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MGT501 Complete MERGED
PPT Slides 1 TO 45

Regards : Zarva Chaudhary

Admin:

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Chaudhary Moazzam

Human Resource Management – MGT - 501

Lecture 1

Introduction

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Today's Topics

- What is Human Resource Management?
- Why are we concerned about HRM
- Overview of HRM
- Road Map of the subject

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Human Resource Management

Human Management

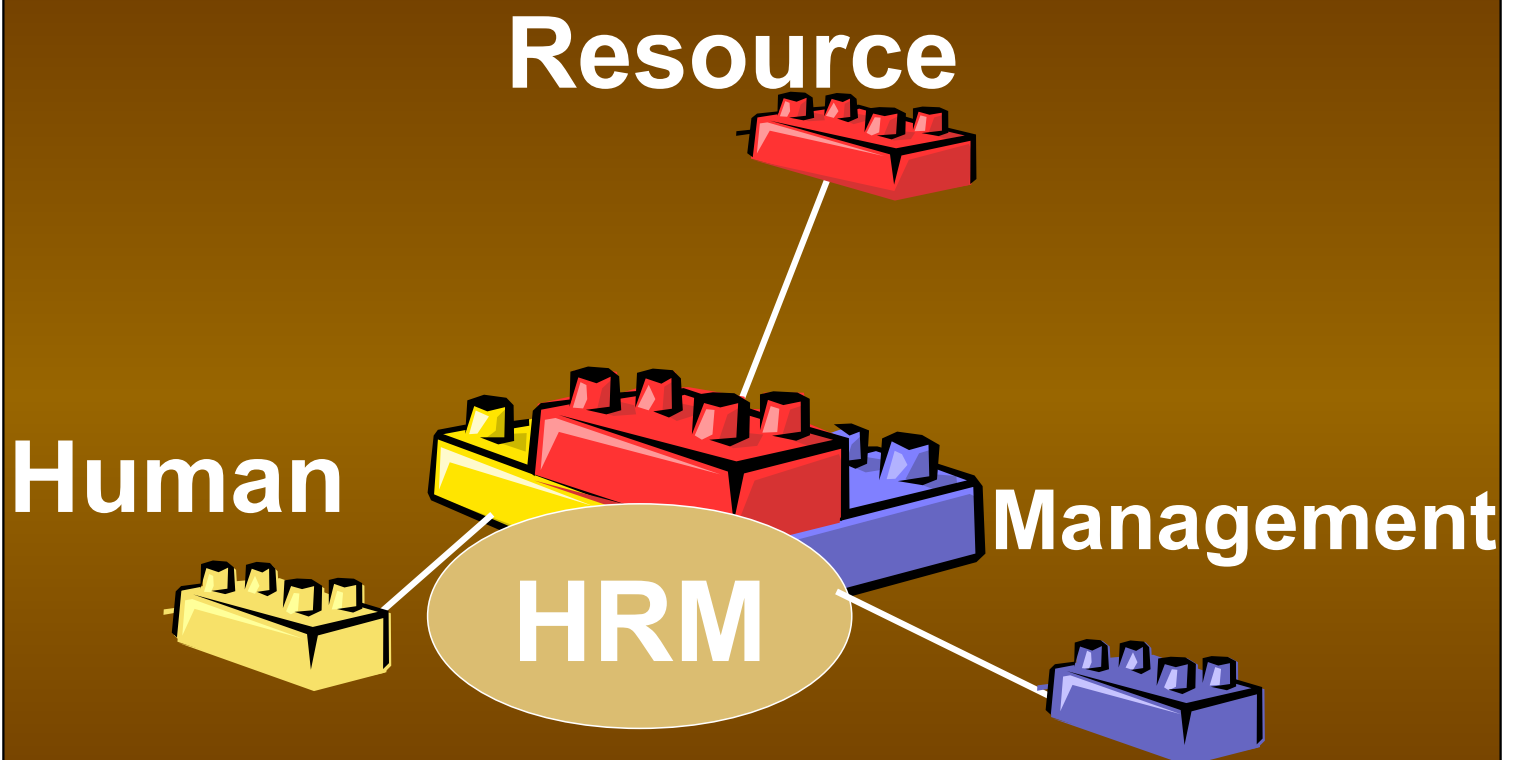


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Human Resource Management

Managerial function that tries to match an organization's needs to the skills and abilities of its employees.

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HRM

- Human
- Resource
- Management

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HRM Functions

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Why are we concerned about HRM?

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Why HRM

- Helps you get results - through others.
- Helps you avoid common personnel mistakes
- Helps you to gain Competitive Advantage

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Successful HRM

Good for....

- Organization
- Employee
- Society

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Managing Human Resources

Challenges?

- To attract
- To Develop
- To Motivate and
- To Keep talented people



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Road Map of the Course- HRM (MGT-501)

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45 Lectures

1. Introduction
2. Basic concepts of management and its relationships with HRM
3. Components of an organization
4. Concepts of people working together, Human Behavior
5. Individual vs. group behavior and Teams
6. History of HRM
7. New trends at workplace with changing environment

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45 Lectures (cont..)

- 8. Workforce diversity, pros and cons
- 9. Functions of HRM
- 10. Relationship between HR specialist and line managers
- 11. Legal and ethical issues in HRM
- 12. Human resource planning (HRP)

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45 Lectures (cont..)

- 13. Human resource information system (HRIS)
- 14. Job analysis
- 15. Job description
- 16. Job specification
- 17. Recruitment
- 18. Screening the applicants

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45 Lectures (cont..)

- 19. Selection methods
- 20. Socialization
- 21. Training & development
- 22. Career management
- 23. Career development vs. organization development
- 24. Performance Appraisal

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45 Lectures (cont..)

- 25. Appraisal error
- 26. Job evaluation and pricing
- 27. Compensation system
- 28. Incentives
- 29. Benefits
- 30. Role of money in performance of employee
- 31. Motivation

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45 Lectures (cont..)

- 32. Occupation health and safety
- 33. Stress management
- 34. Communication in organization
- 35. Trade union
- 36. Conflict
- 37. Negotiation
- 38. Power & politics

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45 Lectures (cont..)

- 39. Discipline
- 40. Employee separation
- 41. HR auditing
- 42. HR control process
- 43. Leadership in organization
- 44. International dimension of HRM
- 45. Conclusion & Review

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Enough for today

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Lecture 1

Introduction

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Lecture 2

Essential of Management

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Today's Topics

- Concepts and Essential of Management
- Management and its relationship with HRM

Management

- Manage self
- Manage others, and
- Manage the environment

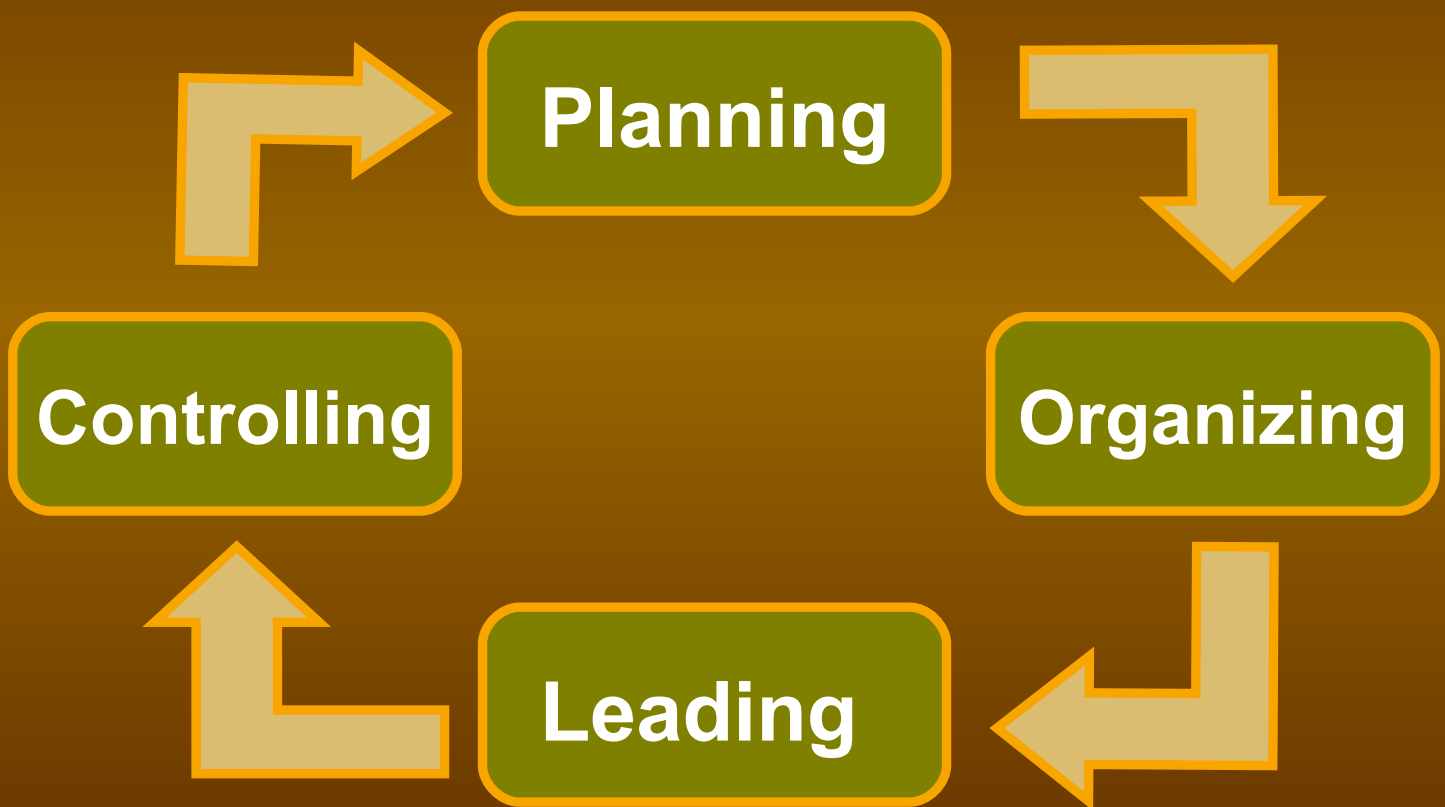
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Management - Definition

The process of **Planning, Organizing, Directing** and **Controlling** organizational resources to achieve organizational goals

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Functions of Management



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Planning

- Planning: process used by managers to identify and select appropriate goals and courses of action for an organization.
- Steps to good planning
 - 1. Which goals should be pursued?
 - 2. How should the goal be attained?
 - 3. How should resources be allocated?
- The outcome of the planning process is the organization's strategy

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Planning (cont.....)

- A process of formulating goals and developing ways to achieve them
- A management function focusing on setting organizational goals and objectives

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Organizing

- Organizing: creating the structure of working relationships between employees that best allows them to work together and achieve goals.
 - departments (according to the tasks performed)
 - lines of authority and responsibility
- The outcome of organizing is an organizational structure.

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Organizing (cont.....)

- A management function that deals with what jobs are to be done, by whom, where decisions are to be made, and the grouping of employees

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Leading

- Leading: determining direction, stating a clear vision for employees to follow, and helping employees understand the role they play in attaining goals.
 - power, influence, vision, persuasion, and communication skills
- The outcome of leading is a high level of motivation and commitment

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Leading (cont....)

- The process of using influence to motivate others to work toward accomplishing goals
- A management function concerned with directing the work of others

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Controlling

- Controlling: evaluating how well the organization is achieving its goals and taking corrective action to improve performance.
 - Monitor individuals, departments, and the organization to determine if desired performance has been reached.
- The outcome of controlling is an accurate measurement of performance and regulation of efficiency and effectiveness.

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Controlling (cont....)

- A management function concerned with monitoring activities

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The Management Process



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Organizational Performance

- **Efficiency**: A measure of how well resources are used to achieve a goal

“Doing Things Right”

- **Effectiveness**: A measure of the appropriateness of the goals chosen (are these the right goals?), and the degree to which they are achieved

“Doing the Right Things Right”

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‘Managing is like holding a dove in your hand.
If you squeeze too tight, you kill it. Open
your hand too much, you let it go’

- *T. Lasorda*

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Manager ??

Let's discuss who performs the functions of management

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Manager

- Individuals in an organization who direct the activities of others



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Manager

Someone who participates in the management process by planning, organizing, leading, or controlling the organization's resources

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Manager

- The people responsible for supervising the use of an organization's resources to meet its goals
- Someone who participates in the management process by planning, organizing, leading, or controlling the organization's resources

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Keep three balls rolling ...

- Quality
- Cost
- Customer Satisfaction



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Managerial Skills

- Conceptual skills
 - The ability to analyze and diagnose a situation and distinguish between cause and effect
- Human skills
 - The ability to, understand, alter, lead, and control the behavior of other individuals and groups
- Technical skills
 - The specific knowledge and techniques required to perform an organizational role

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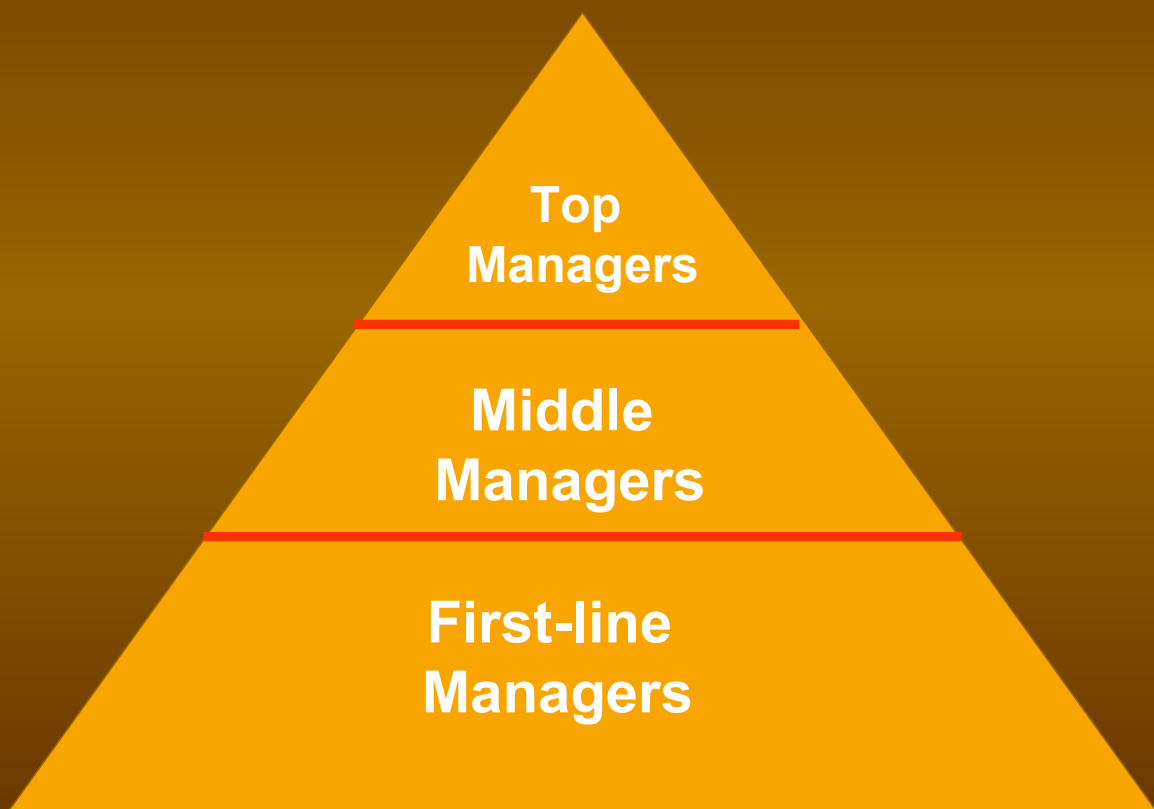
Levels of Management

What are different levels of management?

Let's discuss!

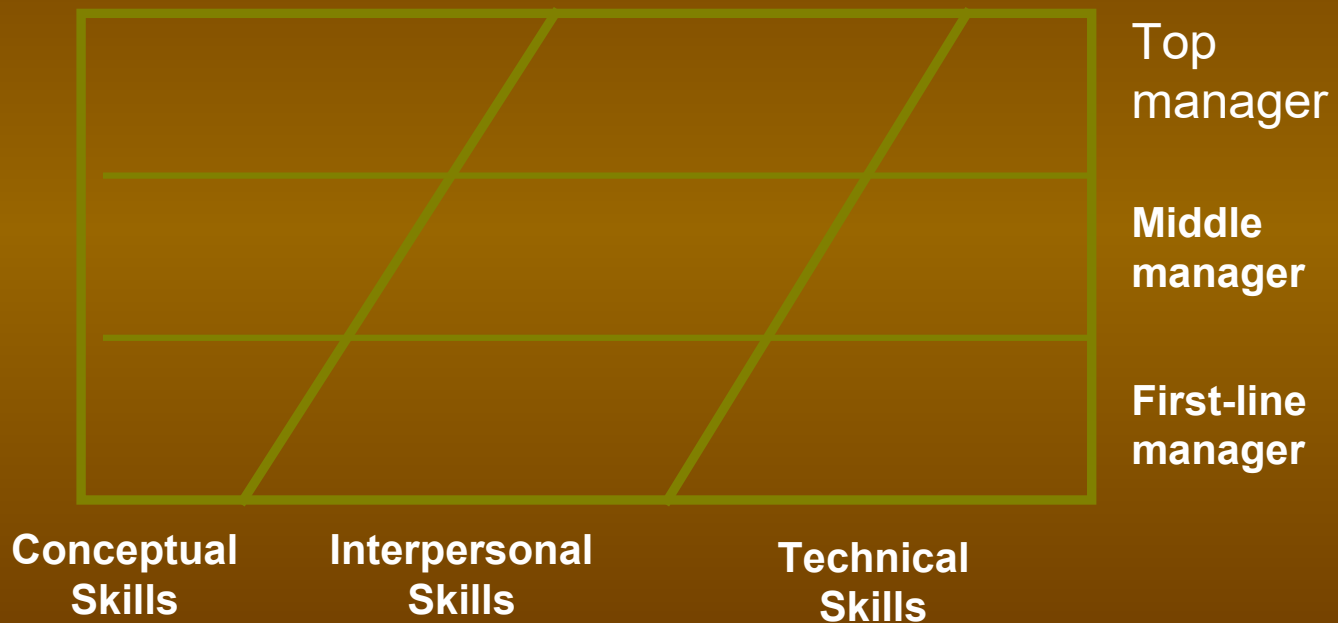
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Levels of Managers



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Managerial Skills & Managerial Level



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Managerial Roles

- Interpersonal Roles
- Informational Roles
- Decisional Roles

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BASIC MANAGERIAL ROLES AND SKILLS

1

- Interpersonal roles
 - figurehead attends activities to represent the organization;
 - leader encourages employees to improve productivity and shows them how to do it;
 - liaison coordinates the activities of two or more people, groups of people, or organizations.

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BASIC MANAGERIAL ROLES AND SKILLS

2

- Informational roles
 - monitor actively seeks information that may be of value to the organization;
 - disseminator transmits information to others in the organization;
 - spokesperson transmits information about the organization to people outside the organization.

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BASIC MANAGERIAL ROLES AND SKILLS

3

- Decisional roles
 - entrepreneur develops new ideas and initiates changes in the organization;
 - disturbance handler handles problems that arise such as strikes, copyright infringements, and energy shortages;
 - resource allocator determines who should receive the available resources and who should have access to the manager's time;
 - negotiator represents the organization in a negotiation setting such as collective bargaining for a union contract or developing an agreement with a consultant.

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Remember!

It's not enough to know about managing...
you need to be prepared to do it!

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It's Monday, go to work!



Managing People

- All managers must be concerned with activities like....
 - Staffing (hiring and firing)
 - Retention (motivating people)
 - Development (encourage & train)
 - Adjustment (alternative arrangements)
 - Managing change (burning issue of today)

Management & HRM

HR is part of Management!

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HR Professionals' Responsibilities

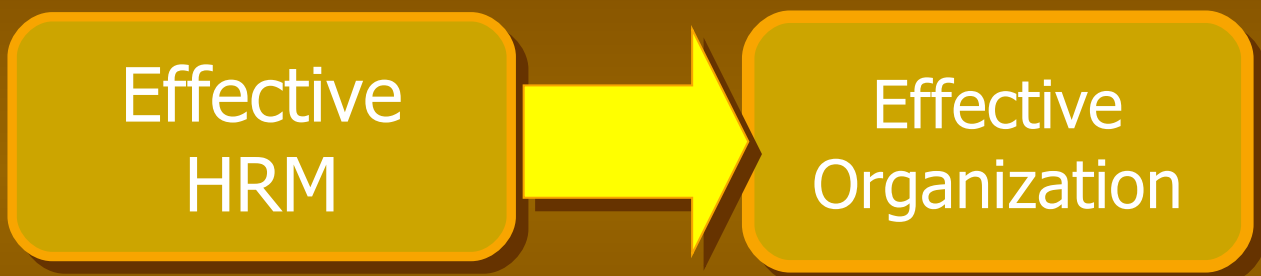
- Establish HRM procedures
- Develop/choose HRM methods
- Monitor/evaluate HRM practices
- Advise/assist managers on HRM-related activities

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HRM can help manage...

- Productivity (increasing performance)
- Operations (cohesive linking)
- Relationships (between diff. levels of mgt / dept)
- Conflict (help handling conflict)
- Stress (managing stress)
- Reward systems (help motivate people)

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Let's stop it here !

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Why is HRM important

- Every manager manages human resources
- Primary source of competitive advantages

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Why firms can use HRM to gain sustainable competitive advantages

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- Maximize the values added by employees
- Acquire rare employees
- Develop a culture that can't be copied

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Lecture 3

Organization

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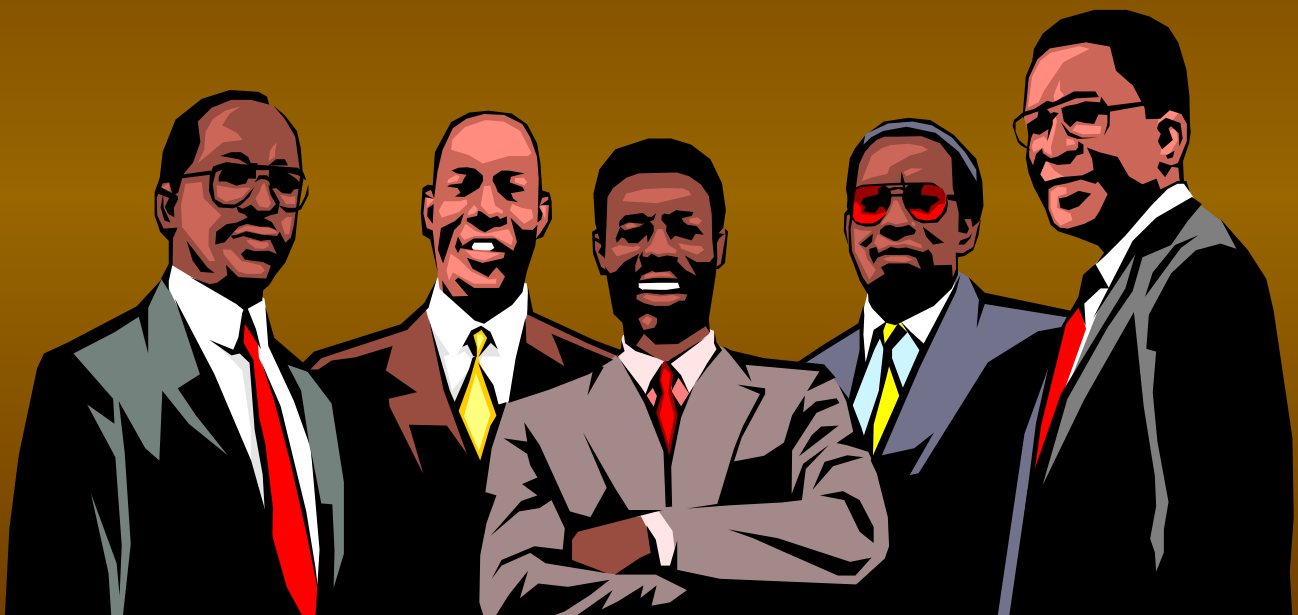
Summary of Lecture 2

Today's Topics

- Organization
- Components of an Organization

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What is an Organization?



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Organization

- A systematic arrangement of people to accomplish some specific purpose

COMSATS

Govt. Agencies

Glossary Store

VU

Hospitals

United Nations

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Organization

- A systematic arrangement of people brought together to accomplish some specific purpose; applies to all organizations—for-profit as well as not-for-profit organizations
- An organization includes two or more people with some mutual interest

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What is an Organization?

A consciously coordinated social unit, composed of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals

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What is an Organization?

- Social entities
- Goal oriented
- Deliberately structured
- Linked to the external environment

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Prerequisites to be an effective organization

- Cooperation
- Communication

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Virtually all organizations...

- Combine inputs
- To produce output

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Combine inputs

- Raw Material
- Capital
- Labor & Knowledge

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To Produce Output

- Goods
- Services

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Types of Organization

- Formal Organization
- Informal Organization

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Formal Organization

- The part of the organization that has legitimacy and official recognition

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Informal Organization

- The unofficial part of the organization

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Why to have organizations?

- Because they are more efficient than individuals acting independently

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Components of Organization

- Task
- People
- Structure
- Technology

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Task . . .



- An organization's ...
- mission,
- purpose, or
- goal for existing

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People . . .

2

- The human resources of the organization
- “Humans are People!”

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Structure . . .

3

- The manner in which an organization's work

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Span of Control

- The number of subordinates a manager can direct efficiently and effectively



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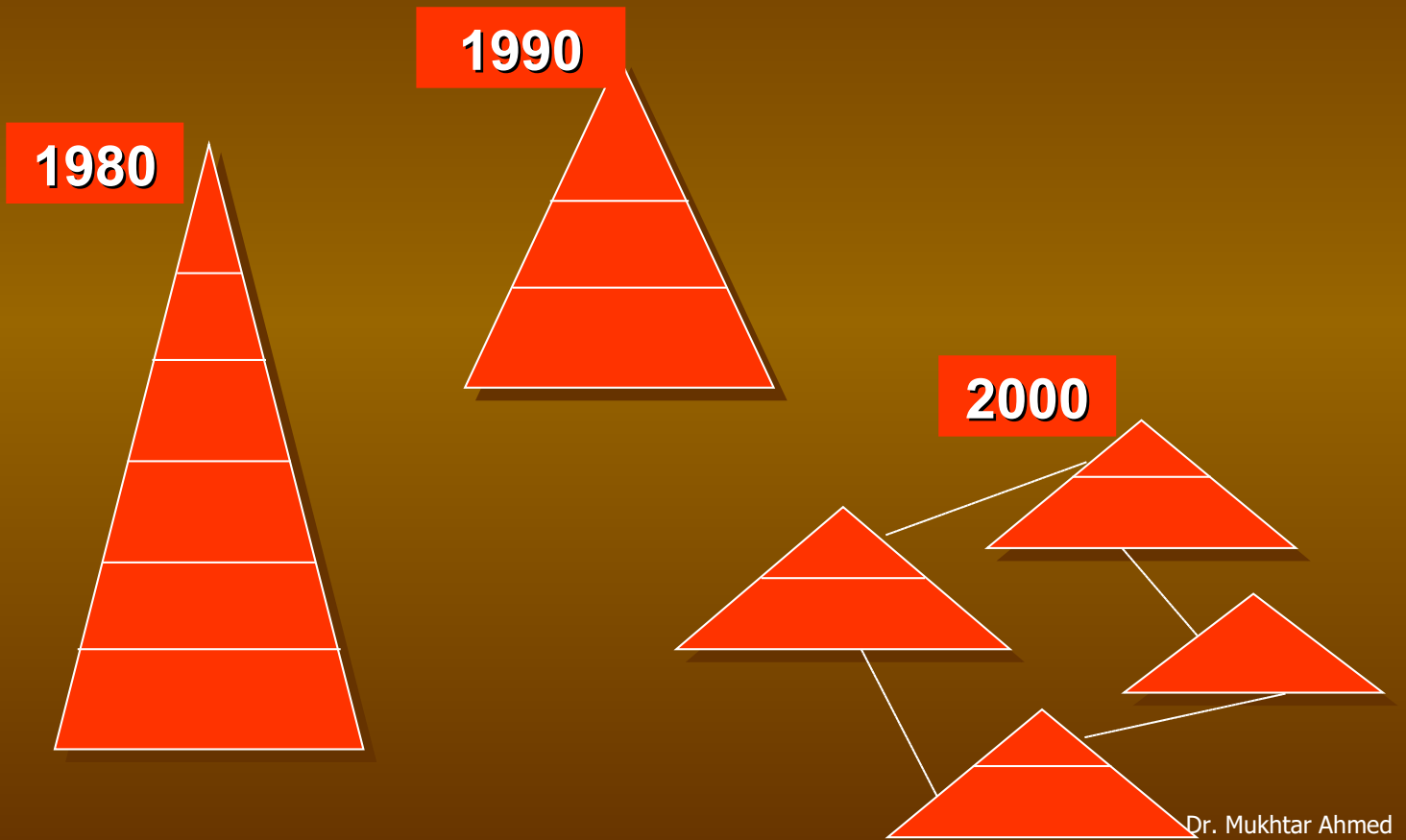
Span of Management



- The number of employees reporting to a supervisor.
- Traditional view, seven or so per manager.
- Many organizations today, 30 or more per manager.
- Generally if supervisors must be closely involved with employees span should be small.

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The Evolving Structure of Organizations



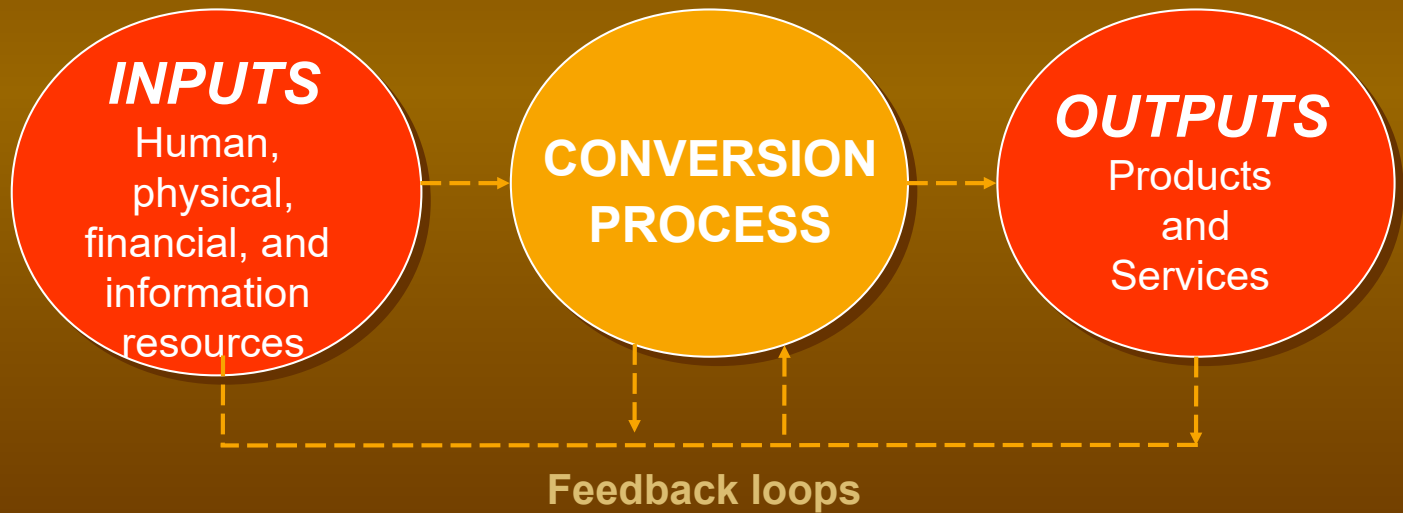
Technology . . .

4

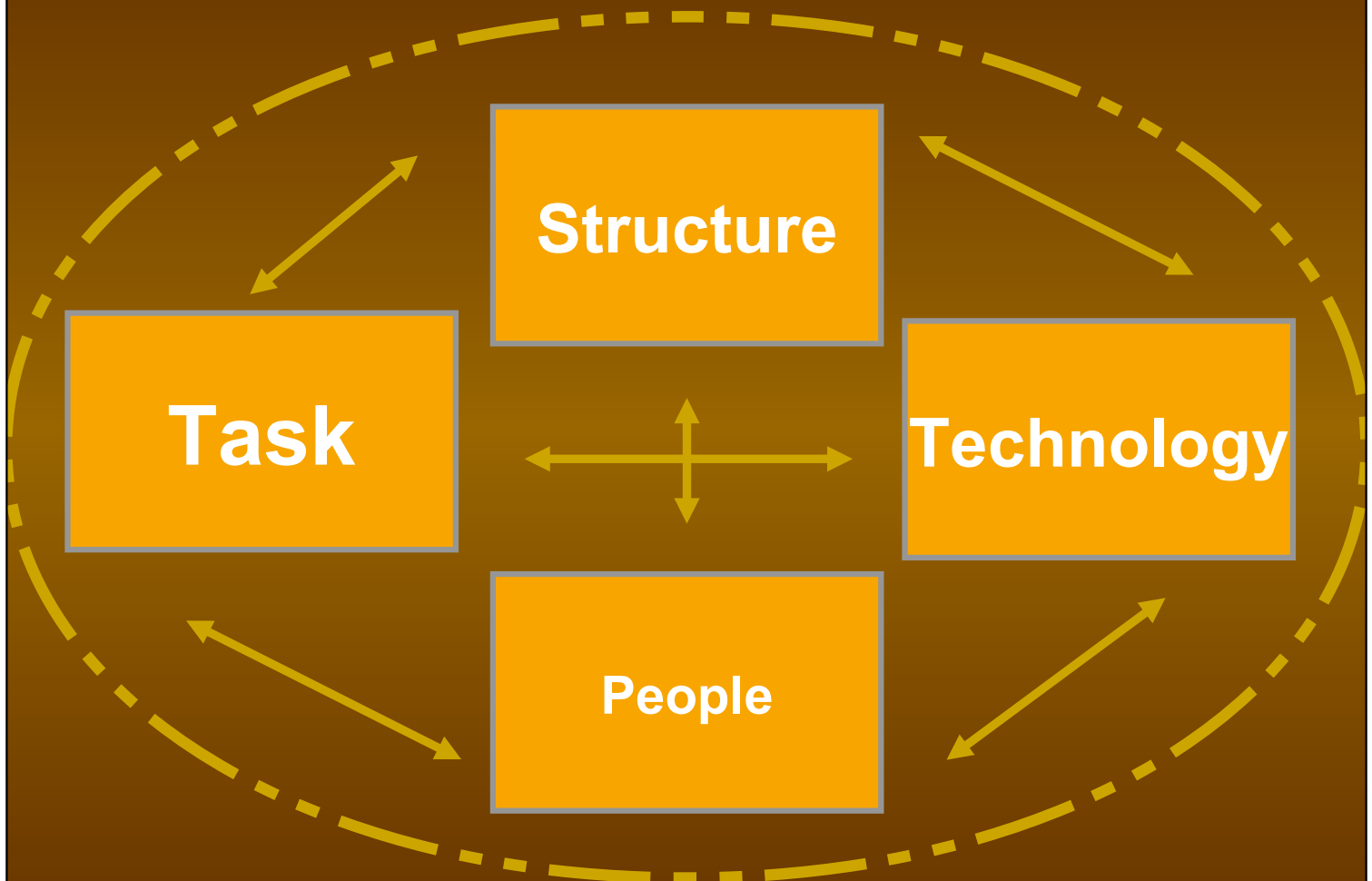
- The intellectual and mechanical processes used by an organization to transform inputs into products or services.

Organization's basic systems view

Environment



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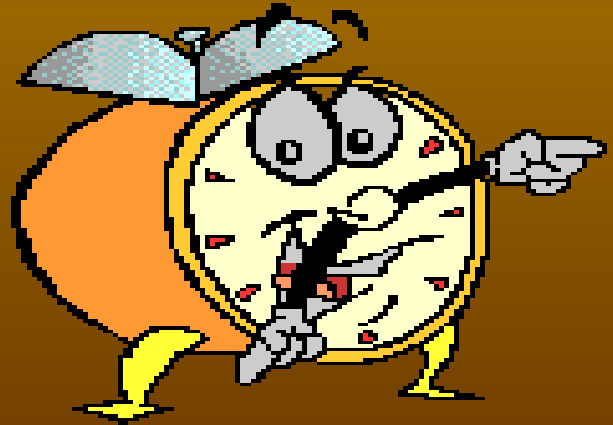
Challenges of today's organizations

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Let's Stop it here !



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Today's Summary

- What is Organization
- Components of an Organization

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Next

- Concepts of people working together
- Organizations and human behavior

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Lecture 4

Organizational Behavior

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Summary of Lecture 3

- What is an Organization
- Types of Organization
- Components of an Organization

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Today's Topics

- Concepts of people working together
- Organizations and human behavior

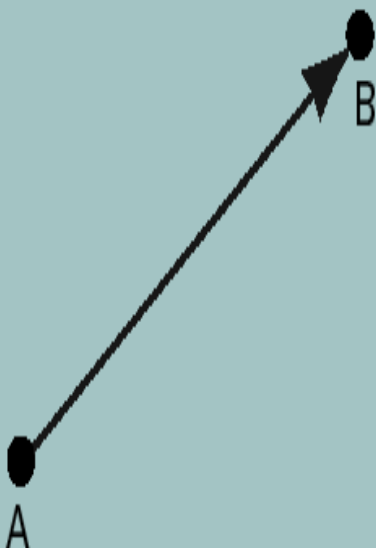
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People Working Together

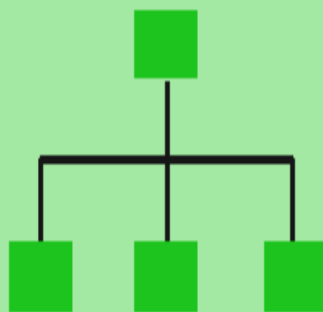
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In Organizations.....

Goals



Structure



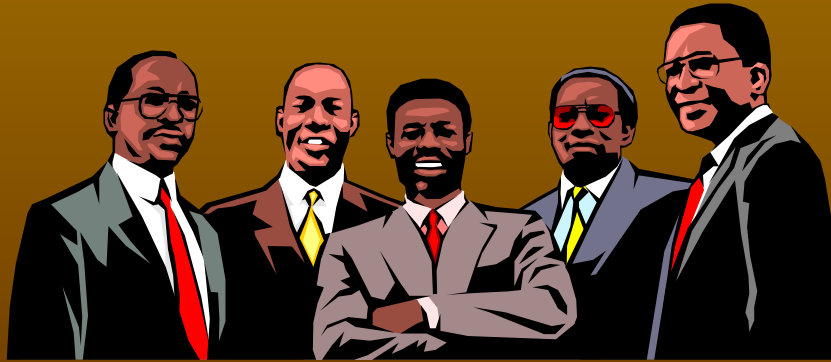
People



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Why work together?

People can be more productive when working in groups than when working alone.



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Management and Myths

What Managers can do and what Managers can't do when managing people, organizations and society.

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Why to work in organization ... ?

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Link individuals into
relationships

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**Allocate the tasks to fulfill the
objective**

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**Allocate authority to perform
individual tasks**

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Coordinate the objectives and
activities of separate units

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Organizations and Human
Behavior

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Facilitate the flow of work

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Organizational Behavior (OB)

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OB

Systematic Study of how people behave in organizations

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OB (cont...)

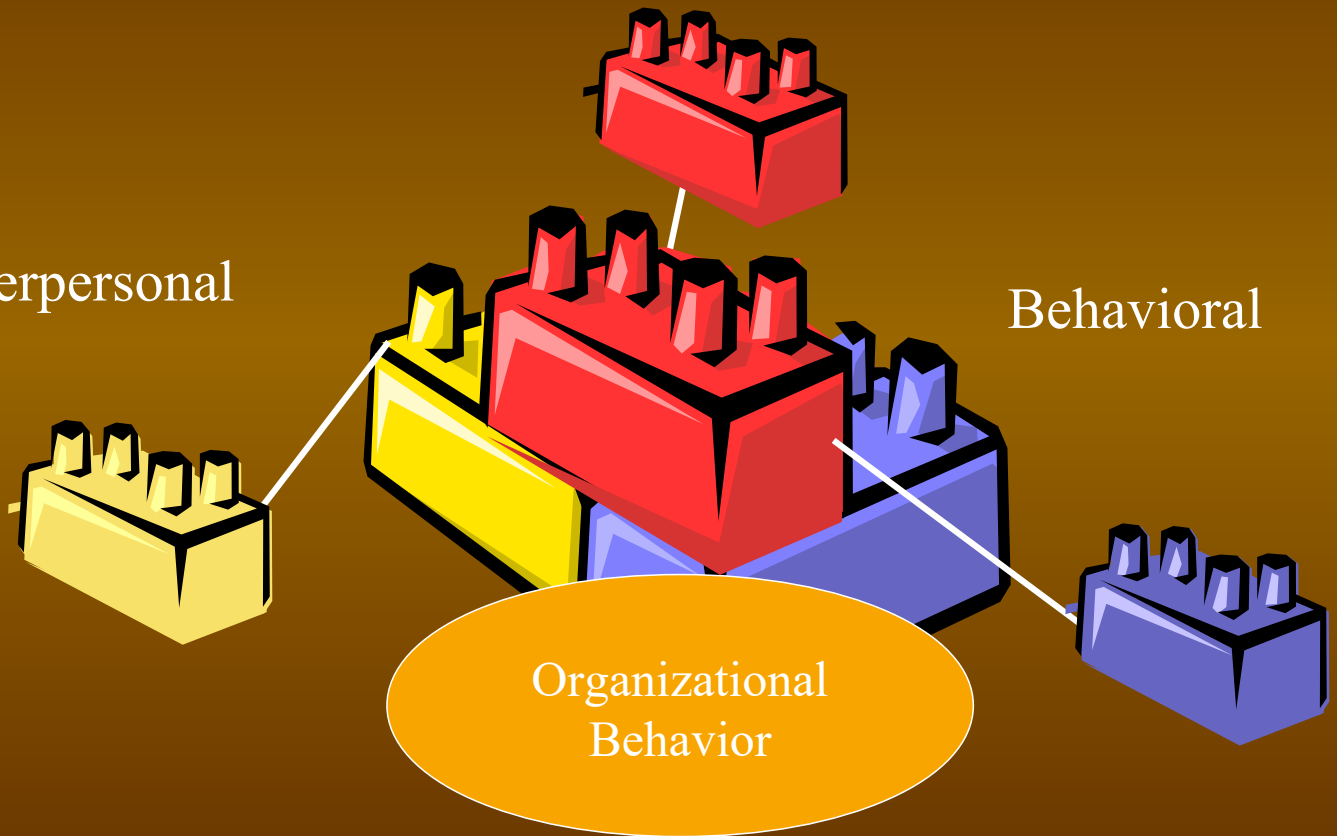
The field of Organizational Behavior has developed to help us better understand the behavior of individuals and Groups

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Psychosocial

Interpersonal

Behavioral



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Today's Summary

- Concepts of people working together
- Organization and human behavior

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Why Do We Study OB?

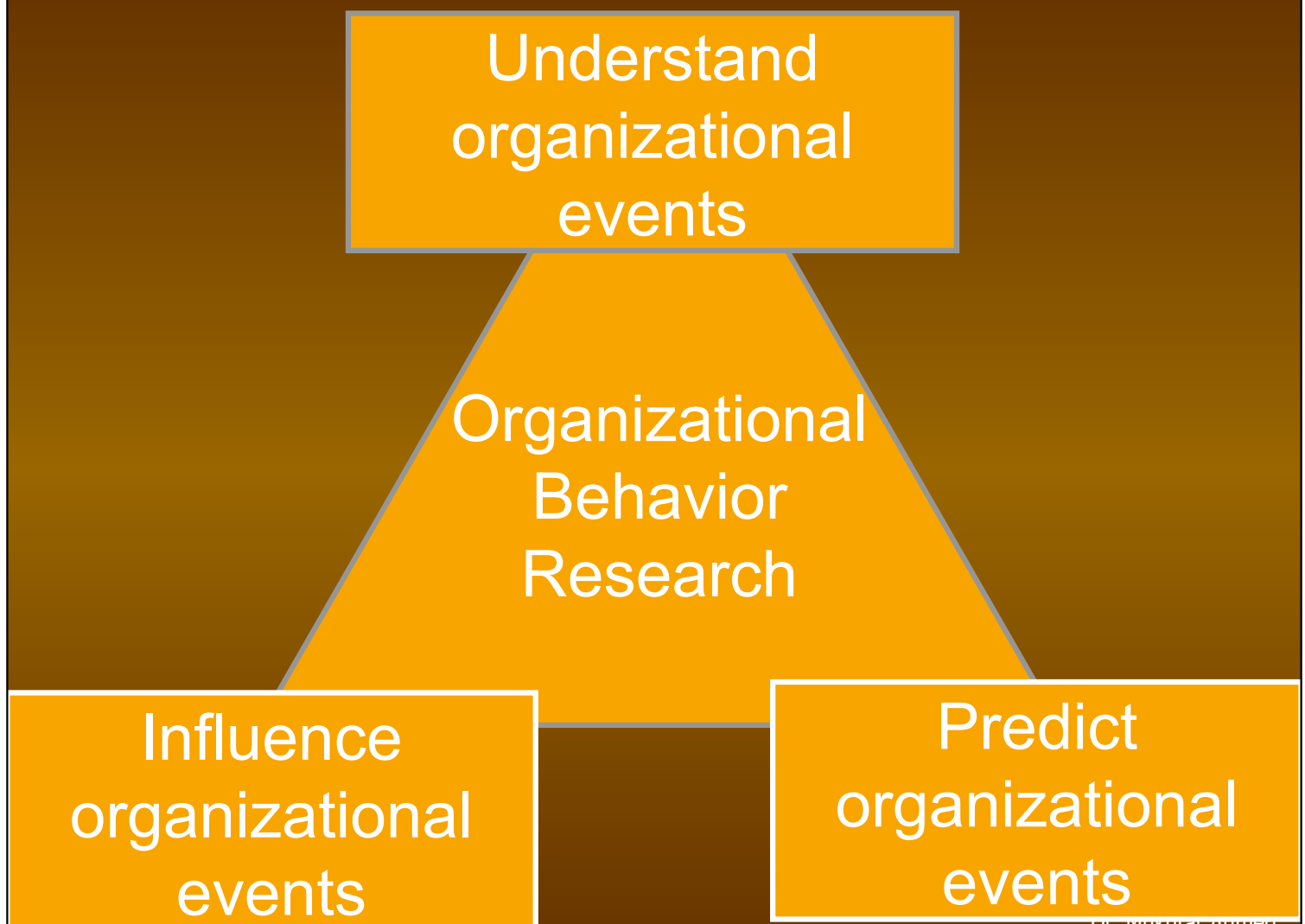
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To learn about yourself and how to
deal with others

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You are part of an organization now, and will continue to be a part of various organizations

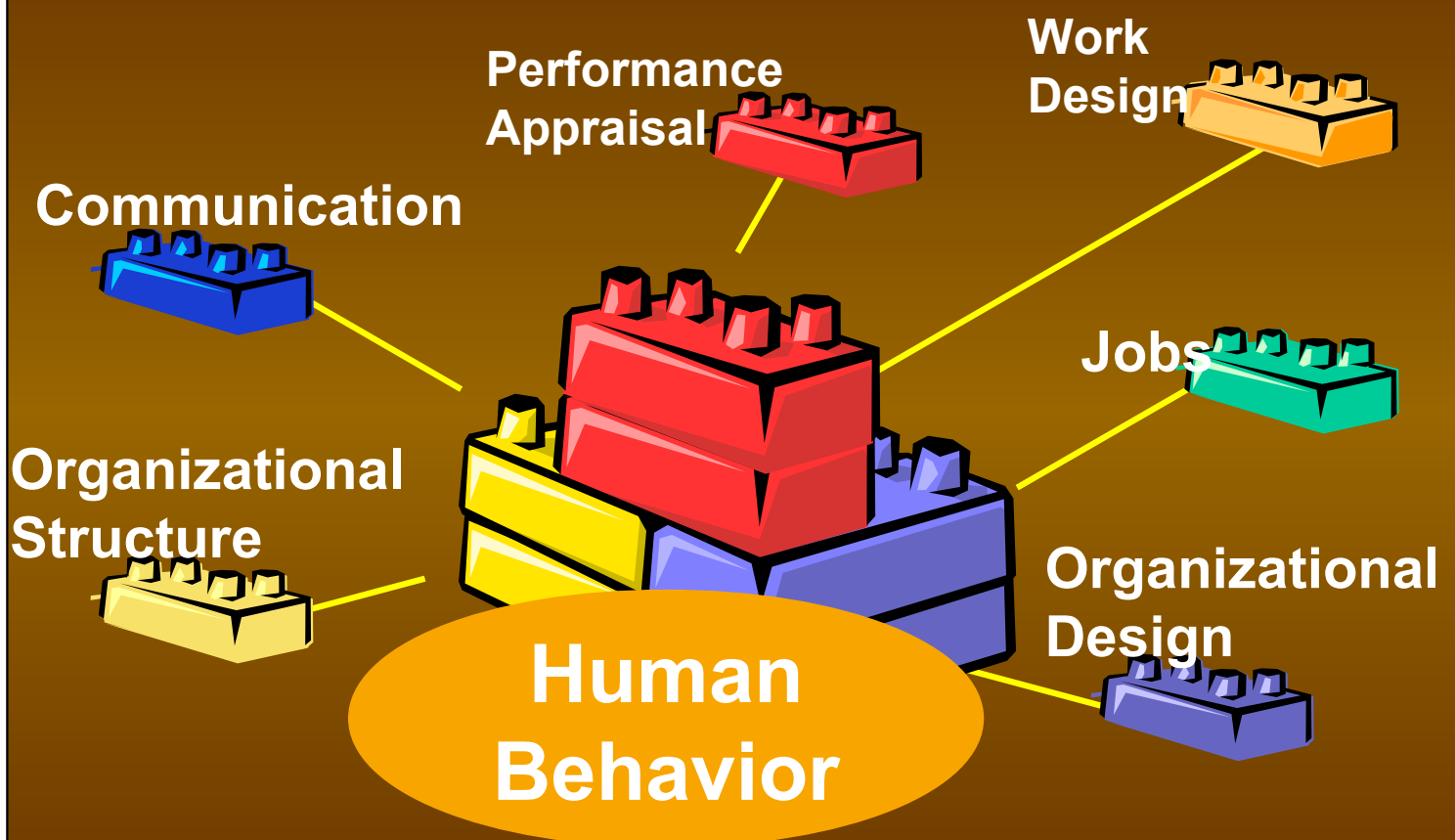
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Human Behavior

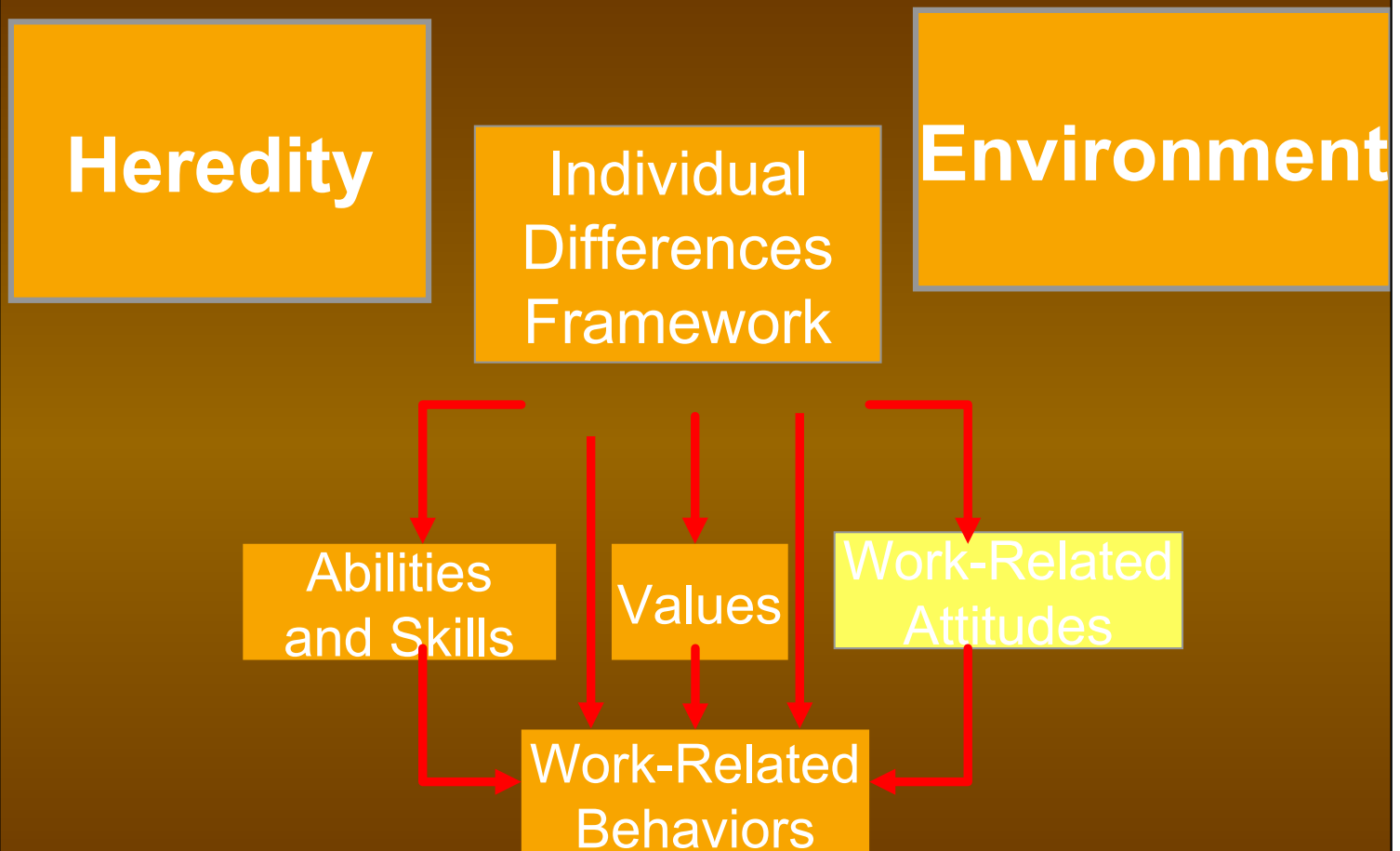
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Understanding the Basics of Human Behavior

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Variables Influencing Individual Behavior

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The Person

- Skills & abilities
 - Personality
 - Perceptions
 - Attitudes
 - Values
 - Ethics

The Environment

- Organization
 - Work group
 - Job
- Personal life

Behavior

$$B = f(P, E)$$

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Basic OB Model



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Today's Summary

- Individuals
- Groups
- teams

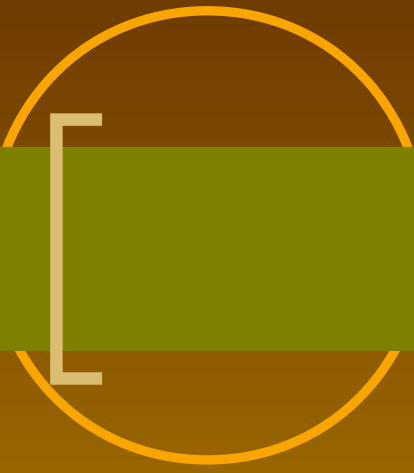
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Next

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Next....



