow-graded pay structure, broad-graded pay structure, job family structure, and career family structure.
- The elements of executive compensation are basic salary, annual bonus plans, stock option plan, long-term incentive plan (LTIP), managerial commissions, and executive perks.
Chapter 15: Incentives and Benefits

- Wage incentives are any form of performance-based financial and/or non-financial rewards payable to attract and retain the best talents without any permanent financial commitment for the organization.

- The steps in a wage incentive planning process are setting the objectives, determining the nature of reward and the mode of payment, sharing the goals with the employees, evaluating the actual performance, application of incentive plans, and feedback.

- The prerequisites for a good incentive scheme are transparency, objectivity, measurability, attainability, flexibility, comprehensiveness, cost-effectiveness and instantaneous feedback.

- Fringe benefits are benefits payable to the employees over and above the direct compensation and usually without any reference to their performance.

- The forms of fringe benefits are payment without work, health and safety care, retirement benefits, housing facilities and other facilities.

Chapter 16: Employee Well-Being

- Employee safety is a process of controlling or removing hazards present in the occupational environment so that the employees are protected from work-related accidents.

- The objectives of employee safety are accident avoidance, cost prevention, improved employee satisfaction and commitment, legal compliance, better industrial relations, and formalizing the safety process and programme.

- The essentials of an effective safety programme are clarity in safety goals, proper safety strategies, well-defined responsibilities and accountability, safety awareness campaigns and training, and safety revisions and up-gradation.

- The stressors or sources of stress are internal (individual level) and external. External sources of stress include group-level stressors, organizational stressors and extra-organizational stressors.

- The individual strategies are meditation, deep muscle relaxation, time management and role-playing.

- The organizational strategies are time-out, job redesigning, counselling and mentoring, employee empowerment, recreation, training and orientation, team-building exercise and employee assistance programme.

Chapter 17: Employee Welfare and Social Security

- Employee welfare means the facilities provided to the employees in excess of the statutory requirements and with the intention of enhancing their general well-being.

- Welfare facilities undertaken as per the requirements of the laws are called statutory facilities.

- The responsibility for employee welfare rests with employers, central and state governments, trade unions and other voluntary agencies.

- The challenges in social security schemes are longer life span of employees, rising cost of living, population explosion, and union attitude.
Chapter 18: Workers’ Participation and Empowerment

- Workers’ participation in management is a practice that facilitates workers’ contribution and influence in the decisions of the organization at various levels.
- The methods of participation by the employees in management are corporate-level committees, workshop-level committees, profit-sharing plans, and collective bargaining.
- The methods of direct participation by the employees in WPM are the autonomous work group method, the suggestion-box scheme, the quality circle scheme and the open-door policy.
- Employee empowerment is a technique adopted by the organizations to enable employees take independent decisions about the different aspects of their jobs.

Chapter 19: Job Rotations

- Promotion is defined as an employee’s upward mobility in the organizational structure accompanied by increased authority, responsibility, compensation and social status.
- The three criteria for employee promotion are merit, seniority and seniority-cum-merit.
- Demotion is defined as an employee’s downward mobility in the organizational structure, which is normally accompanied by reduced authority, responsibility, compensation and social status.
- The reasons for an employee’s demotion are administrative convenience, inefficiency, disciplinary action and voluntary demotion.
- A transfer is defined as an employee’s lateral mobility in the organization structure without any significant change in the authority, responsibility, compensation and social status.
- The purposes of transfers are optimum utilization of skills, training of employees, disciplinary action, fulfilling an employee’s request and being a motivational tool.
- The different types of separation are retirement, resignation, dismissal, discharge, retrenchment and layoff.
Chapter 20: Industrial Relations

- Industrial relations is the process through which an organization controls the employer–employee relations in the organization and this process may involve continuous communication and consultation between them.
- The major players in industrial relations are the employers and their associations, the employees and their unions, and the government.
- In the unitary approach, the authority rests solely with the management with no right to anyone to challenge its decisions.
- The essence of the pluralist approach is that the balance of power is not vested with any one group; rather, it is maintained between the parties involved in the industrial relations.
- The system approach means that the behaviour, actions and role of the individuals are primarily shaped by the cultures of the society.
- The social action approach assigns an active role to the actors of the industrial relations.
- As per the Marxist approach, the understanding of industrial relations requires an understanding of the capitalized society.
- The basic elements of the Gandhian approach are truth, non-violence, the voluntary arbitration of disputes, and want-lessness.
- Organizations are made up of people and the success of the management lies in its dealings with these people and their relationships to one another.
- The core principle of the Giri approach is that voluntary negotiations between employers and employees should be the means of settling disputes.
- Investigating the underlying trends and patterns in the cause and effect of industrial disputes is the basis of the industrial sociology approach.
- The highlight of the Oxford school approach is that the conflict between employer and employee can be resolved in a way which can satisfy both the parties.