Individual
Vs
Group behavior



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Lecture 5

Individual vs. Group Behavior

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Basic OB Model



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Next

- The Concept of Personal Management
- History of Personal Management
- Shifting from Personal Management to Human Resource Management

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Today's Summary

- Individuals
- Groups
- teams

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Summary of Lecture 4

- People working together
- Organizational Behavior
- Variable influencing individual Behavior

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Summary of Lecture 4

- People working Together

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Today's Topics

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- Individuals
- Groups
- Teams

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Individuals

A lot of athletes say they want to be part of a cohesive team—but they also want their name printed on the back of their jerseys in 6-inch-high block letters.

-S.P.Robbins

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Why focus on individuals?

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Individual differences do not dictate people's behavior. Instead, they limit a person's behavioral range, making some behavior easier than others.

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Feelings

I like my boss
I dislike my co-worker



Beliefs

I think my boss is decent
My co-worker is fool



Behavior

I support my boss & help him
I won't cooperate with my co-worker

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Groups

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Group - two or more people with common interests or objectives

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The more complex the task, the more it is non-routine and requires a range of skills, the more important group process becomes!

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$$2 + 2 = 5$$

Synergy

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$$2 + 2 = 3$$

Process losses

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Why do people join groups?

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- Security
- Status
- Social needs
- Power
- Goal Achievement

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Group Roles

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Task-oriented roles

- Initiator-Contributors
- Information seekers/givers

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Relationship-oriented roles

- Encouragers
- Harmonizers

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Individual roles

- Blockers
- Jokers

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Characteristics of a well-functioning, effective group

- Relaxed, comfortable, informal atmosphere
- Task well understood & accepted
- Members listen well & participate
- Clear assignments made & accepted
- Group aware of its operation & function
- People express feelings & ideas
- Consensus decision making
- Conflict & disagreement center around ideas or methods

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Teams



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Teams are groups with greater interdependence--shared purpose and destiny. Can be higher performing than groups, but may not be...

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Types of Teams

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**Problem-
Solving**

**Self-
Managed**

**Types of
Teams**

Virtual

**Cross-
Functional**

“It’s easy to get
players. Gettin’
‘em to play
together, that’s the hard part.”

Casey Stengel

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Turning Individuals
Into Team Players

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Selection

Training

Rewards

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Lecture 6

Personnel Management

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Summary of Lecture 5

- Why focus on Individuals?
- Groups....Why do people join groups
- Turning Individuals into Team Players

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Today's Summary

- The concept of Personnel Management
- History of Personnel Management
- Shifting from Personnel Management to HRM

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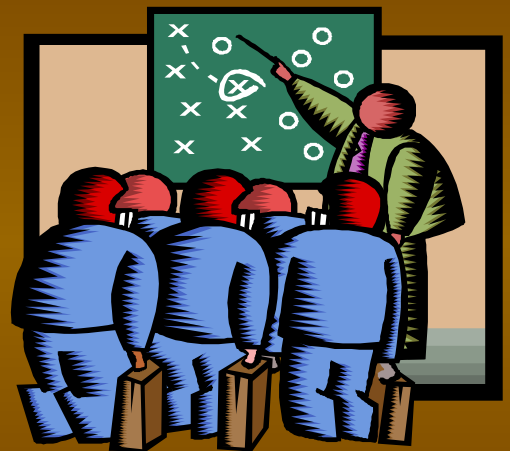
Next...

- HRM in a Changing Environment
- New trends at work place

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Lecture Outline

- The Concept of Personnel Management
- History of Personnel Management
- Shifting from Personnel Management to HRM



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Personnel Management

- Is the study of how employers obtain, develop, utilize, maintain, and retain the right numbers and types of workers

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Prior to the mid-1960s, personnel departments were perceived as the

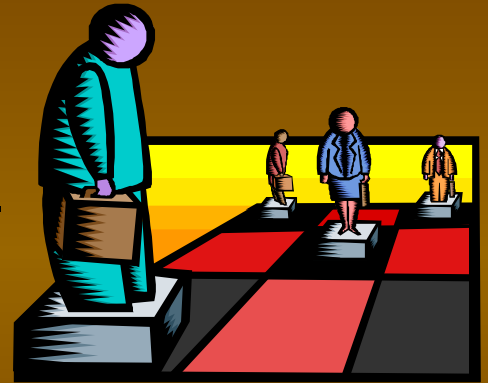
- “Health and happiness” crews



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Primary activities

- Planning company picnics
- Scheduling vacations
- Enrolling workers for health-care coverage
- Planning retirement parties



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History

- Management thinking until the 1950s
- Hawthorne studies, Western Electric Company
- Shift towards behavioral science movement in the 1950s and 1960s.
- In 1970s , the job of the HR manger was prepare policies and rules & regulation to keep their companies out of court.
- From the 1970s onwards, change was the primary concern
- The emergence of HRM was part of a major shift in the nature and meaning of management towards the end of the 20th century.
- Organizations changed with Time

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Primary Concern

<u>Time Period</u>	<u>Primary Concern</u>
■ Before 1900	Production Technologies
■ 1900 - 10	Employee Welfare
■ 1910 - 20	Task Efficiency
■ 1920 - 30	Individual Differences
■ 1930 - 40	Unionization, Productivity
■ 1940 - 50	Economic Security
■ 1950 - 60	Human Relations
■ 1960 - 70	Participation, Employment Laws
■ 1970 - 80	Task Challenge, QWL
■ 1980 - 90	Employee Displacement
■ 1990 - 2000	Productivity, Efficiency, Quality
■ 2000 -	? ? ? ?

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Shifting from personnel management to HRM

- 1940's-50's Mechanistic period
- 1960's – 70's Legalistic period
- 1980's Organistic period
- 1990's Strategic period
- 2000+ Catalytic period

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Mechanistic period 1940's-50's

- Manufacturing was the driver of industry, and HR was performed in a mechanical way.
- Known as Personnel or Industrial Relations.
- Human Asset is seen as a commodity (Frederick Taylor)

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Legalistic period 1960's – 70's

- Unprecedented amount of legislation begins the trend toward regulation of workplace beyond union rules.
- Profound change in role of HR – becomes complex and impacting.
- Legislation focused on Human Relations.
- Extensive management time spent in negotiation.

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Organistic period – 1980's

- Tremendous organizational change downsizing, etc. – throws workplace into chaos.
- Rapid and constant change.
- Increasing diversity, work & family issues.
- HR carrying out directives – not strategic.

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Strategic period 1990's

- Strategic planning allows a more orderly approach to corporate change and organizational growth.
- Organizational change is a way of life.
- TQM and Re-engineering are commonly heard words.
- HR becoming truly strategic function.
- Simplification and delegation.

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Catalytic period 2000+

- What is the emerging role of Human Resources?
- More mergers and acquisitions – change agents.
- Increased international exposure – workforce needs to be comfortable in and with other cultures.
- Employees increasingly selective in career choices.

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- Teams a way of life.
- HR professionals are visionary, global and customer focused.
- HR serves a business consultant.

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**For simplification we can
divide the development of
personnel to HR
management into three
different stages**

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Stages of HRM/personnel development

STAGE 1



```
graph TD; A([STAGE 1]) --> B[Records and administration]; B --- C[Admin. Service Manager]
```

**Records and
administration**

Admin. Service Manager

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Stages of HRM/personnel development

STAGE 2



**Regulative
accountability**

Contracts Service Manager

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Stages of HRM/personnel development

STAGE 3



**Competitive
Advantage**

Strategic Manager

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Differences

Based on
emphasis and
approach rather
than one of
substance.



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Why the Emphasis Today on Strategic Role of HR?

Recognition of the Competitive
Advantage that May be Derived
Through People



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Enough for today...

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Human Resource Management – MGT - 501

Lecture 7

HRM in Changing Environment

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Summary of Lecture 6

- Personnel Management
- History of Personnel Management
- Shifting from Personnel Management to HRM

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HRM in a Changing Environment

- The Challenges
 - Environmental Challenges
 - Organizational Challenges
 - Individual Challenges

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Environmental Challenges

- Rapid change
- Globalization
- Technology
- Workforce diversity



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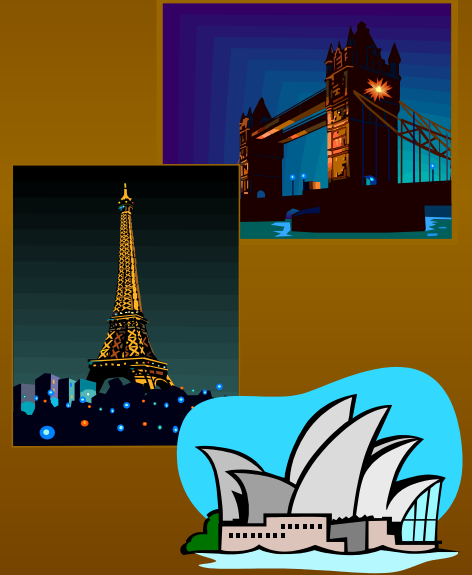
Environmental Challenges (cont..)

- Trends in the nature of work
- Skill shortages and the rise of the service sector
- Evolving work and family roles

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Organizational Challenges

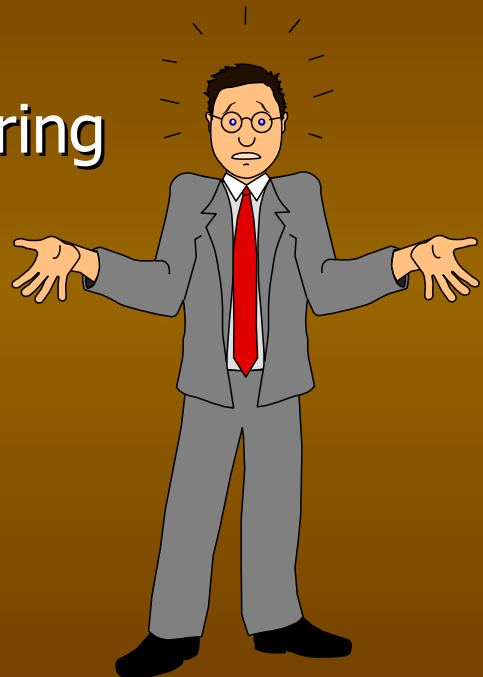
- Controlling costs
- Improving quality
- Paperless Organizations



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Organizational Challenges (cont..)

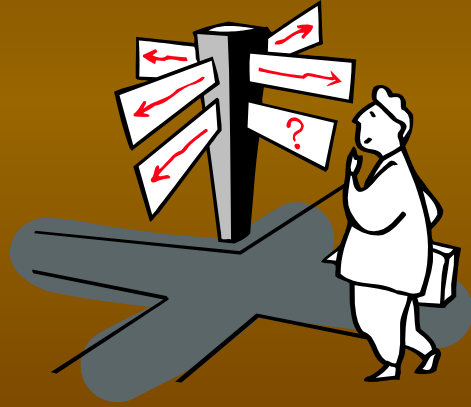
- Downsizing
- Organizational Restructuring
- Outsourcing



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Individual Challenges

- Productivity
- Social responsibility
- Empowerment
- Brain drain
- Job insecurity



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New trends at work place

- Education
- Work time
- More options
- Standard of living
- Expectations & demand



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New trends at work place (cont..)

- Diversity and gender issues at work place
- QWL
- TQM



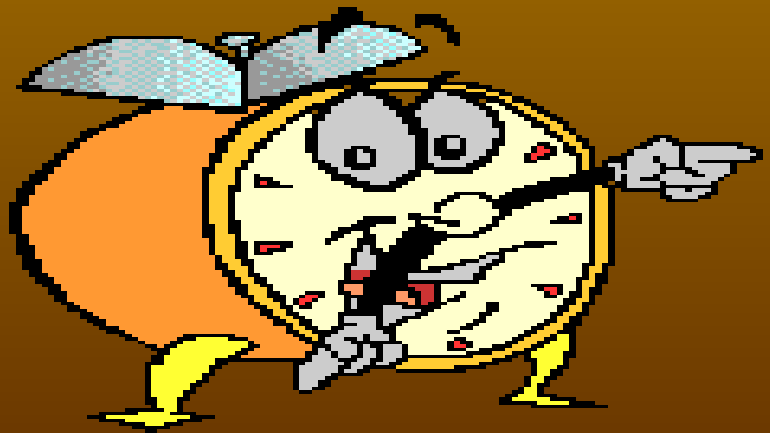
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- Quality of Work Life (QWL): To create a work space that enhances employee wellbeing and satisfaction. The general goal of QWL program is to satisfy the employee needs.
- Total Quality Management (TQM): The sum of all activities involved in getting high-quality products into the market place.



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Let's stop it here



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Lecture 8

Workforce Diversity

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Summary of Lecture 7

- HRM in a Changing Environment
- New trends at work place

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Continued

- Education
- Religions
- Culture

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Summary of today's lecture

- Work Force

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Lecture Outline

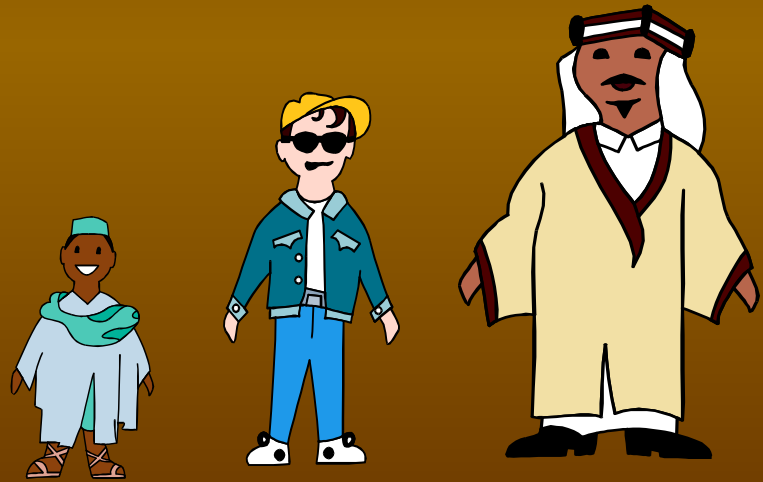
- Work force diversity
- Sources of work force diversity
- Managing the diversified work force



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What is Diversity

- Human characteristics that make people different from one another



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Reasons diversity become dominant activity in managing HR

- The shift from a manufacturing economy to a service economy
- Globalization of markets
- New business strategies that require more teamwork
- Mergers and alliances that require different corporate cultures to work together
- Changing labor market

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Why Diversity?

- Greater creativity
- Better problem solving
- Greater system flexibility



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- Diversity as an asset
- Work Force Diversity



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Sources of work force Diversity

- Racial & Ethnical Groups
- Older Workers
- Gender
- Education
- Religions
- Culture



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Accommodating women in the workforce is not just “the right thing to do,” but the economically smart thing to do

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Managing the diversified work force

- The set of activities involved in integrating diverse employees into the work force and using their diversity to the firm's competitive advantage.
- Top Management commitment to valuing diversity

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Managing the diversified work force

- Diversity Training
- Support groups
- Organized activities
- Establish mentoring programs
- Research

"If you don't
value diversity,
you can't
manage it."
Xerox

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Challenges in Managing Employee Diversity

- Individual versus Group Fairness
- Resistance to change
- Group cohesiveness and interpersonal conflict
- Segmented communication networks
- Resentment
- Backlash
- Competition for Opportunities

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Let's stop it here



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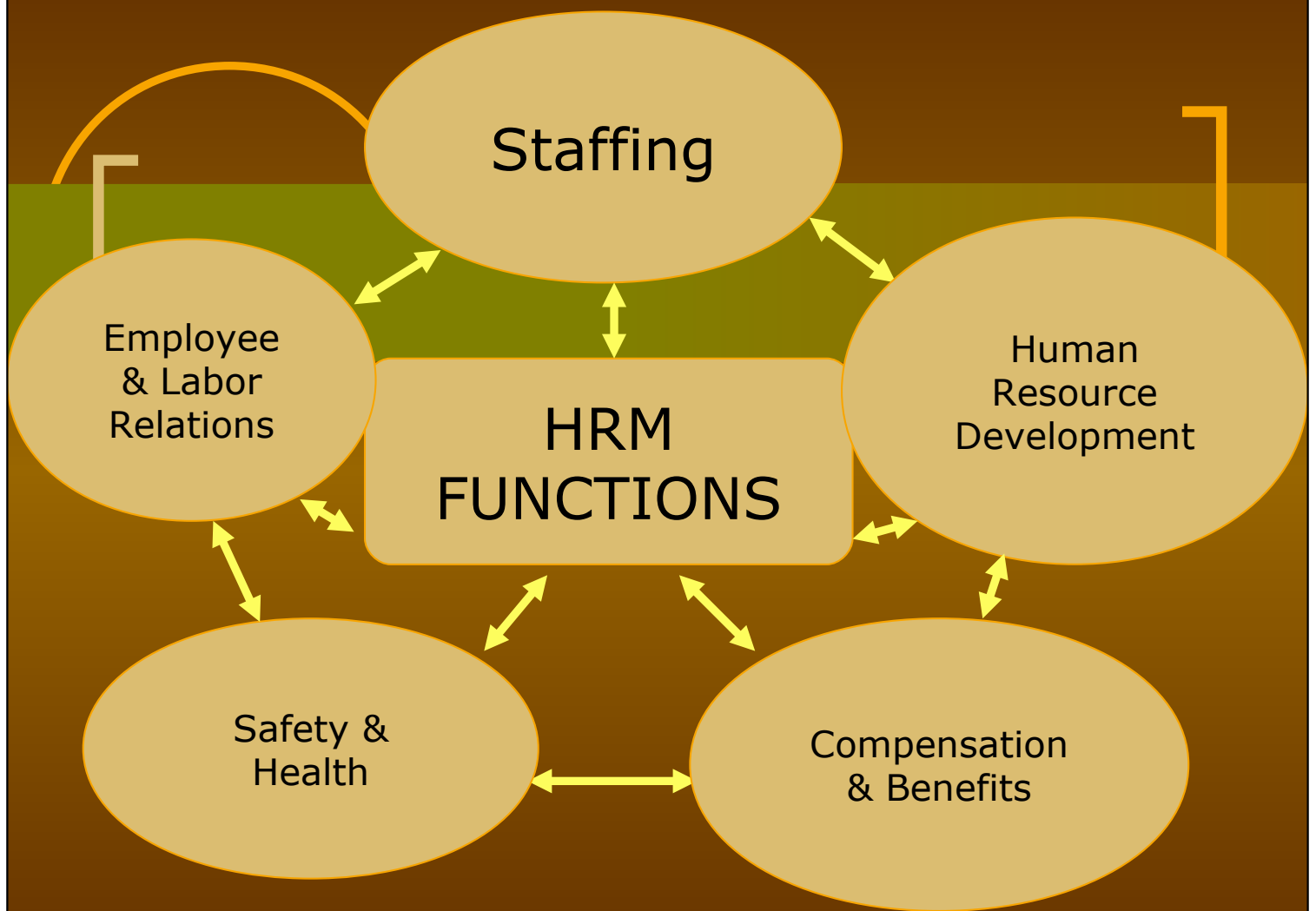
Human Resource Management – MGT - 501

Lecture 9

Functions of HRM

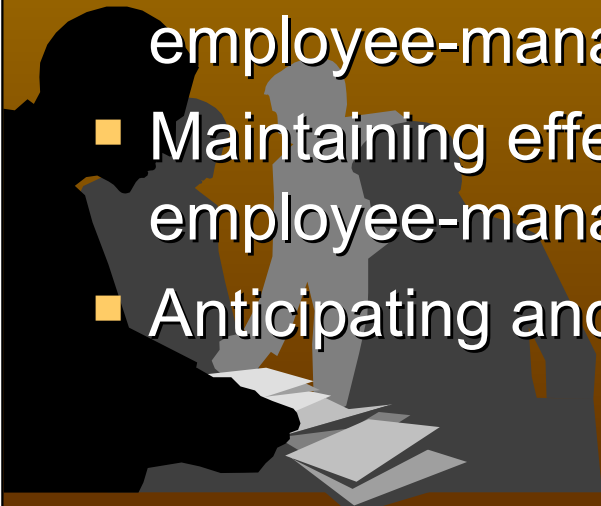
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Human Resource Management Core Functions



The functional areas of HRM

- Planning and selection
- Measuring performance and employee development
- Maintaining effective employee-management relations
- Maintaining effective employee-management relations
- Anticipating and coping with change



1. Planning and selection

- Forecasting & planning
- Job analysis & job description
- Recruiting & screening
- Testing & interviewing
- Human resource information systems

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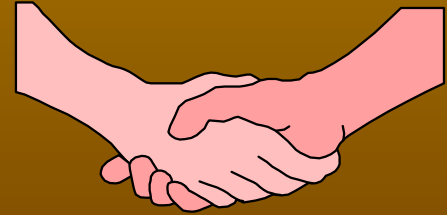
2. Measuring performance and employee development

- Performance appraisals
- Analyzing training needs
- Conducting training programs
- Evaluating program effectiveness
- Career counseling and development

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3. Maintaining effective employee-management relations

- Developing equitable compensation systems
- Collective bargaining
- Resolving grievances



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4. Uncovering and resolving employee problems

- Assessing employee stress
- Employee motivation systems
- Employee assistance programs (EAPs)

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5. Anticipating and coping with change

- Implementing fair employment legislation
- Conducting research to evaluate current Human Resource Management practices
- Anticipating future HRM trends

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The HR function in
organizations of various sizes

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HR in Small Businesses

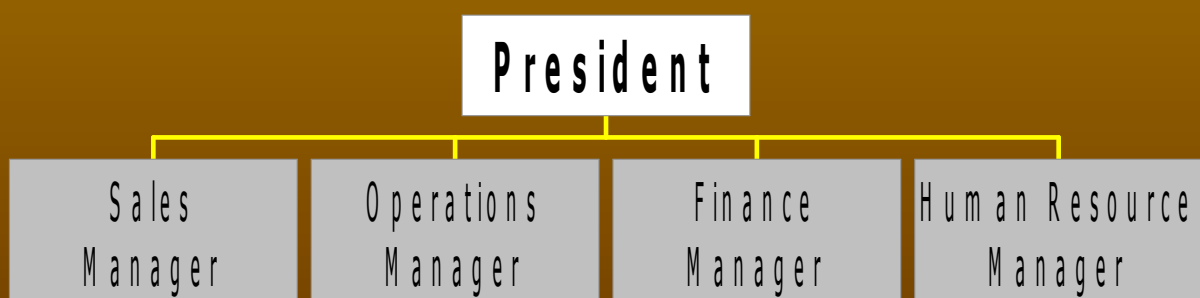
- Seldom have a formal HR unit
- Other managers handle HR functions
- Focuses on hiring & retaining capable employees



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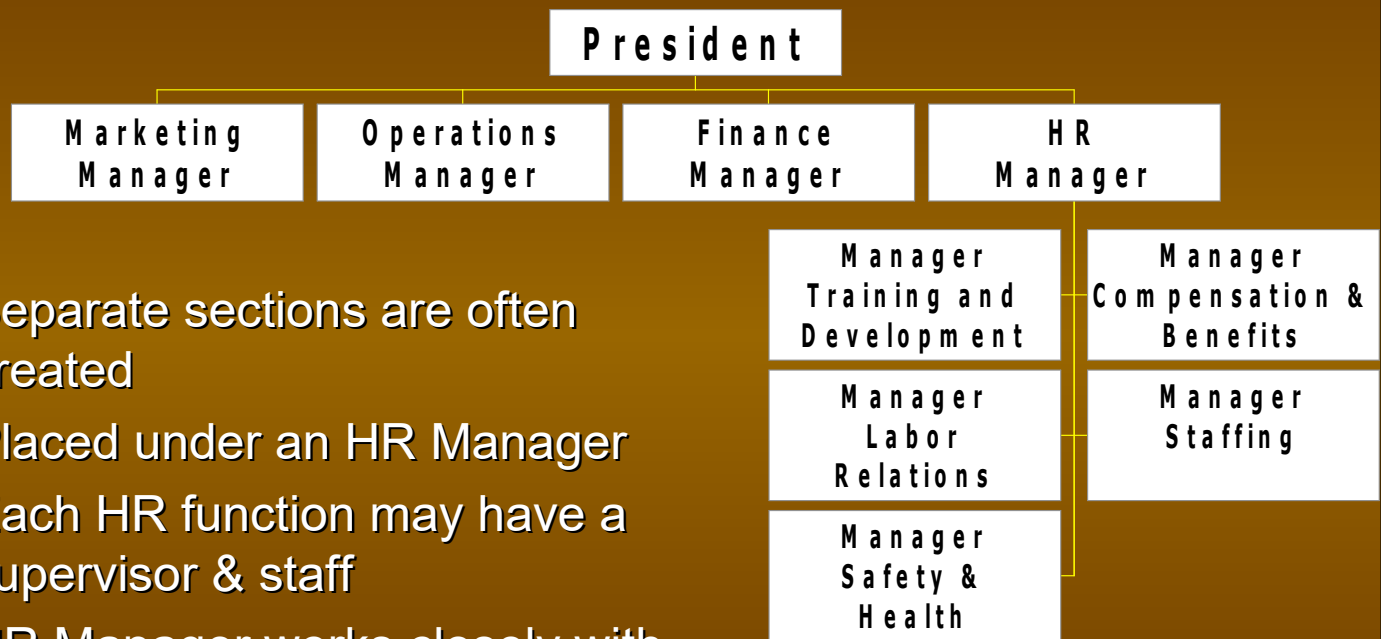
HR in a Medium-Sized Firm

- Little specialization
- HR manager is essentially the entire department



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Traditional Human Resource Functions in a Large-Sized Firm



- Separate sections are often created
- Placed under an HR Manager
- Each HR function may have a supervisor & staff
- HR Manager works closely with top management in formulating policy

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A New and Evolving HR Organization for Large-size Firms (1/2)

- Performance in Five functional areas
- Outsource
- Shared service centers
- Line managers have more HR authority

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A New and Evolving HR Organization for Large-size Firms



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HR's Evolving Role

Protector & Screener

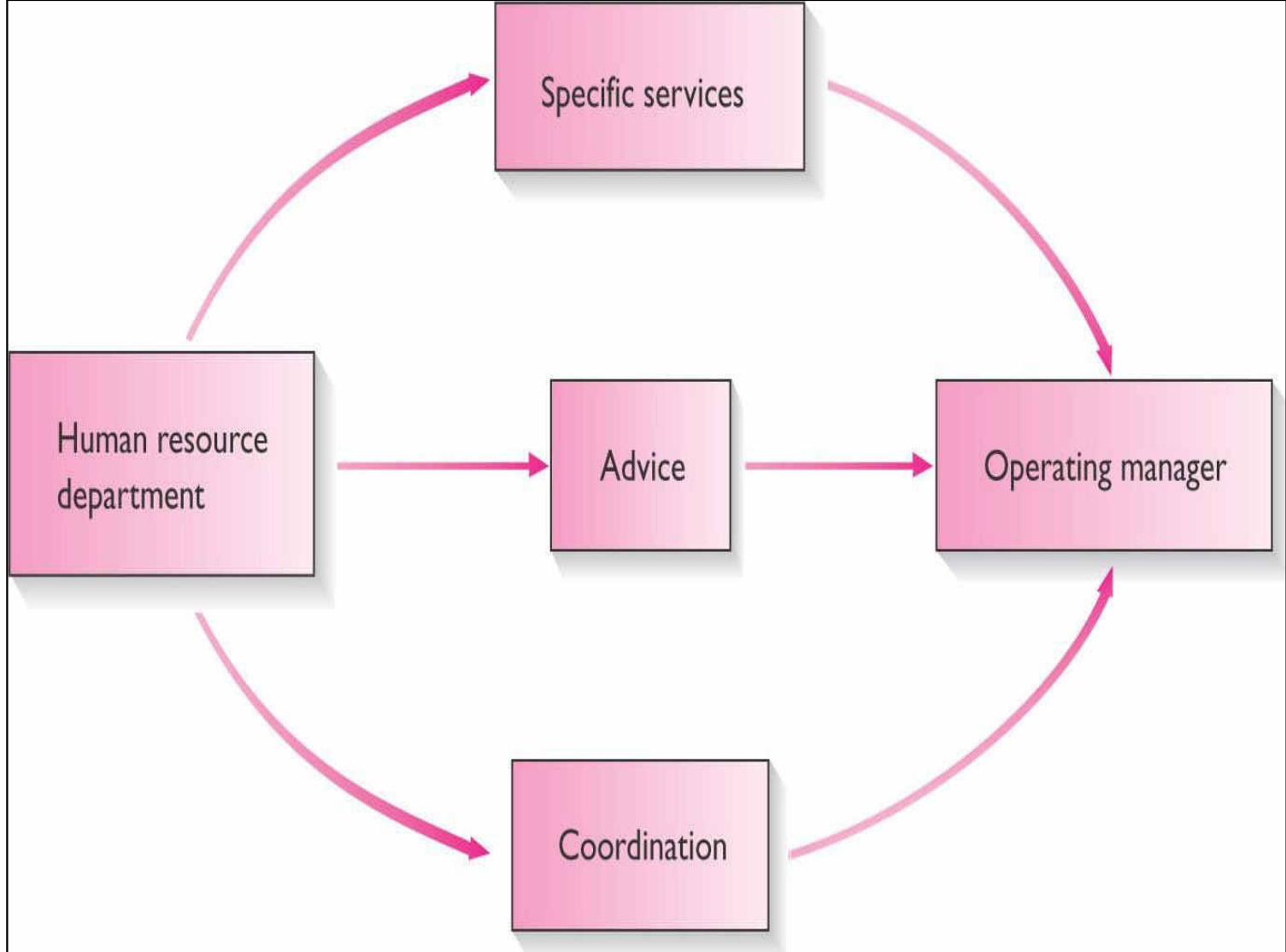


Change agent

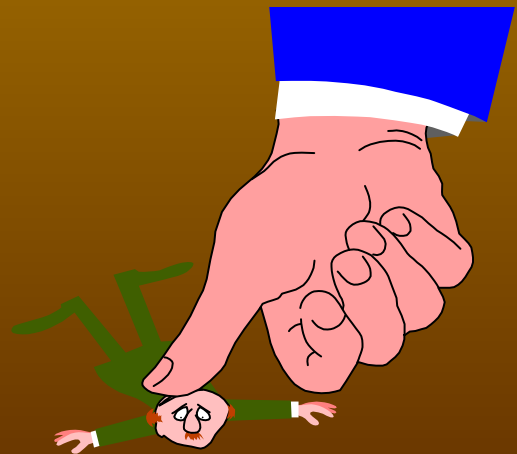
&

Strategic partner

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What Influences the Practice of HRM?



External Influences

- State of the economy
- Competition for product and labor markets
- Government laws, regulation, and public policy
- Characteristics of the labor force
- Technology

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Internal Influences

- Unions
- Characteristics of HRM activities
- Attitudes of managers

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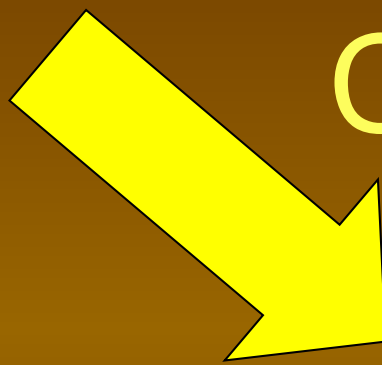
Human Resource Management

Lecture-10

Functions of today's HRM



Protector
and
screener

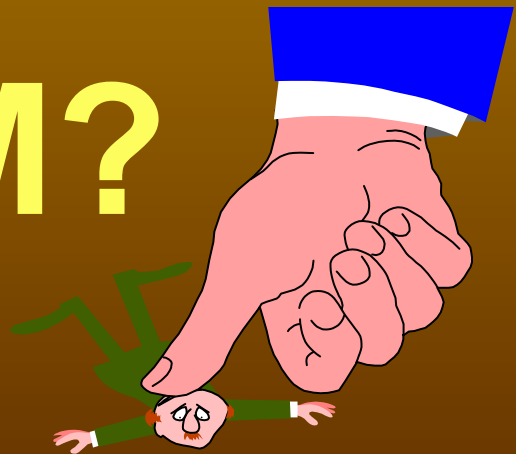


Change
agent

Strategic partner

The human resource function in organizations of various sizes

What Influences the practice of HRM?



Today's Topics

**Line and
staff aspects
of HRM**

Today's Topics

- ◆ **Line and staff aspects of HRM**

All managers are, in a sense, HR Managers

The duties of HR manager
and his/her staff relates to
“line” managers’ HR duties

**Line versus
Staff authority**

Authority



Making decisions



Directing work



Giving orders

Types of authority

 **Line authority**

 **Staff authority**

 **Functional authority**

Types of authority

- ◆ **Line authority**
- ◆ **Staff authority**
- ◆ **Functional authority**

Line authority

Right to make
decisions and to give
orders to subordinates

Staff authority

Right to advice or
assist those who
possess line authority

Functional authority

Right to give orders within a segment of the management system in which the right is normally non-existent

Line Manager

A manager who is authorized to direct the work of subordinates and responsible for accomplishing the organization's goals

Line Managers

- 👍 **Accomplishing goals**
- 👍 **Authorized to direct the work of subordinates**
- 👍 **They are always someone's boss**

Staff Manager

A manager who
assists and
advices line
managers.

**Line Manager's
HRM Jobs**

Placing the
right person
for right job

Starting new
employees in
the organization
(orientation)

Training

**Improving Job
performance of
each person**

Gaining Creativity

**Developing
working
relationships**

**Policies and
procedures**

**Controlling
labor costs**

**Developing the
abilities of each
person**

**Maintaining
morale**

**Protecting
employees' health
& physical
condition**

**Staff Manager's
HRM Jobs**

**HR manager
carries out three
distinct functions**

1. Line function



Line authority



Implied authority

**2. A coordinative
function**



Functional control

3. Staff (service) function

.....

👍 HR Executives

👍 HR Generalists

👍 HR Specialists

Characteristics of an HR Executive

- 👍 **Performs one or more HR functions**
- 👍 **A top-level manager**
- 👍 **Reports directly to the corporation's CEO**

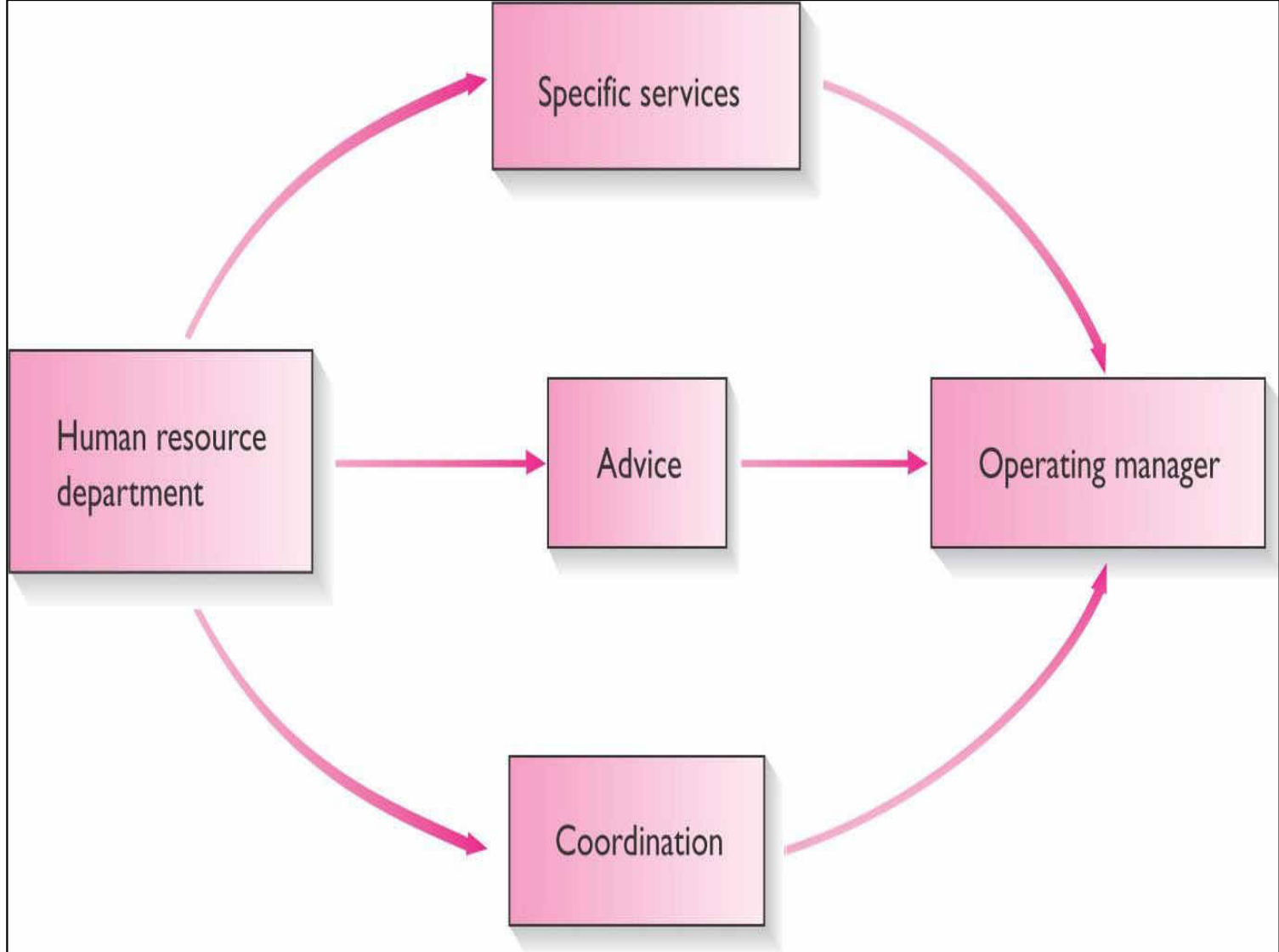
Characteristics of an HR Generalist

- 👍 Often an executive
- 👍 Performs tasks in various HR related areas
- 👍 Involved in several or all of the five HRM functions

Characteristics of an HR Specialist

👍 May be an HR executive, manager, or non-manager

👍 Typically concerned with only one of the five functional areas



HR Department

Exist to assist the organization, its managers and its employees.

**HR is a service
department**

(staff authority)

**The use of line, staff and
functional authority results
in a dual responsibility for
HR management**

Summary

**Line and
staff aspects
of HRM**

Selection

Training

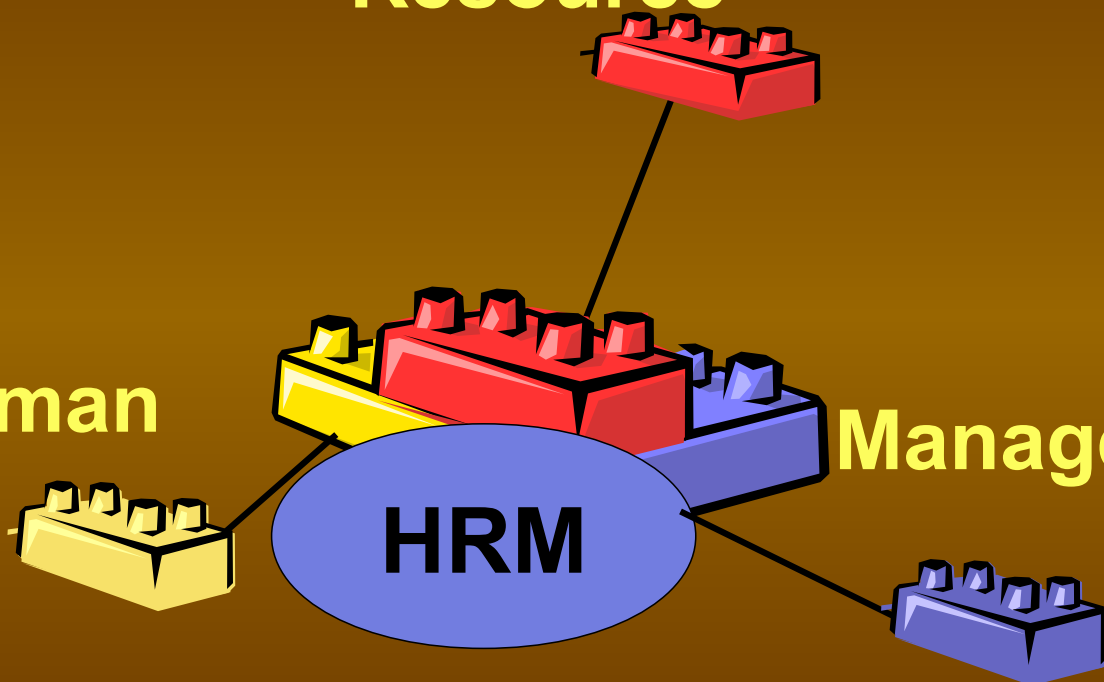
Rewards

Resource

Human

Management

HRM



Legal context of HR decisions

Human Resource Management

Lecture-10

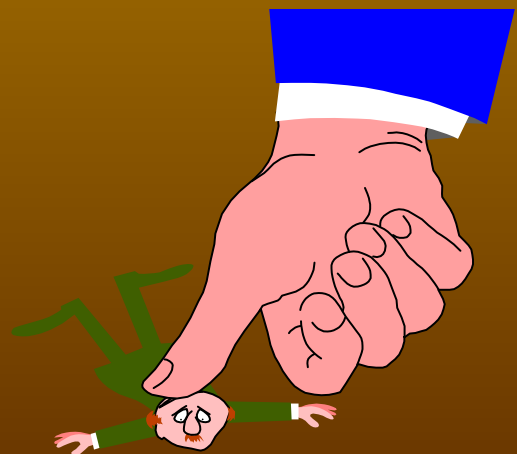
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Lecture 10

Line and Staff aspects of HRM

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What Influences the Practice of HRM?



HR's Evolving Role

Protector & Screener

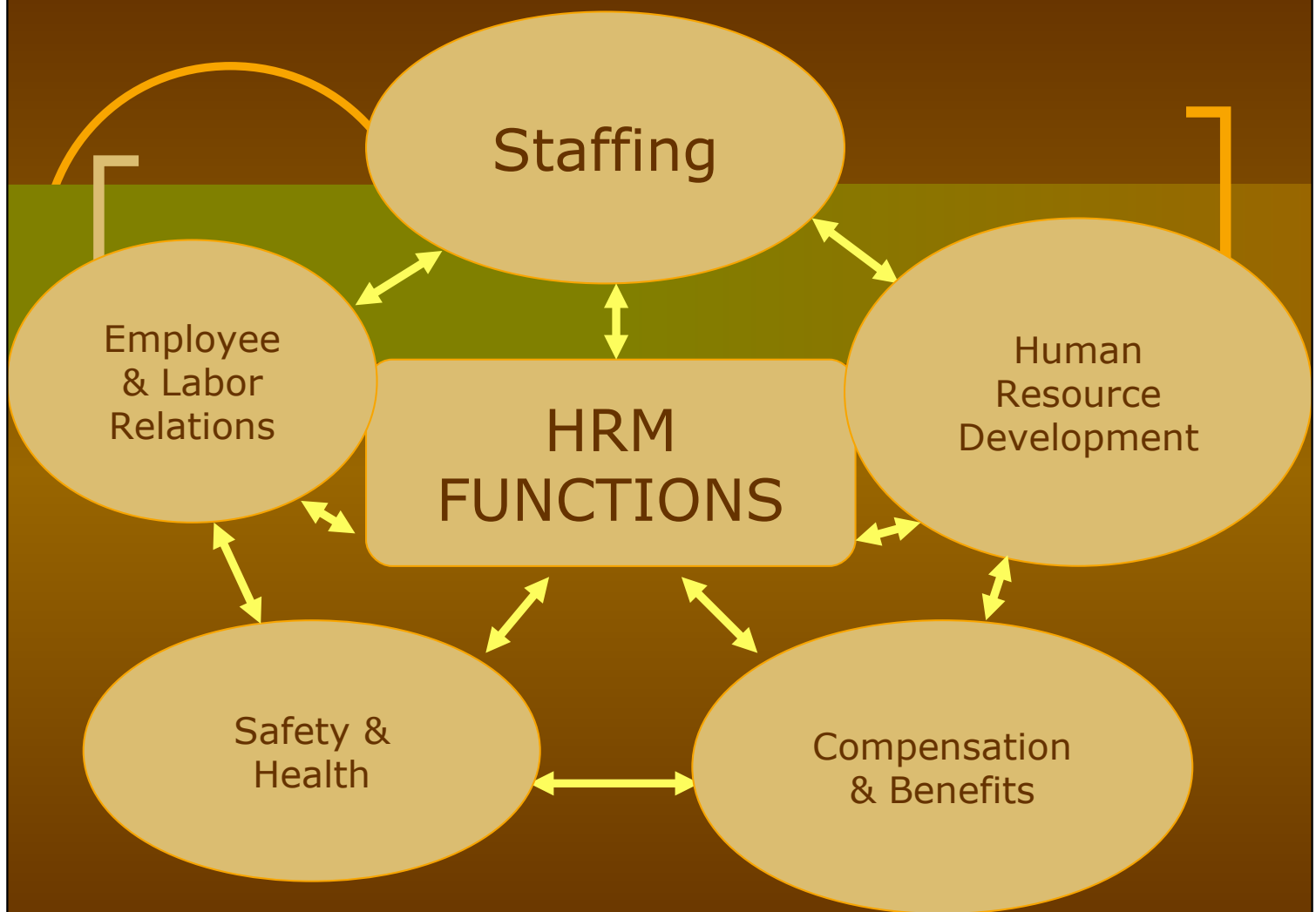


Change agent

&

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Summary of Lecture 9

- Functions of today's HRM

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All managers are, in a
sense, HR managers



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The HR function in organizations of various sizes

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The duties of HR manager and his/her staff relates to “line” managers’ HR duties

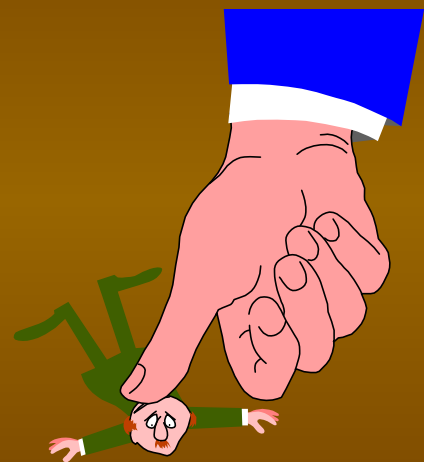
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Line versus Staff authority

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Authority

- Making decisions
- Directing work
- Giving orders



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Types of authority

- Line authority
- Staff authority
- Functional authority



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Line authority

- Right to make decisions and to give orders to subordinates

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Staff authority

- Right to advice or assist those who possess line authority



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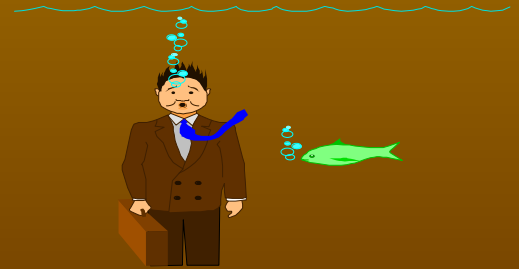
TYPES OF AUTHORITY



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Functional authority

- Right to give orders within a segment of the management system in which the right is normally non-existent



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Line Manager

- A manager who is authorized to direct the work of subordinates and responsible for accomplishing the organization's goals

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Line Managers

- Accomplishing goals
- Authorized to direct the work of subordinates
- They are always someone's boss

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Staff Manager

- A manager who assists and advises line managers.

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Line Manager's HRM Jobs

- Placing the right person for right job
- Starting new employees in the organization (orientation)
- Training
- Improving Job performance of each person
- Gaining Creativity
- Developing working relationships
- Policies and procedures
- Controlling labor costs
- Developing the abilities of each person

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Staff Manager's HRM Jobs

HR manager carries out three distinct functions

1. Line function
 - Line authority
 - Implied authority
2. A coordinative function
 - Functional control
3. Staff (service) function

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- HR Executives
- HR Generalists
- HR Specialists

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Characteristics of an HR Executive

- Performs one or more HR functions
- A top-level manager
- Reports directly to the corporation's CEO

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Characteristics of an HR Generalist

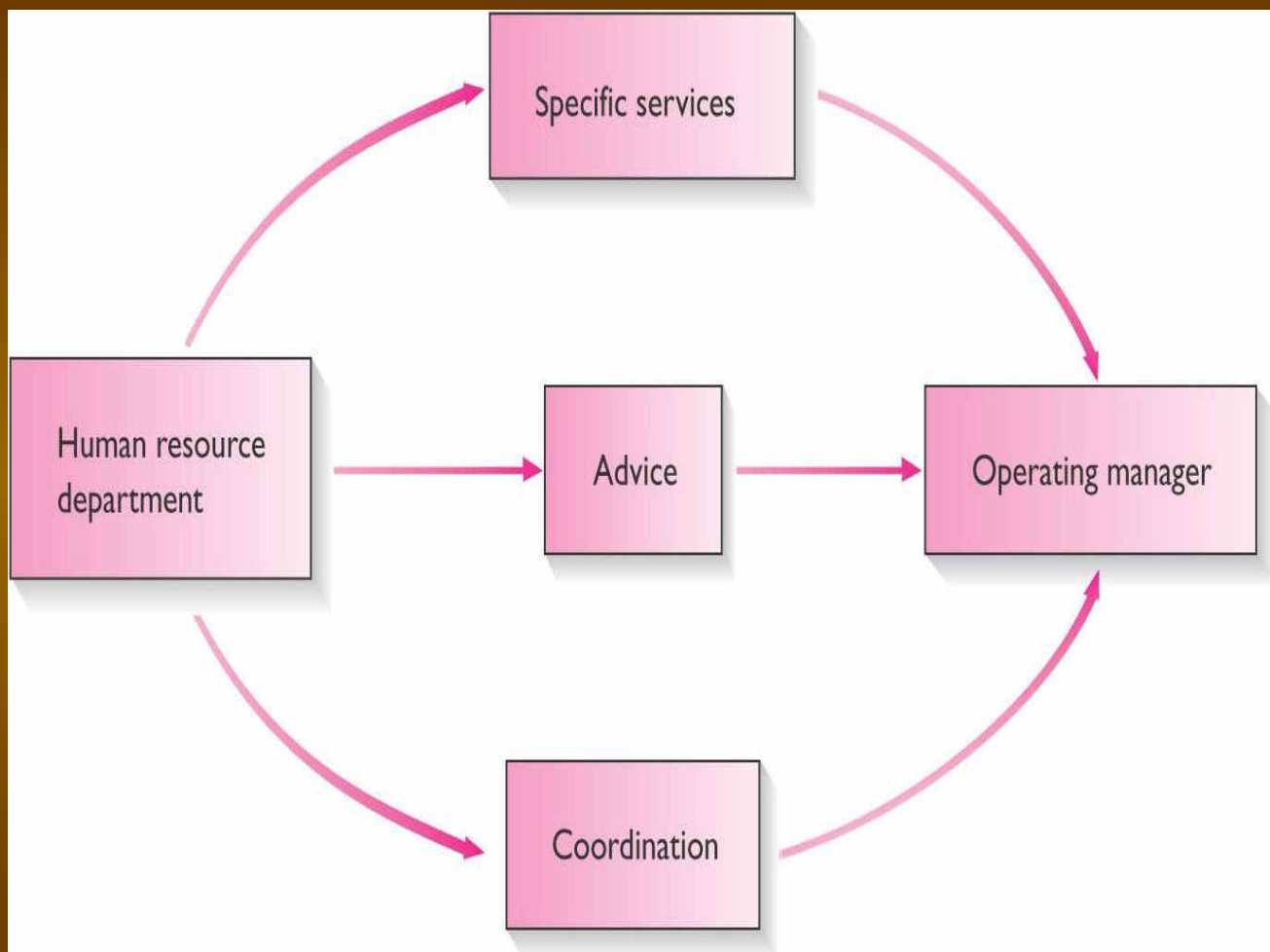
- Often an executive
- Performs tasks in various HR related areas
- Involved in several or all of the five HRM functions

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Characteristics of an HR Specialist

- May be an HR executive, manager, or non-manager
- Typically concerned with only one of the five functional areas

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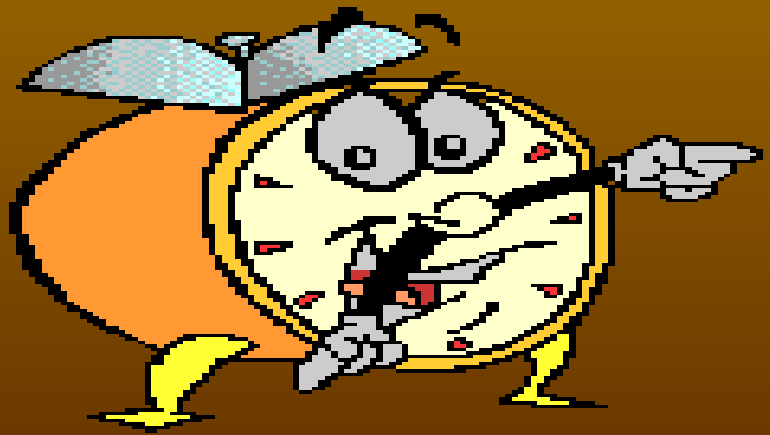
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HR Department

- Exist to assist the organization, its managers and its employees.
- HR is a service department (staff authority)
- The use of line, staff and functional authority results in a dual responsibility for HR management

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Let's stop it here



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Summary

- Line and staff aspects of HRM

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Lecture 11

Legal context of HR decisions

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Today's Topics

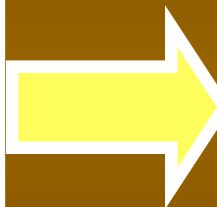
Legal context of HR decisions

Summary of Lecture 10

- Line and staff aspects of HRM
- All managers are, in a sense HR Manager
- Three types of Authority
 1. Line authority
 2. Staff authority
 3. Functional authority
- Hr is a service departement



Legal
Compliance



Competitive
Advantage

Legal
Compliance

```
graph TD; A[Legal Compliance] --> B[Perceived Fair Processes]; A --> C[Enhanced Company Reputation];
```

A flowchart on a brown background. At the top is a yellow rounded rectangle labeled 'Legal Compliance'. Two yellow arrows point downwards from its bottom edge to two separate yellow rectangles below. The left rectangle is labeled 'Perceived Fair Processes' and the right one is labeled 'Enhanced Company Reputation'.

Perceived
Fair
Processes

Enhanced
Company
Reputation

Legal
Compliance

```
graph LR; A[Legal Compliance] --> B[Competitive Advantage];
```

A flowchart on a brown background. On the left is a yellow rounded rectangle labeled 'Legal Compliance'. A large yellow arrow points from its right side to a yellow rounded rectangle on the right labeled 'Competitive Advantage'.

Competitive
Advantage

The legal environment of HRM

Managers must understand the legal issues that affect the practices of HRM

Issues like....

- Which employee to hire?
- How to compensate employees?
- What benefits to offer?

- How to handle conflicts?
- How and when to fire employees?
- Etc..

Why to worry about Legal
issues?

- It helps you to do the right thing.
- Help you to realize the limitations
- Minimize potential liability

Legal regulation of HRM

Prospective Employees

Protection from discrimination in
selection, initial job placement, and
initial compensation

Current Employees

Protection from discrimination in all dimensions of work in the organization

Employment discrimination

To make an employment decision, not
on the basis of legitimate job-
related factors...

Any employment decision: hiring,
promotions, pay, discipline, etc.

Fail to use job-related factors (e.g.,
essential job qualifications, job
performance, etc.)

Instead, use false stereotypes and prejudices

Law



Prohibits Discrimination

IN

Hiring

Compensation

**Terms, conditions or privileges of
employment**

BASED ON

Race, religion, color, sex, national origin, Physical
Disability

Fair employment

A situation in which employment decisions are not affected by illegal discrimination

EEO and Unfair Discrimination

Equal Employment Opportunity (EEO)

EEO is a combination of legislative and judicial policy set forth by federal, state, and local governments that ensures fair and equal treatment of all persons

Job applicants may not be rejected
based on discriminatory practices

Affirmative action

A strategy intended to achieve fair employment by urging employers to hire certain groups of people who were discriminated against in the past

Steps that are taken for the purpose of eliminating the present effects of past discrimination

Major Federal Laws (USA)

Equal Pay Act of 1963

Equal Pay Act

Forbids: sex discrimination in pay
when the employees perform
essentially the same job in the same
establishment

Civil Rights Act of 1964 (CRA)
Title VII

Amended by Civil Rights Act of
1991

Title VII of Civil Rights Act

Forbids: any employment discrimination based on a protected characteristic (race, color, religion, sex, & national origin)

Age Discrimination in Employment Act of 1967 (ADEA)

(ADEA)

- Protected Characteristic: age if 40 or older
 - Originally protected people 40–65
 - Amended to protect people 40–70

No mandatory retirement (in most cases)

Americans with Disabilities Act of 1990 (ADA)

(ADA)

Protected Characteristic: disabilities

Affirmative Action

Executive Orders 11246 & 11375
require companies with federal
contracts to develop affirmative
action plans (AAPs)

- Preferential treatment to minority group members
 - Recruiting
 - Hiring

So.....

ISSUES ARE...

HRM practices may be challenged by
anyone

- SO....
 - Defend
 - Explain
- OR ELSE

Let's stop it here

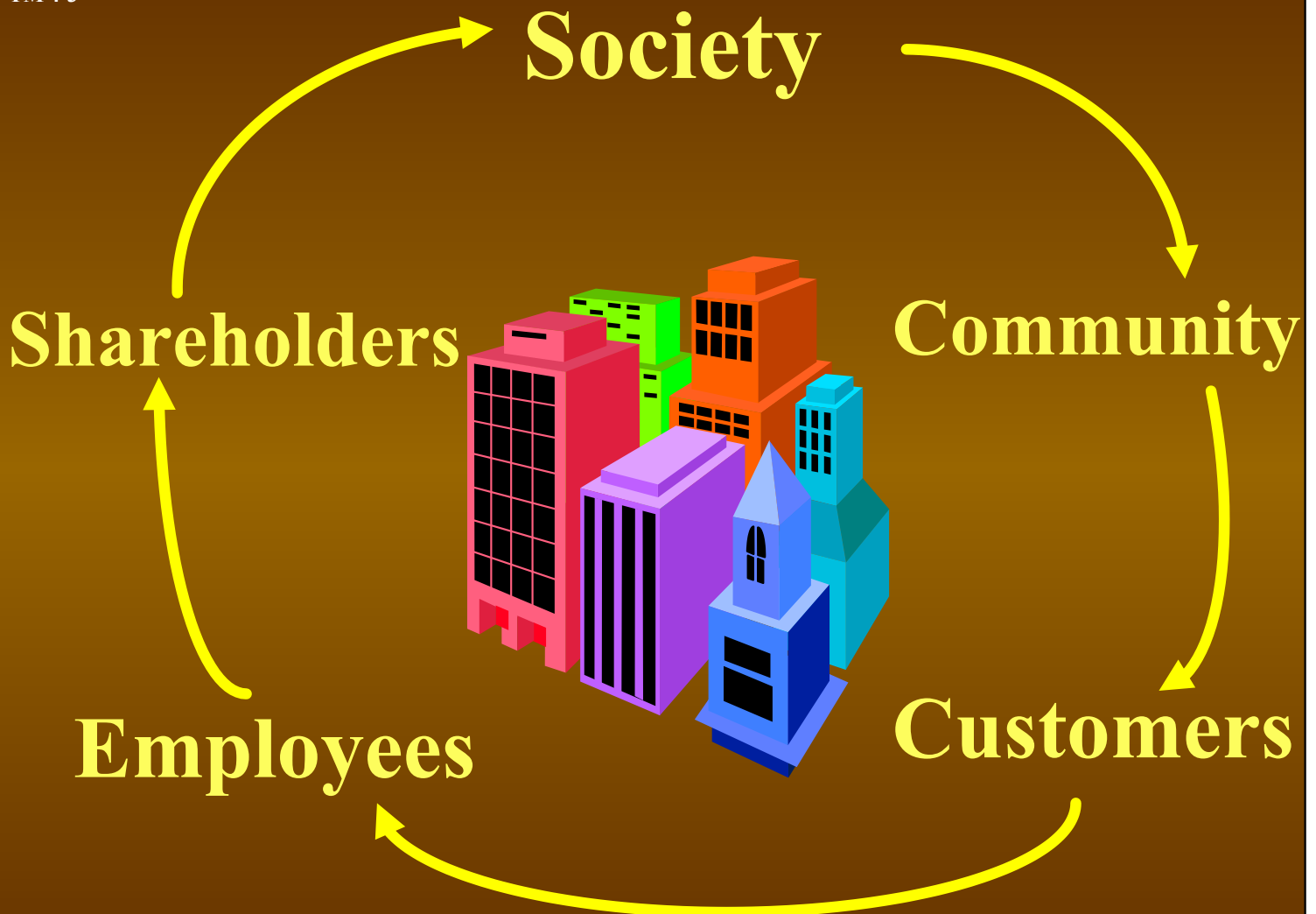


Summary

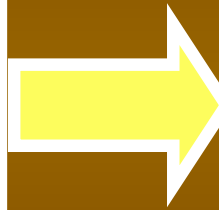
Managers must understand the legal issues that affect the practices of HRM

Social Stakeholders

TM 4-3



Legal
Compliance



Competitive
Advantage

Next....

Human Resources Planning (HRP)



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MGT - 501

Lecture 12

Human Resource Planning (HRP)

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Summary of Lecture 11

- Legal context of HR decisions
- Managers must understand the legal issues that effect the practice of HR
- HRM practices may be challenged by anyone
- So....Defend– Explain– OR Else

Today's Topics

Human Resources Planning (HRP)

First, we will see what is Planning?
and why is it needed?

What is Planning?

The process of setting goals and deciding how best to achieve them.

What is planning concerned with?

It is concerned with the end (what is to be done) as well as with means (how it is to be done).

Is planning really needed?

If... organizations... never faced changes in the environment, there would have been no need for planning.

Planning is one of the functional
areas of HR

Human Resource
Planning
(HRP)

The process of anticipating an organization's future human resource needs and then developing action plans for fulfilling identified needs.

The systematic review of human resource requirements.

HRP



- getting the right people
- at the right place
- at the right time

Objectives of Human Resource Planning

Enable organizations to anticipate their future HR needs

To identify practices that will help
them meet those needs

Benefits of HR Planning

Helps in planning job
assignments

Helps cope with fluctuations in
staffing

Identifies recruiting needs

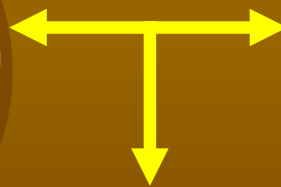
Provides other useful
information

Planning Includes Forecasting



Human Resource Planning

Demand



Supply

Gap?

HR Needs

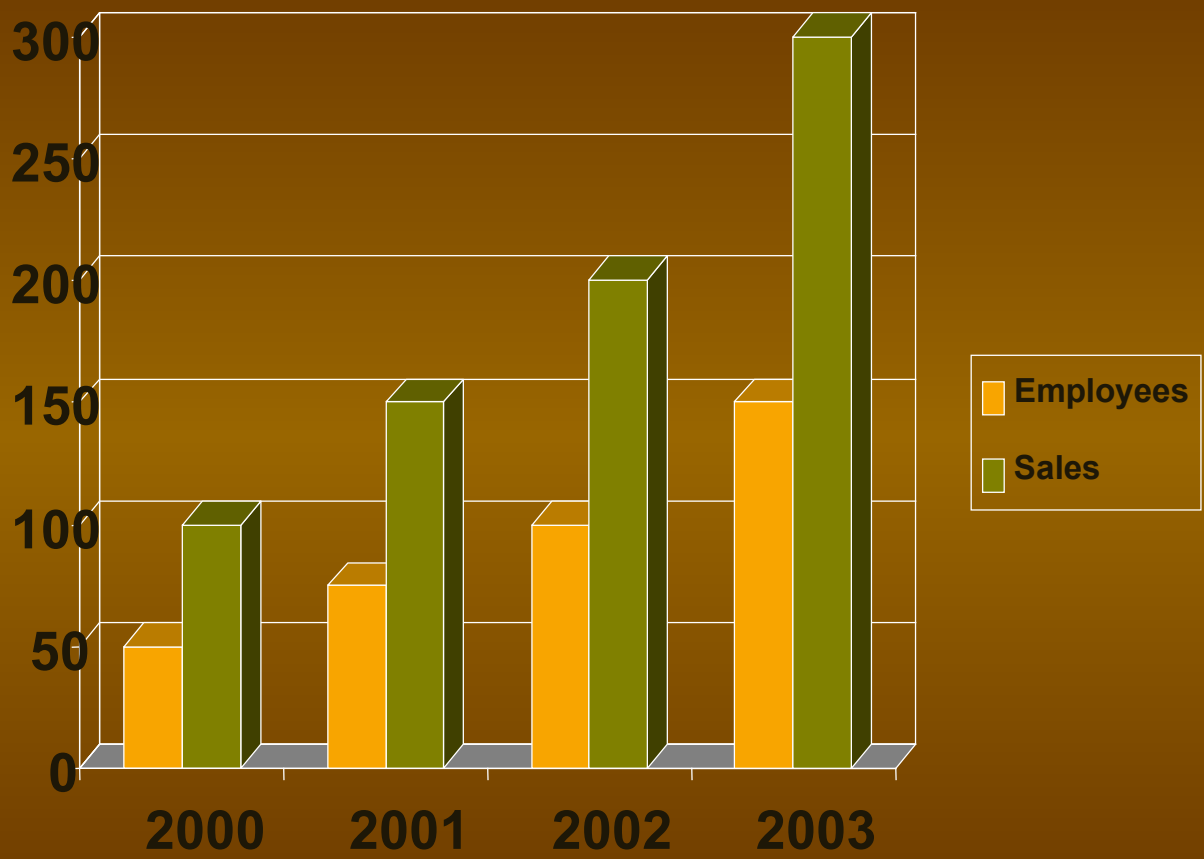
Demand Forecasting

- Statistical approaches
- Judgmental methods

Statistical approaches

- Trend analysis
- Ratio analysis
- Regression analysis

Trend Analysis



Ratio Analysis

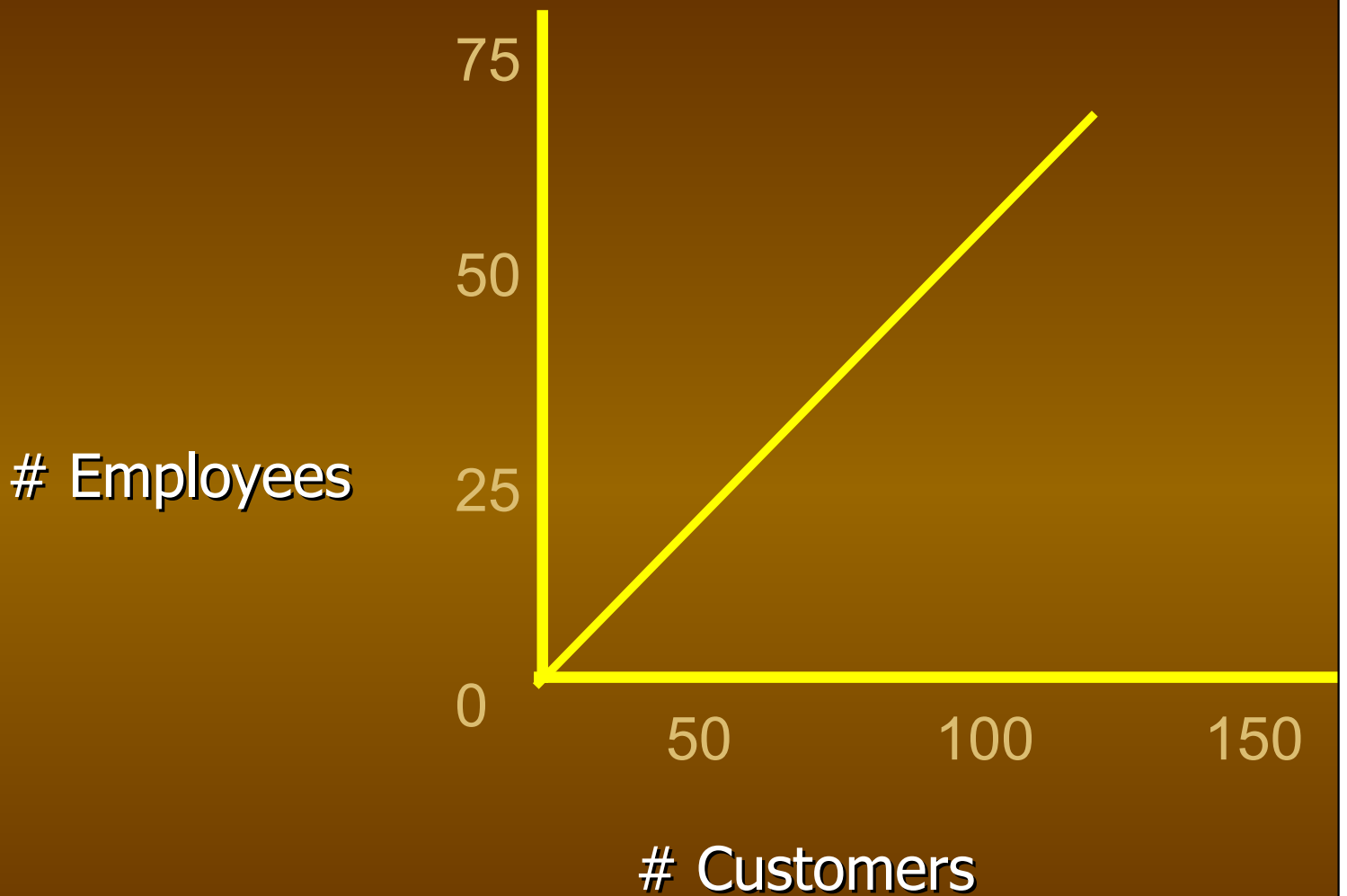
patients = 100

nurses = 25

patient/nurse ratio = 4/1

If there are 300 patients,
how many nurses are needed?

Regression Analysis



Judgmental methods

Managerial judgment

Forecasting Involves Two Activities



- Monitoring current HR programs and personnel staffing levels
- Investigating future HR needs and concerns

Human Resources Audit

Forecast Labor Supply

Forecast Labor Demand

Supply = Demand?

Surplus:

Layoffs
Transfers
Demotions

Shortage:

Recruiting
Training
Career Development

The Goal of HR Planning

The goal of forecasting and planning is to keep a stable workforce that meets the needs of the organization.

Steps in HRP Process

Determine the impact of organizational objectives on specific organizational unit

Define the skills required to meet objectives (demand for Human Resource)

Determine additional human resource requirements in light of current HR (net HR requirements)

Develop action plan to meet the
anticipated HR needs

HRP has become more important in recent
years for a number of reasons

- Globalization of Business
- New Technologies
- The changing skill levels in the Workforce

- The changing demographics of the workforce
- Mergers and Acquisitions
- Legal developments

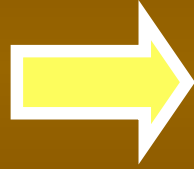
Requirements for effective HR planning

Successful HR planning requires:
HR personnel understand the HR planning process
Top management is supportive

- The communications between HR staff and line management are healthy
- The HR plan is integrated with the organization's strategic business plan

Linking HR planning practices to competitive advantage.

Effective
HR Planning



Competitive
Advantage

Let's stop it here



Summary

Human Resources Planning (HRP)

The systematic review of
human resource requirements.

HRP

**The Required
Number of
Employees**

**With The Required
Skills**

Are Available When Needed

Next....

- Strategic Planning
- Human Resource Information Systems (HRIS)
- Relationship of HRIS with overall MIS



Human Resource Management – MGT - 501

Lecture 13

Strategic Planning and HRIS

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Summary of Lecture-12

Human Resources Planning (HRP)

The systematic review of
human resource requirements.

The Human Resource Planning Process

Forecasting the supply of human resources



Forecasting the demand for human resources



Comparing forecasted supply and forecasted demand



Taking appropriate actions

Outcomes of Human Resource Planning

Comparison of demand and supply

```
graph TD; A[Comparison of demand and supply] --> B[Demand higher than supply]; A --> C[Supply larger than demand]; A --> D[Demand equal to supply]; B --> E[Plan for growth]; C --> F[Plan for workforce reduction]; D --> G[Plan for stability];
```

Demand higher
than supply

Plan for growth

Supply larger
than demand

Plan for
workforce
reduction

Demand equal
to supply

Plan for stability

Today's Topics

- Strategic Planning
- Human Resource Information Systems (HRIS)
- Relationship of HRIS with overall MIS

Strategic Planning

Determine the organizational mission.
Scan the organizational environment.
Set strategic goals.
Formulate a strategic plan.

1. Determine the Organizational Mission

Mission statement
organization's overall purpose
basic business scope and operations

- Answer questions
- Why does our organization exist?
- What unique contributions can it make?

2: Scan the Organizational Environment

External Environment

- Political
- Legal
- Economic
- Social
- Technological
- Industry

Internal Environment

- Organization culture
- Structure
- Current mission
- Past history
- Layers of management
- Span of control

S W O T

- Internal Strengths
- Internal Weaknesses
- External Opportunities
- External Threats

3: Set Strategic Goals

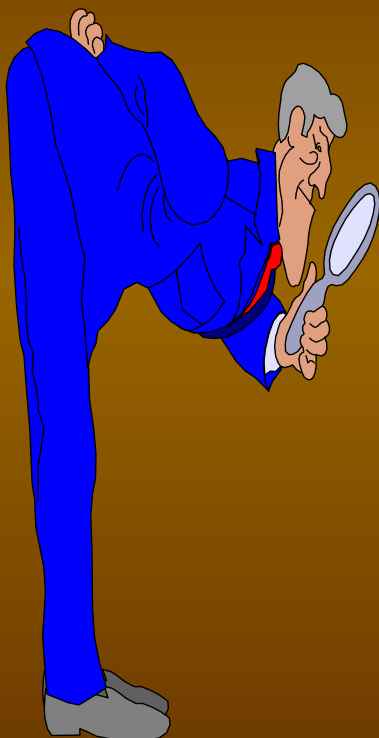
- Desired outcomes to accomplish mission
- Specific
- Challenging
- Measurable



4. Formulate a Strategic Plan

- Courses of action to meet strategic goals
- Specifies functional or departmental goals

The Strategic Direction-HRM Linkage



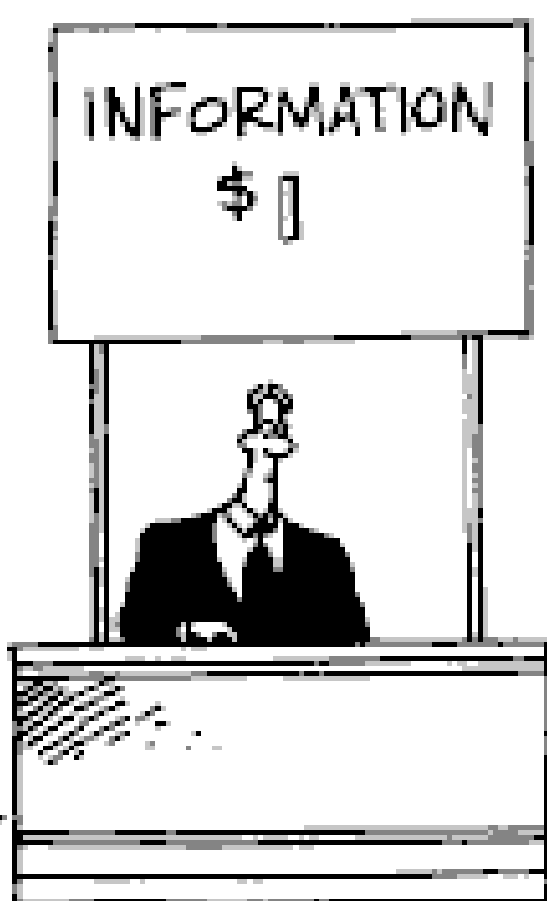
What is Strategic Management?

- analyze competitive situation
- develop strategic goals
- devise plan of action
- allocate resources
- implement plan
- evaluate results

Strategic Human Resource Management

The pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals.

‘Help, I need information!’



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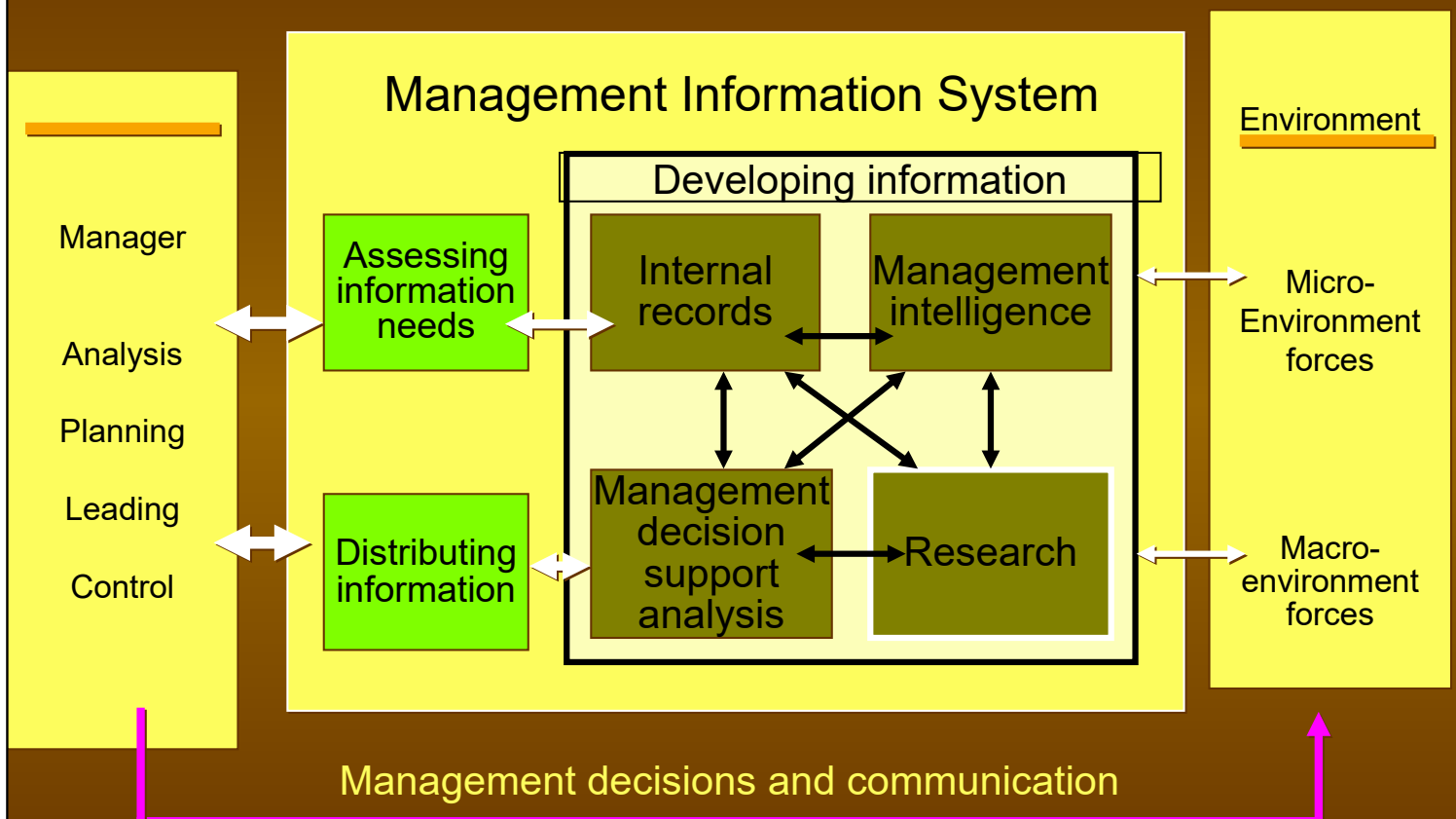
What is an Information System?

A set of interrelated components that collect (or retrieve), process, store, and distribute information to support decision making and control in an organization

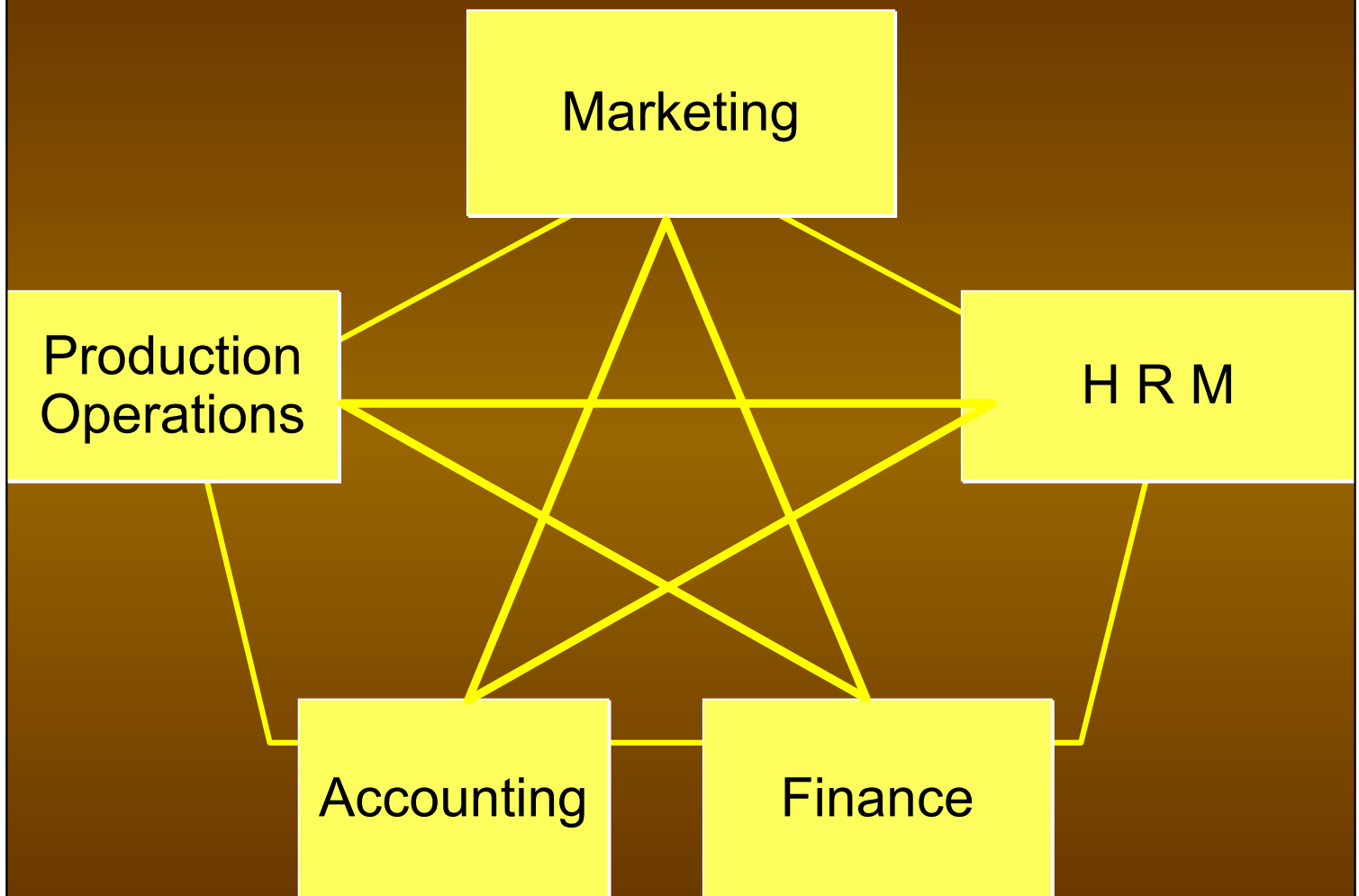
Components of Information Systems

- An information system is not a computer alone.
- Information systems consist of...
 - Technology
 - Organizations
 - People

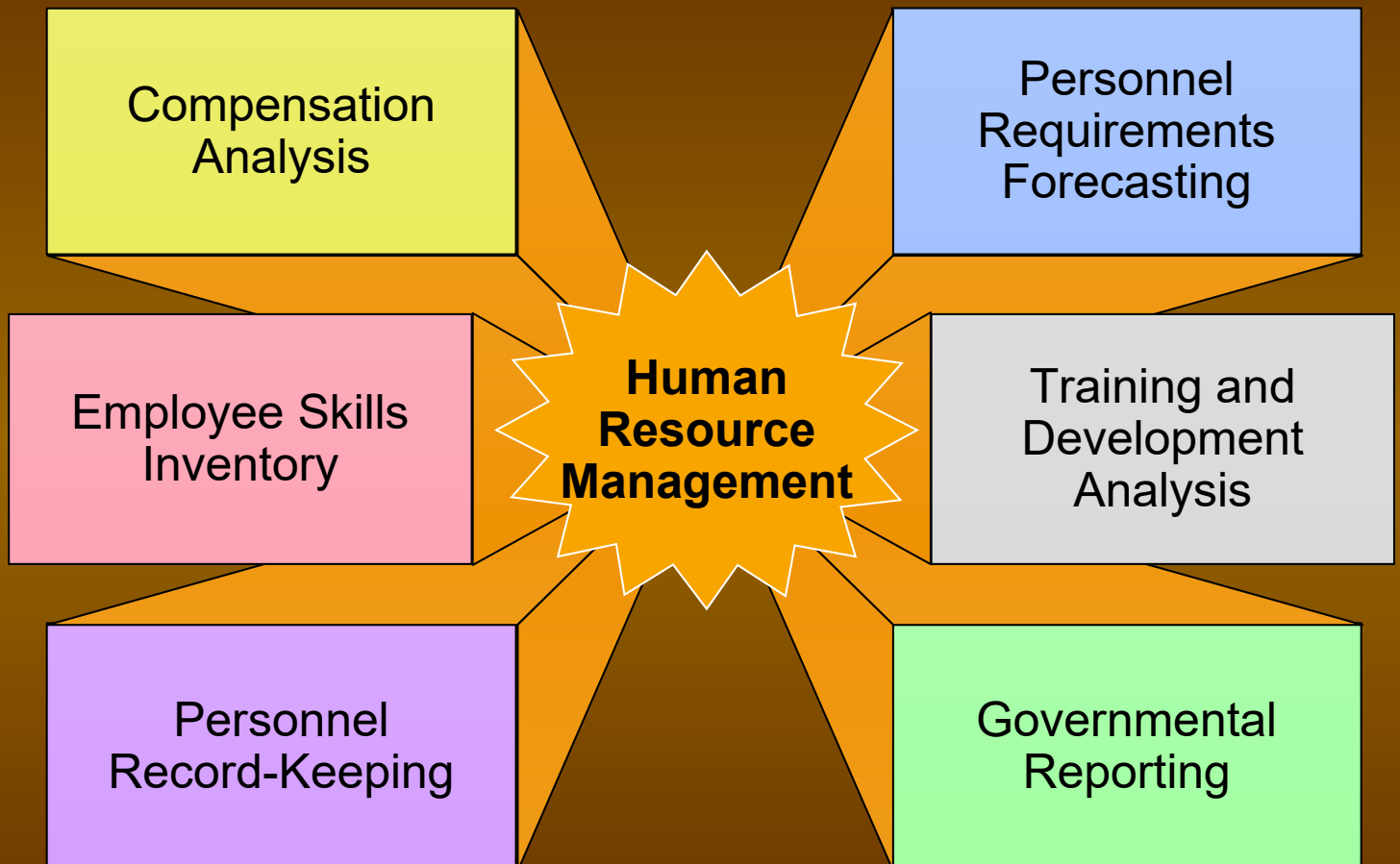
The Management Information System



Business Information Systems



HR Information Systems



HR Information System

The system used to acquire, store, manipulate, analyze, retrieve, and distribute pertinent information regarding an organization's HR.

Name: Kamran Tayyab DOB: 01/1/79

Job: Programmer Hired: 05/1/04

Education: MSE

Performance: Rising to the top

Pay: Rs. 25,000+12,000+2500

KSA: JAVA & C



Determining Information Needs

- Types of information
- General work activities
- How the job relates to other jobs
- Procedures used on the job

- behaviors required on the job
- physical movements and demands
- machines, tools, equipment, and work aids

- physical environment of the job
- organizational and social context of the job
- work schedule and incentive compensation

- personal requirements (i.e., skills, education, training, experience, physical demands)

Human resource information systems are designed to support

- Planning to meet the personnel needs of the business.
- Development of employees to their full potential.
- Control of all personnel policies and programs.

Common HRIS Functions

- Job analysis information can be placed in the HRIS.
- The program can write job descriptions and job specifications.
- Constant monitoring of compliance with EEO legislation.

- Maintain records of rejected applicants.
- Saves money and time in compiling reports.
- Ensure that women and minorities or not be adversely affected.

- Track minority hiring, recruitment, and advancement.
- Forecast supply and demand of labor from both the internal and external labor markets.

- Useful for internal recruiting.
- Can post job opening for employees to access.
- Can search for match between job specifications and applicant qualification.

- Applicant tracking system.
- Administering and scoring ability tests.
- Scanning resumes submitted online (web based or e-mail) or in person (or mail).

- Structured interviews.
- Matching qualifications with open positions (finding a good fit).
- Also, consider budgetary concerns.

- Help with registration, tracking training, monitor training costs, and schedule training.
- Used to deliver training.
- Career and managerial succession planning.

- Used to provide assessment tests to help employee's plan their own career.
- Predict career paths.
- Provide PA instruments and results.

- Comparisons between employees, groups, or supervisors ratings.
- Monitor attendance.
- Monitor compliance with Labor Standards.

- Individual sale data can be accessed (tracking commissions).
- Benefits can be managed and administered by computers.
- Planned raises and wage histories.

- Provides reports for Occupational Safety and Health Administration (OSHA).
- Track hazardous materials.
- Track accidents and costs of accidents.

- Record employee safety training.
- Record employee exposure to various conditions and chemicals.
- Track disciplinary actions and grievances.

- Labor contract data.
- Worker seniority list.
- Etc..

So.....

Let's stop it here



Summary

- Strategic Planning
- Human Resource Information Systems (HRIS)
- Relationship of HRIS with overall MIS

Next....

Job Analysis



Human Resource Management – MGT - 501

Lecture 14

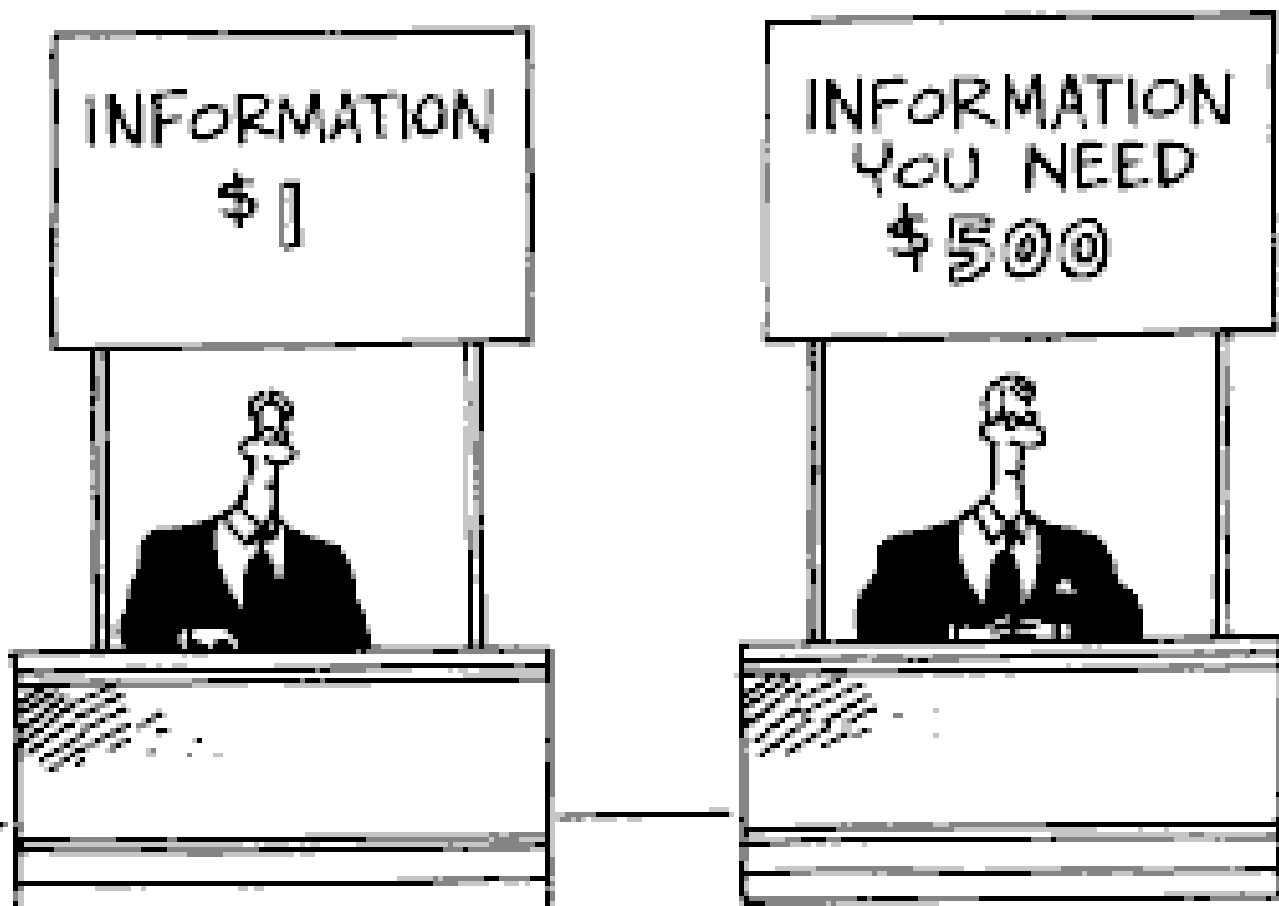
Job Analysis

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S W O T

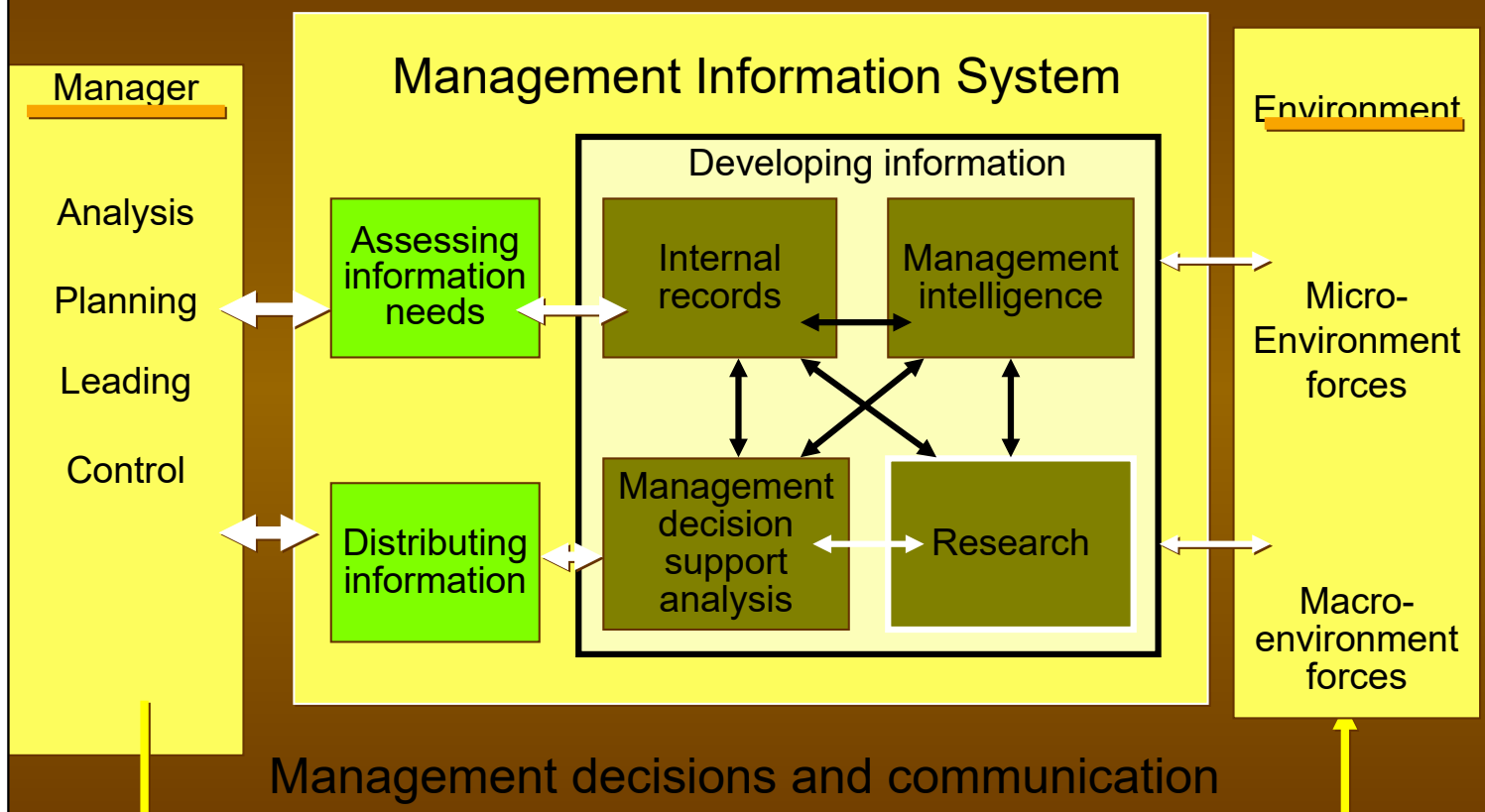
- Internal Strengths
- Internal Weaknesses
- External Opportunities
- External Threats

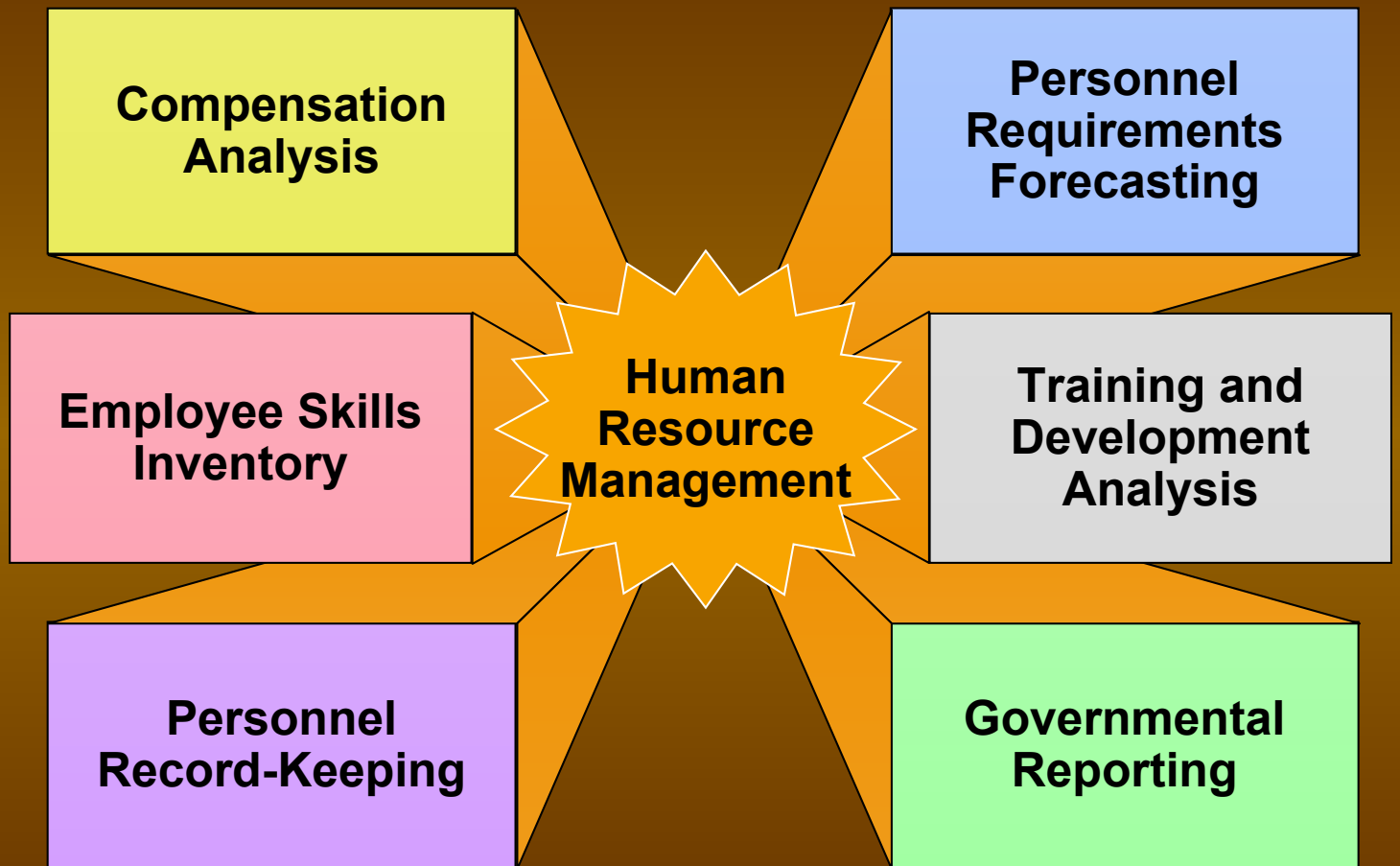
- Strategic Planning
- Human Resource Information Systems (HRIS)
- Relationship of HRIS with overall MIS



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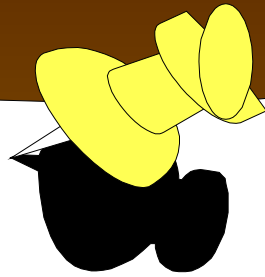
Summary of Lecture 13





Today's Topics

Job Analysis: A Basic Human Resource Tool



Studying and understanding jobs through the process known as *job analysis* is a vital part of any HRM program.

Job Analysis

Knowing Who Does What?



Purposes of the job Analysis

- Major duties or activities required
- Conditions under which the job is performed

What Is a Job?

Work

Effort directed toward producing or accomplishing results

Task

A distinct, identifiable work activity composed of motions

Duty

A larger work segment composed of several tasks that are performed by an individual.

Responsibility

An obligation to perform certain tasks and duties.

Position

Set of tasks and duties performed by single individual

Job

Group of positions that are identical with respect to their major significant tasks and sufficiently alike to be covered by single analysis

Occupation
General class of jobs

Career
Sequence of jobs held by individual
throughout lifetime

Job Description

Written narrative describing activities performed on a job; includes info about equipment used and working conditions.

Other Important Job Analysis Terms

Job Specification

Identifies major job responsibilities; outlines specific KSA, and other physical and personal characteristics necessary to perform a job.

So....

Job

Grouping of tasks, duties, & responsibilities
that constitutes the total work assignment
for employees

A job is a set of closely
related activities carried
out for pay



Job Analysis Defined

Job Analysis is the **SYSTEMATIC** process of collecting and making judgments about all the important information related to a job.

This Analysis Includes

- Identifying tasks/duties performed
- Identifying Knowledge, Skills and Abilities (KSAs) required to perform those tasks

Reasons For Conducting Job Analysis

- Staffing
- Training and Development
- Compensation and Benefits

- Safety and Health
- Employee and Labor Relations
- Legal Considerations

Types of Job Analysis Information

- Work activities
- Worker-oriented activities
- Machines, tools, equipment, and work aids used

- Job-related tangibles and intangibles
- Work performance
- Job content
- Personal requirements for the job

Questions Job Analysis Should
Answer

- What physical and mental tasks does the worker accomplish?
- When does the job have to be completed?
- Where is the job to be accomplished?

- How does the worker do the job?
- Why is the job done?
- What qualifications are needed to perform the job?

Job Analysis Decisions

- What type of information will be collected?
- How will the information be collected?
- How will the information be recorded or documented?