Chapter 21: Discipline and Disciplinary Action

- Discipline is a system designed to ensure that the employees’ performance and behaviour are consistent with the relevant organizational rules and regulations in force.
- The different types of discipline are positive discipline, negative discipline and progressive discipline.
- The types of disciplinary action are oral reprimand, written warning, denial of increments, promotions and pay hike, pay reductions and disciplinary demotions, suspension, and discharge or dismissal.

Chapter 22: Employee Grievances

- A grievance is a written complaint lodged by a dissatisfied employee about unfair treatment.
- The techniques to identify grievances are exit interview, gripe-box system, opinion surveys, open-door policy, and observation.
- A good grievance procedure should be legally sustainable, mutually acceptable, easily understandable, highly flexible, and sufficiently knowledgeable.
Chapter 23: Industrial Disputes and Collective Bargaining

- The outcome of disputes could be a strike, picketing, gherao and lock-out.
- Strikes may be classified into a general strike, pen-down, tools-down, sit-in strikes, wild-cat strike, go-slow and work-to-rule strikes, sick leave and mass casual leave strikes, hunger strike and sympathy strike.
- The methods of settlement of disputes are negotiation, collective bargaining, conciliation and mediation, arbitration, and adjudication.
- Adjudication includes courts of enquiry, labour courts, industrial tribunals and national tribunals.
- Collective bargaining is defined as a free and voluntary forum that facilitates negotiation between employers and employees' unions about issues affecting the interest and rights of both parties so that an amicable settlement is reached in good faith.
- The features of collective bargaining are the joint process, interactive mode, continuous process, adversarial strategy and union-based initiative.
- The types of bargaining are distributive bargaining, integrative bargaining, centralized bargaining and decentralized bargaining.
- An effective collective bargaining requires strong unions and an effective leadership, the organization's recognition of unions, top management support, positive external environment, openness and flexibility, and fair labour practices.

Chapter 24: Trade Unions

- A trade union is defined as a formal association of workers for the purpose of protecting and promoting their rights and interests through collective bargaining and actions.
- The features of a trade union are: voluntary association, common goals, authority flows from the members, intermediary, and collective action.
- The reasons for joining unions are creating a defence against exploitation, trade union clout, fulfilment of social and esteem needs, compulsory membership, and peer-group influence.
- The challenges before the trade union movement are declining memberships, changing profile of Indian workers, multi-unionism and inter-union rivalry, external leadership, and international workers.

Chapter 25: Human Resources Audit

- An HR audit is defined as a systematic inquiry into the efficacy of the philosophy, policies and practices concerning HR management in terms of organizational performance and its level of alignment with the overall organizational strategies.
- The important approaches to HR audit are
  - the internal approach,
  - the external approach,
  - the self-directed team approach,
  - the task-force approach,
  - the external consultant approach, and
  - the legal approach.
- The conditions essential for an effective HR audit are the top management's commitment, clarity in HR audit objectives, the auditor's integrity and efficiency, a well-defined authority, responsibility and accountability for the employees, effective communication, feedback, regularity and continuity.
Chapter 26: The Human Resource Information System (HRIS)

- HRIS is defined as an automated system for gathering, storing, retrieving, analysing and disseminating HR-related data for facilitating operational, managerial and strategic decision making that impacts human resources.
- EDP is used for data maintenance at the operational levels of an organization.
- MIS is used for data analysis and decision making at the managerial levels of an organization.
- DSS is used for situation simulation, the generation of alternative decisions, and decision making at the top administrative levels of an organization.

Chapter 27: Human Resources Accounting

- Human resource accounting is defined as a process of estimating the cost benefit of investments on human resources with a view to assessing their value to the organization.
- As per the historical cost approach, the value of human resources is the cumulative cost incurred on recruiting, training and developing the employees.
- As per the replacement cost approach, the value of HR means the aggregate cost of recruiting, training and developing persons as suitable replacements.
- As per the opportunity cost approach, the value of human resources means the sacrifices made for choosing a decision pertaining to them.
- According to this approach, the value of human resource is the standard cost fixed for various HR functions like hiring and training.
- According to this model, the value of human resources depends on the present value of the future earnings to be made from a person's employment.
- The certainty equivalent model has two major components:
  - the net benefit and
  - the certainty factor.
- The stochastic reward valuation model perceives that the value of an employee depends upon the variability of that person from four different perspectives and potentialities.
- According to this approach, the valuation of human resources is normally made in the same way as other business assets are valued on a "going concern concept" basis.
- As per this model, the value of human resources is the capitalized value of the difference between the actual average earnings and the normal earnings of the industry.
- As per this approach, the purpose of human resource accounting is to measure the causal and intervening variables in some way so as to measure the value of the human resources.
- The five dimensions that determine the HR value are
  - knowledge,
  - skills,
  - health,
  - availability and
  - attitudes.
- According to this method, the value of human resources is the function of the average salary of the employees and their average employment tenure in the organization.
- The weaknesses of human resource accounting are the lack of real ownership, lack of guiding principles, concepts, conventions and regulatory body, lack of recognition by tax authorities, possible opposition from employees and their union, and the absence of adequate awareness and research.
Chapter 28: Ethical Issues in Human Resource Management