When Job analysis Is performed

- When the organization is founded
- When new jobs are created

- When jobs are changed significantly as a result of new technologies, methods, procedures, or systems

Uses of Job Analysis



Importance of Job Analysis

- Provide realistic job information's regarding duties, working conditions, and requirements
- Identifies relationships between supervisors and subordinates



- Defines duties and related tasks
- Time required to perform duties



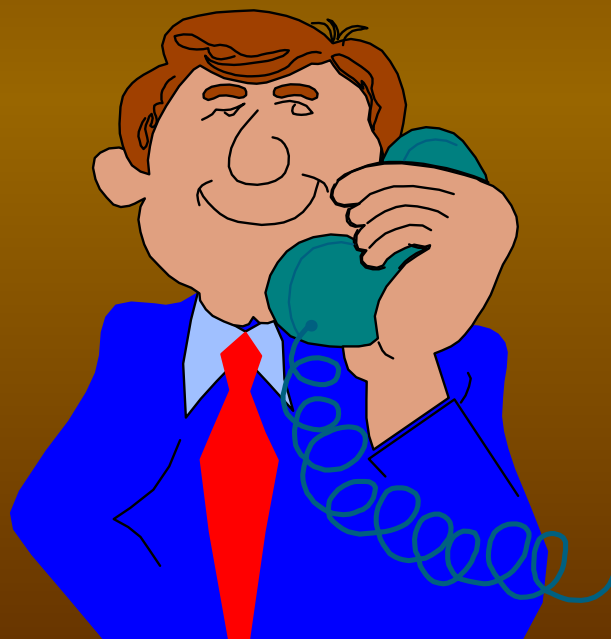
- Basis for training, career planning, and career development
- Help to determine the worth/pay



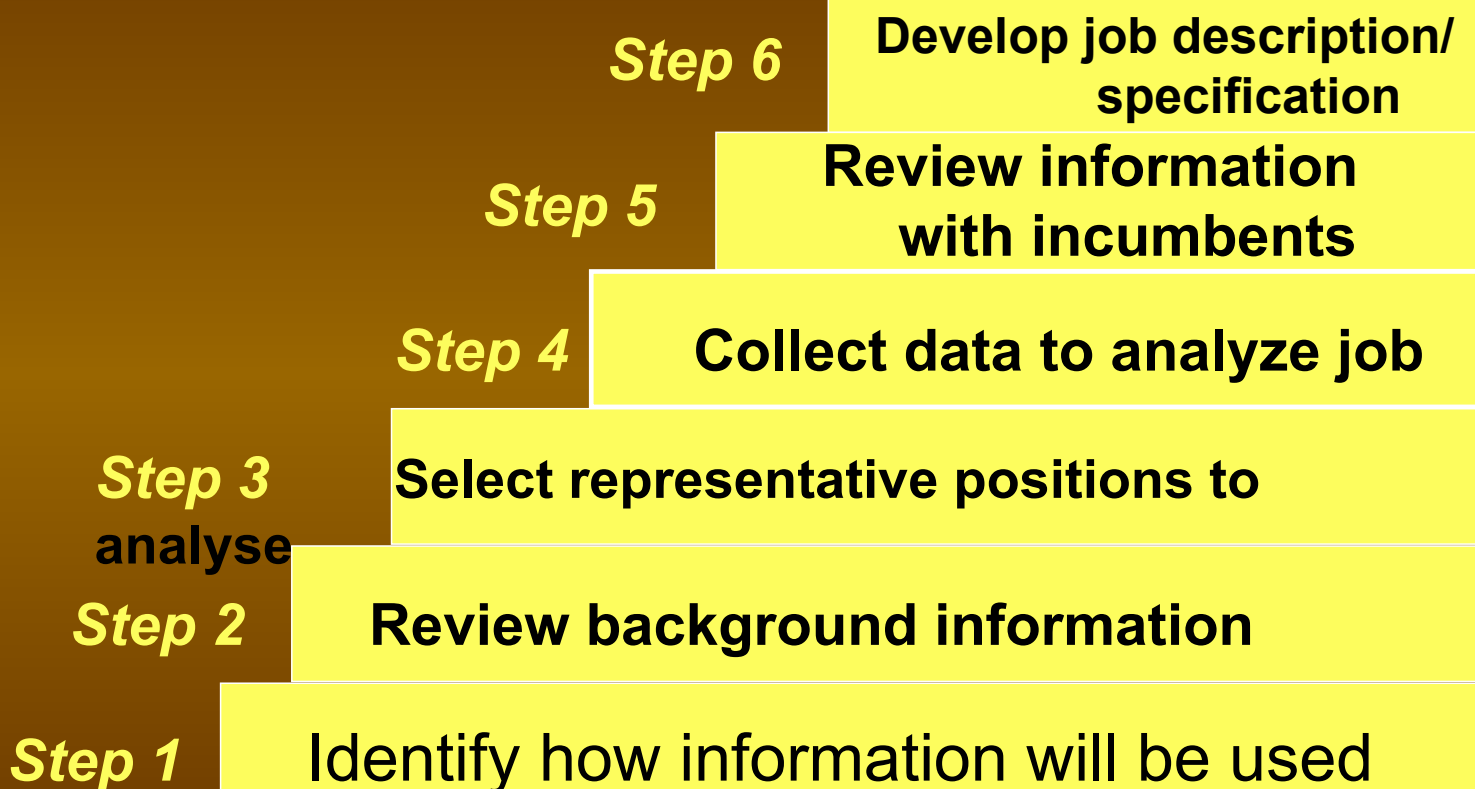
Strategic Importance of Job Analysis



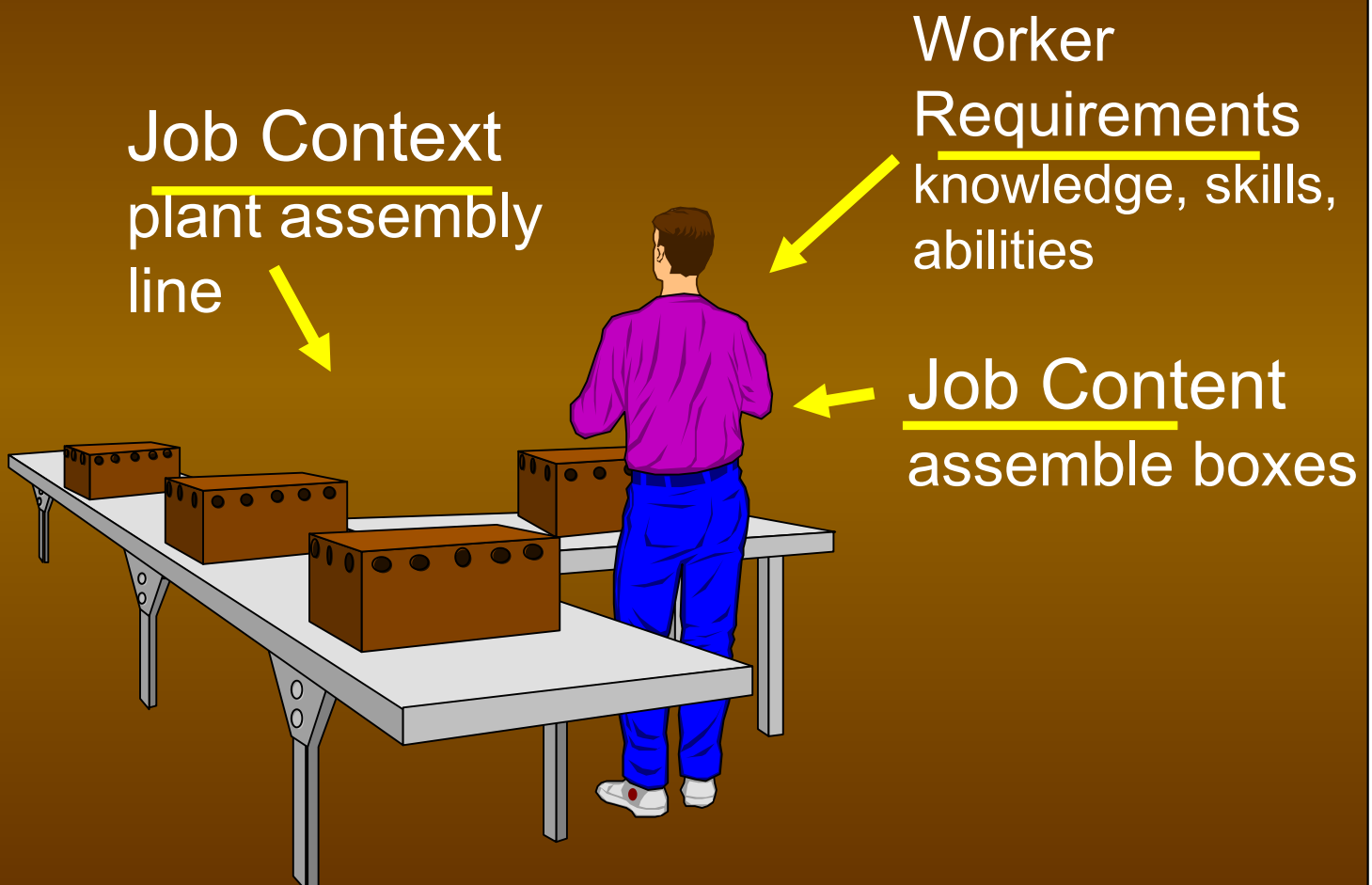
Any Questions?



Steps in Job Analysis



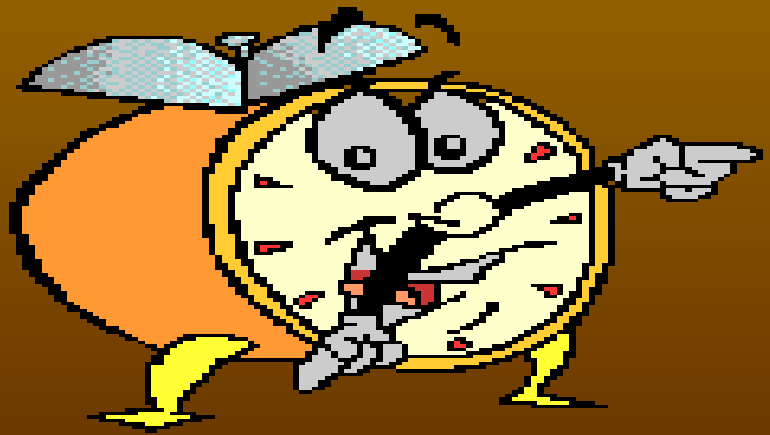
Job Analysis Information



Job analysis outcomes

- Job description
- Job specification
- Job evaluation

Let's stop it here



Summary

Job Analysis: A Basic Human Resource Tool



Next....

- More about job analysis
- Describe the key job analysis techniques.



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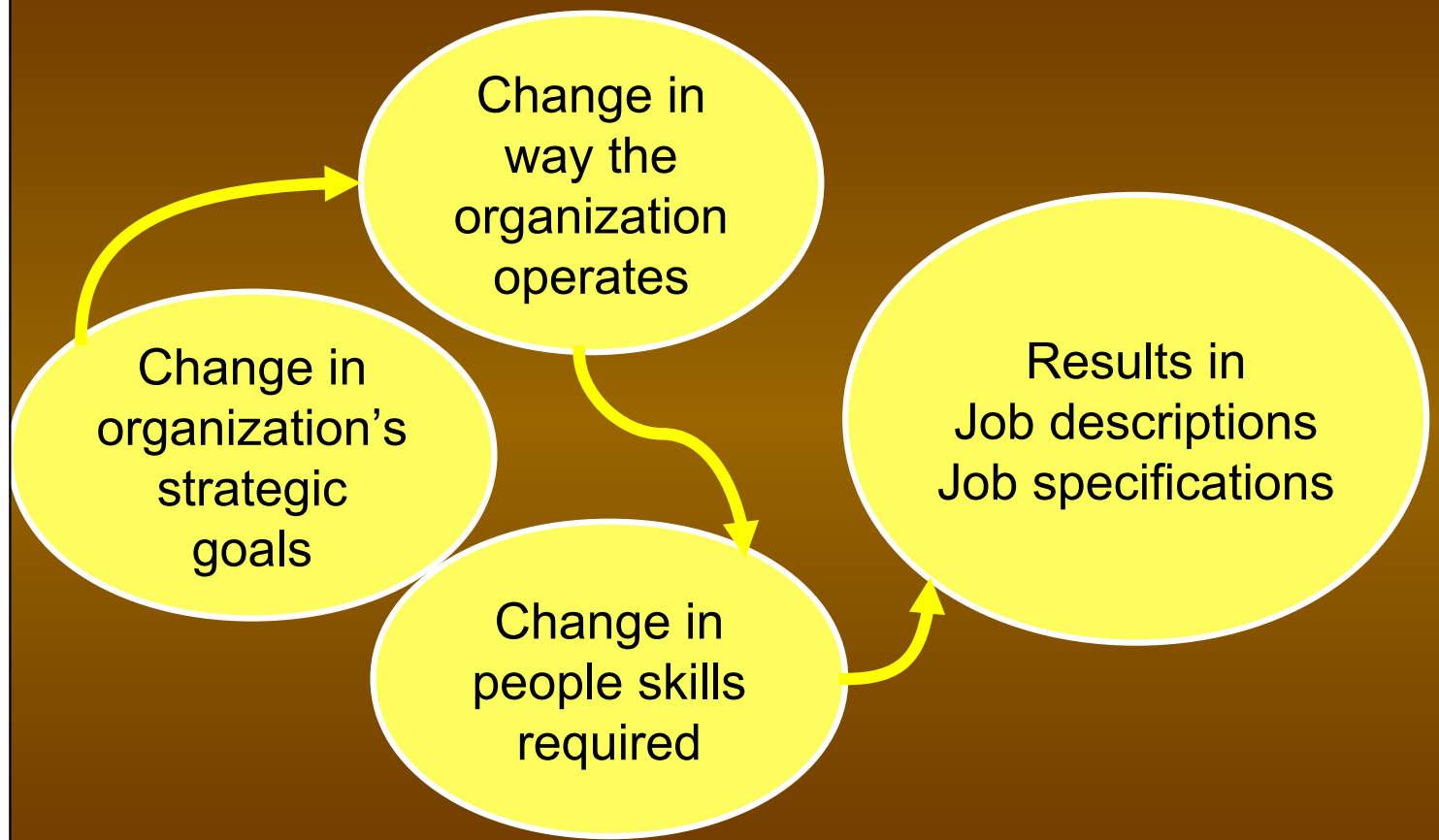
Lecture 15

Job Analysis cont...

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Summary of Lecture-14





Job analysis outcomes

- Job description
- Job specification
- Job evaluation

Today's Topics

- More about job analysis
- Key job analysis techniques.

HRM Goal

Match Person & Job



So....

- Need information about person & job
- Job analysis focuses on getting job information (tasks & duties and required qualifications)

Steps in Job Analysis

1. Planning the Job Analysis

- Identifying objectives of job analysis
- Obtain top management support

2. Preparing for Job Analysis

- Identify job & methodology
- Review existing job documentations
- Communicate the process to manager/employees

3. Conducting the Job Analysis

- Gather job analysis data
- Review and compile data

4. Developing Job Description & Job Specification

- Draft job description & specification
- Review draft with managers/employees

- Identify recommendations
- Finalize job description & recommendations

5. Maintaining and updating Job Description & Job Specification

- Update job description & specification as organization changes
- Periodically review all job

Job Analysis Methods



- Questionnaires
- Observation
- Interviews
- Employee recording/diary
- Combination of methods

Interviews

What is the job
being
performed?

What exactly
do you do?

What are
your major
duties?

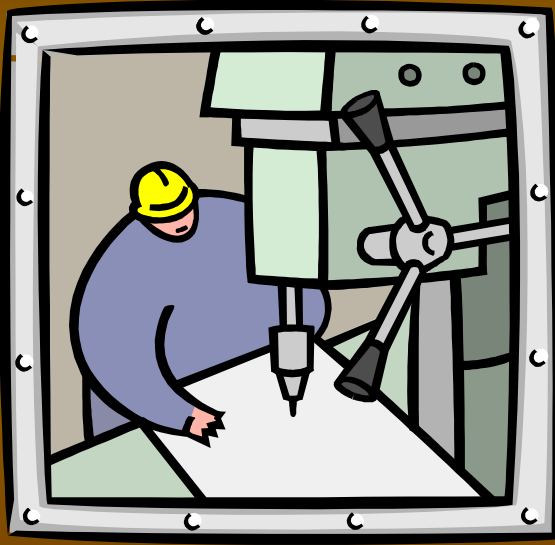


Questionnaires

A typical job analysis questionnaire would have a mix of open-ended and structured questions



Observation



Useful when jobs consist mainly of observable physical activity

Diary/Logs

For every activity the employee engages in, he or she records the activity, along with the time in a log.

Interview

Typical Questions

- What is the job being performed?
- What are the major duties of your position?
- What exactly do you do?
- What physical locations do you work in?

- What are the education, experience, skill requirements?
- What activities do you participate in?
- What are the job's responsibilities and duties?

- What are the basic performance standards?
- What are the job's physical demands?
- What are the health & safety conditions?

Source of Data

- Employees
- Supervisor
- Manager
- Job Analyst

- Job Analyst (HR)
- Outside consultant
- Supervisor/Manager

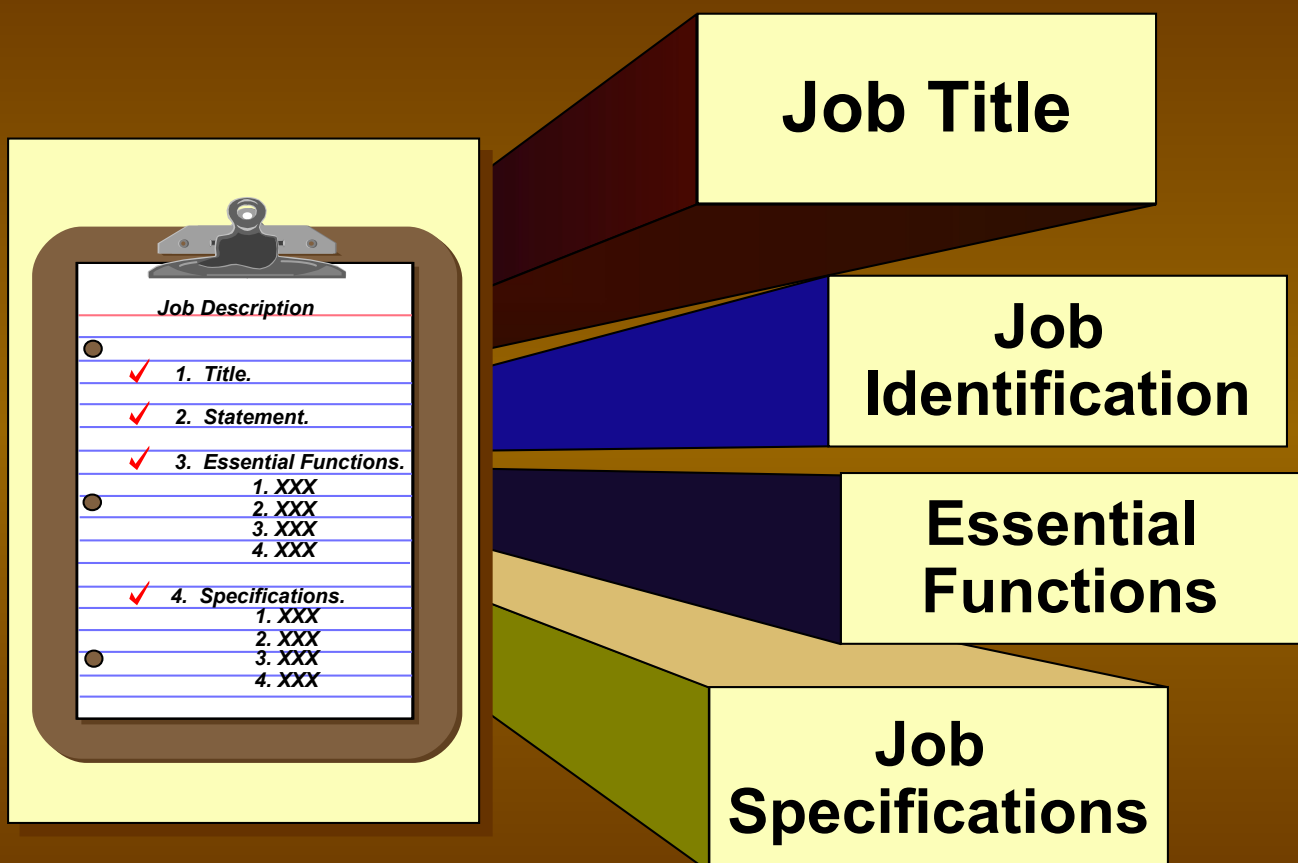
Problems with Job Analysis

- Too lengthy
- Time consuming and requires much patience
- Might be a reflection of stereotypes

Job analysis outcomes

- Job description
- Job specification
- Job evaluation

Job Description

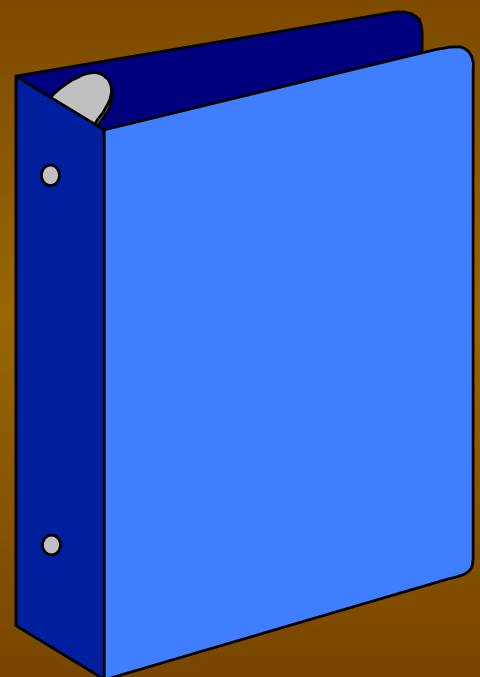


Items Typically Included in Job Descriptions

- Major duties performed
- Percentage of time devoted to each duty
- Performance standards to be achieved

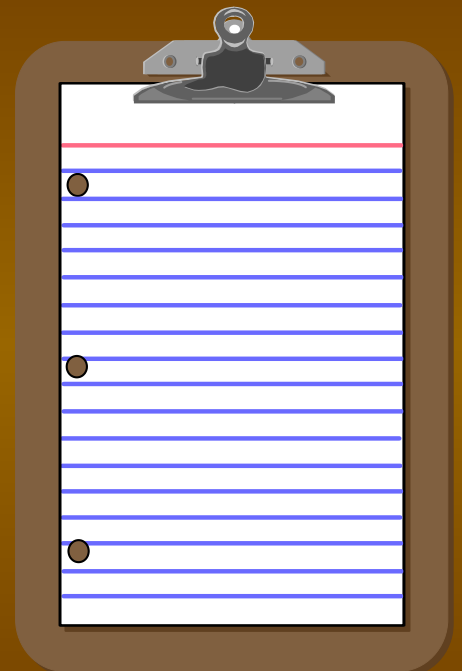
- Working conditions and possible hazards
- Number of employees performing the job and who they report to
- The machines and equipment used on the job

- Focus on the job
- Written statement
 - What is done
 - How
 - Why
- Includes
 - Job content
 - Environment
 - Conditions of employment



Typical Job Description Formats

- Job title
- Duties
- Distinguishing characteristics
- Authority
- Responsibilities
- Job specification





Job Specification

- Minimum Acceptable Qualifications
- Educational Requirements
- Experience
- Personality Traits
- Physical Abilities

Job Evaluation



- Establish job comparability
 - Compensation
 - Relative value
- Competitive analysis

Person

KSAs
Talents & Interests
Motivation

Job

Tasks & Duties
Rewards

Job Outcomes

Performance
Satisfaction

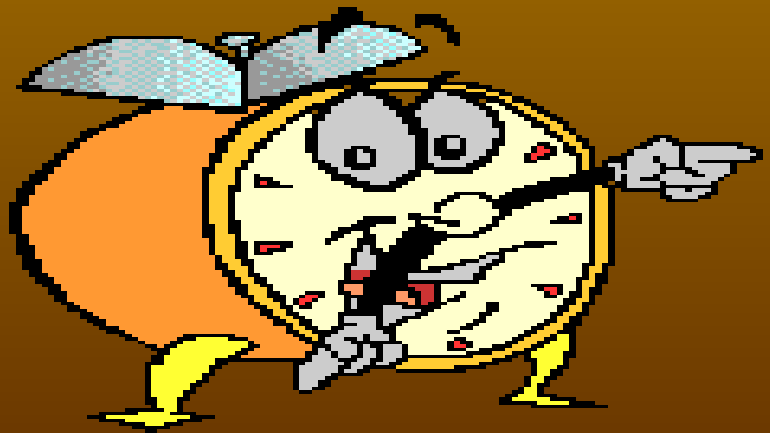
Job Analysis Methods



- Questionnaires
- Observation
- Interviews
- Employee recording/diary
- Combination of Methods

- Job description
- Job specification
- Job evaluation

Let's stop it here



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Lecture 16

Job Analysis cont...

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- Questionnaires
- Observation
- Interviews
- Employee recording/diary
- Combination of methods

Job Analysis Methods

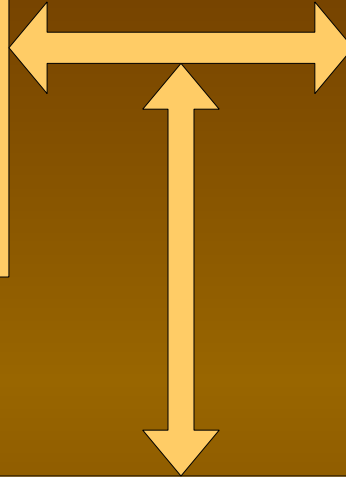


Person

KSAs
Talents & Interests
Motivation

Job

Tasks & Duties
Rewards



Job Outcomes

Performance
Satisfaction

Summary
of
Lecture-15

Forecasting the supply of human resources



Forecasting the demand for human resources



Comparing forecasted supply and forecasted demand



Taking appropriate actions

The Hiring Process

Recruiting is performed..

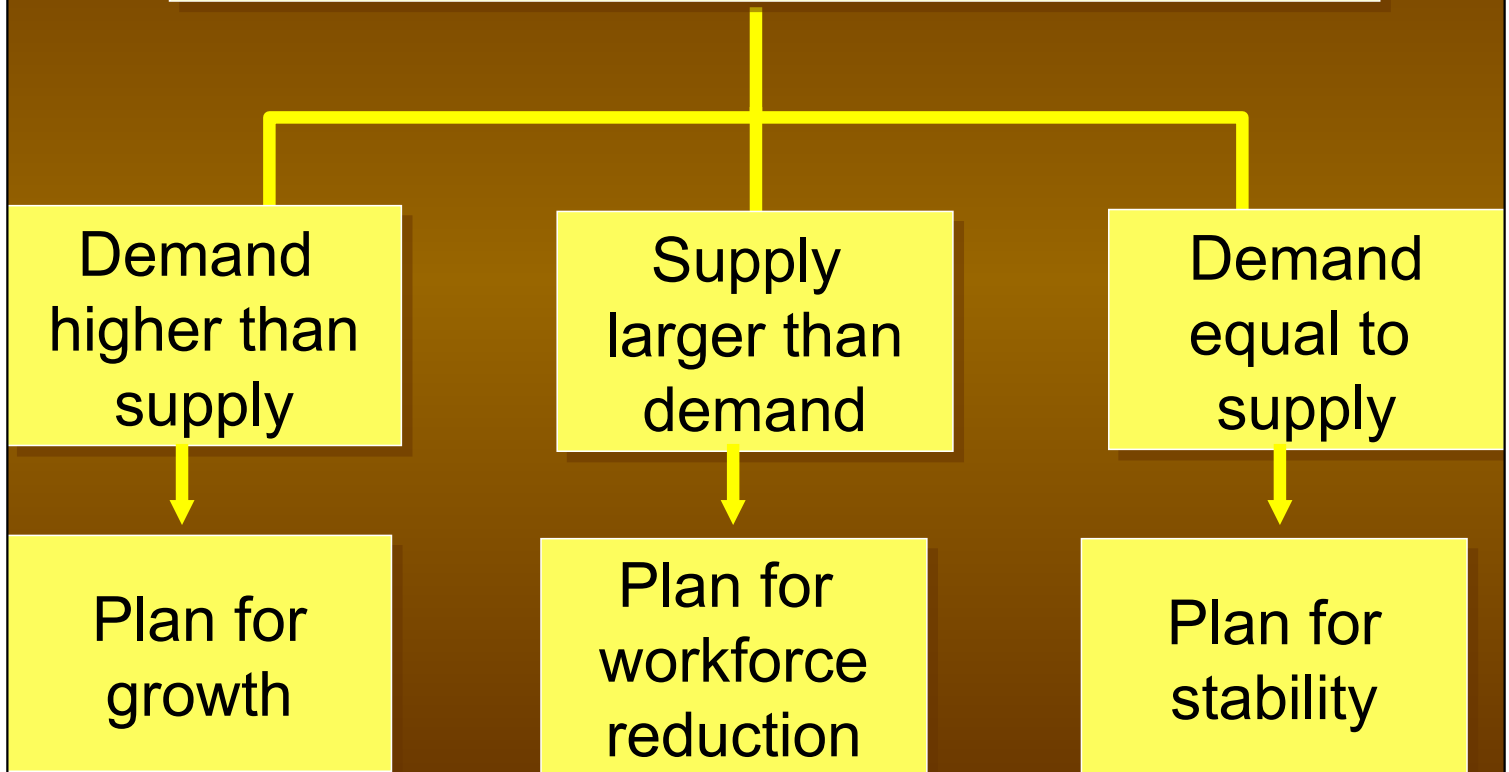
Next.....

- More about recruitment
- Resources of recruitment

Recruiting philosophy

Constraints

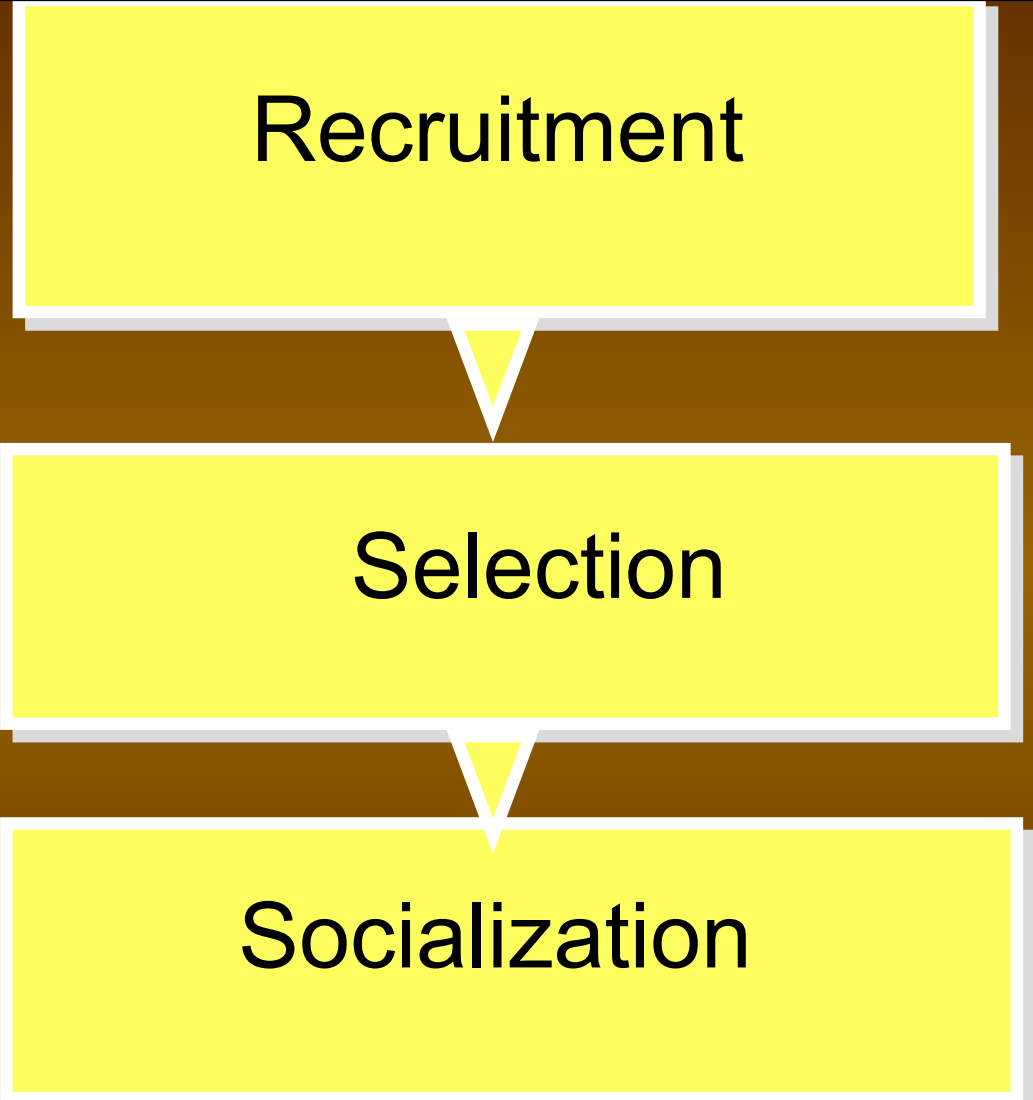
Comparison of demand and supply



Job Analysis

- Job description
- Job specification
- Job evaluation





```
graph TD; A[Recruitment] --> B[Selection]; B --> C[Socialization];
```

Recruitment

Selection

Socialization

Recruitment

The process of generating a pool of qualified candidates for a particular job; the first step in the hiring process.

Recruitment

Human Resource Planning
(HRP)

Recruitment-the foundation of selection

- Both organization and individuals have recruiting goals.

Image of organization

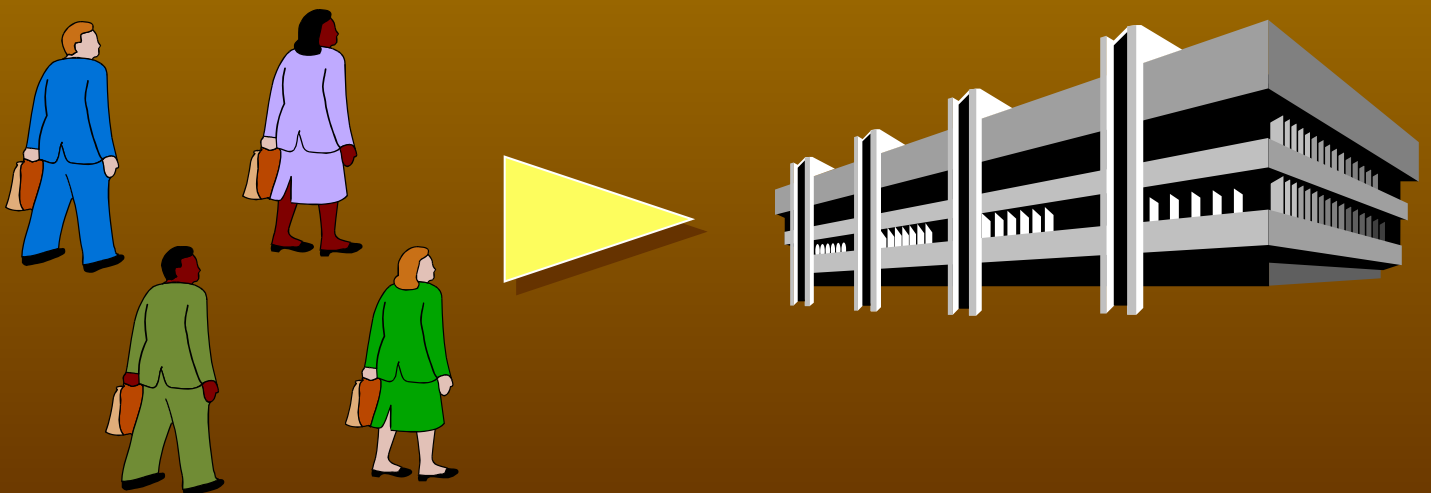
Selection

The process of making a “hire” or “no hire” decision regarding each applicant for a job

Socialization

The process of orienting new employees to the organization or the unit in which they will be working

Searching for and obtaining qualified job candidates

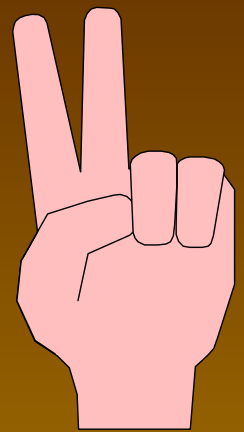




- After employment planning
 - Assuming people are available with right skills, knowledge, and abilities
 - To discover potential job candidates
-
- Directly related to HR planning and selection
 - Represents the first contact between organizations and prospective employees

Recruiting is a two-way street. Organizations are looking for qualified applicants and applicants are looking at potential employment opportunities.

Goals of Recruiting



- Attract qualified applicants
- Encourage unqualified applicants to self-select themselves out

- ATTRACT POTENTIAL

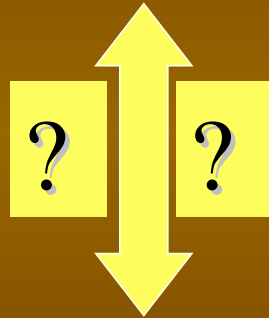
- Communicate the position so that they respond
- The more, the better

- NOT UNQUALIFIED

- Self select out
- Saves time, money
- The less, the better

Organizational Goals

- Attract a pool of qualified applicants
- Keep pool at manageable size
- Provide realistic job previews



Individual Goals

- Meet work-related goals
- Meet personal goals
- Address personal needs

- The best hiring occurs when the goals of the organization and the goals of the individual have consistency.

- To recruit effectively, an organization must clearly understand the goals it hopes to accomplish.

Positive

- Salary
- Benefits
- Potential
- Respect

Negative

- Declining industry
- Poor quality, safety
- Indifferent to workers

More Constraints



Attractiveness of Job

- Boring
 - Hazardous
 - Low pay
 - No potential
 - Anxiety-creating
-
- Internal organizational policies
 - Promote from within

- Government influence
- Recruiting costs

Global Issues



Host country national or
expatriate????

Depends On...

- Culture
- Political
- Economical
- Technology, Skill
- Legal restrictions

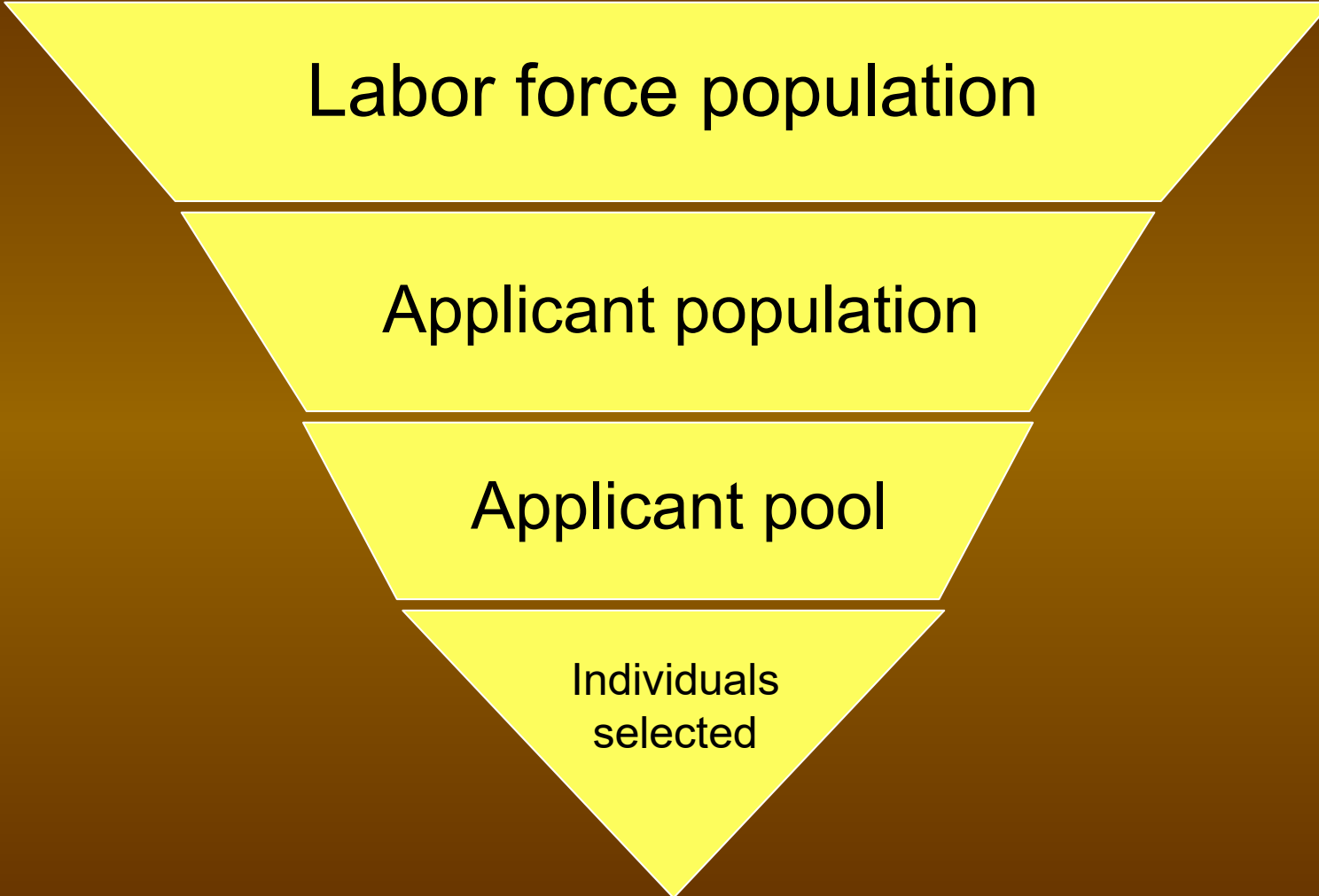
- Short-run
- Long-run

Role of diversity in the organization

- Legal compliance
- Diversity as a source of strategic strength

Marketing orientation

- Applicants are viewed as “commodities”.
- Applicants are viewed as “customers”.



Labor force population

The diagram is a funnel shape, divided into four horizontal sections. The sections are labeled from top to bottom: Labor force population, Applicant population, Applicant pool, and Individuals selected. The funnel narrows as it goes down, indicating a reduction in the number of individuals at each stage.

Applicant population

Applicant pool

Individuals
selected

Labor Markets

Geographic

Local
Regional
National
International

Industry
and
Occupational
KSAs

Educational and
Technical
Qualifications

Let's stop it here



- Labor markets and recruiting issues

Today's Topic

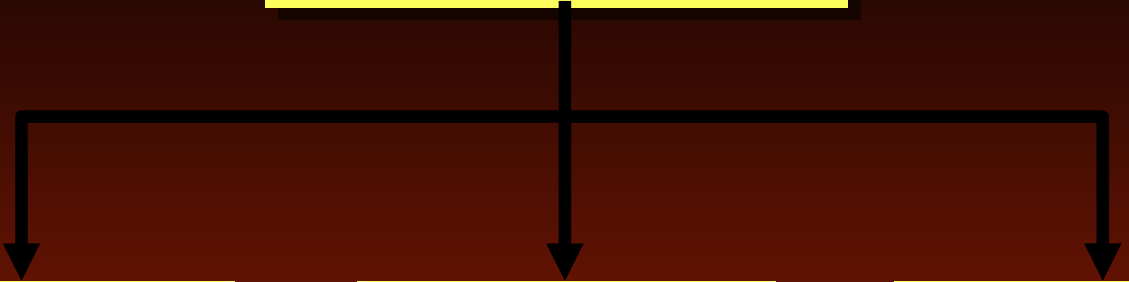
Labor Market Components

Recruiting ethics

Short-run vs. long-run view of recruiting

Recruit Internally or externally?

Labor Markets



Geographic

Local
Regional
National
International

Industry
and
Occupational
KSAs

Educational
and
Technical
Qualifications

Human Resource Management –
MGT - 501

Lecture 17

Sources of Recruitment

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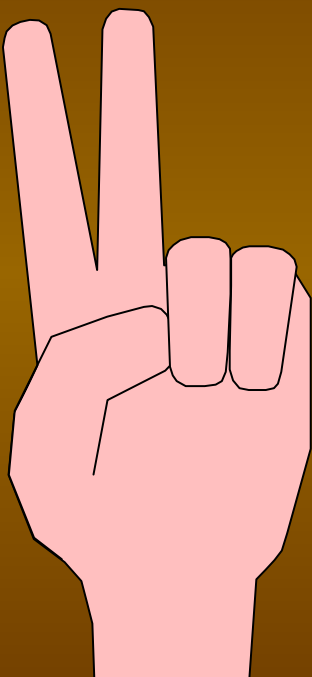
Summary of Lecture-16

Recruiting should:

- Make it easy to apply
- Make a good impression
- Make an attractive offer

- More about recruitment
- Sources of recruitment

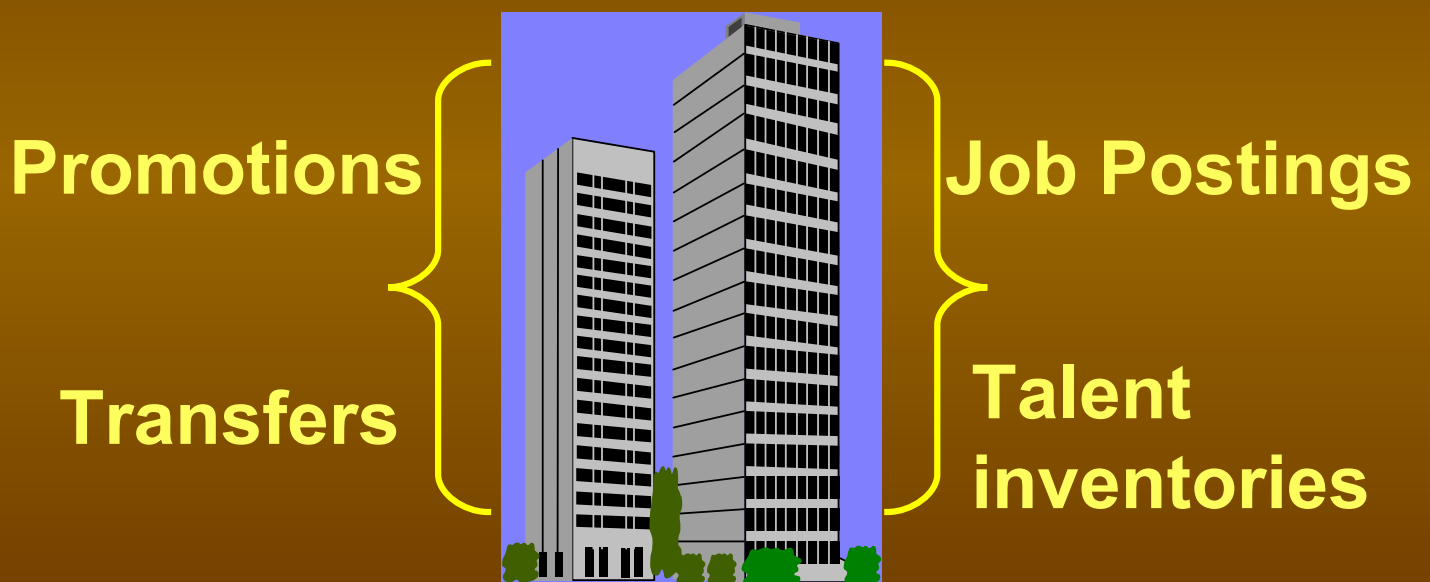
- ATTRACT POTENTIAL
 - Communicate the position so that they respond
 - The more, the better
- NOT UNQUALIFIED
 - Self select out
 - Saves time, money
 - The less, the better



Sources of recruiting

- Internal sources
- External sources

Internal Sources

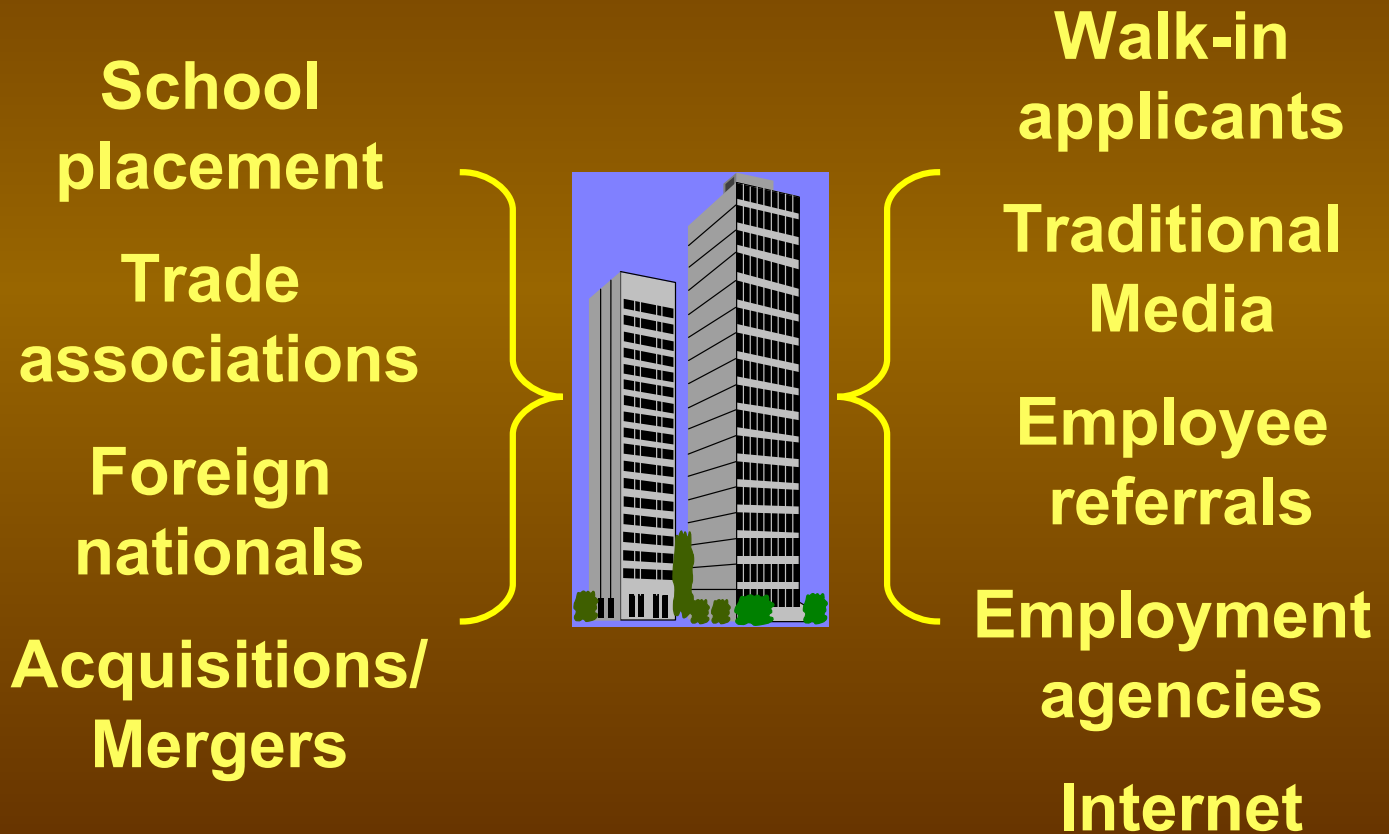


Advantages

- Public relations
- Builds morale
- Encourages ambitious employees
- Cheaper
- Know candidate better
- Already socialized
- Training

- Miss good outside talent
- Inbreeding - no new ideas
- Have to train for technology, skill upgrades

External Sources



Advantages

- Brings in new ideas
- May make achieving affirmative action goals easier

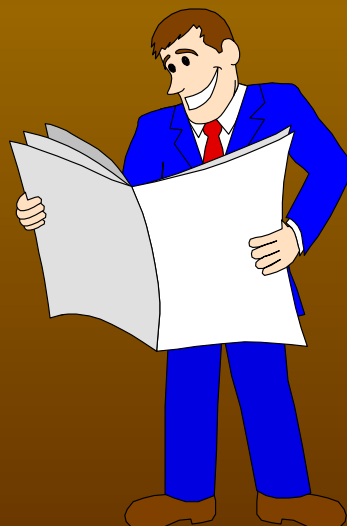
- Can handle rapid growth
- Get people with up-to-date education and training
- Shakeup the organization

Disadvantages

- Can be more expensive and time-consuming
- Hiring mistakes

- Reduced promotion opportunities might be discouraging to current employees

External Search - Advertisements



- Placed in local newspapers, trade journals, Internet
- Distribution wider if
 - Specialized skills
 - Higher level in organization
 - Short supply in market

Blind box Ads used for

- Low profile
- Bad reputation
- Market testing

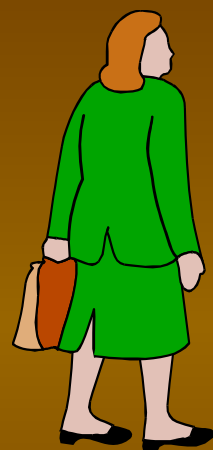
External search - employment agencies

- Public/state
- Private
- Management consulting firms



Management consulting firms

- Executive search
- Headhunter
- Specialized high skill
 - Senior managers
 - Hard to fill technical specialists
- Large fee paid by company



External search - Schools, Colleges, Universities.



- Placement services
- Internships
- Job fairs
- Recent grads

Give applicants information they need

Reject with tact

Recruiting Evaluation

Continued

General areas for evaluating recruiting

- Quantity of applicants
- Quality of applicants

Continued

Selection rate

the percentage hired from a given group of candidates

Next

- Searching of applications
- Selection process

Summary

Source of Recruiting

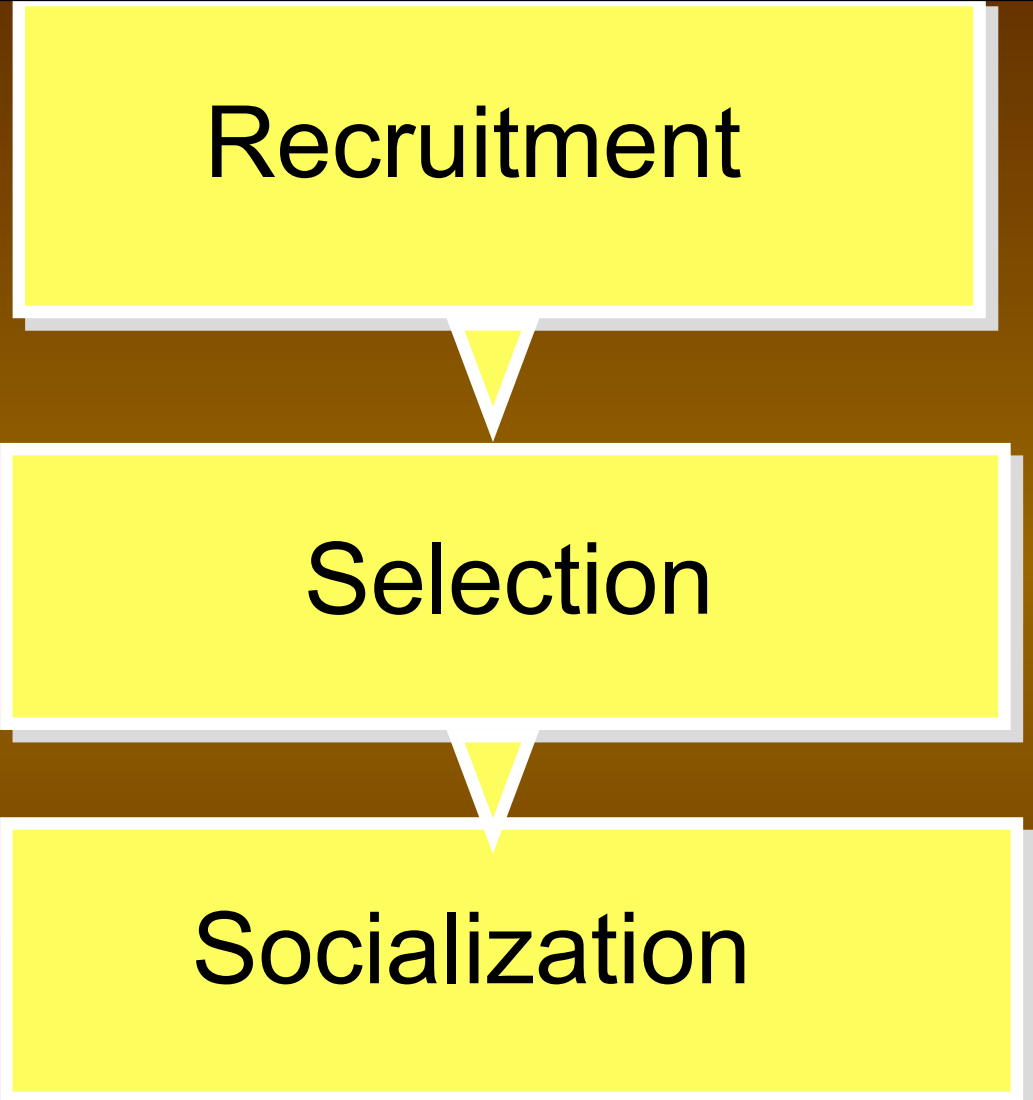
Professional organizations

- Labor unions
- Professional specialties
- Membership roster
- Trade publication ads

Recruiting philosophy

Alternatives to Recruiting

Constraints



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graph TD; A[Recruitment] --> B[Selection]; B --> C[Socialization];
```

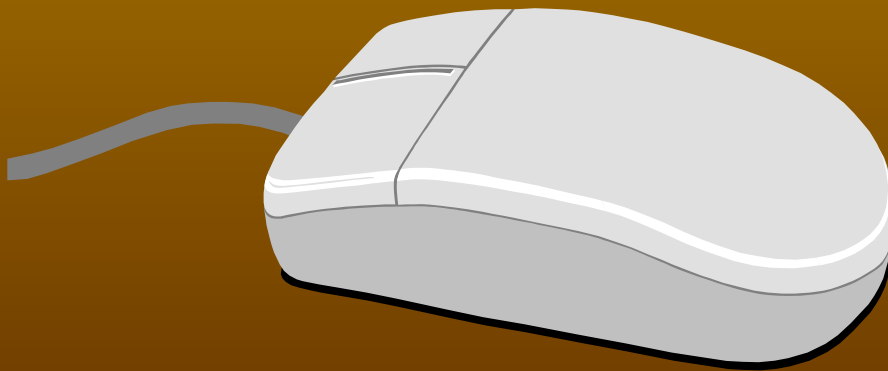
Recruitment

Selection

Socialization

The Hiring Process

Cyber recruiting



- Web-based
- 80% of companies use Internet
- Commercial job posting services
- All kinds of jobs



Recruiting Sites

- Career Builder: <http://www.careerbuilder.com>
- FlipDog: <http://www.flipdog.com>
- HotJobs: <http://www.hotjobs.com>
 - Owned by Yahoo

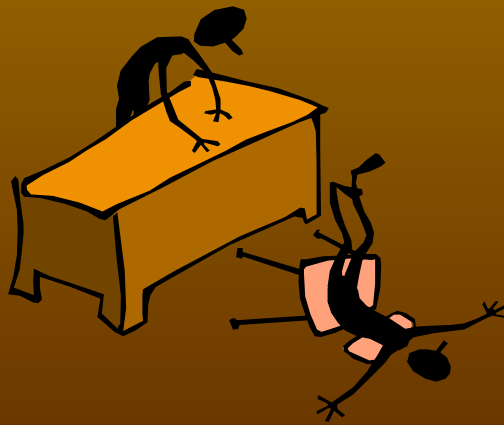
- Monster.com: <http://www.monster.com>
- Net-Temps: <http://www.nettemps.com>
- Spherion (formerly E. Span):
<http://www.spherion.com>

- Word of mouth
- Employee referrals
- Job postings that rely on informal networks
- Recruiting venues that create discomfort (e.g., hotel rooms)

Word of Mouth



Recruiting: The Applicant's Perspective



- **Research shows no clear differences in employment employees recruited from different sources**
- **Advantages of Using Multiple Sources**
 - **Increases diversity**
 - **Generates a larger pool of applicants**

Yield ratios

–A comparison of the number of applicants at one stage of the recruiting process to the number at the next stage.

- Provided basic information
- Must be work related
- Work history
- Indicates ability to follow directions

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Lecture 18

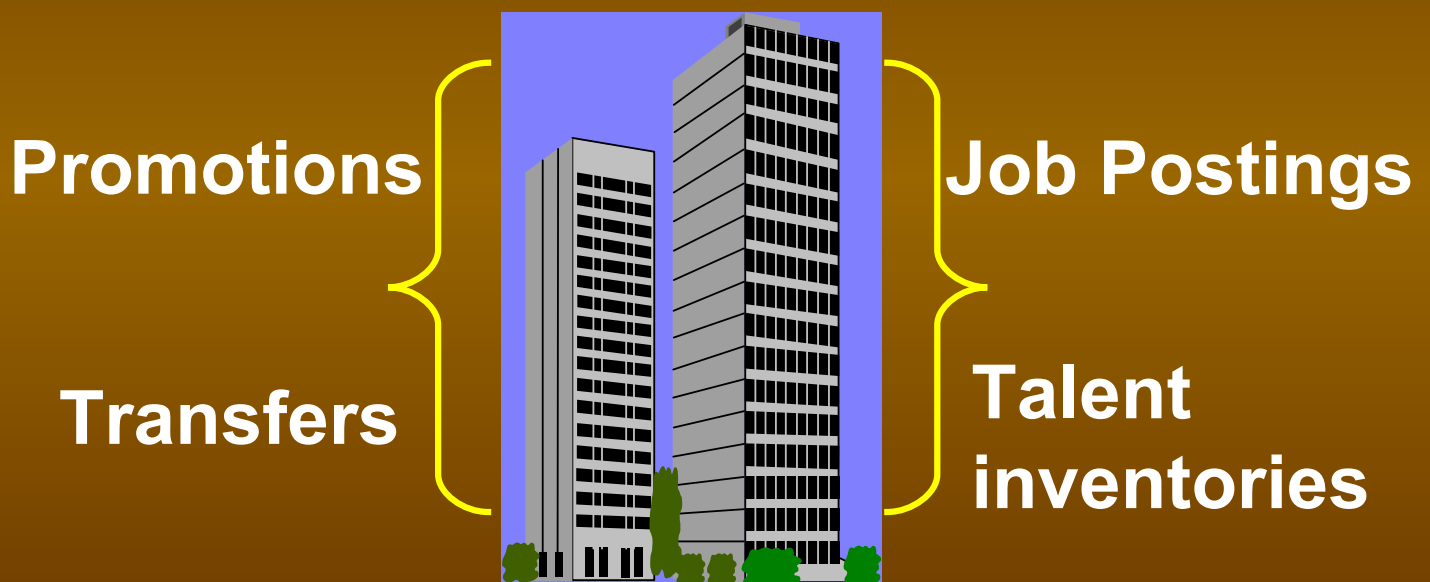
Selection

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- Signature on form
- Grounds for later dismissal if falsified
- Permission to check background and work history
- Communicates employment “at will”

Used to quickly obtain information
about an applicants past behavior

Internal Sources



Continued

- HR selection is the process of choosing qualified individuals who are available to fill positions in an organization.

Continued

- It involves making a judgment –non about the applicant, but about the fit between this person and this job.

Continued

- Knowledge, Skills and Abilities
- Personality, Interest and Performance
- Other characteristics essential to job performance

Continued

- Personal characteristics
- The issue of hiring for “fit” versus skills
- Whether they should hire persons with the best job-specific skills rather than those who best “fit” into the organization.

Initial Screening

The first step in the selection
process

The Purpose of Screening

is to decrease the number of applicants being considered for selection.

Types of information

- Employment & education history
- Evaluation of character
- Evaluation of job performance

Personal History Data/Resumes

Continued

- Includes the same types of information as the application blank. Used for more “professional” type jobs.

The information is usually presented in chronological or functional order.

Past employment & education history

Past conviction record (If any)

Medical history

References

Screening Interviews

Used to verify information provided on resume or application blank.

They are usually very short
(approximately 30 minutes or 30)

If the screening effort is successful, those applicants that do not meet minimum qualifications will not move to the next stage in the selection process.

Companies utilizing expensive selection procedures put more effort in screening to reduce costs.

Sources of recruiting



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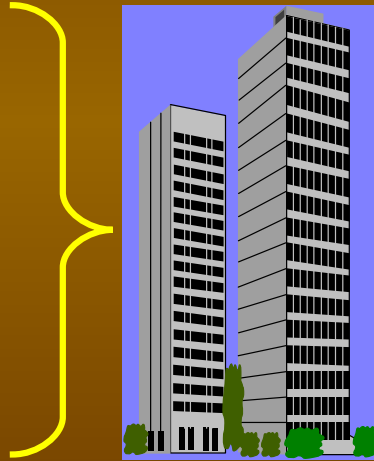
Lecture 18

Selection

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External Sources

School
placement
Trade
associations
Foreign
nationals
Acquisitions/
Mergers



Walk-in
applicants
Traditional
Media
Employee
referrals
Employment
agencies
Internet

Summary
of
Lecture-17

Alternatives to Recruiting

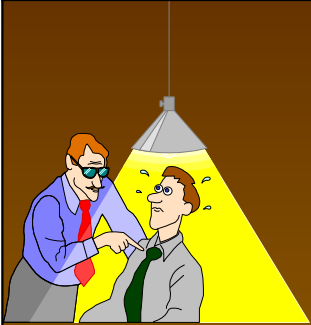
Summary

Selection



Next....

- More about selection process
- Steps in selection process



"Picking from the applicant pool"

Recruiting Evaluation

Selection Process

- Standard pattern
- Skip some steps
- Inform applicants

So, where we are....

Continued

- Recruitment has identified proof of viable candidates
- Internal
- External
- Need to select the “best” individuals from this pool
- ..And place them into the right jobs

Get more information

- Background
- Motivation
- Abilities
- Multiple decision makers

Basic Selection Criteria

- Education
- Competencies
- Experience
- Skills and abilities

Steps in the Selection Process



- Initial Screening
- Application Blank

Pre-employment Testing

- General Intelligence Tests
- Aptitude Tests
- Personality and Interest Tests
- Achievement Tests
- Honesty Tests

Interviews

- Structured Interview
- Unstructured Interview
- Mixed Interview

- Background Checks
- Conditional job offer
- Medical Exam/Drug Tests
- Selection Decision

Sources utilized in the
screening effort



2. Application Blank

Application Forms



Name: _____

Education: _____

Work Experience: _____

Work Skills: _____

References: _____

A formal record of an individual's
application for employment

Critical aspects

- The applicant certifies
- The applicant agrees

- 👍 The applicant authorizes
- 👍 The applicant understands and accepts
- 👍 A written agreement

Uses of Application Blanks

- 👉 Determine whether minimum qualifications for job are met.
- 👉 Judge the presence or absence of certain job-related attributes.

👉 “Red flag” potential problem areas concerning the applicant.

“Red Flag”

Warning signs that may require further investigation

- 👉 Time gaps in employment

- 👉 Vague answers

- 👉 Vague reasons for leaving previous jobs

- 👉 Lack of employment History

- 👉 Inconsistencies in salary history

👉 When all employers listed are out of business



- **Recruitment has identified pool of viable candidates**
 - **Internal**
 - **External**
- **Need to select the “best” individuals from this pool**
- **..And place them into the right jobs**

 **Personal characteristics**

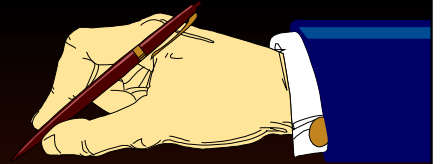
 **The issue of hiring for “fit” versus skills**

 **Whether they should hire persons with the best job-specific skills rather than those who best “fit” into the organization.**

- **Past employment & education history**
- **Past conviction record (if any)**
- **Medical history**
- **References**

If the screening effort is successful, those applicants that do not meet minimum qualifications will not move to the next stage in the selection process.

👍 **Signature on form**



👍 **Grounds for later dismissal if falsified**

👍 **Permission to check background and work history**

👍 **Communicates employment “at will”**

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Lecture 19

Selection Tests

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Summary

- Employment Tests
- Basic Test Concepts
- Types of Employment Tests
- Job interviews
- Interviewing guidelines

Next...

- More about selection process
- Steps in selection process



- Initial Screening
- Application Blank

Today's Topic

Basic testing concepts; Reliability

Summary
of
Lecture-18

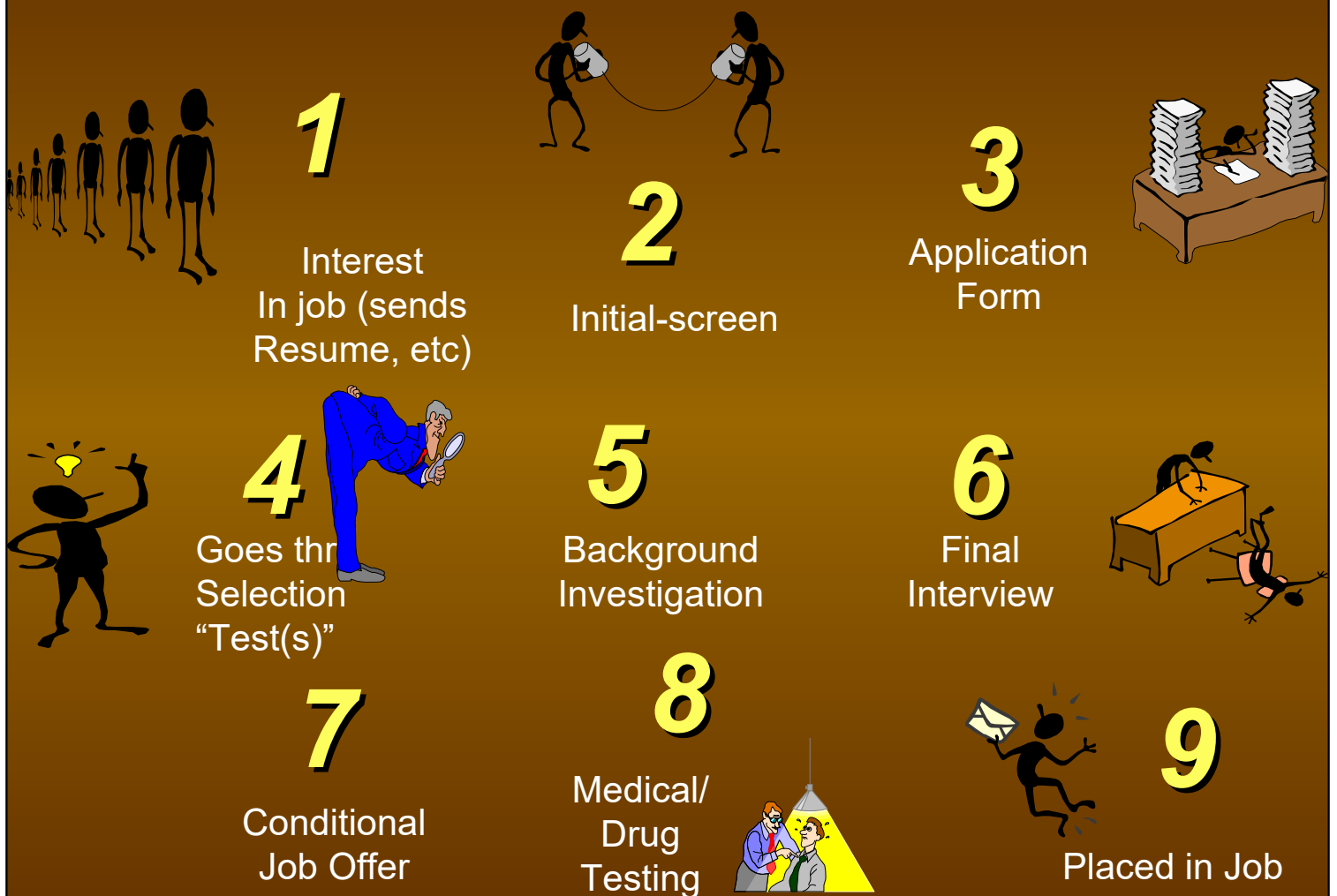
Steps in the Selection Process

Selection



Continued

- It involves making judgment not about the applicant, but about the fit between this person and this job.



Step 3 - Employment Tests

- Historical uses - intelligence, aptitude, ability, honesty, interest
- 60% of companies use some form of employment test

Basic Testing Concepts; Validity

Test validity answers the question, “Does this test measure what it’s supposed to measure?”

Demonstrating criterion validity means demonstrating that those who do well on the test also do well on the job, and those who do poorly on the test do poorly on the job.

The content validity of a test is demonstrated by showing that the test constitutes a fair sample of the content of the job.

Reliability is a test's second important characteristic and refers to its consistency. It is "the consistency of scores obtained by the same person when retested with the identical tests or with an equivalent form of a test."

Establishing Test Reliability and Validity

Three requirements of a "Good Test"

- 1) Standardization
- 2) Reliability
- 3) Validity

Types of Employment Tests

- General intelligence tests
- Aptitude tests
- Personality and interest tests
- Honesty tests

- Performance simulation tests
 - Engage in actual job behaviors
- Work sampling
- Assessment centers

Detecting Dishonesty; Some Guidelines

- Ask blunt questions
- Listen, rather than talk
- Ask for a credit check
- Check all references
- Test for drugs
- Conduct searches

Step 4 – Job Interviews

- Multiple people - HR managers, supervisors, colleagues
- Probe areas not accessed by application forms or employment tests
- Questions must be job related

Types of Interviews

- Unstructured (nondirective) interview
- Structured (directive or patterned) interview

Methods of Interviewing

- One-On-One Interview
- Group Interview
- Board Interview
- Stress Interview

- Videotaped Interview
- Computer Interview

Do

- Ask open questions
- Ask job related Questions
- Open the interview
- Ask positive questions
- Look for area applicant is uneasy

Don't

- Ask all close questions
- Ask personal questions
- Do all the talking
- Be impatient
- Ask more than one question at a time

Steps of an Effective Interview

- Be prepared
- Welcome the candidate
- Encourage Candidate to talk
- Control the interview
- Supply necessary information
- Close interview
- Final step

Interviewing Guidelines

- Use a structured form: ask all applicants for the particular job the same question.
- Delay your decision: no snap judgment

- Focus on traits that are more accurately assessed in the interview e.g. motivation to work and personal relations.

- Get the interviewee to talk.
- Comply with legal requirements.

Common Interviewing Mistakes

- Snap judgment
- Negative emphasis
- Not knowing the job
- Pressure to hire
- Candidate-order error
- Nonverbal behavior



Interviews are Biased



- Impression management
- Interviewers have bad, inaccurate memories
- When are decisions made??? First few minutes

Influencing an Interview

- Prior knowledge
- Stereotype
- Order of interviews is important
- Order of information presented is important
- Negatives get high weight



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Lecture 20

Selection Process cont...

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Common Interviewing Mistakes

- Snap judgment
- Negative emphasis
- Not knowing the job
- Pressure to hire
- Candidate-order error
- Nonverbal behavior



Today's Topic

Summary of Lecture-19

- Employment Tests
- Basic Test Concepts
- Types of Employment Tests
- Job interviews
- Interviewing guidelines

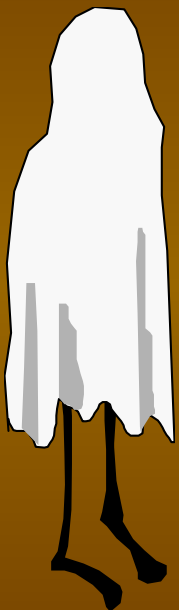


Summary

Next....

- More about socialization
- Orientation process

Socialization



Step 5 - Background Investigations

- Accuracy of application form
- Contact former employers
- Contact references

- Verify education
- Legal status to work
- Credit history
- Criminal records

Performed by



- Internal - HR staff (cheaper)
- External - Third party investigators - (more thorough)

- Nearly half of all applicants exaggerate something
- Verify the accuracy of factual information provided by the applicant

- Uncover damaging background information such as criminal records etc.
- Documentation is important

Step 6 - Conditional Job Offer

- So far, so good
- Usually made by HR
- Depending on medical, drug, or other remaining tests

Step 7 - Physical Exam

- Only used to identify people physically unable to perform jobs
- Baseline for health insurance (after employment)
- Drug testing



Step 8 - Permanent Job Offer

- Selection of applicant by departmental or immediate supervisor to fill vacancy.
- Notification of selection and job offer by the human resources department.

Selecting Managers

- Parent-Country Nationals
- Host-Country Nationals
- Third-Country Nationals

Parent-Country Nationals

Advantages

- Organizational Control and Coordination
- Promising managers are given International experience.
- PCNs are the best people for the job.

Disadvantages

- Adaptation to the host country may take a long time
- PCNs may impose an inappropriate headquarter style
- Compensation for PCNs and HCNs may differ

Host-Country Nationals

Advantages

- Language and other barriers are eliminated
- Hiring costs are reduced
- No work permit is required
- Continuity of management improved

Disadvantages

- Control and Coordination of headquarters may be impeded.
- Hiring HCN's limits opportunities for PCN's to gain overseas experience.

Third-Country Nationals

Advantages

- Salary and benefits requirements may be lower than for PCNs
- TCNs may be better informed than PCNs about the host country.

Disadvantages

- The host Government may resent the hiring of TCNs
- TCNs may not want to return to their own countries after assignment.

Teaching the corporate culture and philosophies about how to do business.



Assumptions about Socialization

Influences performance
Increases organizational stability
New members suffer anxiety
Does not occur in a vacuum

Orientation
Welcome party
Job rotation
On job training
etc.

Orientation – orients, directs, and guides employees to understand work, firm, colleagues, and mission (socialization)



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Lecture 21

Socialization

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Today's Topic

Socialization

Socialization

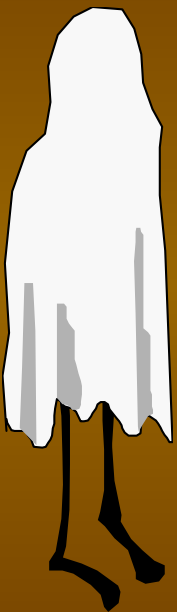


Step 8 - Permanent Job Offer

Selecting Managers

Step 7 - Physical Exam

Step 6 - Conditional Job Offer



Step 5 - Background Investigations

Summary of Lecture-19

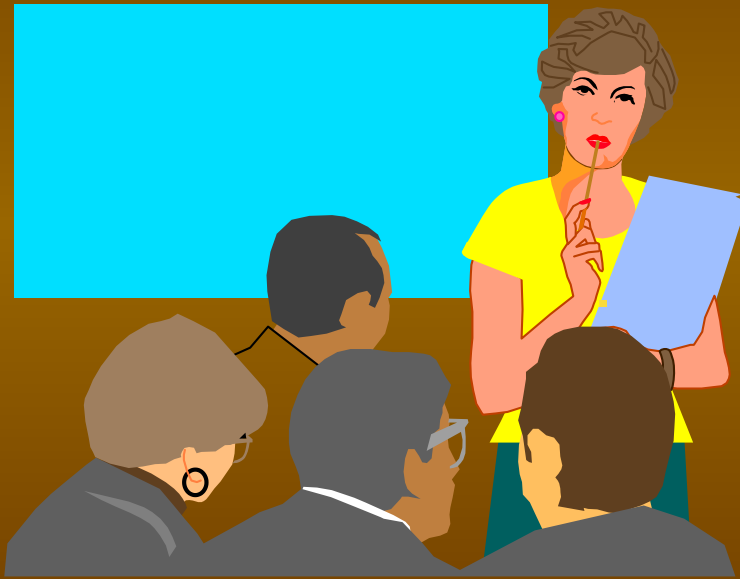
Next....

Training Process

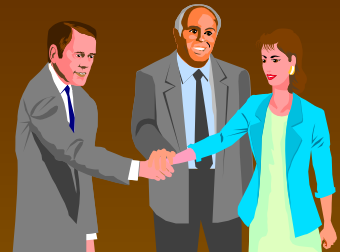
Summary



Training



Purpose & Importance of Socialization



- Improve ability
- Learn company values/system
- Increase commitment to the successes

- Willingness to work with commitment
- Feel comfortable at new environment
- To know each other in the company

Socialization Process Steps

- Prearrival
- Encounter
- Metamorphosis

Pre-arrival



- Before starting the job
- Enter with values, attitudes, expectations
- Schools, training
- Interviews prepare for organizational fit

Encounter



- Upon entry into organization
- Shock at possible dichotomy
 - Expectations
 - Reality
- Affirmation
- Detachment

Metamorphosis



- Problems worked out
- Comfortable with environment
- Productivity
- Commitment
- Turnover

Many People Socialize new Hires



- HRM
 - Orientation
 - Schedule others
- Supervisor
- Peers
- Organizational culture
- CEO

Topics covered in employee Orientation program

Introduction

- To organization
- To supervisor
- To trainers
- To coworkers
- To system

Job Duties

- Job location
- Job tasks
- Job safety requirements
- Overview of job
- Job objectives
- Relationship to other jobs

Organizational Issues

- History of employer
- Organization of employer
- Name & titles of key executives
- Employee's titles and departments
- Layout of physical facilities

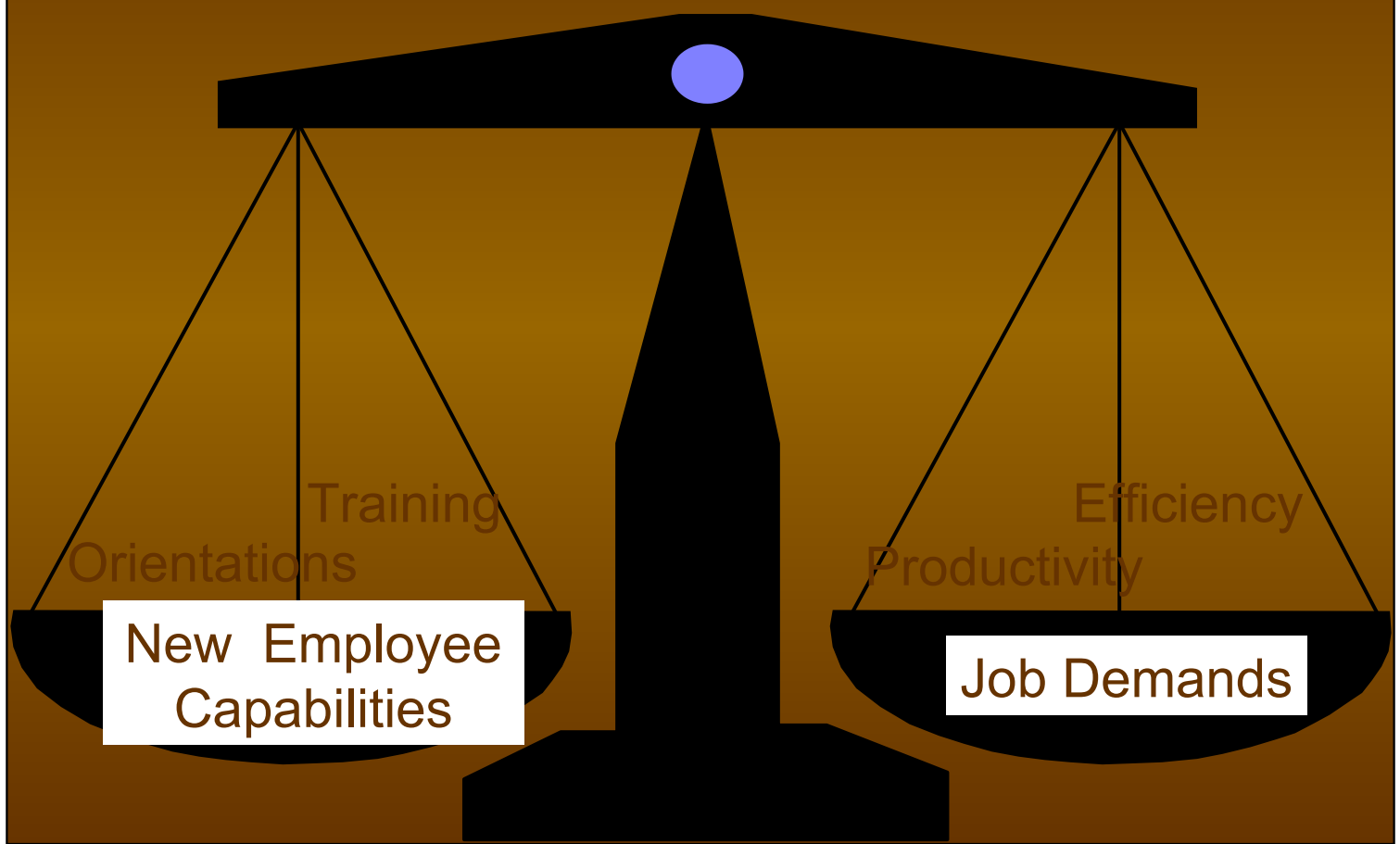
- Probationary period
- Overview of production process
- Company policies and rules
- Disciplinary regulations
- Employee handbook
- Safety procedures

Employee Benefits

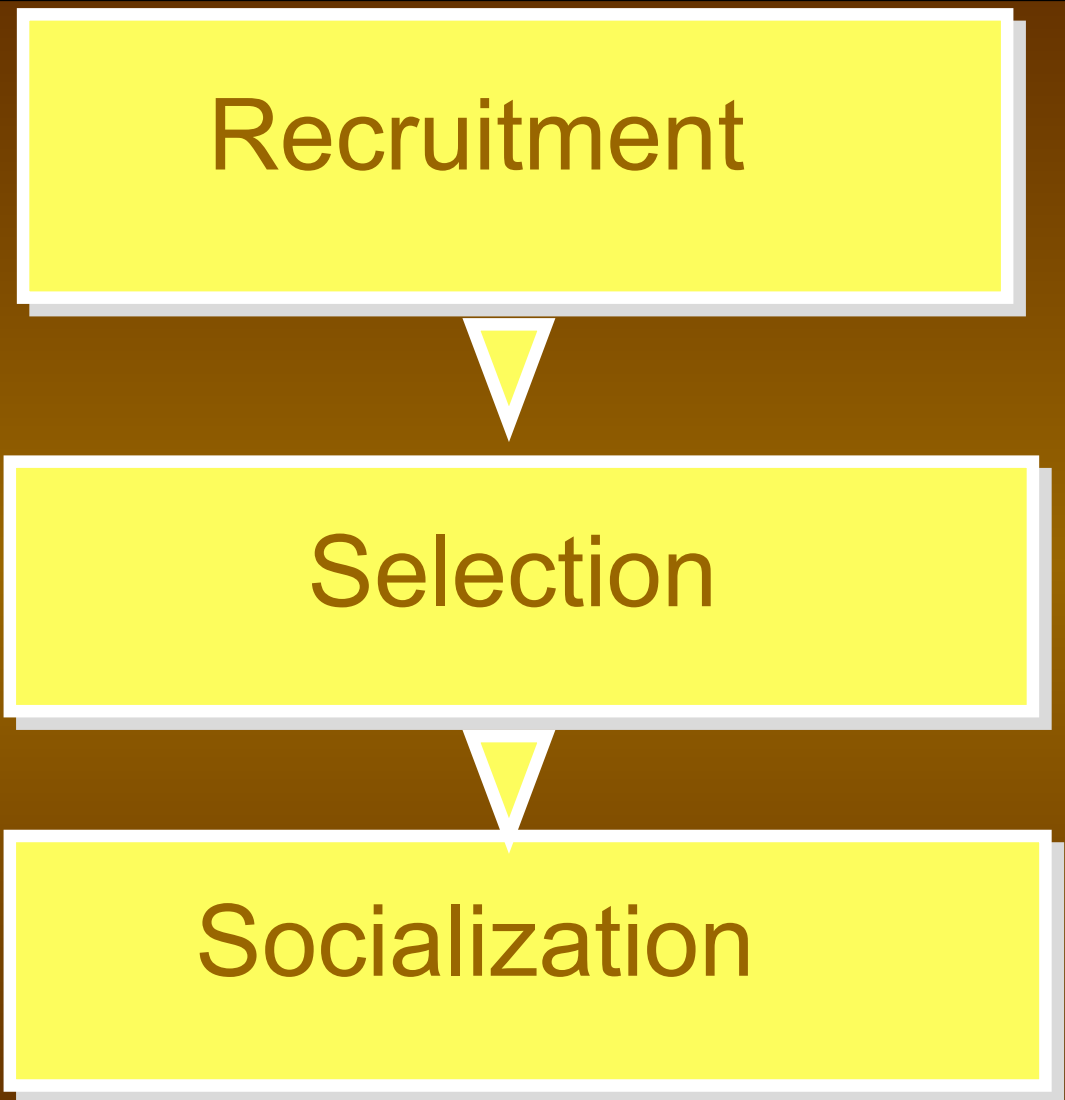
- Pay scales & paydays
- Vacations
- Rest break
- Training & education benefits
- Counseling
- Housing facilities

- Insurance benefits
- Retirement program
- Employee-provided services for employees
- Rehabilitation program

Balance for New Employee



The Hiring Process