- Ethics refers to the ethical principles that determine the behaviour of an individual or a group.
- Ethics is classified into descriptive ethics, normative ethics and interpersonal ethics.
- The different types of approaches to ethical issues in an organization are the utilitarian approach, the approach based on rights, and the approach based on justice.
- The factors influencing ethical behaviour at work are individual factors, organizational factors, the supervisor's behaviour, organizational culture, and code of ethics.
- Ethical behaviour can be developed through recruitment and selection, training and development, performance appraisal, compensation, and discipline and disciplinary procedure.
- The guidelines for global organizations on ethical issues are human rights obligation, welfare obligation and justice obligation.

Chapter 29: International Human Resource Management

- Organizational change means any departure from the status quo in the organization.
- Developmental change is an incremental change in which necessary improvements are made in the existing organization.
- Transformational change is a fundamental change in the organization. The change is complete in all aspects of the organization.
- The causes of organizational changes are the advent of globalization, the impact of technology, the impact of workforce diversity and the impact of knowledge management.
- Employee resistance is an employee behaviour that seeks to challenge, disrupt, or invert prevailing assumptions, discourses, and power relations.
- Employee resistance may be classified into
  - positive employee resistance and
  - negative employee resistance,
  - active resistance and
  - passive resistance.
- Positive employee resistance provokes well-grounded debate and constructive criticism of the change goals and process, leading to improvements in the change efforts.
- The primary objective of negative resistance is ensuring the complete failure of the change efforts.
- In active resistance, the employees make their responses to the organizational change initiative known to the organization explicitly.
- Employees do not express their resistance through actions but somehow inform the management that they are not in favour of the change.
- The essentials for the success of organizational changes from an HRM perspective are perfecting the link between HRM and organizational strategies, building a strong and vibrant culture, treating people as assets and not as expenses, promoting commonality of interests and developing two-way communication.
Chapter 30: Human Resource Management in a Changing Environment

- The different types of virtual organizations are alliance organization, displaced organization, invisible organization and truly virtual organization.
- An alliance organization means horizontal networking among the partners of the organization who perform different but related activities.
- In a displaced organization, the physical separation of employees is not known to the outsiders, who perceive them as a single unit.
- An invisible organization will not have any physical structure except for a small place for a few employees who attend the phone calls of the customers in need of its goods or services.
- A truly virtual organization is a mixture of the characteristics of alliance, displaced and invisible organizations.
- In the telecommuting model, employees often perform work from their home and remain away from the office.
- In the front-line model, the employees perform their work from the client's workplace or site.
- In the cyber-link model, the team of producers, suppliers and customers is networked through cyberspace and works collaboratively towards the achievement of common goals.
- A project team is formed to complete specific and time-bound projects.
- A service team is formed to attend to the specific problems of the clients across a number of organizations, places and countries.
- A process team is formed when the organization aims at evolving a continuous response to a long-term challenge of a business.
- E-HRM may be defined as a system concerned with HR policies and practices that ensure the best utilization of human resources, which work in a web-based environment towards the fulfilment of common goals.
- The limitations of virtual organizations are the absence of managerial control, technology-related problems, the misuse of electronic instruments and consumables of the organization, limited application, high maintenance cost, aloofness and job boredom, and the absence of involvement and commitment.

Chapter 31: Human Resource Management in a Virtual Organization

- International human resource management is defined as a process of procuring, developing, compensating and retaining people in organizations operating beyond national boundaries at the global level.
- The challenges facing IHRM are the management of cultural diversity, the management of the complexity of the workforce, the management of communication channels, the management of divergent economic systems, and the management of legal and industrial relations issues.
- When an international company follows the strategy of choosing only from the citizens of the parent country, it is called an ethnocentric approach.
- When a company adopts the strategy of limiting recruitment to the nationals of the host country, it is called a polycentric approach.
- When a company adopts the strategy of recruiting the most suitable persons for the positions available in it, irrespective of their nationality, it is called a geocentric approach.
- The three stages in international training are
  - pre-move training,
  - continual training and
  - repatriation training.
Chapter 32: HRM and Competitive Advantage

- Competitive advantage is defined as a unique position in the market achieved through factors that enable a company to consistently do better than its competitors.

- The three methods for developing competitive advantage are developing new strategies, managing changes and establishing strategic integrity.

- A company can gain competitive advantage through HR activities like HR planning, recruitment and selection, training and development, performance management, compensation, employee safety and health, and industrial relations.

- An organization can achieve competitive advantage through expatriates in the form of
  - effective succession planning,
  - greater coordination and control, and
  - timely and effective information sharing.