```
graph TD; A[Recruitment] --> B[Selection]; B --> C[Socialization];
```

Recruitment

Selection

Socialization

Training

- A process whereby people acquire capabilities to aid in the achievement of organizational goals.
- Training involves planned learning activities designed to improve an employee's performance at her/his current job.



- Training refers to the methods used to give new or present employees the skills they need to perform their jobs.



Training Is Everything

- “The Peach was once a bitter almond; cauliflower is nothing but cabbage with a college education”

Development

- All efforts to provide employees with the abilities the organizations will need in the future

Training and Development Trends

- Skill requirements will continue to increase
- Workforce will become significantly better educated & more diverse

- Corporate restructuring reshapes businesses
- Technology will revolutionize certain training delivery methods

- The role of training departments will change
- More flexible courses aimed specifically at performance improvement

- More firms will strive to become learning organizations
- Emphasis on human performance management will accelerate



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Lecture 21

Socialization

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Lecture 22

Training and Development

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Summary

Process training

- Needs assessment
- “What’s the issue?”
- Design of training
- “What content will address it?”

- Needs assessment
- “What’s the issue?”
- Design of training
- “What content will address it?”



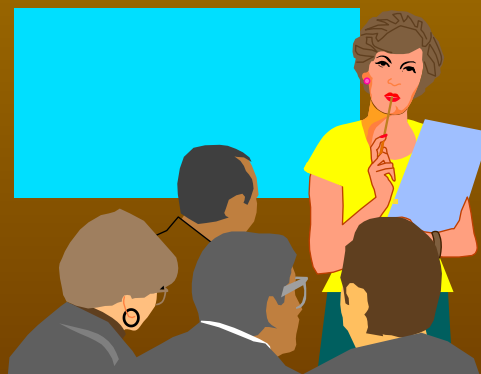
Purposes of T & D



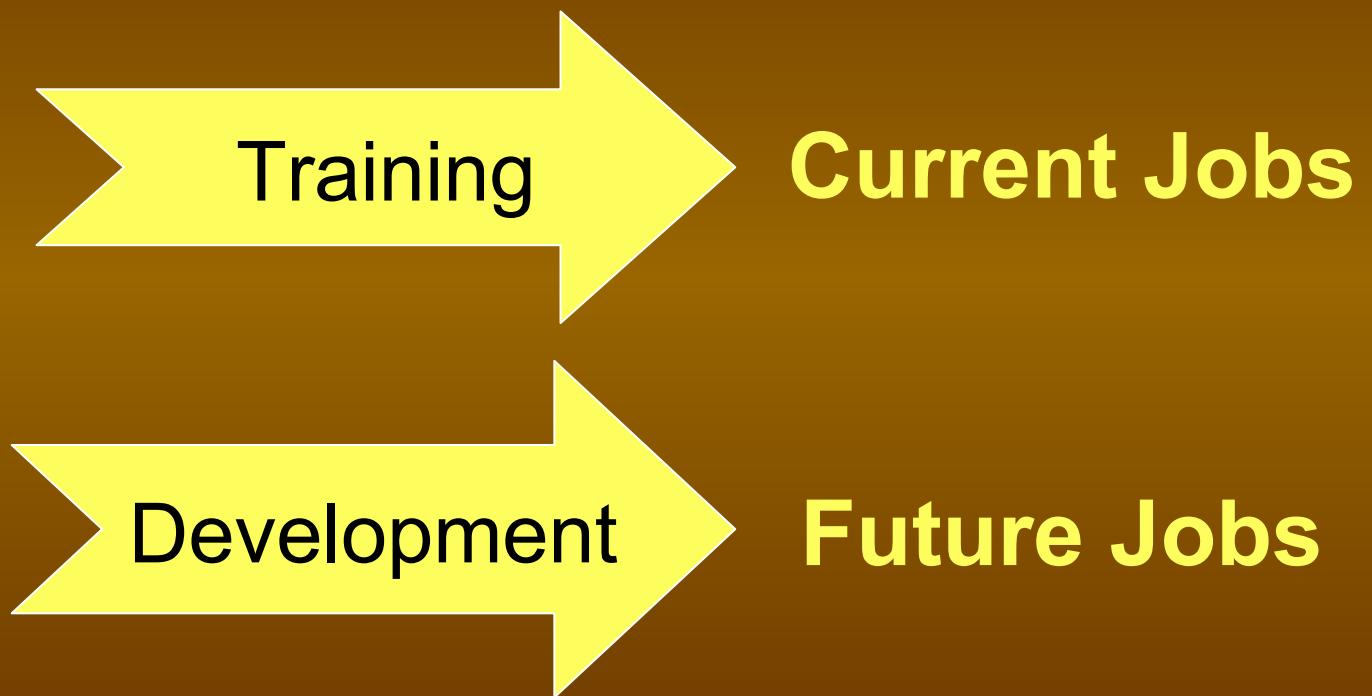
Human Resource Development (HRD)

Next....

Maximizing Learning



Training vs. Development



Consider ways to enhance transfer to job

Phase of Training

- Delivery of training
 - a) "How will the training be given"
- Evaluation
 - a)" How will we know its effect?"
 - b) "Did it work"

Learning Theory and Employee Training

Learning

- is a relatively permanent change in behavior that results from direct or indirect experience.

Learning organization

- is one whose employees continuously attempt to learn new things & to use what they learn to improve product or service quality.



The bottom line...

- All managers should understand the basic purposes and processes of both training & development
- and also recognize the role of learning theory in training and development.

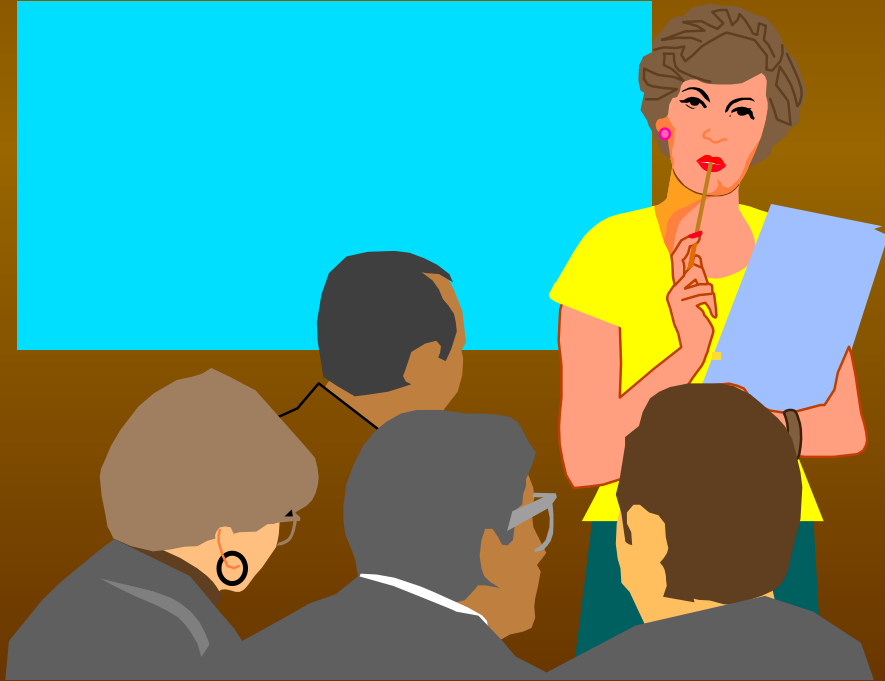
Challenges in Training

- Is training the solution to the problem?
- Are the goals of training clear and realistic?
- Is training a good investment?
- Will the training work?

Training Need

- Job behavior inappropriate
or
- Knowledge or skill level inadequate
and
- Problems can be corrected through training

Training



Phase 1 Needs Assessment

Assessing Training Needs

- Number of employees experiencing skill deficiency
- Severity of skill deficiency
- Importance of skill
- Extent to which skill can be improved with training

Determining Training Needs

- Self-assessments
- Company records
- Customer complaints
- New Technology

- Employee grievances
- Interviews with managers
- Customer satisfaction surveys
- Observation

What is the Context?

Organization
Analysis

Task
Analysis

Person
Analysis

In what do they need
training?

Who Needs the Training?

- Conduct gap analysis (what is vs. should be)
- Establish objectives & priorities

Phase 2: Designing Training



Assess trainee readiness

- Basic skills needed, self-efficacy

Consider learning styles



Remember

- Hear
- Hear & see
- Hear, see, & do



**Improves
remembering**

Step 3: Delivering the Training



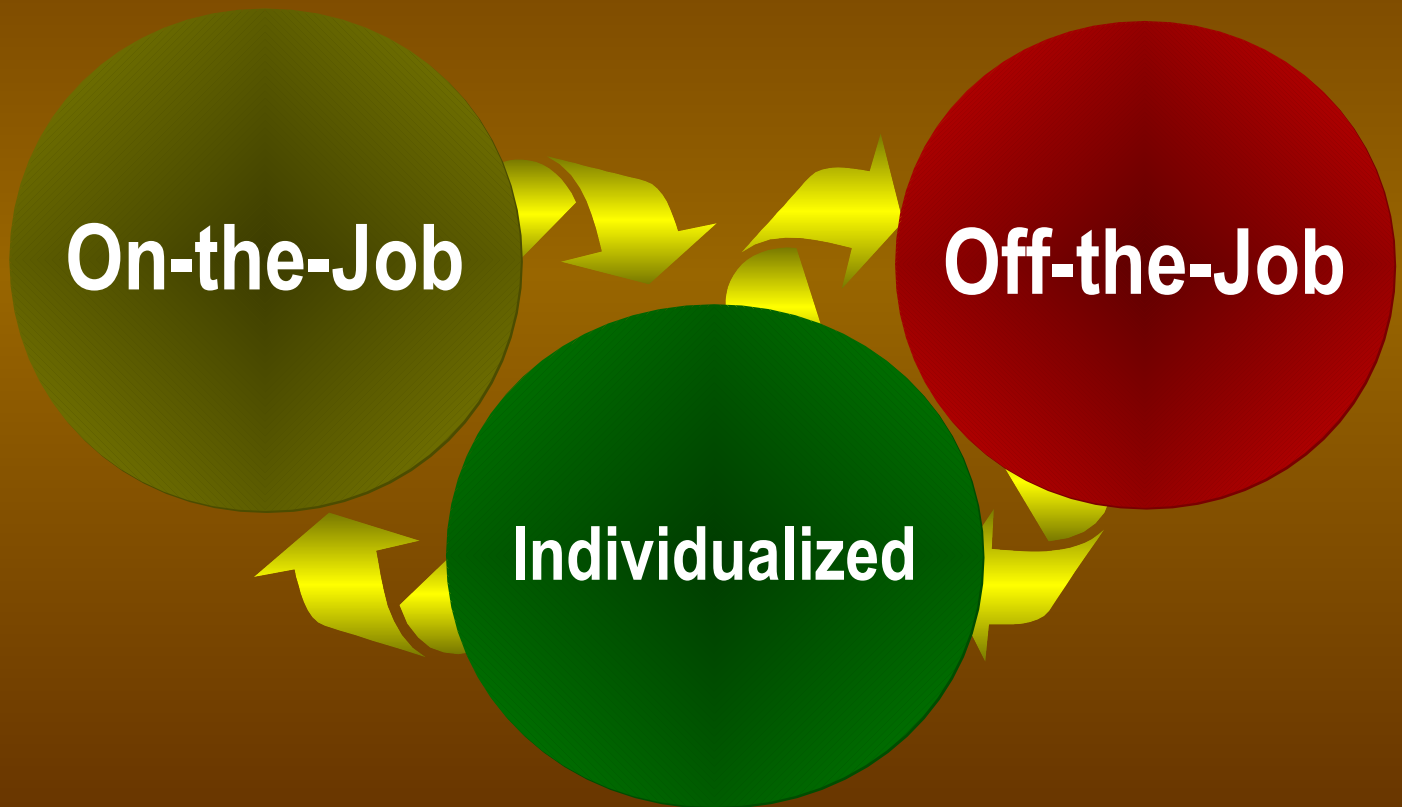
- Conduct pilot, revise
- Make logistical decisions
- Consider internal vs outsourced/external training
- Online learning

Training Methods

- Lecture
- Case method
- Simulations
- Internships
- Mentoring
- Discussions
- Games
- Role playing
- Computer-based
- Video training



Workplace Training Methods



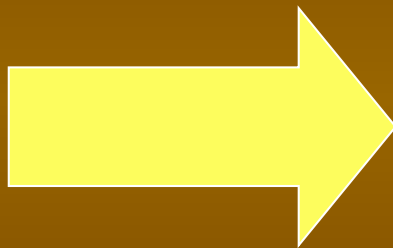
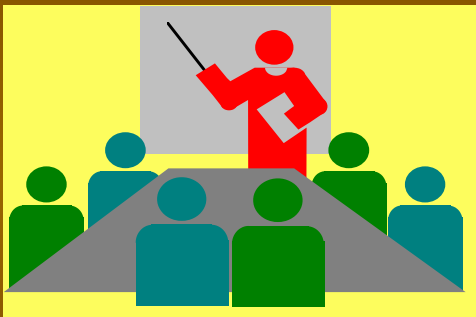
On-the-job training (OJT)

- Training is at the actual work site using the actual work equipment

Off-the-job training

- Training is at a training facility designed specifically for training

Transfer of Training



**From
Classroom**

To Job

Why Transfer of Training Fails

- Don't learn material
- Don't understand "real life" applications
- Lack of confidence
- Forgetting the material

Step 4: Evaluation of Training

What to Evaluate ?

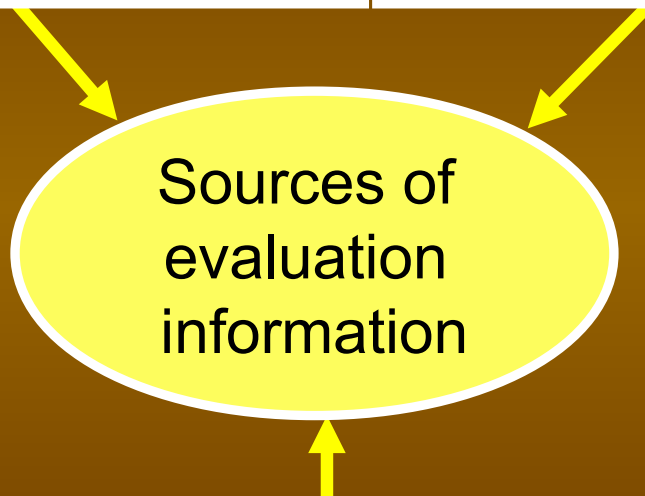
- Trainee reactions
- Testing
- Performance appraisal
- Records of organizational performance

Pre-test and post-test of
trainee performance

Trainee evaluations of
training/development
program

Sources of
evaluation
information

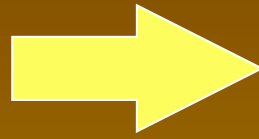
Measurements of change in
organizational performance



Evaluation Design

Trainee
Group

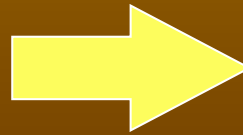
Pretest



Post-test

Control
Group

Pretest



Post-test

Summary
of
Lecture-21

Purpose & Importance of Socialization

The Hiring Process

Recruitment

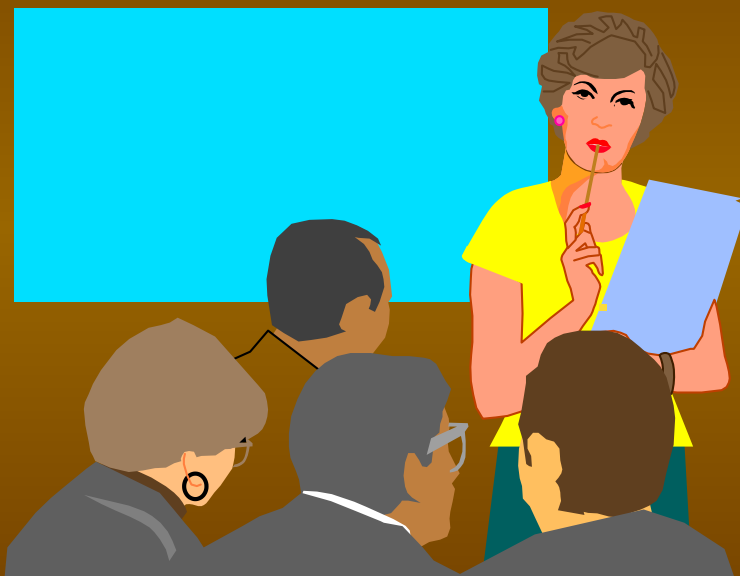


Selection



Socialization

Training



Continued

A process whereby people acquire capabilities to aid in the achievement of organizational goals.

Today's Topic

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Lecture 23

Maximizing Learning

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Next...

Career

- Needs assessment

“What’s the issue?”

- Design of training

“What content will address it?”

Training is the part of HRD

Summary of Lecture 22

Summary

Process training

1. Needs assessment
 - “What’s the issue?”

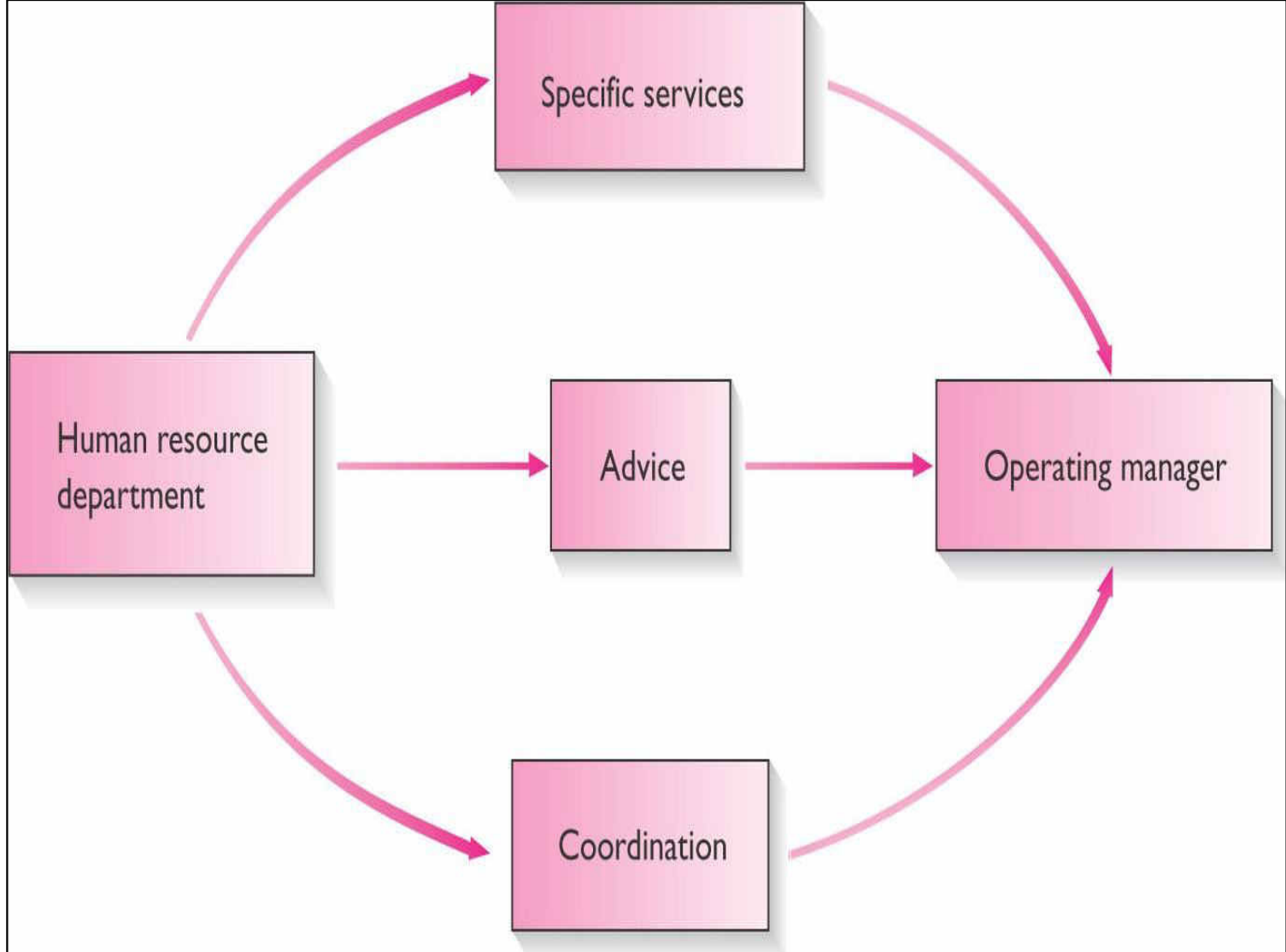
Design of training

- “What content will address it?”

Phase of Training

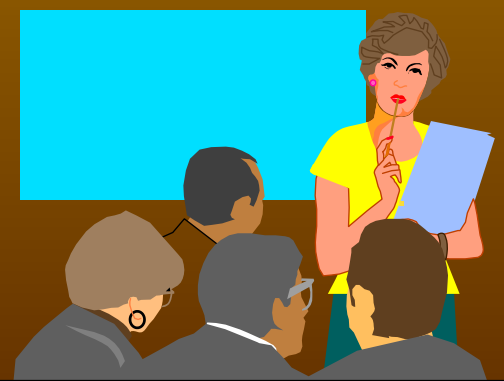
- Delivery of training
 - a) "How will the training be given"
- Evaluation
 - a)" How will we know its effect?"
 - b) "Did it work"





Maximizing Learning

- Selecting the Stage for Learning
- Provide clear task instructions
- Model appropriate behavior



Increasing Learning during Training

- Provide for active participation
- Match training techniques to trainees self-efficacy
- Ensure specific, timely, diagnostic, and practical feedback
- Provide opportunities for trainees to practice new behavior

Maintaining Performance after Training

- Develop learning points to assist knowledge retention
- Set specific goals
- Identify appropriate reinforcers
- Teach trainees self-management skills.

Following up on Training

Evaluate effectiveness

- Make revisions as needed.

Learning Principles

- Participation
- Repetition
- Relevance
- Transference
- Feedback



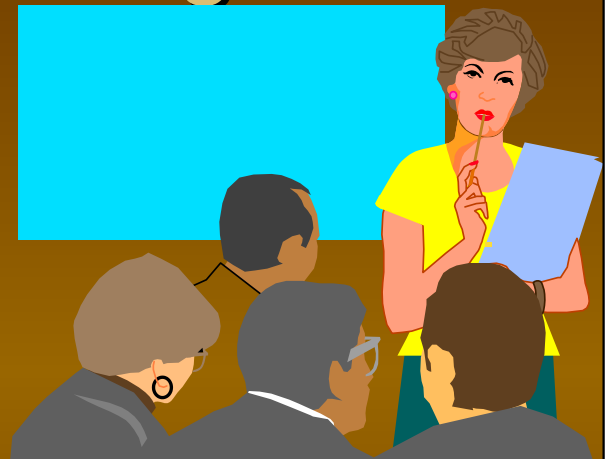
Purposes of T & D

- Orient new employees
- Prepare for promotion
- Satisfy personal growth needs
- Reduced learning time
- To cope with the change
- Improve performance
- Update employees skills
- Avoid Managerial Obsolescence
- Solve organizational problems

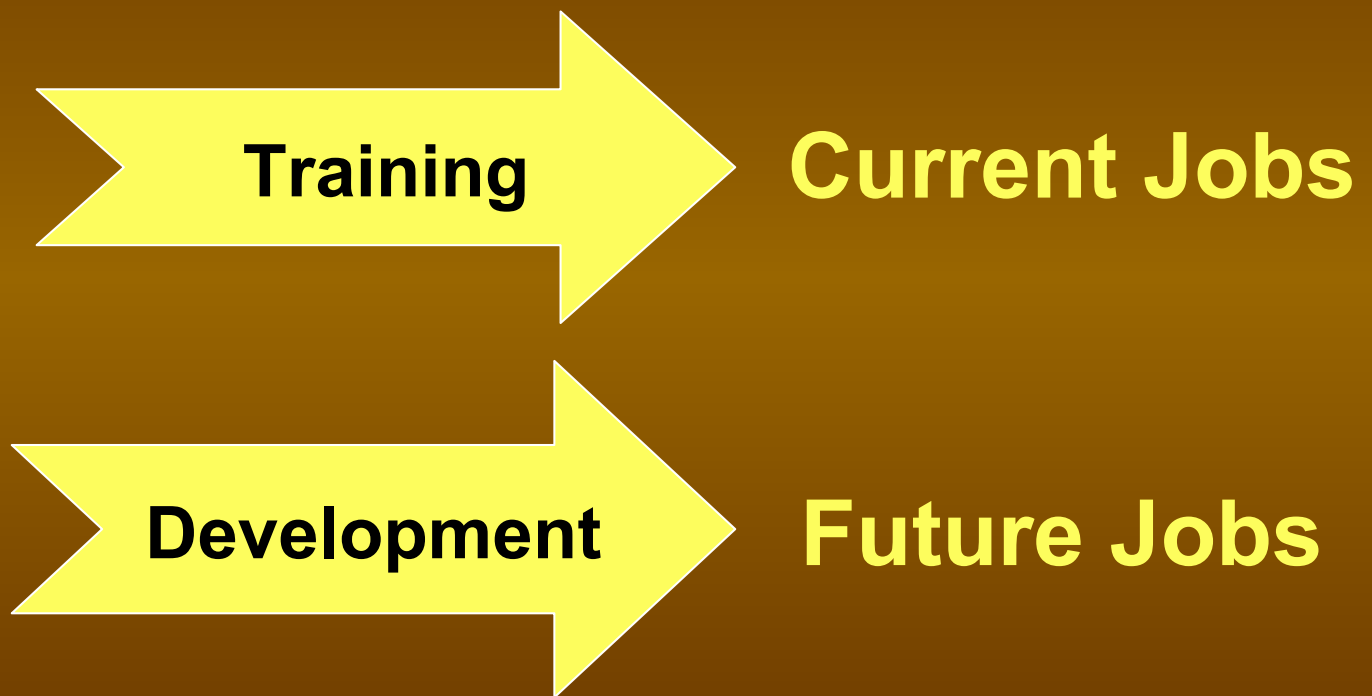


Selecting T & D Program

- Cost effectiveness
- Desired Program content
- Learning principles
- Appropriateness of the facilities
- Trainee performance and capabilities
- Trainer performance and capabilities



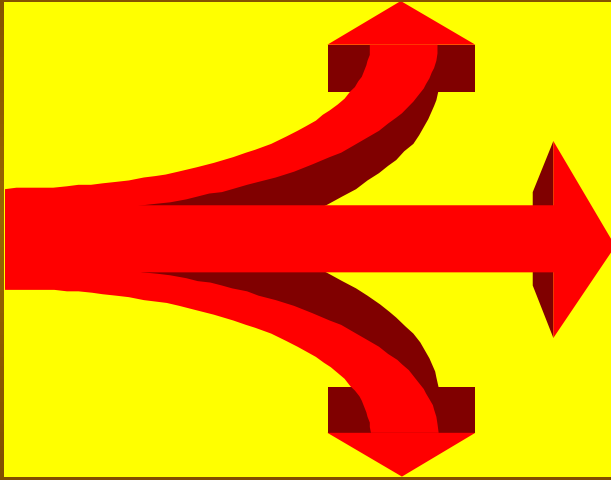
Training vs. Development



Human Resource
Development (HRD)

Training &
Development

H
R
D



Organization
Development

Career
Development

- HRD programs are divided into Three categories
- Training,
- Education &
- Development



- Training for the present,
Educating for the future,
Developing to lead.



Developing a succession planning
program

Line Managers and Training and Development

- Provide employee orientation training.
- Assess training needs and plan developmental strategies.



- Provide on-the-job training.
- Ensure transfer of training.

The HRM Department and Training and Development

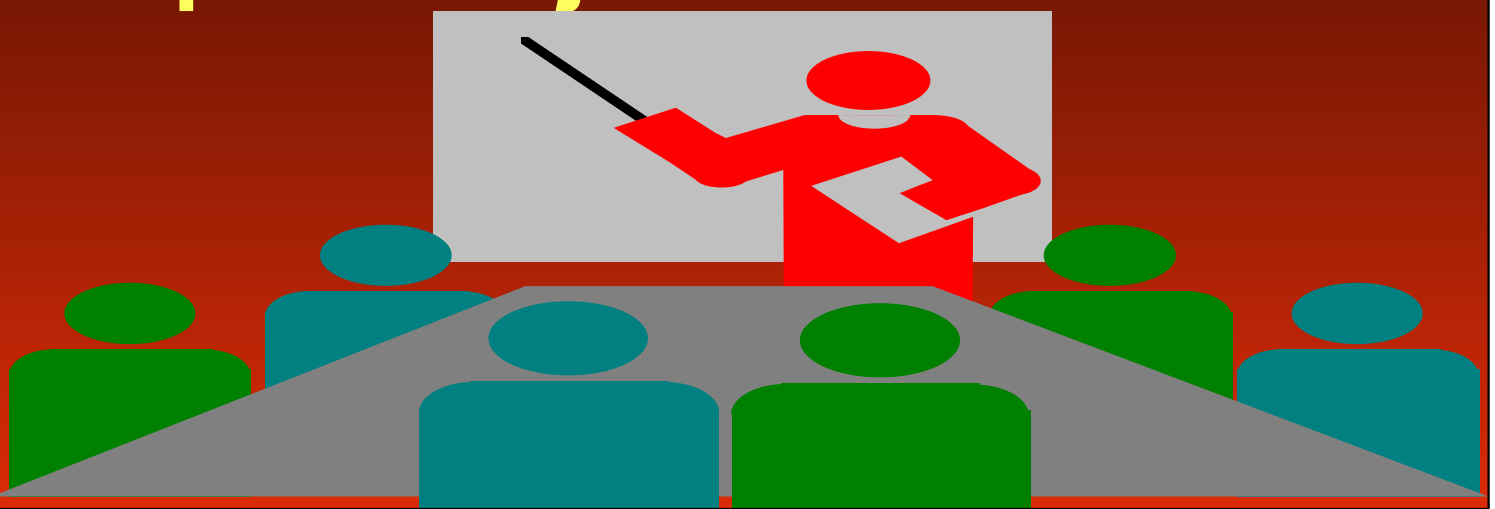
The HRM Department and Training and Development

- Provide employee orientation training.
- Contribute to management development programs.
- Provide training and development.
- Evaluate training.

👍 **Ensure specific, timely, diagnostic, and practical feedback**

👍 **Provide opportunities for trainees to practice new behavior**

Training Is the acquisition of technology which permits employees to perform their present job to standards.



Education Is training people to do a different job. It is often given to people who have been identifies as being promotable, being considered for a new job either lateral or upwards.

Development Is training people to acquire new horizons, technology, or viewpoints. It enable leaders to guide their organizations onto new expectations by being proactive rather than reactive.



Human Resource Management – MGT - 501

Lecture 24

Career Management

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Training vs. Development

Training

Current Jobs

Development

Future Jobs

Purposes of T & D



Human Resource Development
(HRD)

Today's Topic

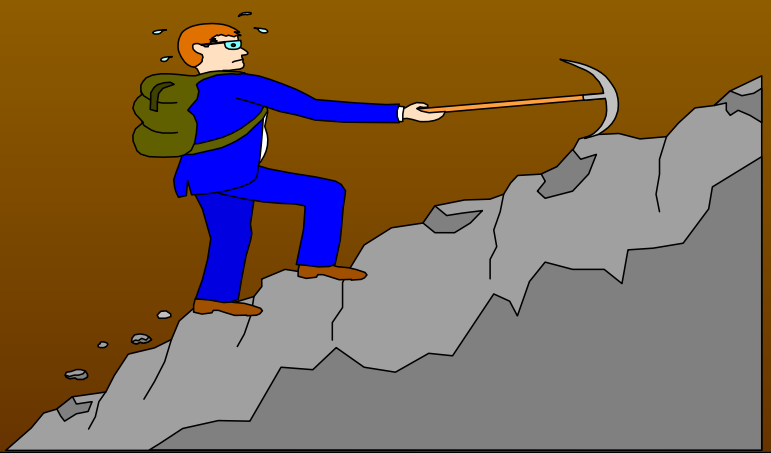
Maximizing Learning



Summary of Lecture 23

Career

- A career consists of all the jobs held during one's working life



Career Planning Terms

Career Path

- A career path is the sequential pattern of jobs that forms one's career.

Career Goals

- Career goals are the future positions one strives to reach as part of a career. These goals serve as benchmarks along one's career path.

Career Planning

- Career planning is the process by which one selects career goals and the path to those goals.

Career Development

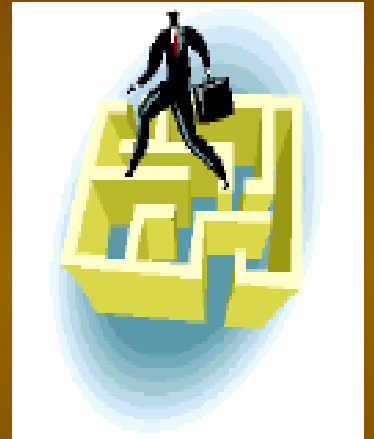
- Career Development consists of the personal improvements one undertakes to achieve a personal career plan

Common Concerns

- Do company training programs help my chances for a promotion?
- How do I advance my career?
- Why hasn't my boss given me career counseling?
- Aren't most promotions based on luck and knowing the right people?
- Do I need a degree for that job?
- With all the talk of downsizing, how secure is my job?

Individual Career Development

- Job Performance
- Exposure
- Networking
- Resignations
- Organizational Loyalty



- Mentors and Sponsors
- Key Subordinates
- Growth Opportunities
- International Experience



Stages of Career Development

- Stage 1: Preparation for Work (ages 0–25)
- Stage 2: Organizational Entry (ages 18–25)
- Stage 3: Early Career (ages 25–40)
- Stage 4: Mid-career (ages 40–55)
- Stage 5: Late Career (ages 55–retirement)

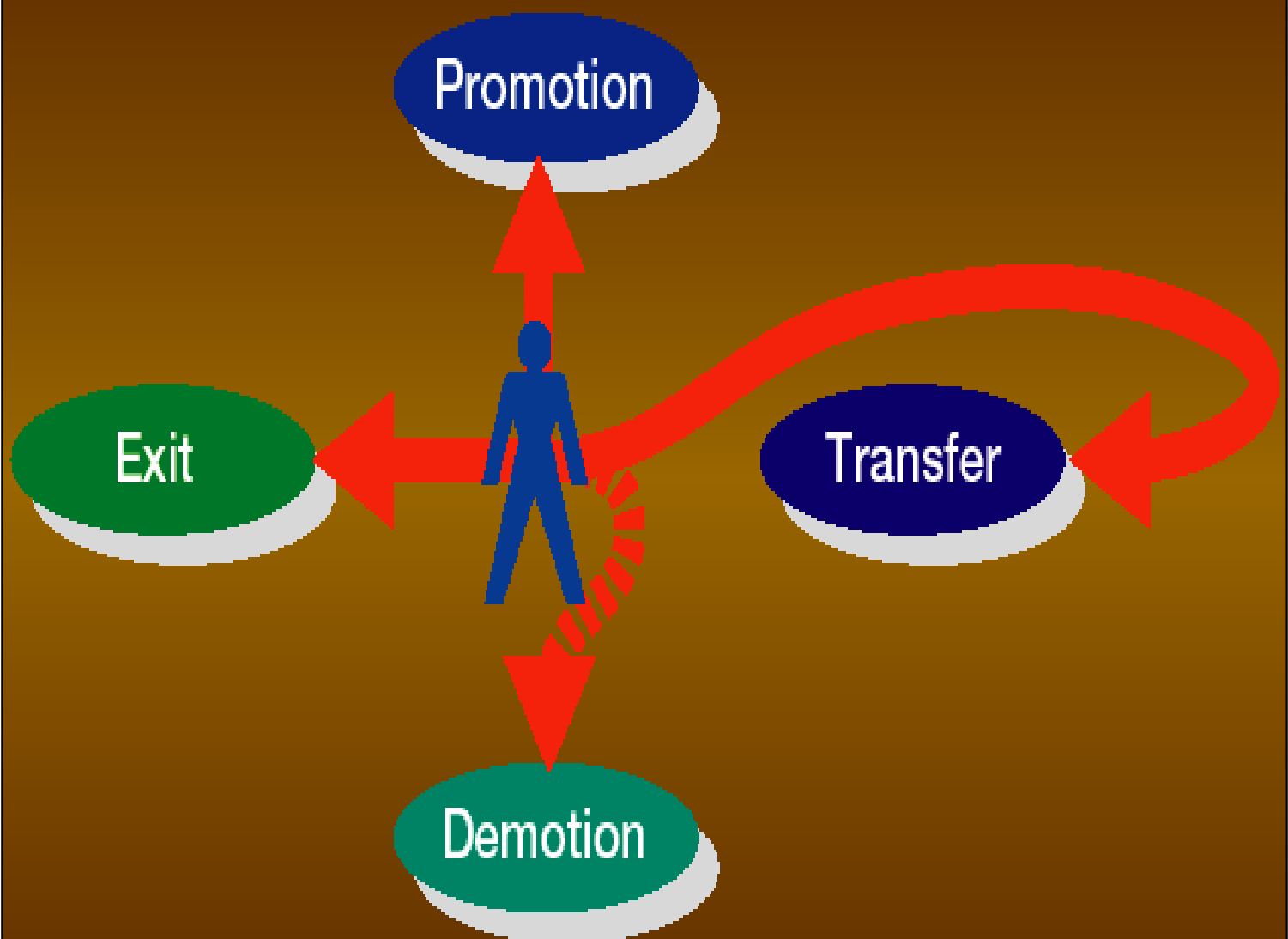


Stage 1: Preparation for Work (ages 0–25)

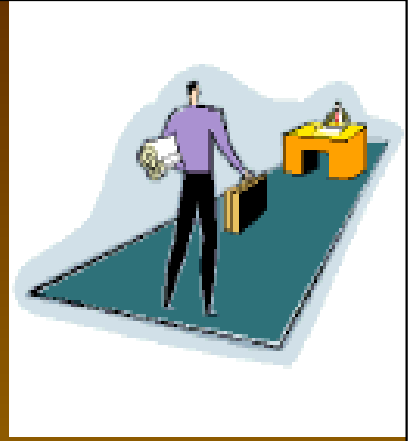
Traditional career stages

- Exploration stage—involves identifying interests and opportunities.
 - Establishment stage—involves creating a meaningful and relevant role in the organization.
-
- Maintenance stage—involves optimizing talents or capabilities.
 - Disengagement stage—the individual begins to gradually pull away from work and develop other interests.

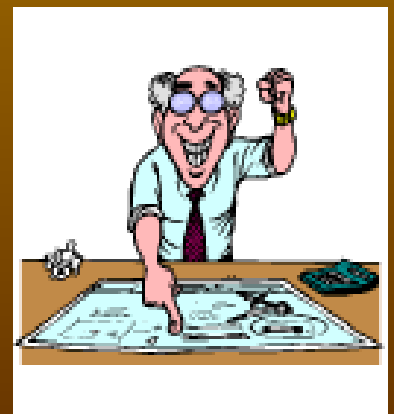
Alternative Career Moves



Career Planning

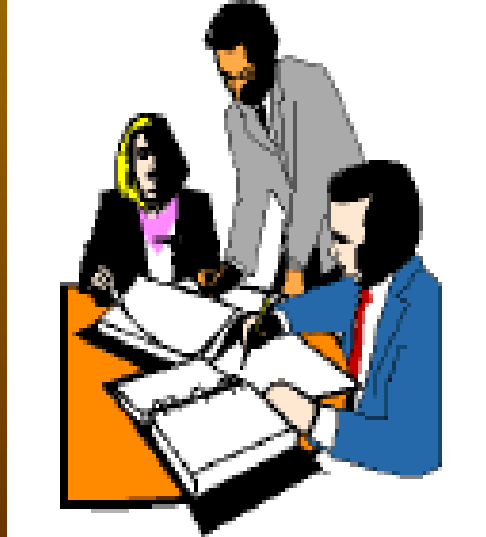


- “If you don’t have a plan for yourself you’ll be a part of someone else’s” - American Proverb
 - Career Planning is a tool to encourage employee development
 - Important to give employee a sense of a career vs a job with the company
-
- Having a plan does not mean auto promotion
 - Need to have good performance, experience, education, planning and preparation



Career Planning & Development

- Often done through planning, education information and counseling

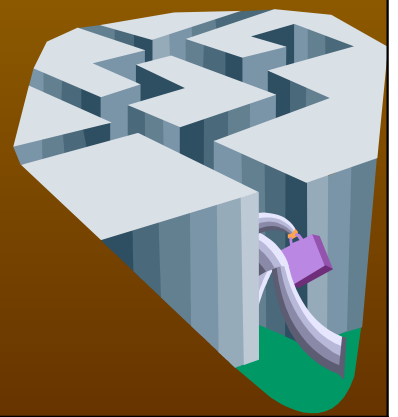


HR Support & Career Development

- Develop management support for career planning activities
- Can offer career planning, education, info and counseling



- Also need to ensure employees receive accurate and timely feedback on career development & performance



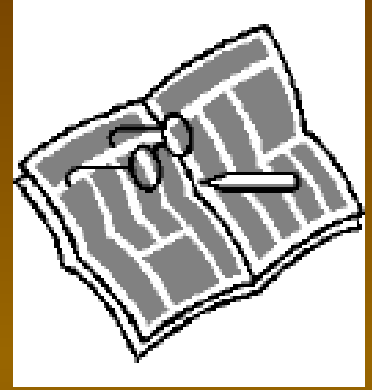
Career Education

- Employees often know very little about planning
- Feel luck & performance only ways to get ahead
- Might not be aware of other opportunities



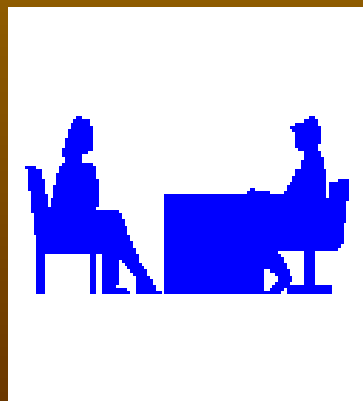
HR can increase planning awareness by

- Holding seminars
- Workshops
- Speeches
- Newsletters
 - All of these items can help to increase interest in planning
 - Senior management backing is a must



Career Counseling

- Have trained counselors in the department
- Can assist with guidance on realistic goals and plans
- Often self & environmental assessments required



HR's Role in Career Development

- The Goal: Matching Individual and Organizational Needs

Develop occupational self-image, assess alternative occupations, develop initial occupational choice, pursue necessary education.

**Obtain job offer (s) from
desired organization (s),
select appropriate job
based on complete and
accurate information.**

**Learn job, learn organizational
rules and norms, fit into
chosen occupation and
organization, increase
competence, pursue goals.**

Reappraise early career goals, reaffirm or modify goals, make choices appropriate to middle adult years, remain productive.

Remain productive in work, maintain self-esteem, prepare for effective retirement.

**THE GOAL:
MATCH
INDIVIDUAL AND
ORGANIZATION
NEEDS**

1

**IDENTIFY
CAREER
OPPORTUNITIES
AND
REQUIREMENTS**

2

**INSTITUTE
CAREER
DEVELOPMENT
INITIATIVES**

4

**GAUGE
EMPLOYEE
POTENTIAL**

3

**Human Resource Management –
MGT - 501**

Lecture 25

Performance

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Summary of Lecture 24

Alternative Career Moves



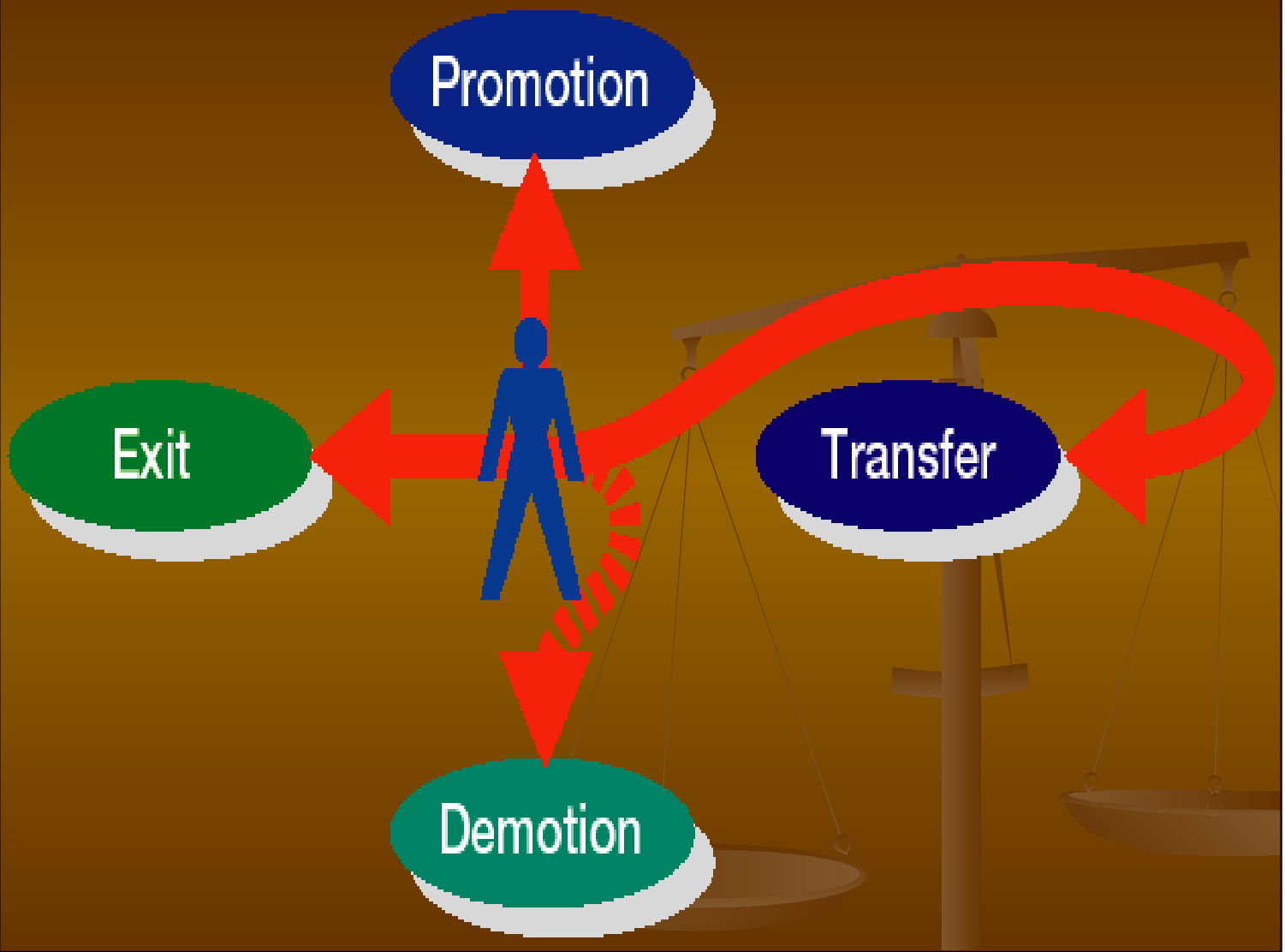
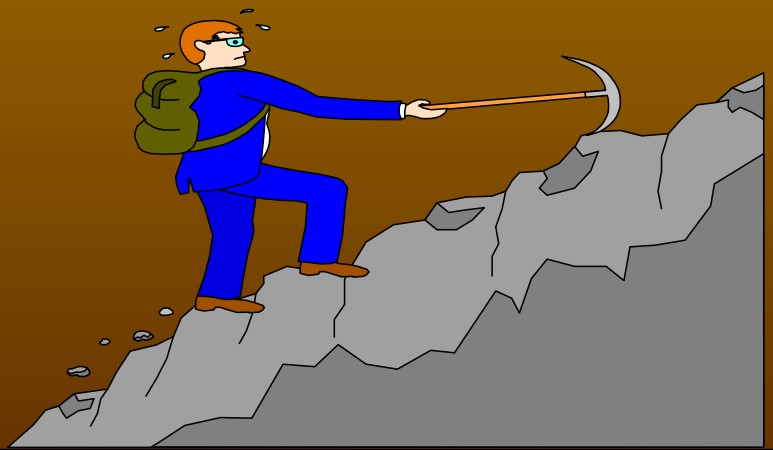
HR Support & Career Development



Career (cont..)



Career



Internal Barriers to Career Advancement

- Lack of time, budgets, and resources for employees to plan their careers and to undertake training and development.
- Rigid job specifications, lack of leadership support for career management, and a short-term focus.
- Lack of career opportunities and pathways within the organization for employees.



Successful Career-Management Practices

- Placing clear expectations on employees.
- Giving employees the opportunity for transfer.
- Providing a clear succession plan
- Encouraging performance through rewards and recognition.
- Encouraging employees to continually assess their skills and career direction.
- Giving employees the time and resources they need to consider short- and long-term career goals.



Individual and Organizational Perspectives on Career Planning

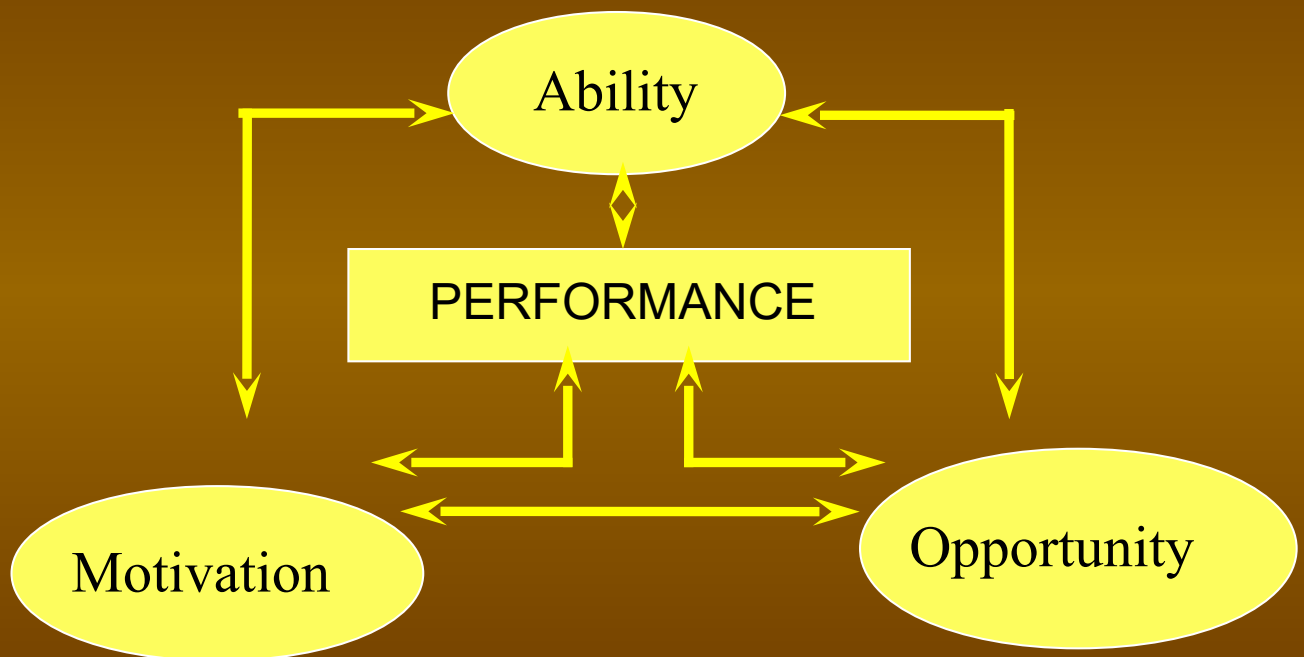


Performance

$$\text{Performance} = A * E * S$$

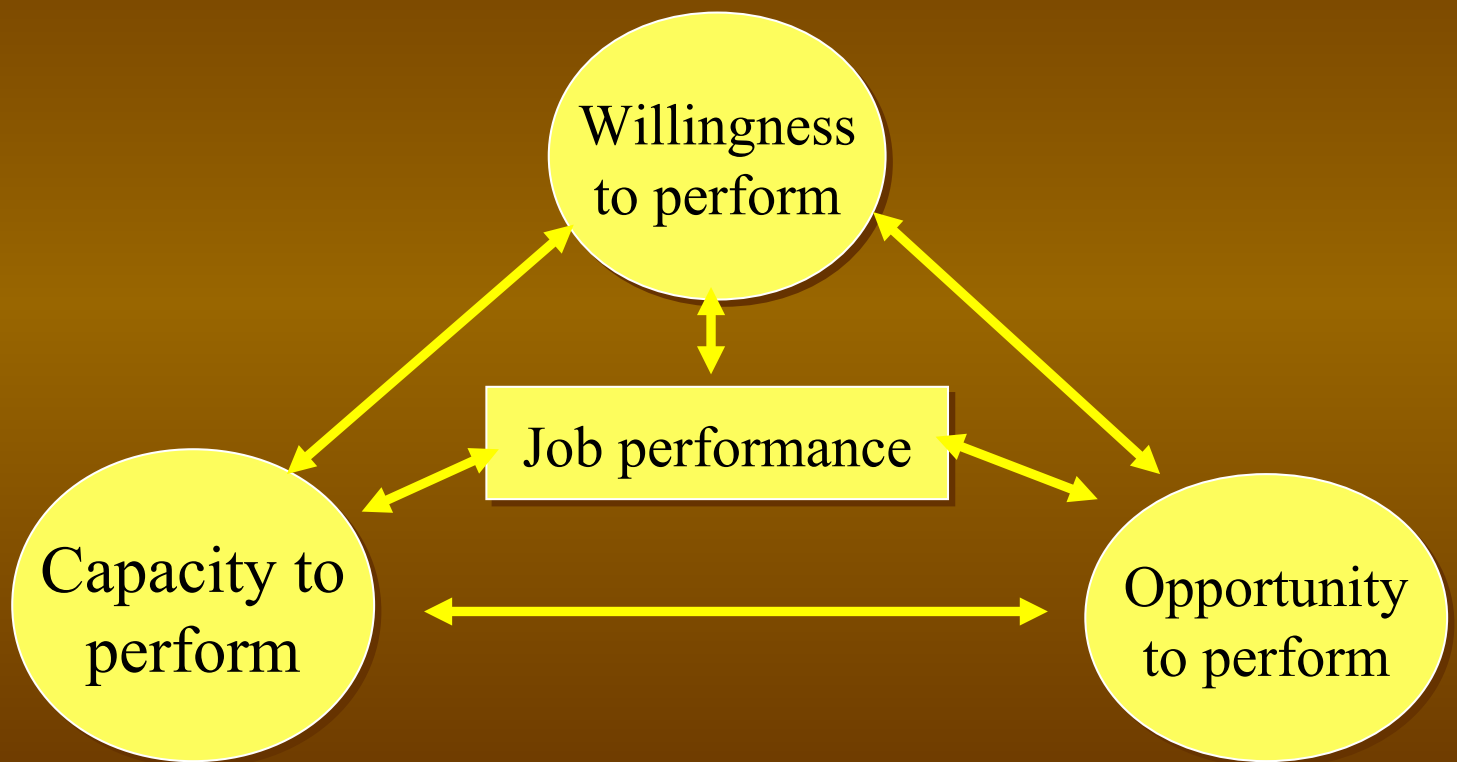
- A: Ability
- E: Effort
- S: Organizational Support

Why Do We Care?



$$\text{Performance} = f(\text{Ability}, \text{Motivation}, \text{Opportunity})$$

Determinants of Job Performance



Sample Core Performance Indicators

Financial (Economic) Perspective

How do we look to shareholders?

Survive

Cash flow

Maintain

Quarterly sales growth
and operating income

Prosper

Increased market
share, profit, ROI /
value-added

Customer Perspective

How do our customers experience us?

New products

Percent of sales derived
from new products

Value

Competitive pricing,
product quality

Brand loyalty

Market share

Customer satisfaction

Repeat business,
response time,
accuracy and minimal
product returns ...

Innovation, Learning and Equity

How can we sustain our success?

Leadership

Staff development and learning, participation

Staff stability

Employee retention / turnover trends; satisfaction & loyalty

Innovation

Continuous process improvement and redesign, creativity valued

Internal Business (Operational) Perspective

What must we excel at?

Manufacturing excellence

Product develop cycle time, unit cost, time to market

Design & productivity

Efficiency (output per labor cost), material yields

Performance

Environment



Motivation



Effort



Performance



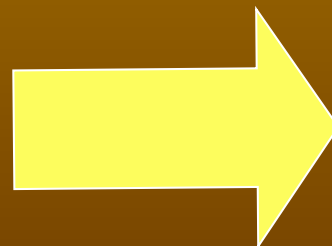
Outcome



Ability

Factors that influence whether performance will be sustained

- Valid performance measurement
- Value of reward and negative consequence
- Ongoing feedback



Job
Performance

Why is performance measured?

- Enhances motivation & productivity
- Assists in validation studies
- Detects problems
- Helps evaluate change efforts
- Provides basis for making decisions
- Differentiates employees in job-related areas
- Helps ensure legal compliance



What Is Measured?



Dimensions against which performance is evaluated

Performance Management

- A means of getting better results... by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements.
- It is a process to establish a shared understanding about what is to be achieved, and an approach to managing and developing people...(so that it)... will be achieved.

- Goal:
 - Improve the effectiveness & efficiency of the organization by:
 - Aligning the employee's work behaviors & results with the organization's goals
 - Improving the employee's work behaviors & results
- On-going, integrative process

Human Resource Management – MGT - 501

Lecture 26

Performance Appraisal

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Human Resource Management

Lecture-26

Stages of Career Development



Next....

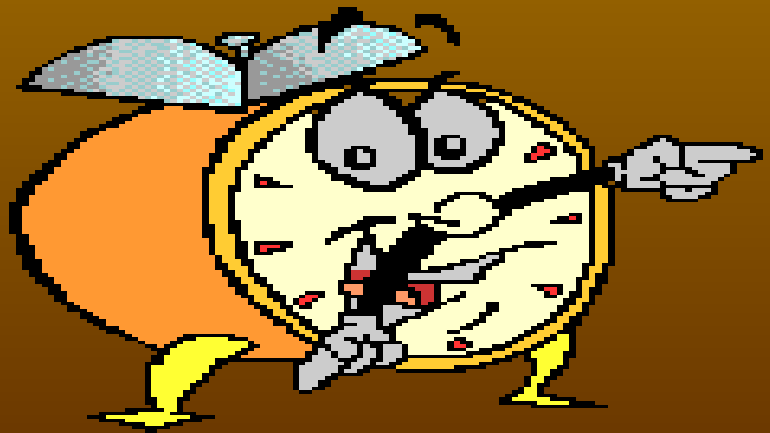
Job Evaluation



Organization...

- WHY is performance measured? (use)
- WHAT is measured? (criteria)
- HOW is it measured?
- WHO measures performance?
- WHEN is it measured? (timing)

Let's stop it here

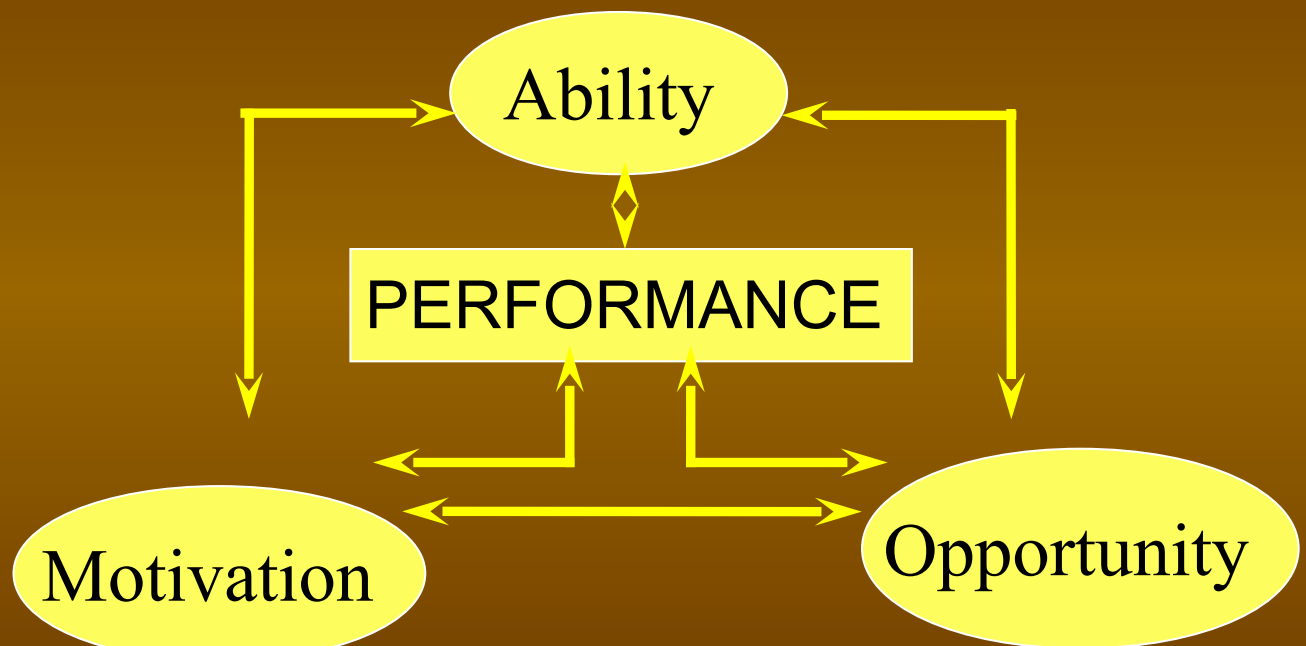


Performance Appraisal



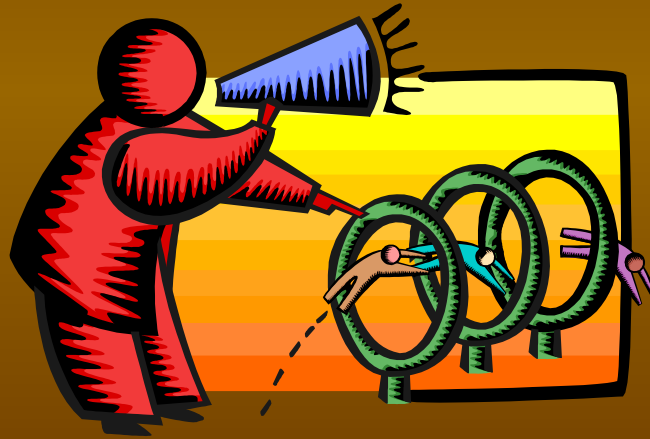
Performance Management

Why Do We Care?



Performance =
 $f(\text{Ability}, \text{Motivation}, \text{Opportunity})$

Internal Barriers to Career Advancement



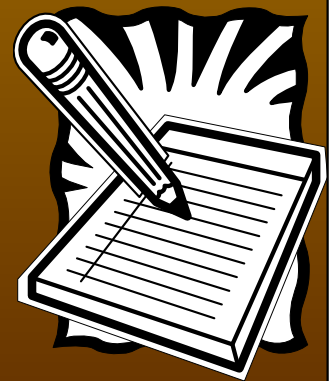
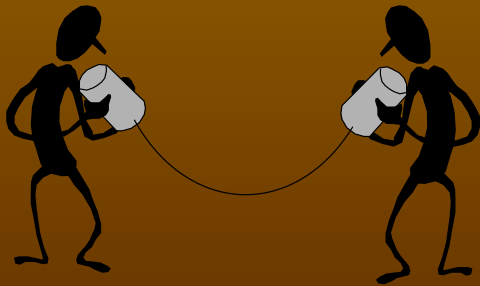
Performance

Summary of Lecture-25

Today's Topic

Performance Appraisal

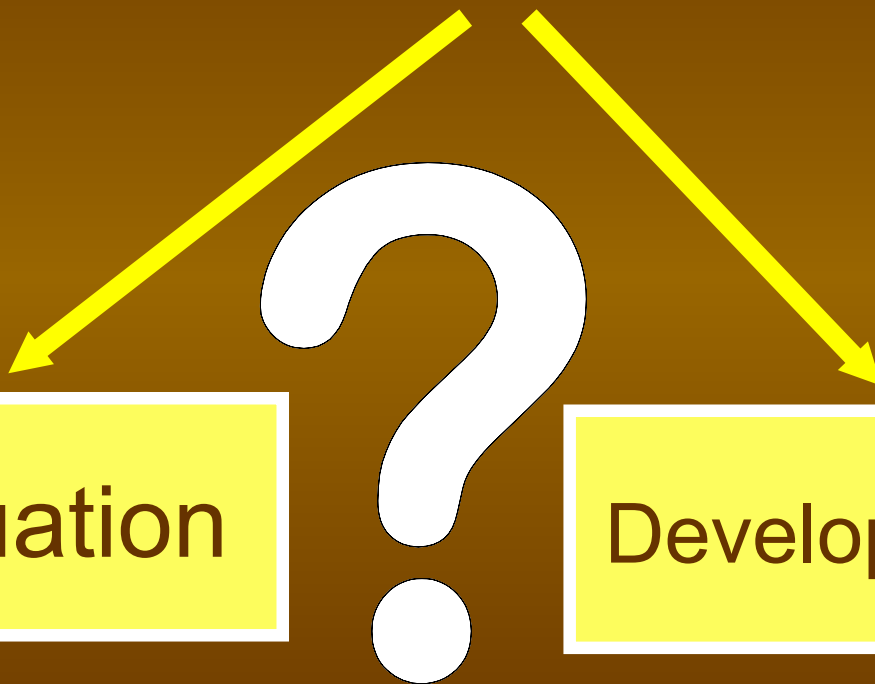
- The ongoing process of evaluating and managing both the behavior and outcomes in the workplace.
- Its goal is to provide an accurate picture of past and / or future employee performance.
- To achieve this, performance standards are established.



Organization...

- WHY is performance measured? (use)
- WHAT is measured? (criteria)
- HOW is it measured?
- WHO measures performance?
- WHEN is it measured? (timing)

Objectives of Performance Appraisal



Evaluating Objectives

- Staffing decisions
- Compensation decisions
- Evaluate selection system



Developmental Objectives

- Performance feedback.
- Decision for future performance.
- Identify training & development needs.



What to evaluate?

- Traits
- Behaviors
- Task Outcomes

Performance Standards

- Expected levels of performance
 - Benchmarks
 - Goals
 - Targets
- Should relate back to the job description details

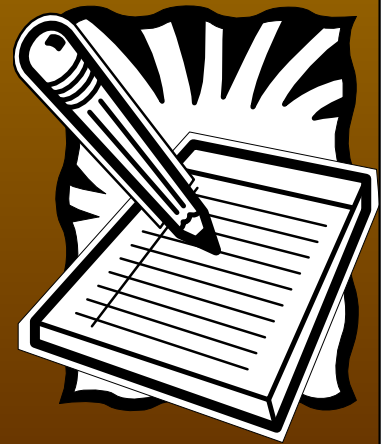


Characteristics of Well-defined Standards

- Realistic
- Measurable
- Clearly understood

Appraisal process

- Determine performance requirements.
- Choose an appropriate appraisal method.
- Train supervisors.



- Discuss methods with employees.
- Appraise according to Job standards.
- Discuss appraisal with employees.
- Determine future performance goals.

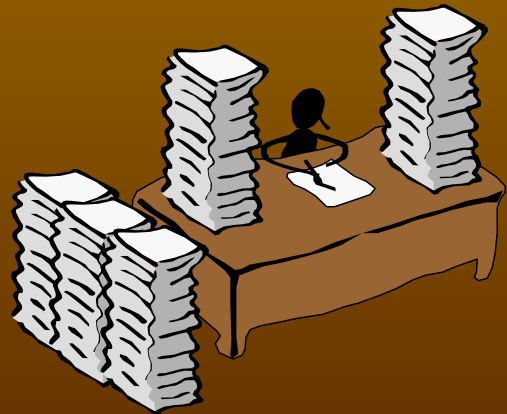
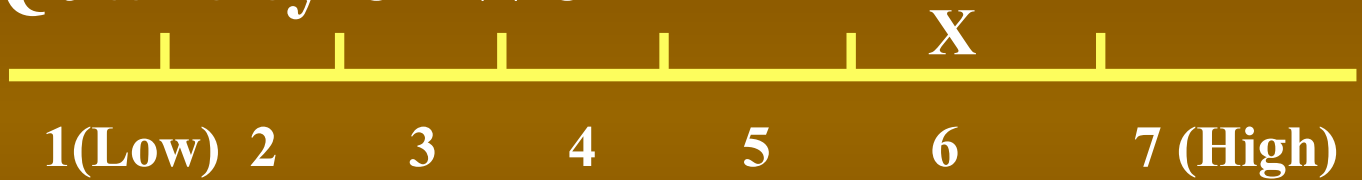
Performance Appraisal methods

- Rating Scales
 - Graphic Scales
 - Comparative Methods
 - Ranking
 - Forced Distribution
 - Paired Comparison
-
- Critical Incidents
 - Annual Review
 - Checklist
 - Behaviorally Anchored Rating Scale (BARS)
 - Essay
 - MBO
 - Combination Methods



Graphic Rating Scale

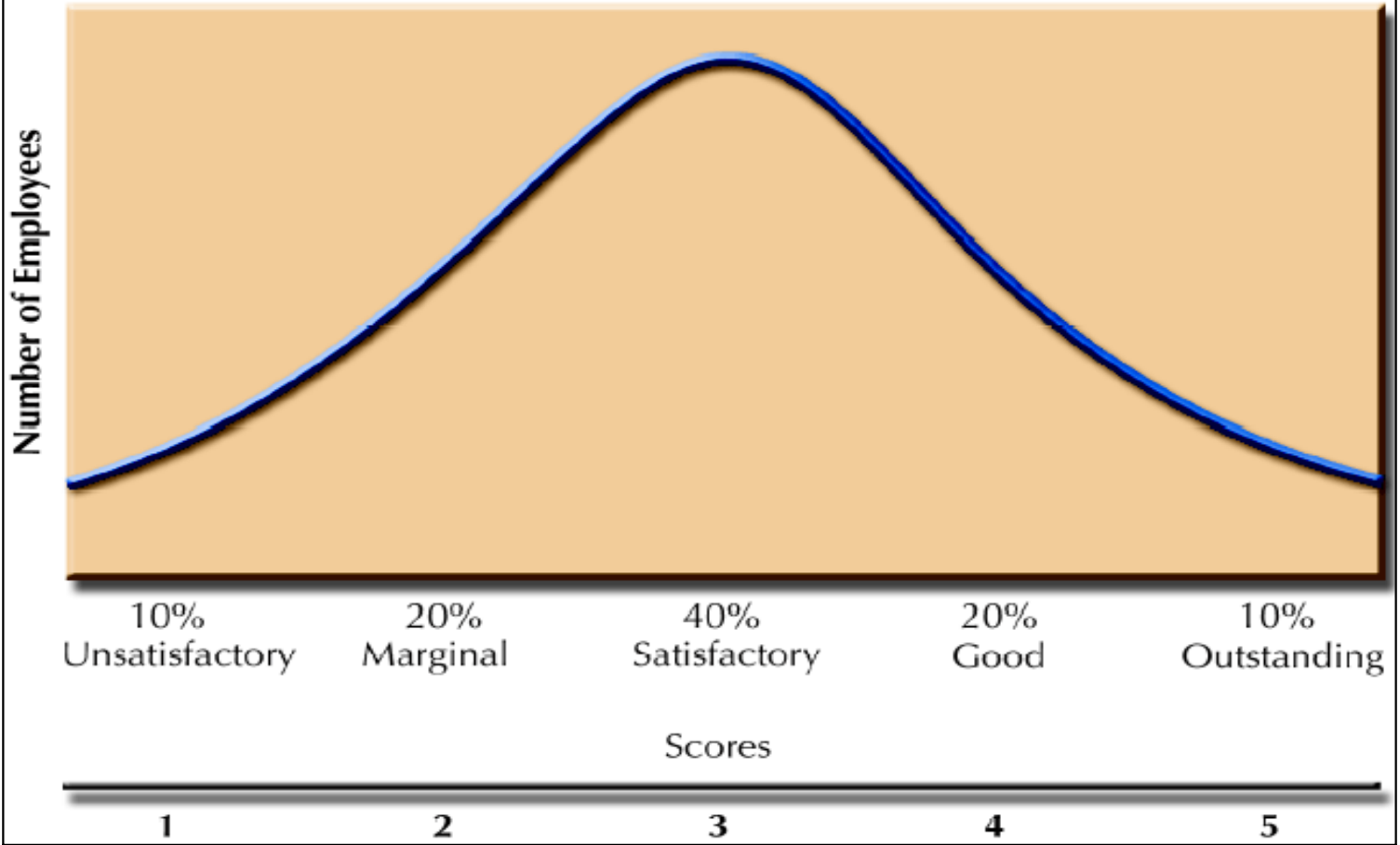
Quantity of Work



Simple Ranking

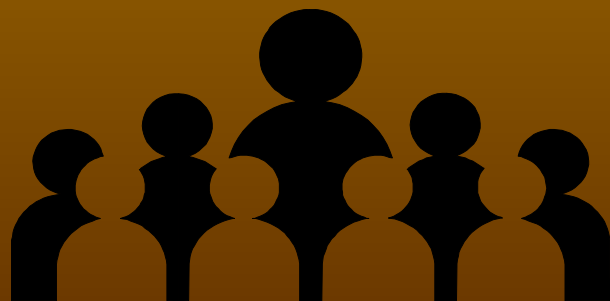
- 1. Aziz Ahmad
- 2. Summer Abbas
- 3. Arshad Butt
- 4. Hamid Ali

Forced Distribution on a Bell-Shaped Curve



Forced Distribution

Lowest	Next Lowest	Middle	Next	Highest
10%	20%	40%	20%	10%
5	10	20	10	5
employee	employee	employee	employee	employees



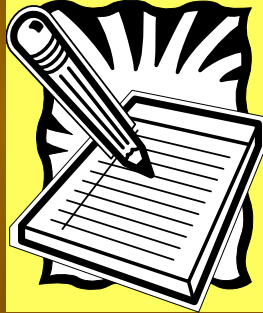
BARS Dimension: Quality of Group Member Input

Effective	5	Group member has read all agreed-upon material
	4	
	3	Group member participates in discussions, though not always prepared
	2	
Ineffective	1	Group member does little work and offers no valuable ideas or feedback

Management-By-Objectives



Model of the MBO Process



Step 1: Setting Goals

- Corporate Strategic Goals
- Departmental Goals
- Individual Goals

Step 2: Developing Action Plans

Action Plans

Review Progress

Corrective Action

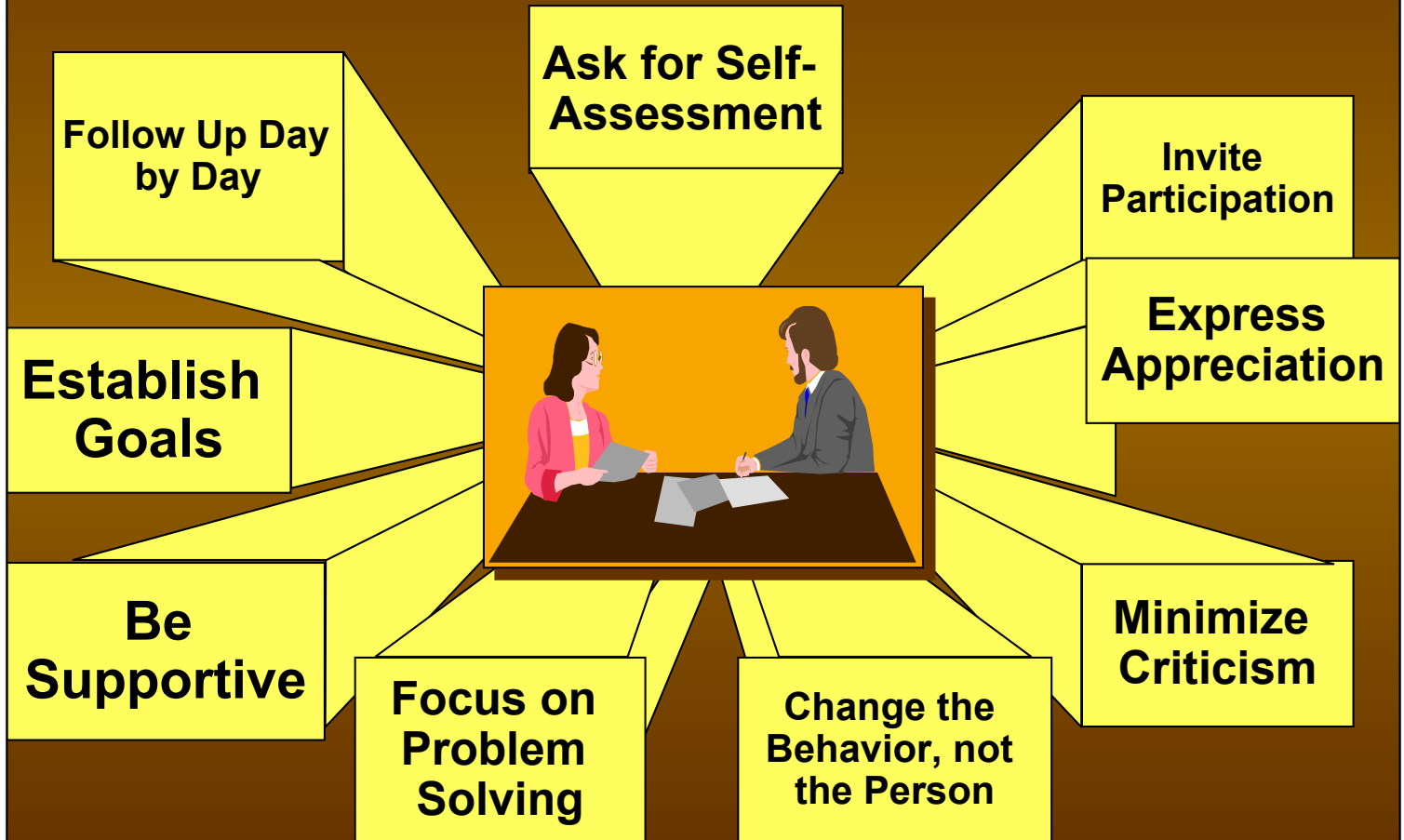
Appraisal of Overall Performance

Step 4: Appraising Overall Performance

Step 3:
Reviewing Progress

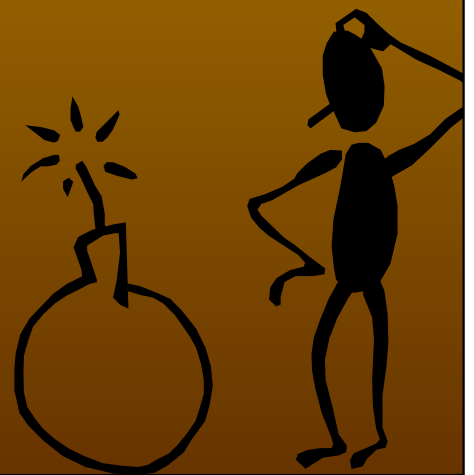
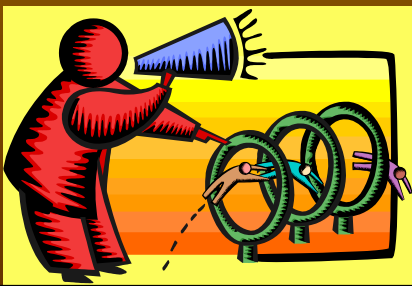


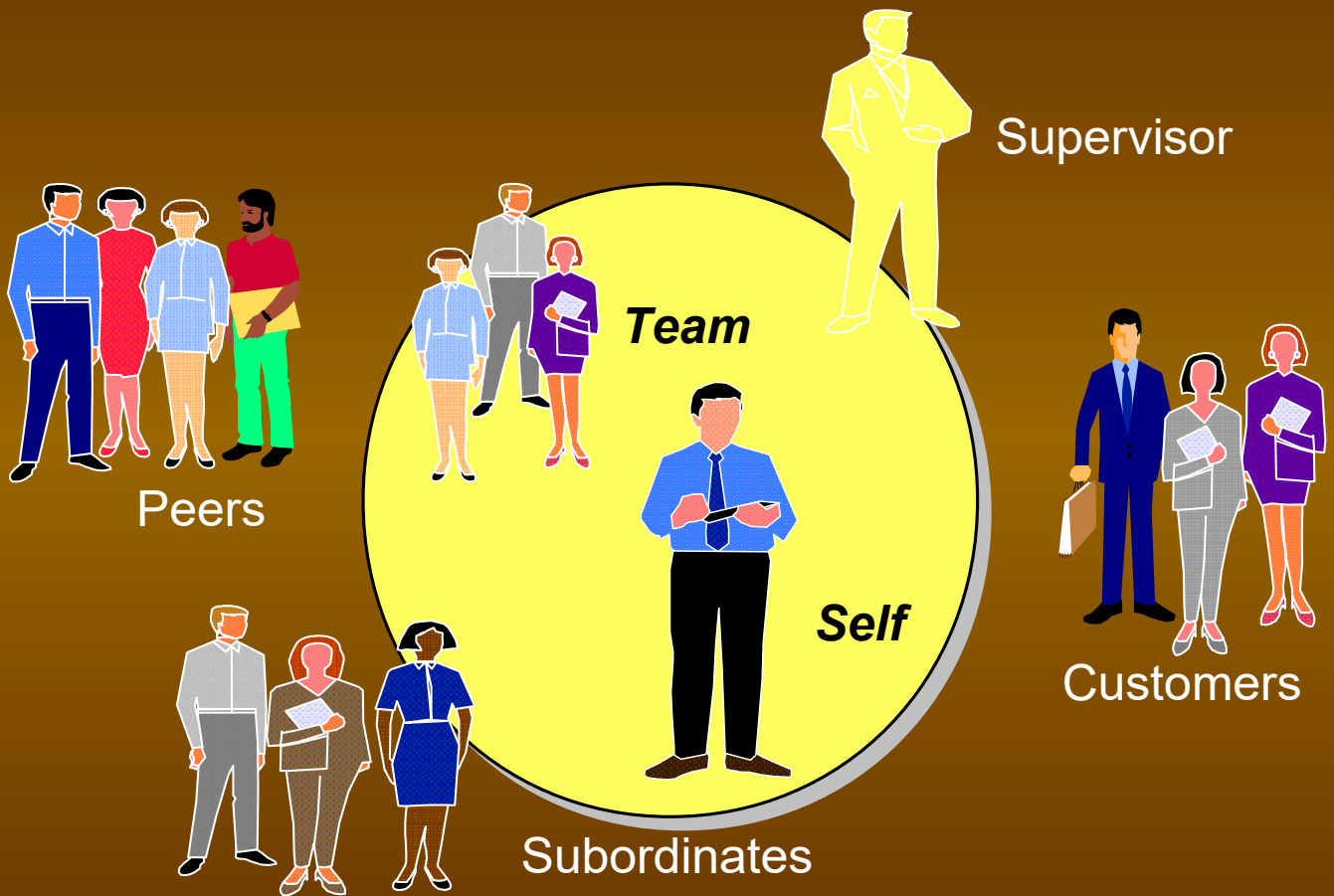
Appraisal Interviews



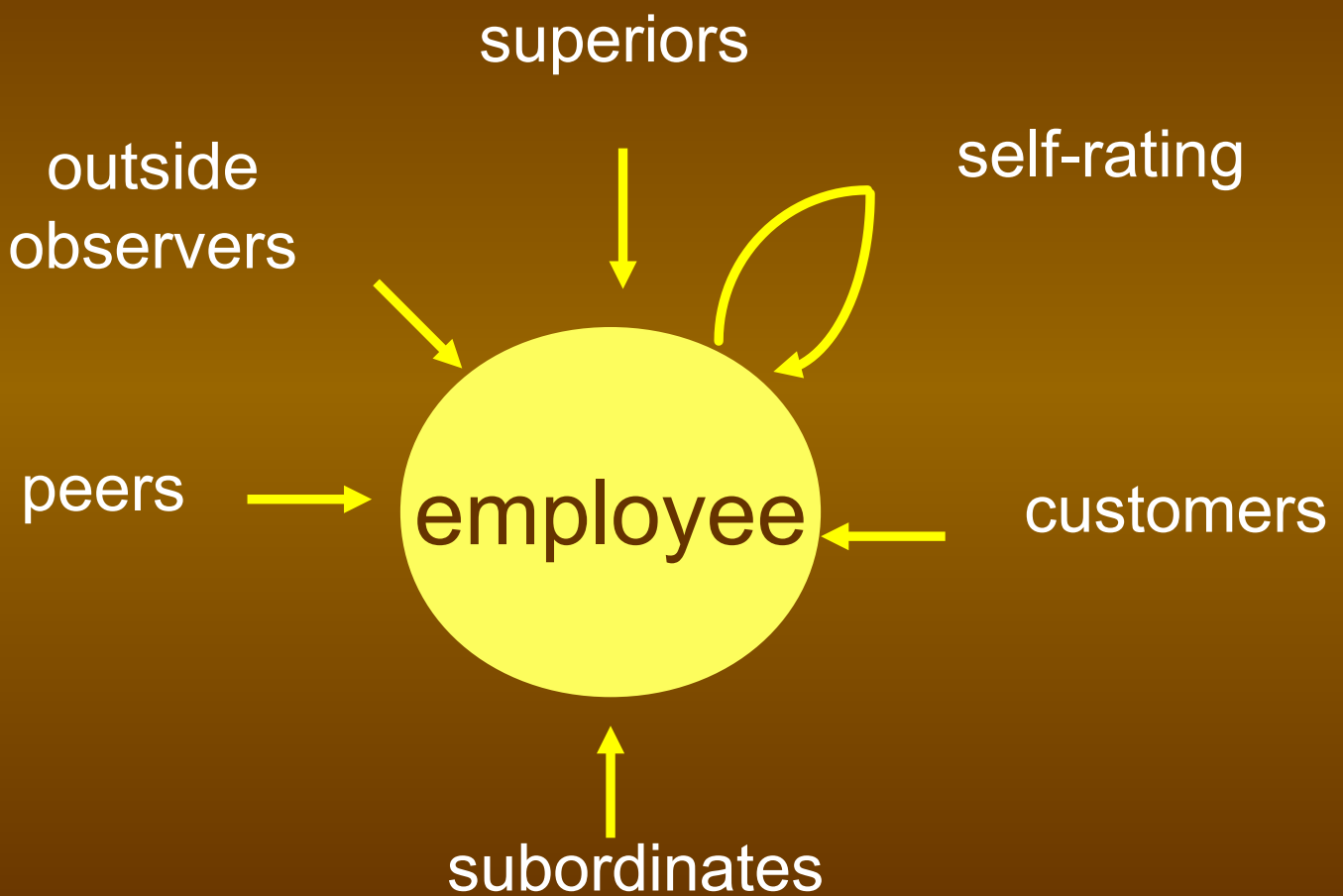
Who Should Do the Rating?

- Supervisors
- Peer Evaluation
- Customer/Client Evaluation
- Self Rating
- Reverse Appraisal
- Team Appraisal
- Multiple (360)





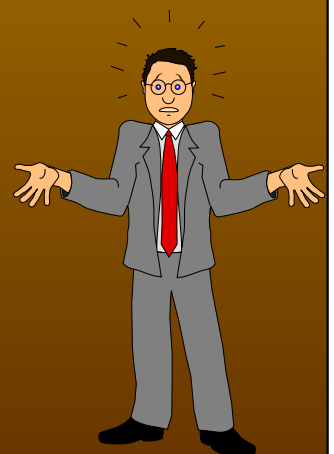
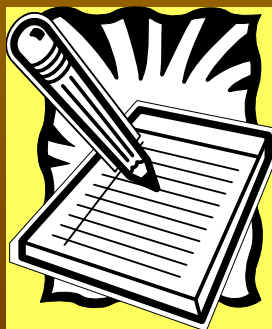
360 Degree Feedback



What is Performance Evaluation System

Common Rater Errors in PA's

- Supervisory Bias
- Halo Effect
- Central Tendency
- Leniency
- Strictness
- Regency
- Overall Rating





Human Resource Management – MGT - 501

Lecture 27

Job Evaluation and Pricing

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Human Resource Management

Lecture-27

Summary

Job Evaluation



Let's stop it here



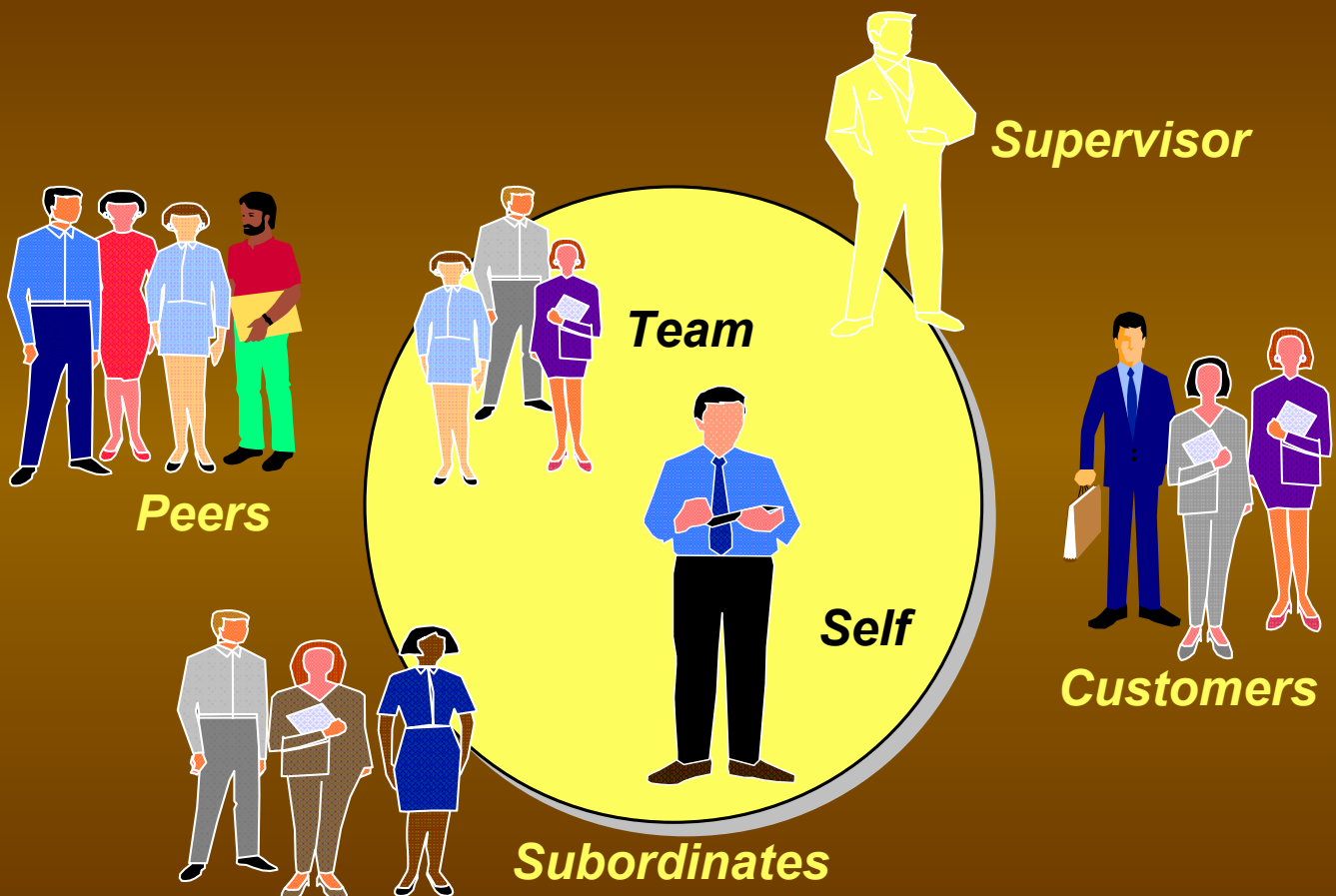
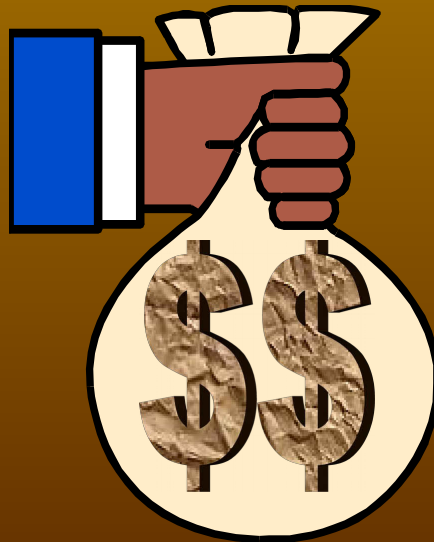
Today's Topic

There are four general job evaluation job methods

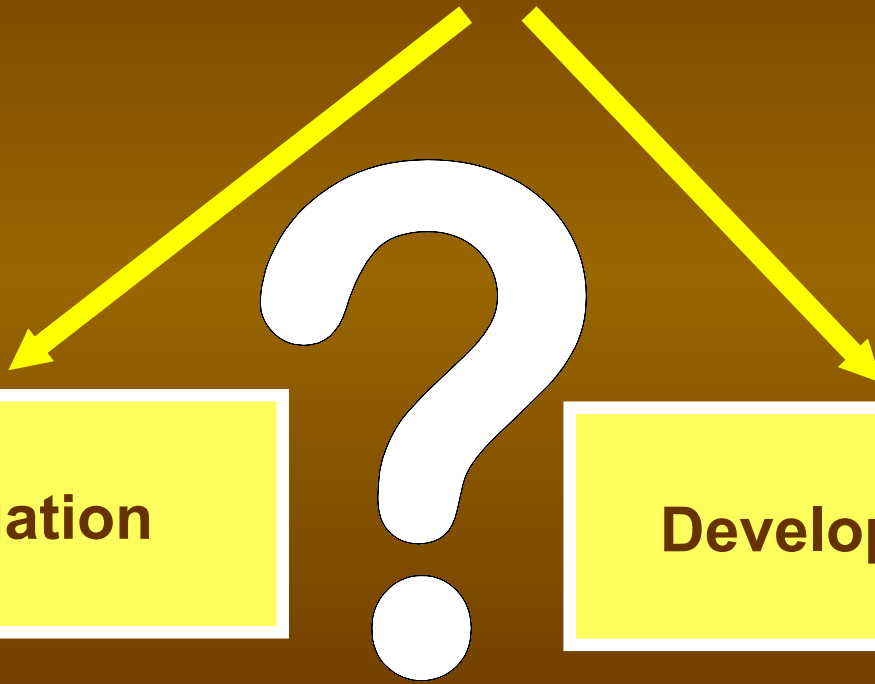
- Ranking
- Classification
- Factor comparison
- Point factor

Next....

Compensation system



Objectives of Performance Appraisal



Organization...

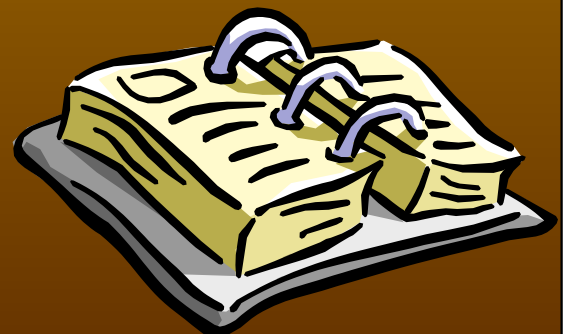
- WHY is performance measured? (use)
- WHAT is measured? (criteria)
- HOW is it measured?
- WHO measures performance?
- WHEN is it measured? (timing)

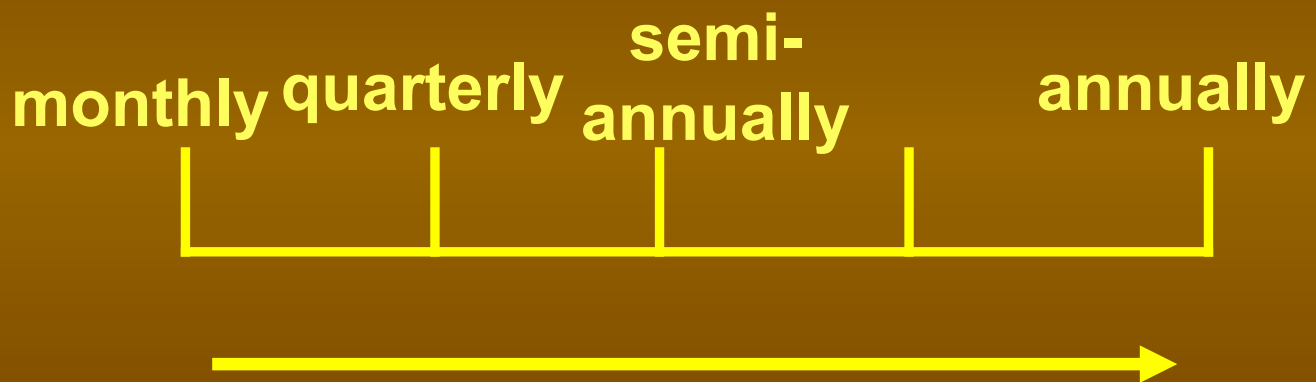
Performance Appraisal



When is Performance Measured?

- Base timing on organization's strategy
- Typical times include:
 - Focal-point (everyone at same time)
 - Anniversary
 - Natural time span of job
 - Project base
- How frequently?





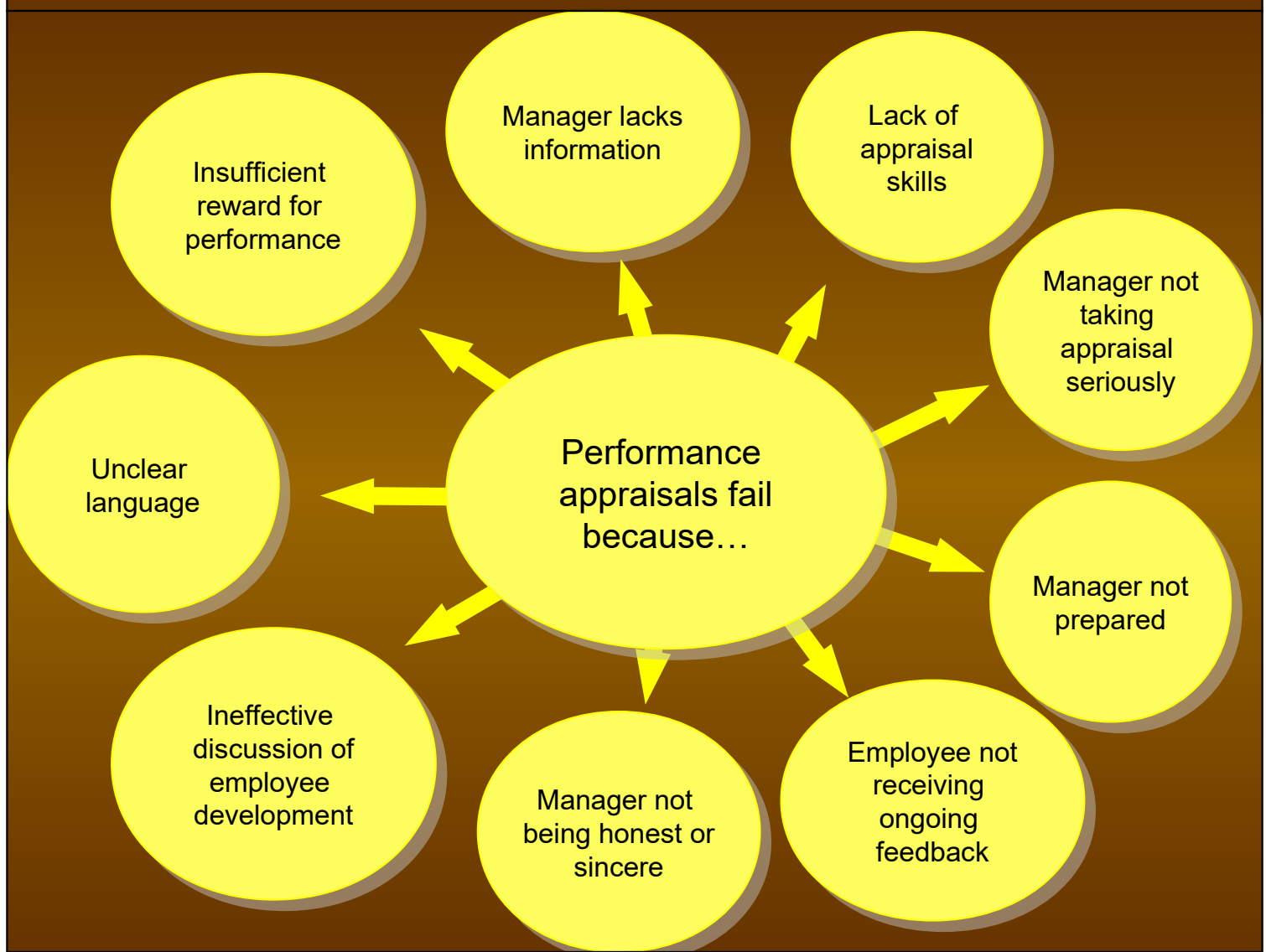
The Line Manager and Performance Appraisal

- Complete the ratings.
- Provide performance feedback.
- Set performance goals.



The HRM Department and Performance Appraisal

- Develop the appraisal system.
- Provide rater training.
- Monitor and evaluate the appraisal system.



Strategies for Improving Performance

Positive Reinforcement

Employee Assistance Programs

Punishment

Self-Management

Other Strategies



Designing an Appraisal System

- Gain support for the system
- Choose the appropriate rating instrument
- Choose the raters
- Determine the appropriate timing of appraisals
- Ensure appraisal fairness

What next?.....

Job evaluation and pricing

Job analysis outcomes ?

- Job description
- Job specification
- Job evaluation

Job Evaluation



Continued

- Establish job comparability
- Compensation
- Relative value
- Competitive analysis

Summary of Lecture-26

Job Evaluation is...

- Process for ensuring internal equity (jobs of comparable worth receive comparable wages)
- Systematically determining relative worth of jobs to create job structure
- An attempt to identify inputs that are most valuable to the organization & to develop job hierarchy based on which jobs have more or less of those dimensions

So.....

- The comparison results in a wage or salary hierarchy

Choosing a Job Evaluation Method

- There are four general job evaluation methods.
- Ranking
- Classification
- Factor comparison
- Point factor

Common Approaches to JE

	Whole Job	Specific Job Factors
Job vs. Job	Ranking Method	Factor Comparison Method
Job vs. Standard	Classification Method	Point Method

Job Evaluation

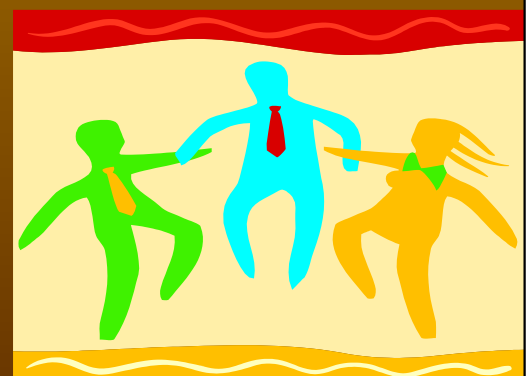
Method 1: Ranking

- Simplest method
- Raters examine description of each job
- Jobs arranged in order according to value
- Must first conduct job analysis and write job description



Method 2: Job Classification

- Determine how many categories.
- Write definitions for each class – the standards for comparison.



- Rates categories of jobs into groups
- Groups called classes if jobs are similar
- Called grades if groups contain different jobs of similar difficulty

- Compare jobs to be evaluated with class definitions
- Place jobs in appropriate classifications

- Write-up class or grade descriptions
- Draw up a set of guidelines
- Choose compensable factors and develop class or grade definitions

Example

Clerical Worker Classification System

- Class I – simple work, no supervisory responsibility, no public contact
- Class II – simple work, no supervisory responsibility, public contact

- Class III – Work of medium complexity, no supervisory responsibility, public contact
- Class IV – Work of medium complexity, supervisory responsibility, public contact

- Class V – Complex work, supervisory responsibility, public contact

Method 3: Factor Comparison

- Factor comparison is a widely used method to rank jobs by a variety of skills and difficulties, then adding these to obtain a numerical rating for each job



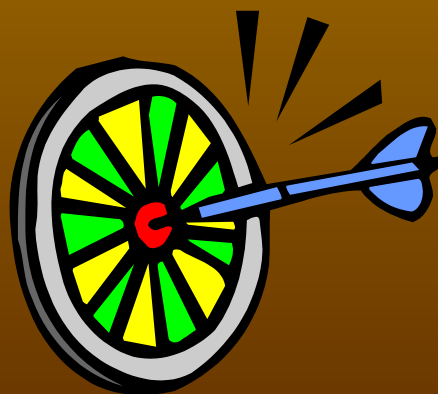
- Obtain job descriptions
- Determine compensable factors (e.g., mental, physical, skill, responsibility, working conditions)

- Select key jobs
 - Must vary on the factors
 - Must have well-defined rates

- Rank each job on each factor
- Assign money values to factors
- Build master schedule of rates
- Evaluate all other jobs

Method 4: Point (Factor) Method

- The point method is more quantitative
- Identifies compensable factors



Steps

- Obtain job data
- Select job evaluators
- Select compensable factors
- Define compensable factors
- Define factor scales

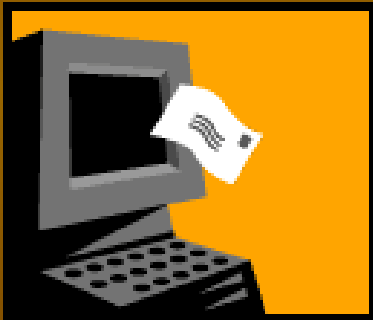


- Assign Point Values to Factors
- Assigning points to degree levels within each factor
- Write up Job Evaluation Manual
- Evaluate all jobs.

Helpful Criteria When Considering Which to Use...

- Simplicity & Cost
 - ranking → classification → factor comparison → point
- Acceptability
 - Understandable, easily communicated
- Reliability & Validity

Computerized Job Evaluations





Human Resource Management – MGT - 501

Lecture 28

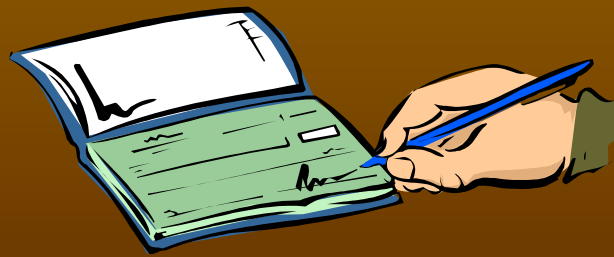
Compensation System

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Human Resource Management

Lecture-28

What Determines How Much You Pay?

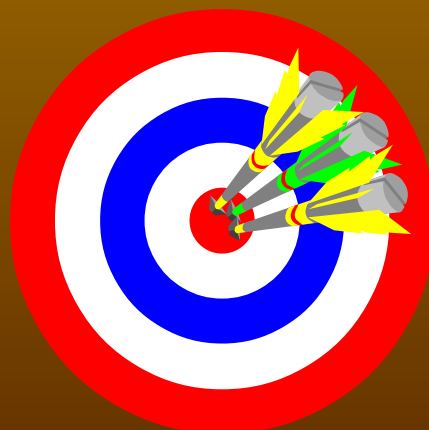


Next....

Benefits

Steps for Establishing Pay Rates

Objectives of Effective Compensation Management



Compensation of Employees

Extrinsic Rewards

Monetary Rewards

Hourly Wages
Salary
Bonuses
Commissions
Pay Incentives

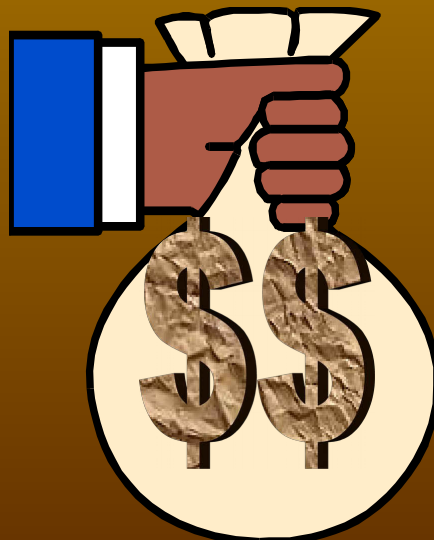
Benefits

Insurance
Retirement
Paid Vacations
Food Services
Credit Union
Recreation

Intrinsic Rewards

Recognition
Promotion Opportunities
Working Conditions
Interesting Work

Compensation system

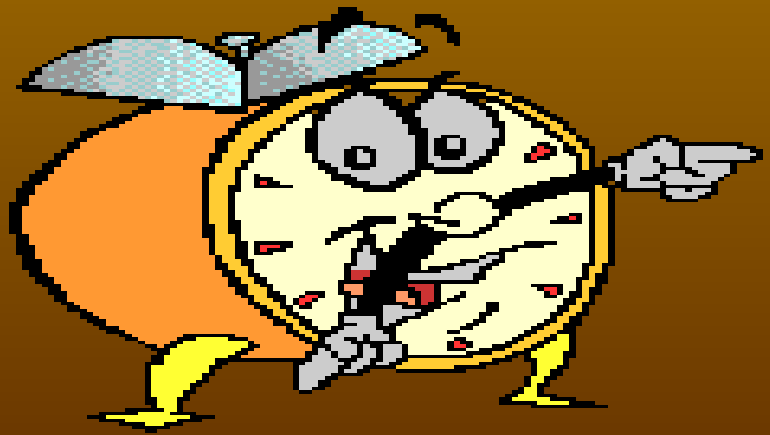


Job Evaluation



Today's Topic

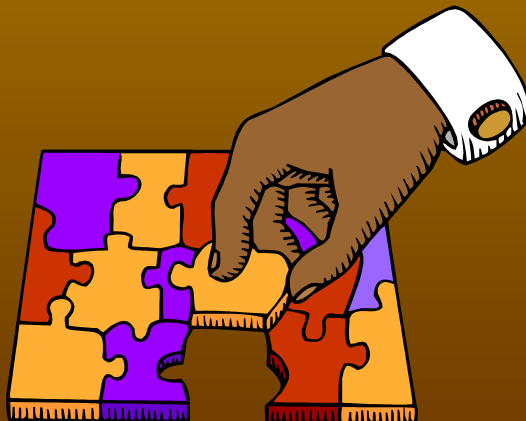
Let's stop it here



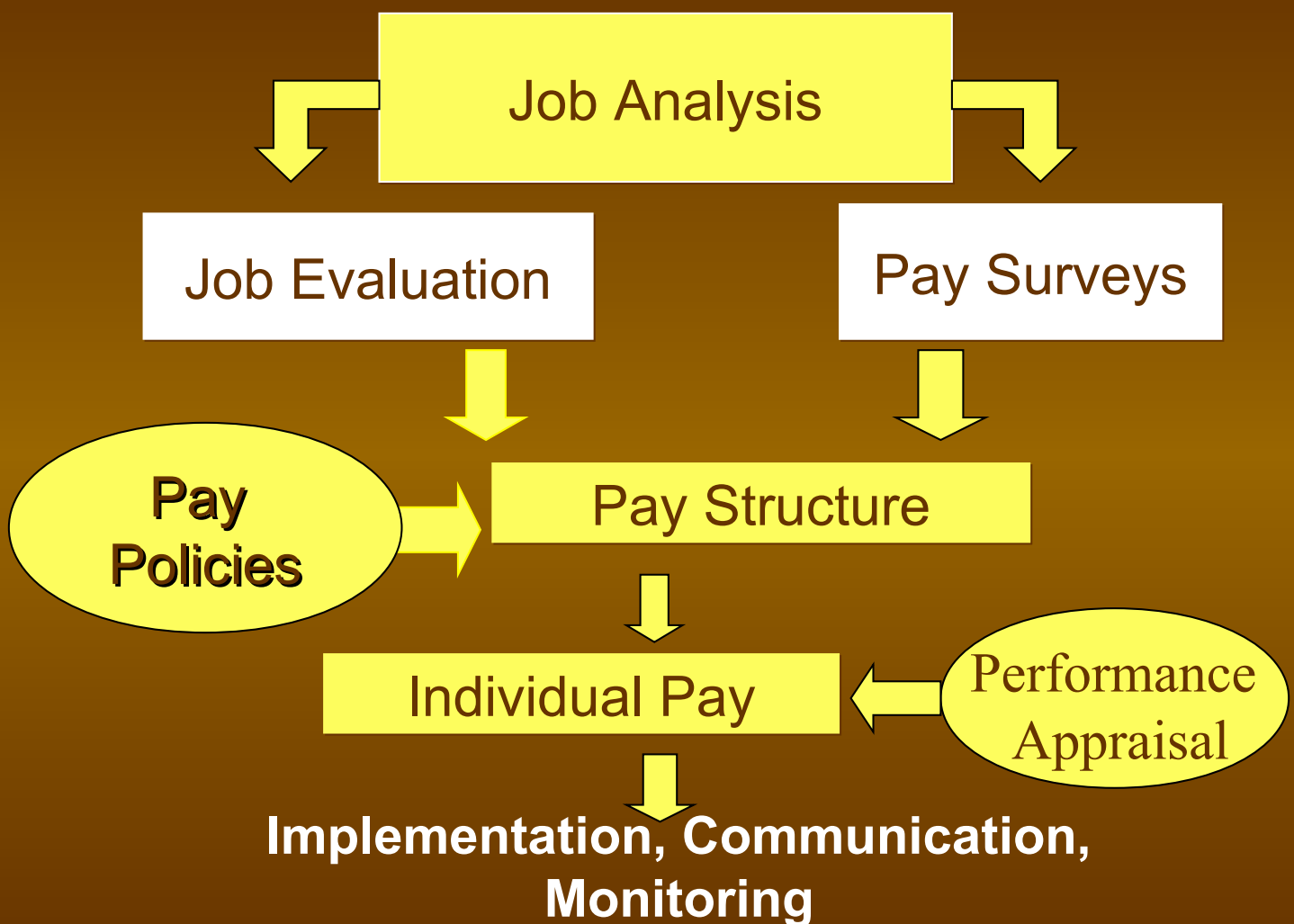
Summary

Summary of Lecture-27

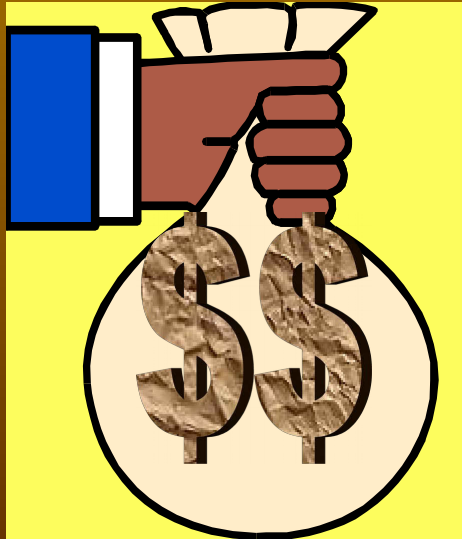
Job Pricing



Developing a Base Pay System



Compensation system



- Pay is a statement of an employee's worth by an employer.
- Pay is a perception of worth by an employee.



HR Management Strategy Model



Employee Compensation



- Employee compensation refers to all forms of pay or rewards going to employees and arising from their employment.
- It consists of 2 parts
 - Direct financial payments
 - Indirect financial payments

Direct or Indirect compensation
is given based on

- Increments of time
 - Hourly
 - Salaried
- Performance
 - Piecework
 - Commission



- Piecework - Pay is tied directly to what the worker produces



Wages versus Salaries

- Wages

- generally refer to hourly compensation paid to operating employees; the basis for wages is time.



- Salary

- is income that is paid an individual not on the basis of time, but on the basis of performance.

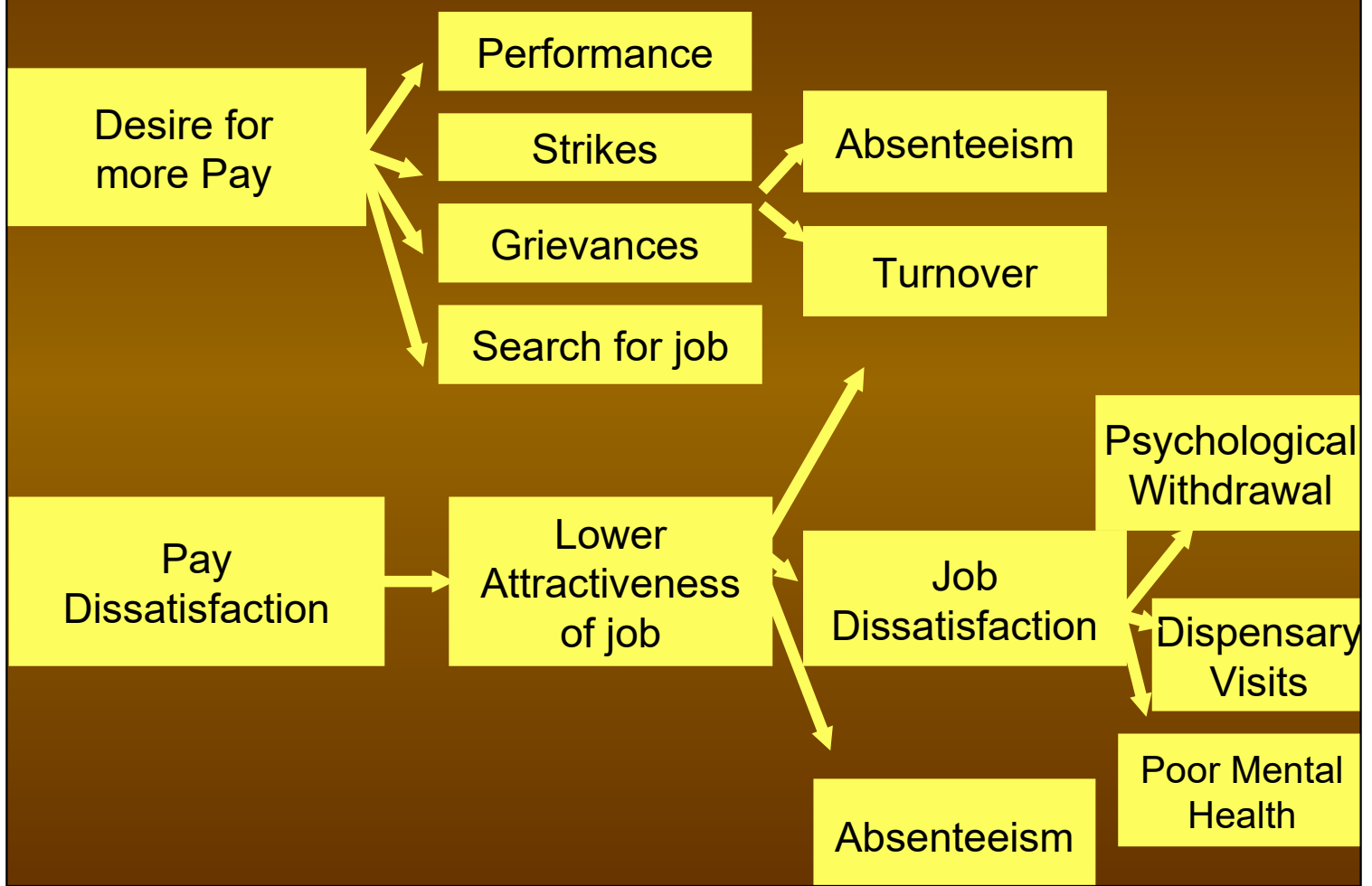
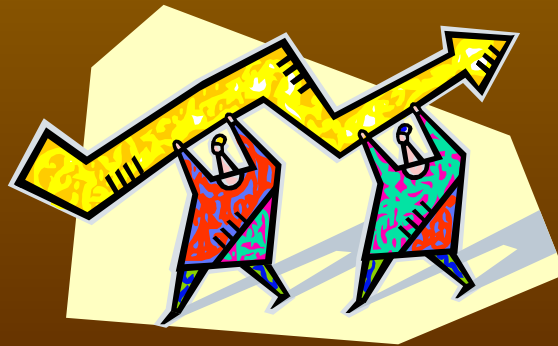


Total Compensation



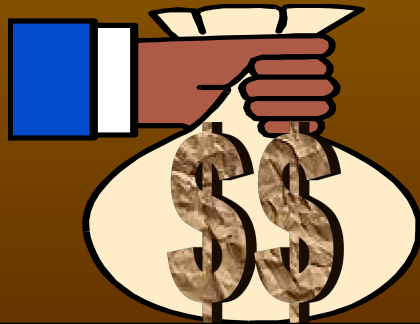
Compensation of Employees	Extrinsic Rewards	Monetary Rewards	Hourly Wages Salary Bonuses Commissions Pay Incentives
		Benefits	Insurance Retirement Paid Vacations Food Services Credit Union Recreation
	Intrinsic Rewards		
	Recognition Promotion Opportunities Working Conditions Interesting Work		

Consequences of Pay Dissatisfaction



Compensation System

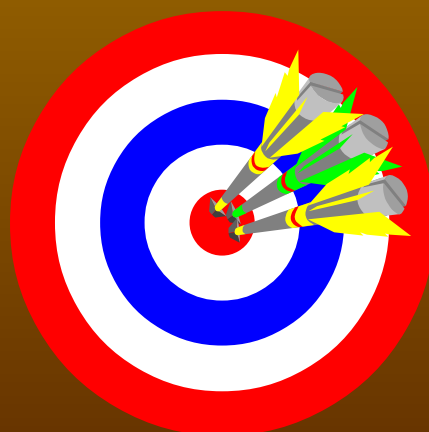
- A total reward system includes both monetary and nonmonetary compensation.



Phases of Compensation Management

- Phase:-1. Evaluate every job to ensure internal equity based on each job's relative worth.
- Phase:-2. Conduct wage and salary surveys to find the rates paid in the labour market.
- Phase:-3. Price each job to determine the rate of pay based.

Objectives of Effective Compensation Management



- The “Big Three”
- Attract qualified employment applicants
- Retain qualified employees, while discouraging retention of low performing
- Motivate employee behavior toward organization objectives

- Ensure Equity
- Reward Desired Behavior
- Control Costs
- Comply With Legal Regulations
- Facilitate Understanding

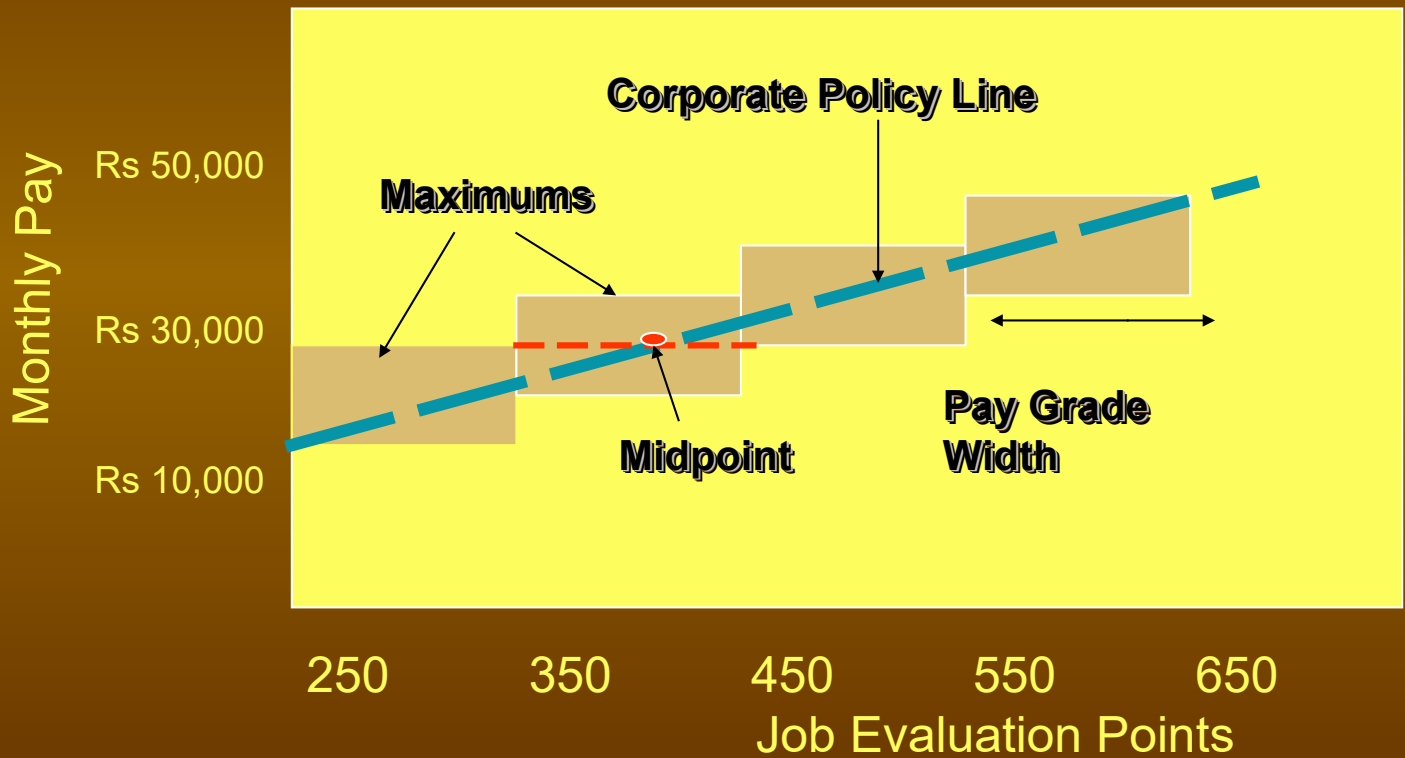
- Achieve external competitiveness
- Support organization priorities
 - Strategy and goals
 - Culture and values
- Easy to administer

Steps for Establishing Pay Rates

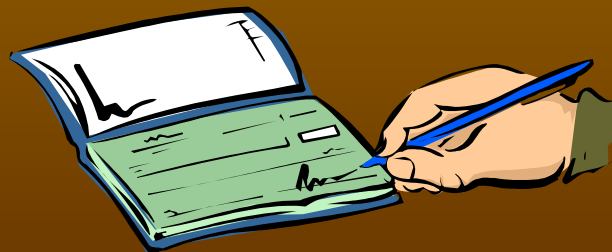
- Conduct a salary survey of what other employers are paying for comparable jobs
- Employee committee determines the worth of each job in your organization through job evaluation

- Group similar jobs into pay grades
- Price each pay grade by using wage curves
- Fine-tune pay rates

Pay Grade Structure for Job-Based System



What Determines How Much You Pay?



- Prevailing Wages
- Ability to Pay
- Cost of Living
- Productivity
- Bargaining Power
- Job Requirements
- Government Laws



Equity factors

Equity Perceptions

$$\frac{\text{Outcomes}}{\text{Inputs}} = \frac{\text{Outcomes}}{\text{Inputs}}$$



Equity Theory

- Description
 - Pay should be based upon contributions made by the Employees. Higher effort should be rewarded with higher pay.
- Application to Compensation
 - Pay should be tied to the performance level of individual Employee

Equity Theory Predictions



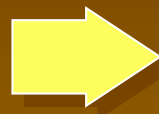
Person A



Person B

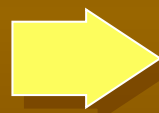


$$\frac{\text{Outputs}}{\text{Inputs}} < \frac{\text{Outputs}}{\text{Inputs}}$$



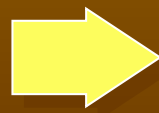
Under-reward

$$\frac{\text{Outputs}}{\text{Inputs}} = \frac{\text{Outputs}}{\text{Inputs}}$$



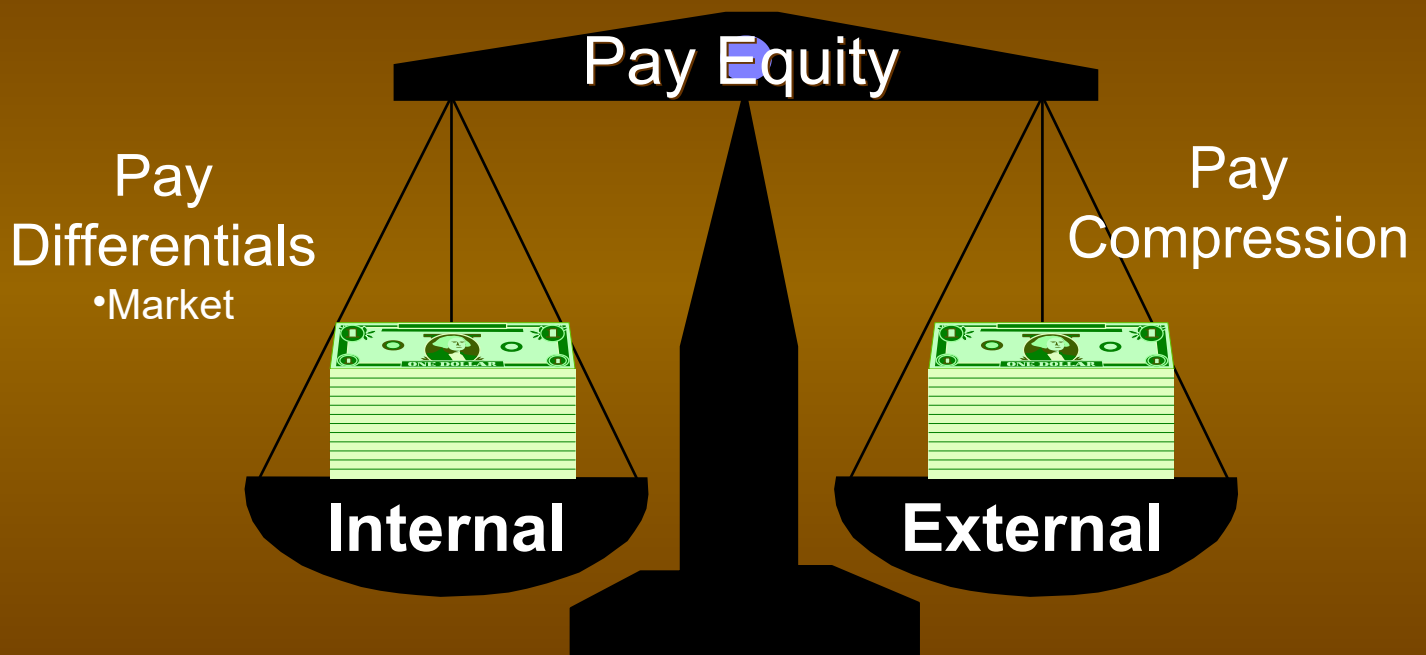
Equity

$$\frac{\text{Outputs}}{\text{Inputs}} > \frac{\text{Outputs}}{\text{Inputs}}$$



Over-reward

Balancing Internal and External Equity



Pay above Market Rate

- Advantages
 - Attracts better employees
 - Minimizes voluntary turnover
 - Fosters strong culture and competitive superiority
- Disadvantages
 - Additional compensation costs
 - Sense of entitlement

Pay at Market
Rate

- Advantages
 - Higher quality of human resources at midrange of market-driven compensation costs
- Disadvantages
 - Does not attract higher performers
 - Turnover will vary with labor demands of competing firms

Pay below Market Rate

- Advantages
 - Lower compensation costs
 - Useful in labor markets where unemployment is high
- Disadvantages
 - Lower-quality employees
 - Low morale/job satisfaction
 - Higher turnover; especially among high performers

Conditions Necessary for Perceptions of Pay Fairness

- Internal consistency
- External competitiveness
- Employee contributions

Line Managers and Compensation



- Evaluate the worth of jobs.
- Negotiate starting salaries.
- Recommend pay raises and promotions.
- Notify HRM department of job changes.

The HRM Department and Compensation

- Establish rates of pay.
- Oversee job evaluation process.
- Conduct salary surveys.

- Establish procedures for administering pay plans.
- Ensure compliance with antidiscrimination laws.
- Communicate benefits information .

Human Resource Management – MGT - 501

Lecture 29

Benefits

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Human Resource Management

Lecture-29

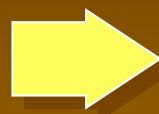
Person A



Person B

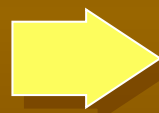


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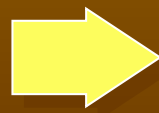
Under-reward

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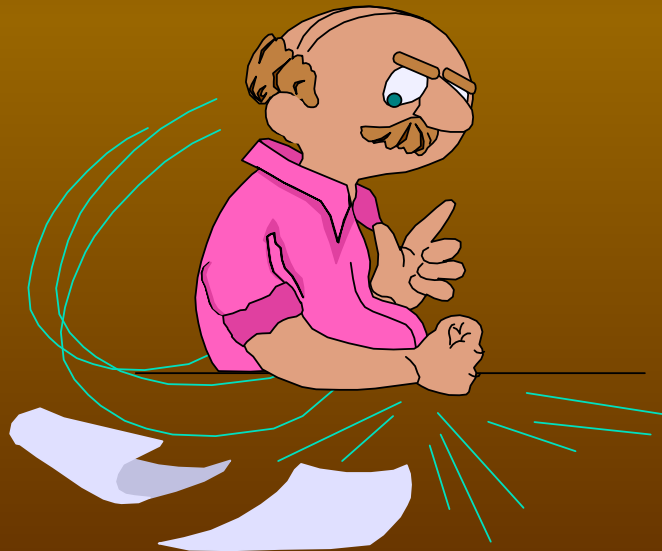
Equity

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Over-reward

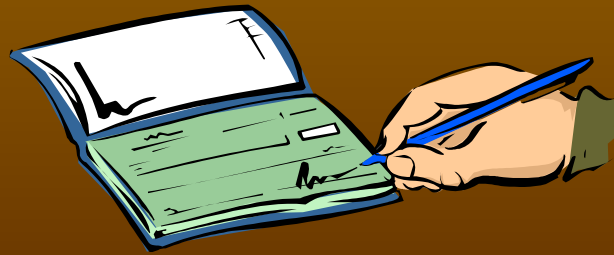
Equity Theory Predictions



Equity Theory

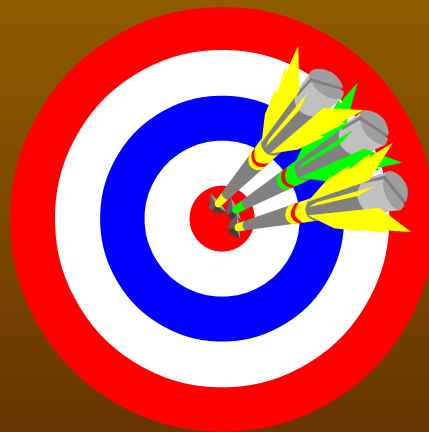
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Monetary Rewards

Hourly Wages
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Pay Incentives

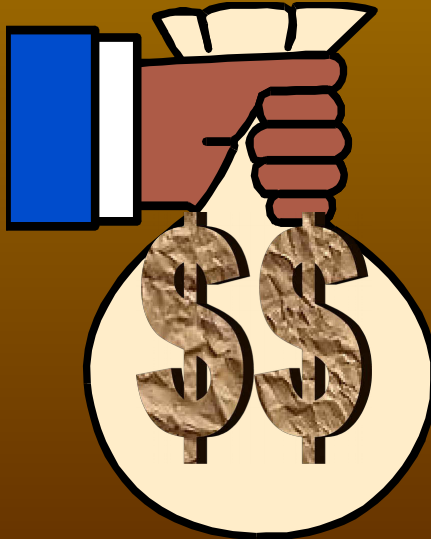
Benefits

Insurance
Retirement
Paid Vacations
Food Services
Credit Union
Recreation

Intrinsic Rewards

Recognition
Promotion Opportunities
Working Conditions
Interesting Work

Compensation system



Summary of Lecture-29

Summary

Today's Topic

Effective Benefit Administration

Types of Benefits & Services

Return of Employee Benefits

Equity

Equity Perceptions

$$\frac{\text{Outcomes}}{\text{Inputs}} = \frac{\text{Outcomes}}{\text{Inputs}}$$



Total Compensation

Direct

Wages / Salaries

Commissions

Bonuses

Gainsharing

Indirect

Time Not Worked

- Vacations
- Breaks
- Holidays

Insurance Plans

- Medical
- Dental
- Life

Security Plans

- Pensions

Employee Services

- Educational assistance
- Recreational programs

Total Compensation

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graph TD; TC[Total Compensation] --> D[Direct]; TC --> I[Indirect]; D --> WS[Wages / Salaries]; D --> C[Commissions]; D --> B[Bonuses]; D --> GS[Gainsharing]; I --> TNW[Time Not Worked<br/>• Vacations<br/>• Breaks<br/>• Holidays]; I --> IP[Insurance Plans<br/>• Medical<br/>• Dental<br/>• Life]; I --> SP[Security Plans<br/>• Pensions]; I --> ES[Employee Services<br/>• Educational assistance<br/>• Recreational programs];
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Direct

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Security Plans

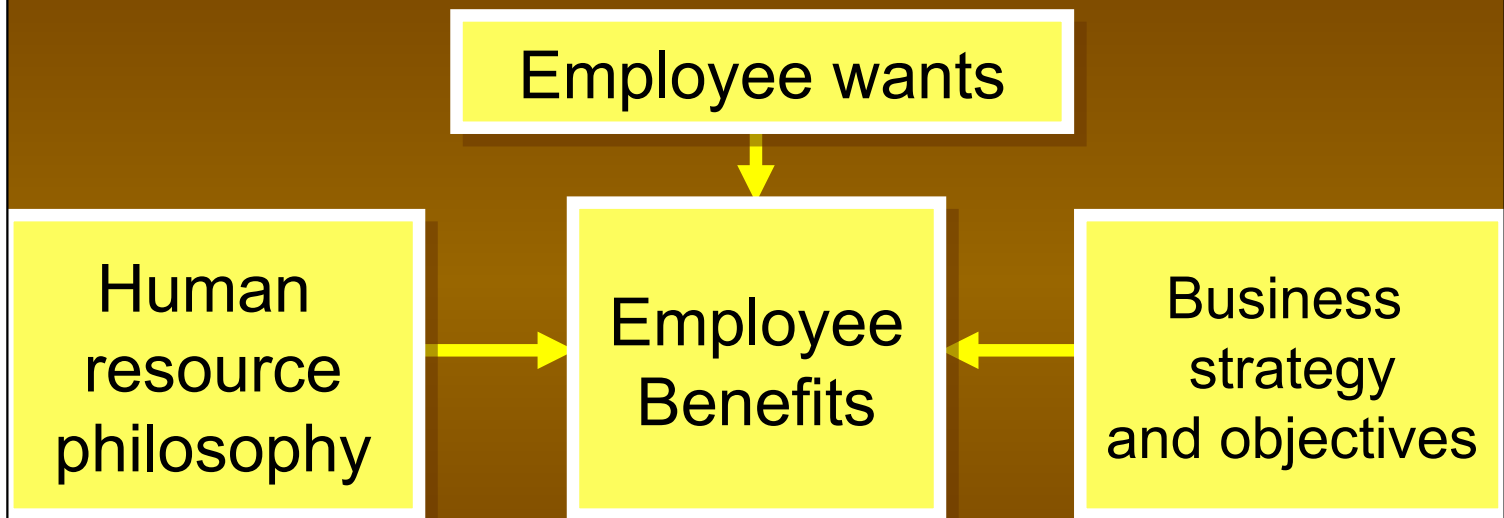
- Pensions

Employee Services

- Educational assistance
- Recreational programs

Benefits

- An indirect compensation given to an employee or group of employees as a part of organizational membership.



Strategic Role of Benefits

- Benefits absorb social costs for health care and retirement.
- Benefits influence employee decisions about employers (e.g., recruitment and retirement).

- Benefits are increasingly seen as entitlements.
- Benefit costs are about 40% of total payroll costs.

Why Focus on Benefits?

- Integral part of compensation strategy to compete for employees
 - E.g., new firm – lower base pay, high variable incentives, keep benefit costs low
 - May help build business image

Why Focus on Benefits?

- Influence employee decisions on whether to apply, accept an offer, stay, & when to retire
 - Depends on external environment, org environ, etc.

- Communicate organization's values & support strategic objectives
- Cost containment (use them wisely!)
Note: benefits average about 40% of payroll costs
- Enhance organizational image

Benefits depend on the times! They aren't motivators (not Performance-based), but can Attract & Retain employees.

What Happens to Benefit Money?

- Insurance Payments
(e.g., medical premiums, vision care, dental care, life insurance, etc).
- Payment for Time Not Worked
(e.g., leaves, vacations, holidays)
- Legally Required Contributions
(e.g., Social Security, unemployment, workers' compensation)

- Retirement Plans
(e.g., pensions)
- Paid Rest Periods
(e.g., coffee breaks, lunch period, travel time)
- Miscellaneous
(e.g., educational assistance, severance pay, child care, etc.)

Types of Benefits & Services

Insurance Benefits

- Medical Insurance
- Vision Insurance
- Dental Insurance
- Mental Health Insurance
- Life Insurance
- Disability Insurance



Employee Security Benefits

- Employment Income Security
- Retirement Security

Time-Off Benefits

- On-the-job Breaks
- Sick Days Pay
- Holidays & Vacations
- Leaves of Absence

Work Scheduling Benefits

- Shorter Work Times
- Flextime
- Job Sharing

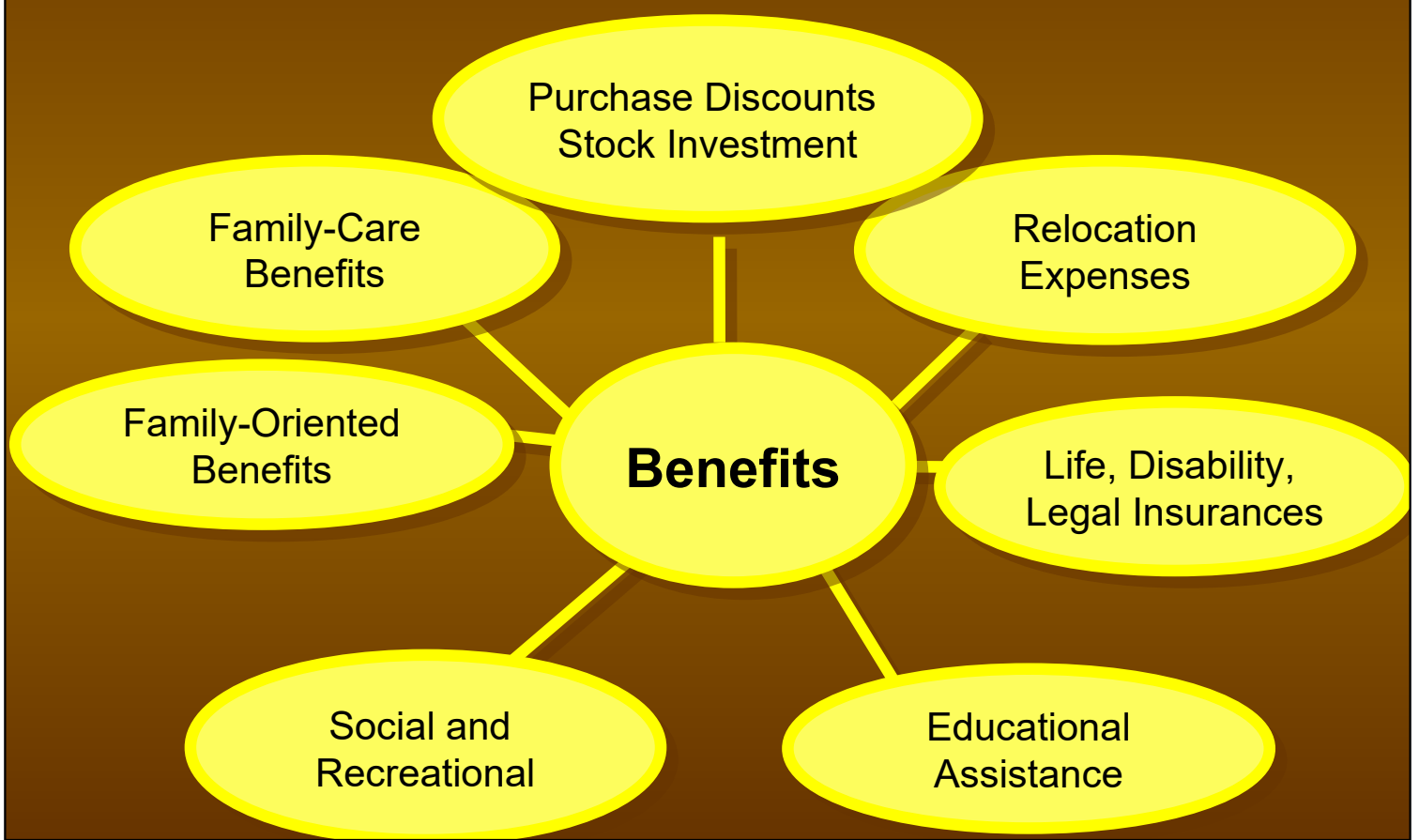
Employee Services

- Educational Assistance
- Financial Services
- Social Services

Family Oriented

- Child Care
- Elder Care
- Relocation Programs

Other Benefits



Retirement Benefits

- Early retirement options
- Pre-retirement counseling
- Disability retirement benefits
- Health care for retirees
- Pension plans



Retirement Programs

- Silver Handshake
 - An early-retirement incentive in the form of increased pension benefits for several years or a cash bonus.
- Preretirement Programs
 - Counseling
 - Seminars
 - Workshops



Types of Pension Plans

- Contributory plan
 - Contributions to a plan are made jointly by employees and employers.
- Noncontributory plan
 - Contributions to a plan are made solely by the employer.

Family-Oriented

- Family & Medical Leave
- Dependent care
- Alternative work arrangements (Flextime)
- Job sharing



Social & Recreational



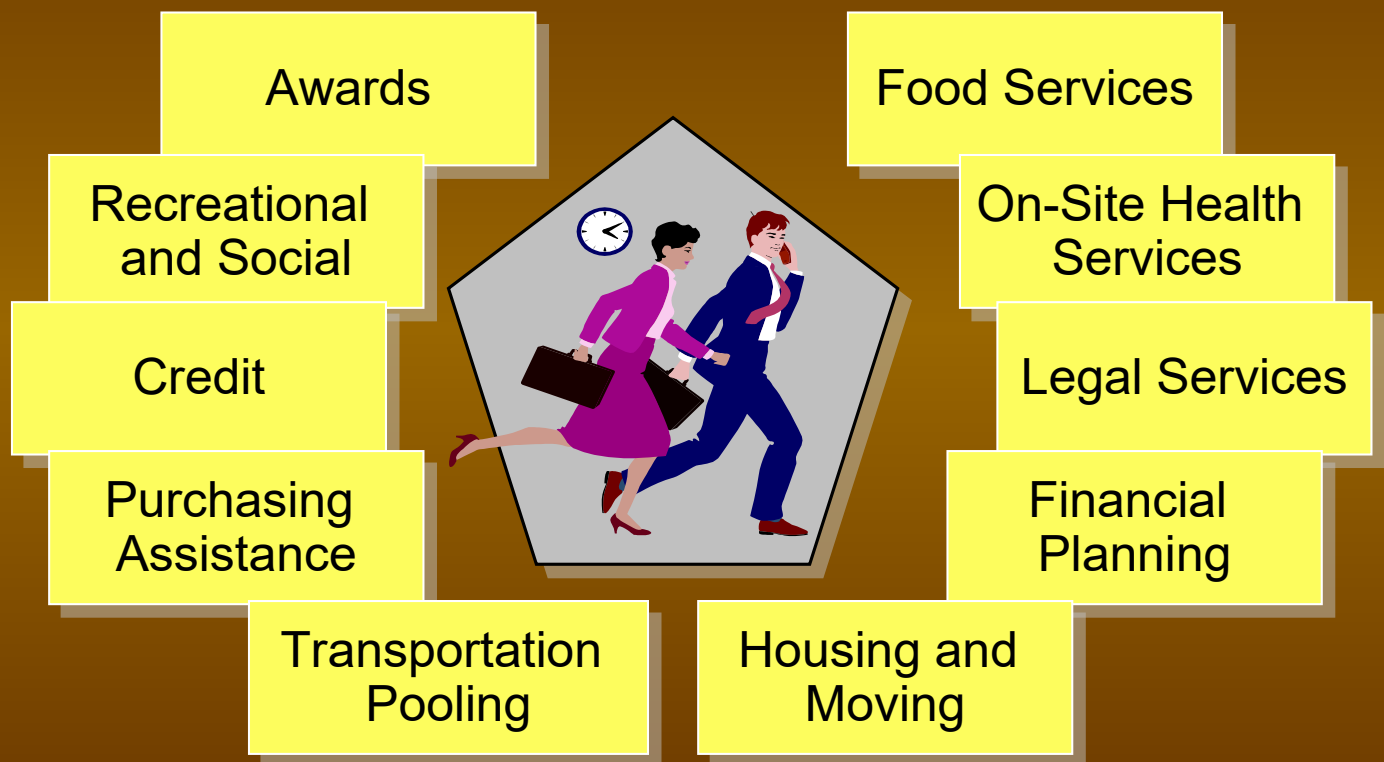
- Tennis courts
- Other sports activities
- Sponsored events (athletic, social)
- Company cafeteria & food services
- Recreation programs

Time-Off Benefits

- Vacations
- Holidays
- Other leaves
- Breaks



Other Employee Benefits and Services



The Annual Bonus

- A bonus is aimed at motivating short term performance with three issues to consider when awarding them:
 - Eligibility – based on job level and salary
 - Fund size – use a formula
 - Individual awards – based on performance

Long Term Incentives

- Stock options
- Different stock option plans
- Performance plans
- Cash plans
- Other plans



Benefits....Money's Going In, but What Are
We Getting In Return???

- Are your company's benefits adding value?
 - Evaluate the effectiveness!
- Conduct benefits needs analysis periodically. Ask questions such as:
 - How much total comp (incl benefits) should be provided?
 - What part should benefits comprise of total comp?
 - Why are we offering each type of benefit?
 - Which employees get what?

- Collect measurements on effectiveness for decision-making
 - What are your goals for offering benefits (e.g., attraction, retention, productivity, etc.)?
 - Design study to assess the effectiveness

Effective Benefit Administration

- Communication is critical
 - Most employees don't know their benefits or the value!
 - Benefits Communication
 - Benefits Statements
 - Annual "personal statement of benefits" that translates the benefits into dollars to show their worth.
 - HRIS and Benefits Communication
 - HRIS information allows employees to obtain benefits information on-line.

- Consider flexible benefits
 - Flexible benefits plan (“cafeteria”)
 - More & more popular, especially w/larger employers
- Scan the environment
 - What are employee preferences?
 - What do different generations look for in benefits?
 - What about benefits for part-timers?
 - What’s your corporate strategy?



Summary



Human Resource Management – MGT - 501

Lecture 30

Role of Money in Performance of Employees

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Human Resource Management

Lecture-30

Continued

When someone
says, "It's not the
money, it's the principle,
it's the money!"

-- Anonymous

Summary

- Pay-for-Performance
- Types of Pay-for-Performance Plans
- Reasons for Pay-For-Performance Failures



Today's Topic

The person as a Economist
expects

ROI- time, effort, commitment

Return of Employee Benefits

Continued

- Effective Recruitment
- Improved Morale and Loyalty
- Lower Turnover and Absenteeism
- Good Public Relations

Effective Benefit Administration

Types of Benefits & Services

Why Focus on Benefits?

Total Compensation

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graph TD; TC[Total Compensation] --> D[Direct]; TC --> I[Indirect]; D --> WS[Wages / Salaries]; D --> C[Commissions]; D --> B[Bonuses]; D --> GS[Gainsharing]; I --> TNW[Time Not Worked<br/>• Vacations<br/>• Breaks<br/>• Holidays]; I --> IP[Insurance Plans<br/>• Medical<br/>• Dental<br/>• Life]; I --> SP[Security Plans<br/>• Pensions]; I --> ES[Employee Services<br/>• Educational assistance<br/>• Recreational programs];
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- Life

Security Plans

- Pensions

Employee Services

- Educational assistance
- Recreational programs

Summary of Lecture-29

Next..

Motivation

C

- A compensation philosophy of higher pay for higher contributions
- Performance will be calculated on - corporate performance and personal performance .

Pay-for-Performance

Meeting the Challenges of Pay-for-Performance System

- Link pay and performance appropriately
- Use Pay-for-Performance as part of a broader HRM system
- Build employee trust

- Promote the belief that performance makes a difference
- Use multiple layers of rewards
- Increase employee involvements
- Use motivation and non-financial incentives

Types of Pay-for-Performance Plans

- Individual-Based plans
 - Merit Pay
 - Bonus program or lump-sum payment
 - Award
- Team-Based plans

- Plant-wide plans (gain sharing)
- Corporate-wide plans (profit sharing)

Determinants of Effective Pay-For-Performance Systems

- Worker values outcomes (rewards)
- Outcome is valued relative to other rewards
- Desired performance must be measurable
- Worker must be able to control rate of output

- Worker must be capable of increasing output
- Worker must believe that capability to increase exists
- Worker must believe that increased output will result in receiving the reward

- Size of reward must be sufficient to stimulate increased effort
- Performance measures must be compatible with strategic goals for short and long term

Six Criteria of Value of Performance

- Quality
- Quantity
- Timeliness
- Cost-effectiveness
- Need for supervision
- Interpersonal impact

Reasons for Pay-For-Performance Failures

- Poor perceived connection between performance and pay
- Level of performance-based pay is too low
- Lack of objective accountable results for most jobs, so performance appraisal ratings are used in place of objective outcomes

- Faulty performance appraisal systems
- Union resistance
- Poor connection between Pay-For-Performance outcomes and corporate performance measures

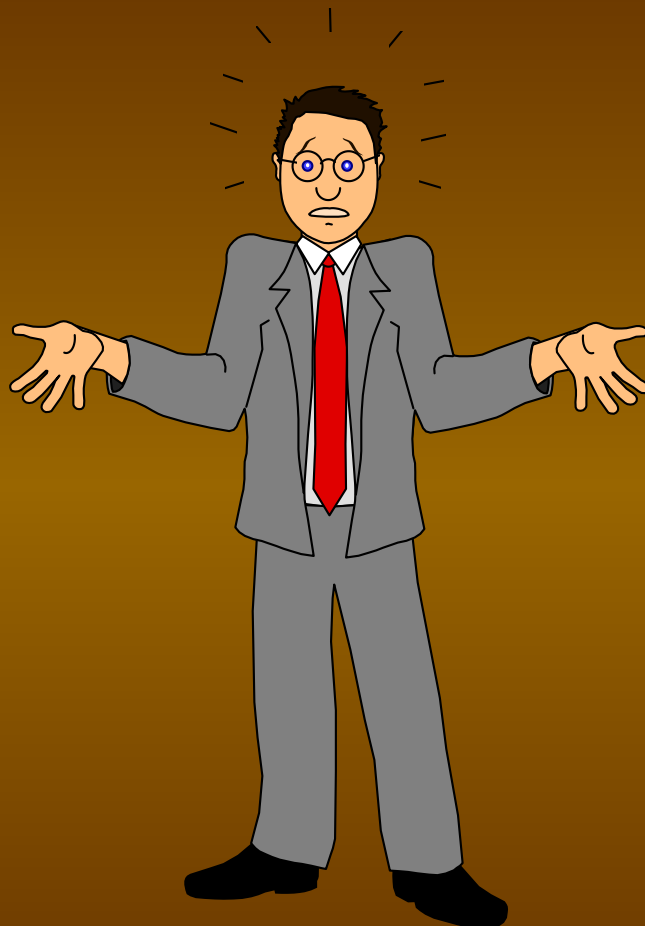
Rewarding Performance



The Role of Money

When someone
says, "It's not the
money, it's the principle,
it's the money!"

■ -- Anonymous



The Meaning of Money



Money and employee needs



Affects several needs,
not just existence needs

- They value their services and place high value on them
 - Perceive money as symbol of their achievement
 - Will not remain in low paying organization
 - Very self – confident
 - Know their abilities and limitations

Money and attitudes



Money ethic -- not evil, represents success, should be budgeted carefully

Improving Reward Effectiveness



- Link rewards to performance
- Ensure rewards are relevant
- Use team rewards for interdependent jobs



- Ensure rewards are valued
- Beware of unintended consequences

Money as a Motivator

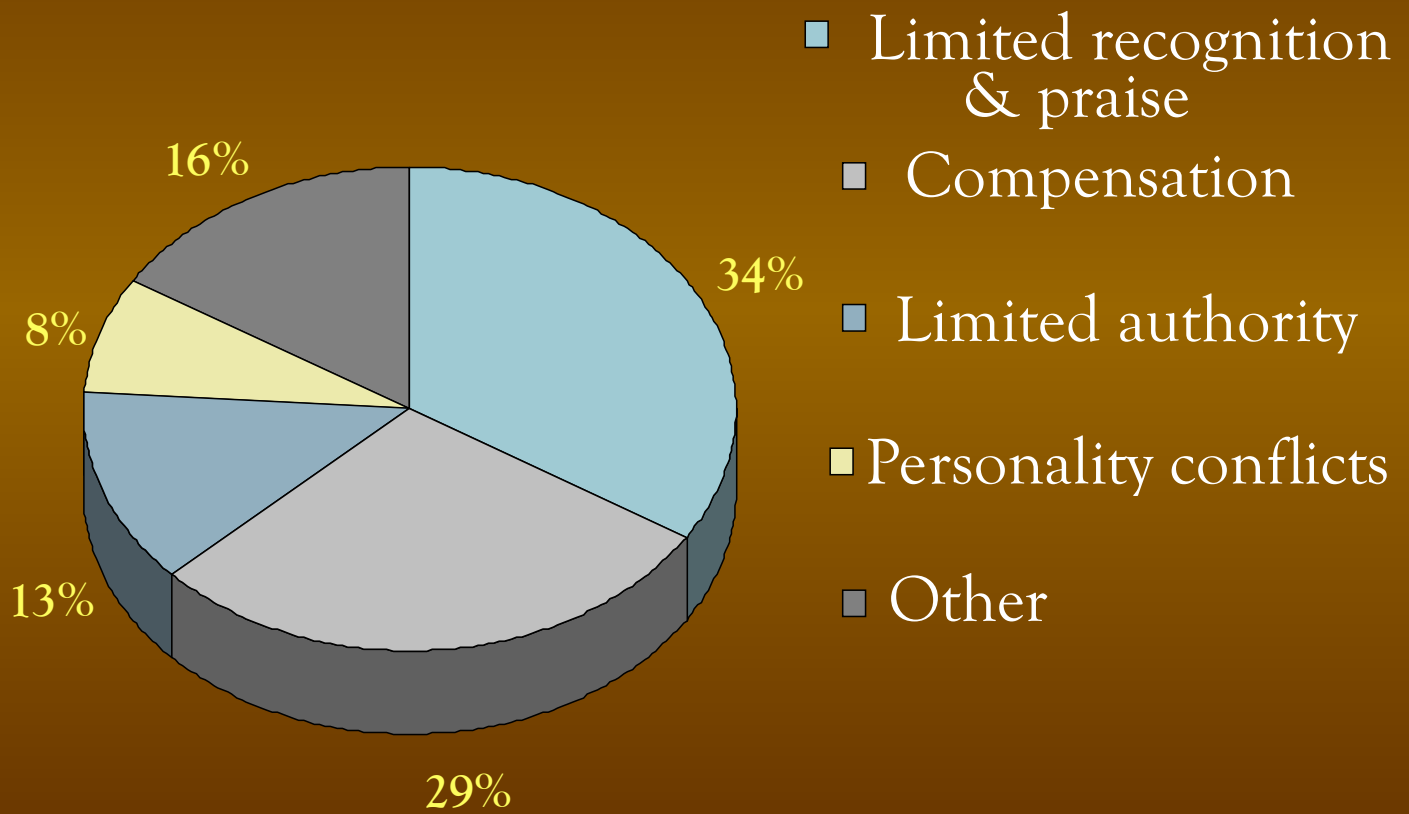
- According to Maslow and Alderfer, pay should prove especially motivational to people who have strong lower-level needs.
- If pay has this capacity to fulfill a variety of needs, then it should have good potential as a motivator.



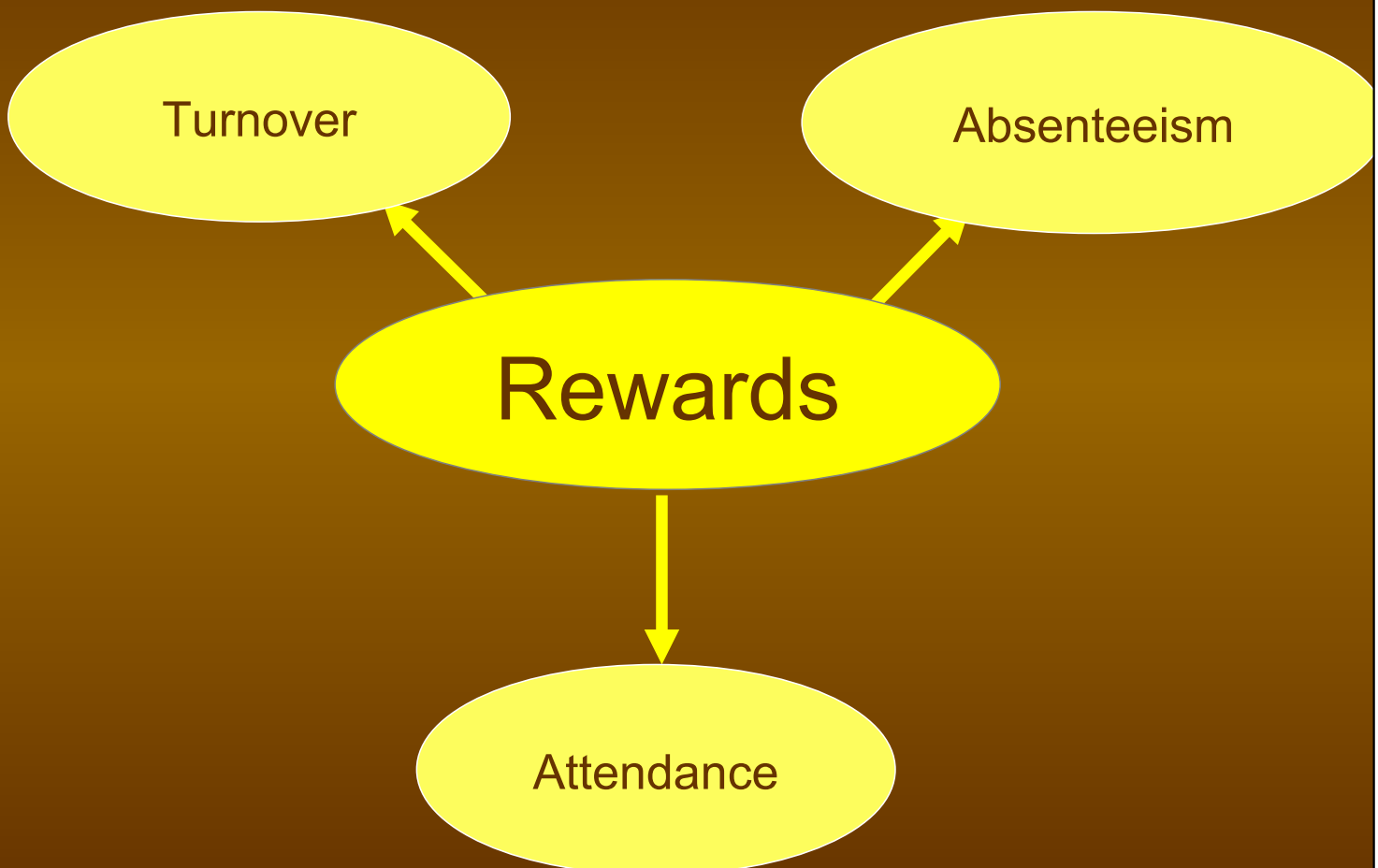
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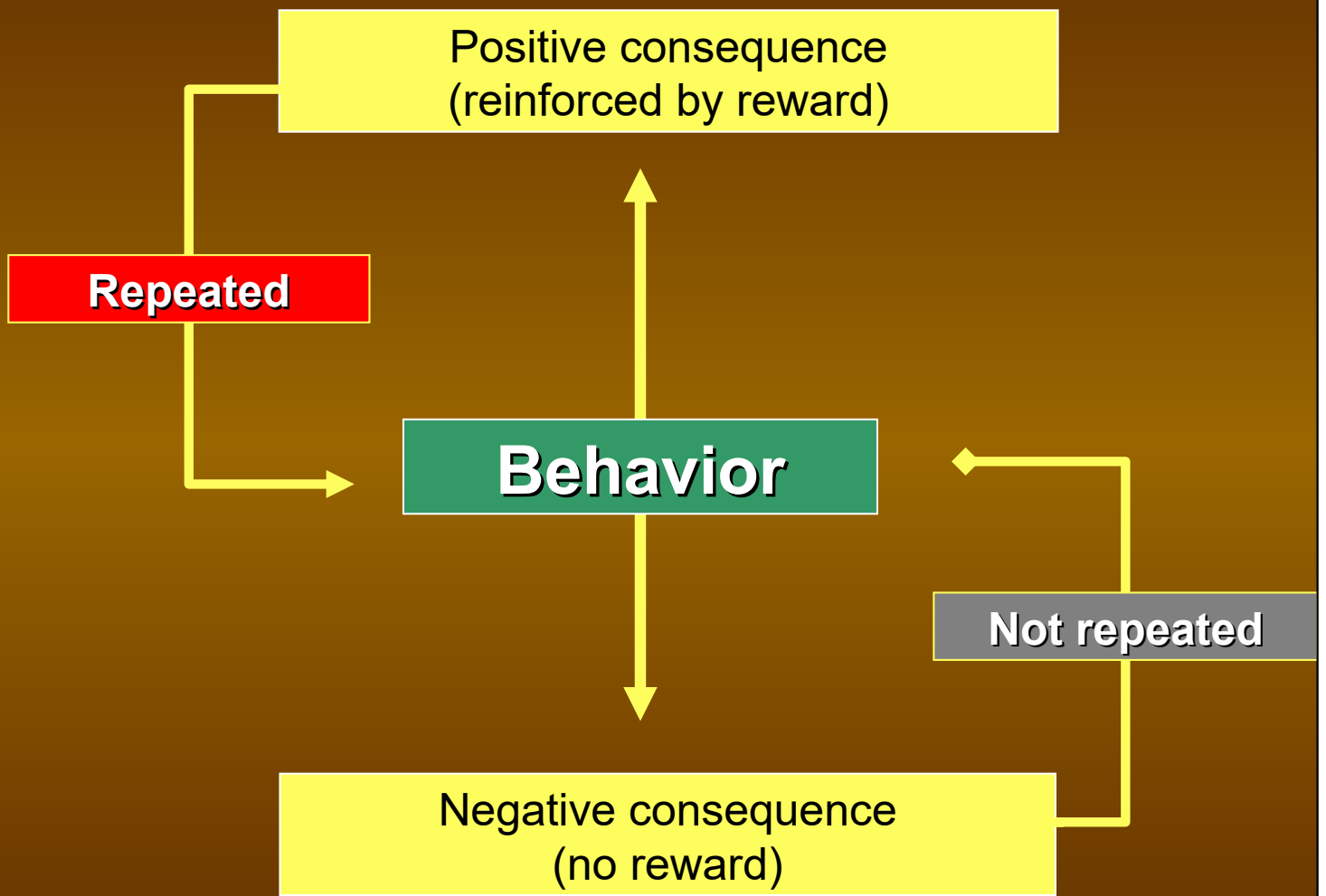


Why People Leave Organizations

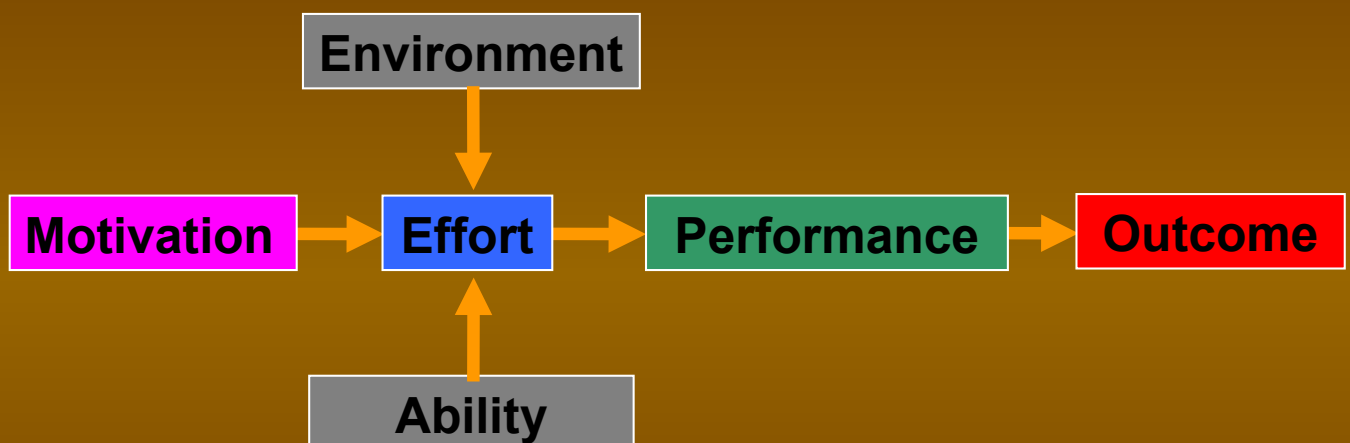


Rewards and other Employee Behaviors





Expectancy Theory



👍 "What's in it for me?" calculation

- Conscious ↔ subconscious (self image and comparisons)

👍 Fairness (equitable social (economic) exchange)

- interpret rewards/pay-offs of others
- judge what is fair/unfair
- satisfaction if each party achieves a balance (relative equality)



Human Resource Management – MGT - 501

Lecture 31

Motivation

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Human Resource Management

Lecture-31

The Role of Money

Motivation

The Motivation Process

Continued

A state of mind, desire, energy or interest that translates into action.

Core Phases of the Motivational Process

Continued

- Force acting on/within person that cause specific, goal-directed behavior
- Work motivation → productivity
- Management's job is to channel employee energy to achieve organizational goals

Reasons for Pay-For-Performance Failures

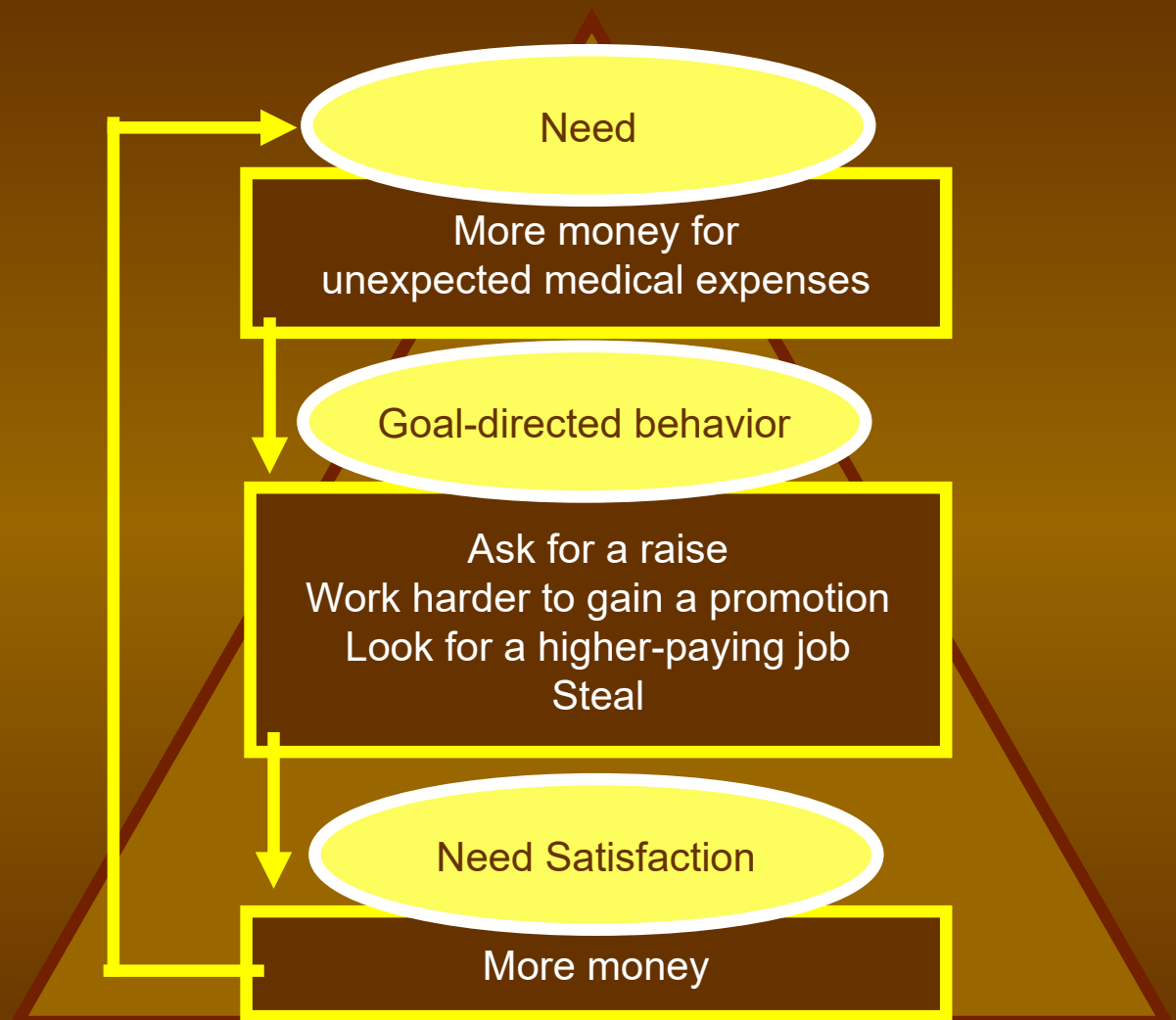
Types of Pay-for-Performance Plans

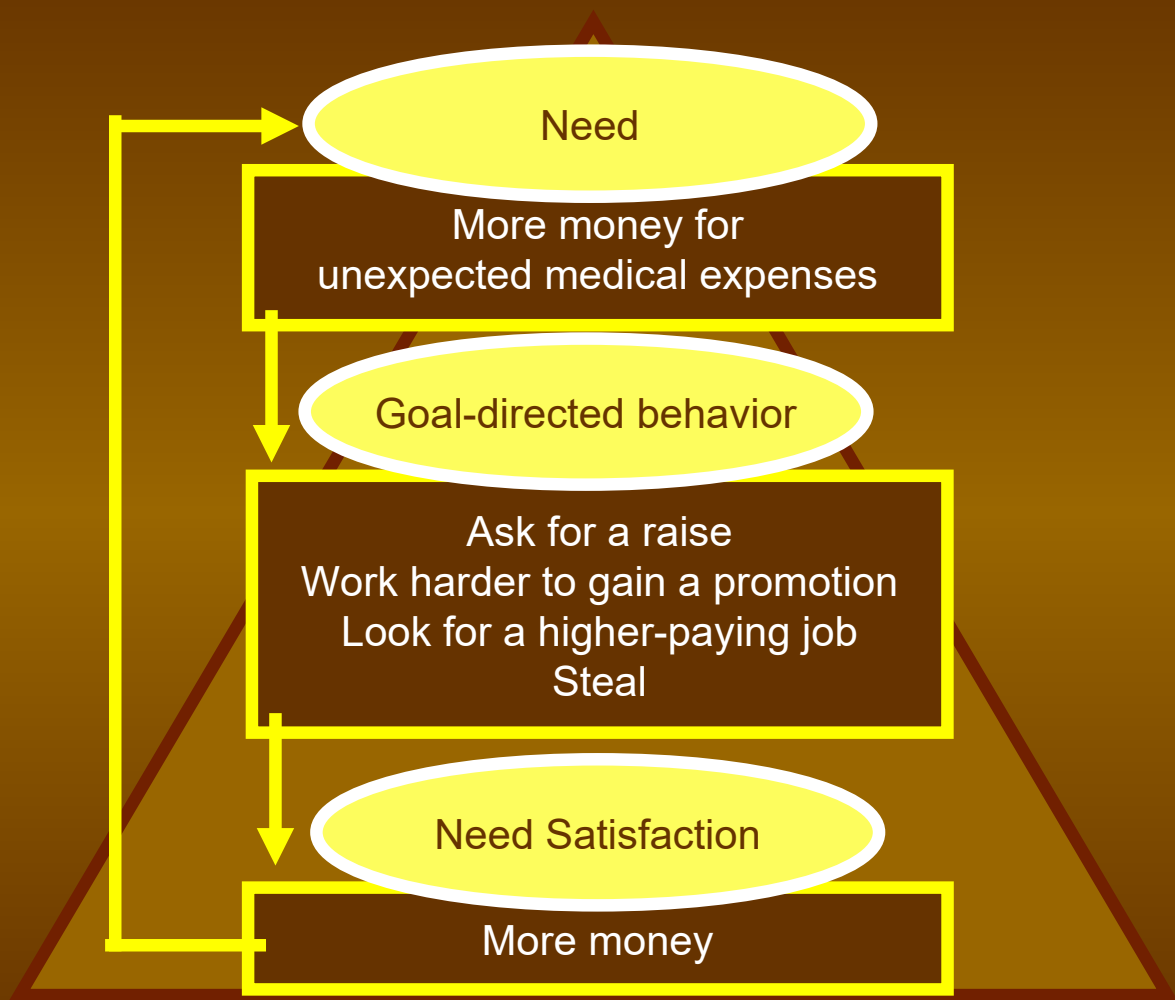
Today's Topic

Pay-for-Performance

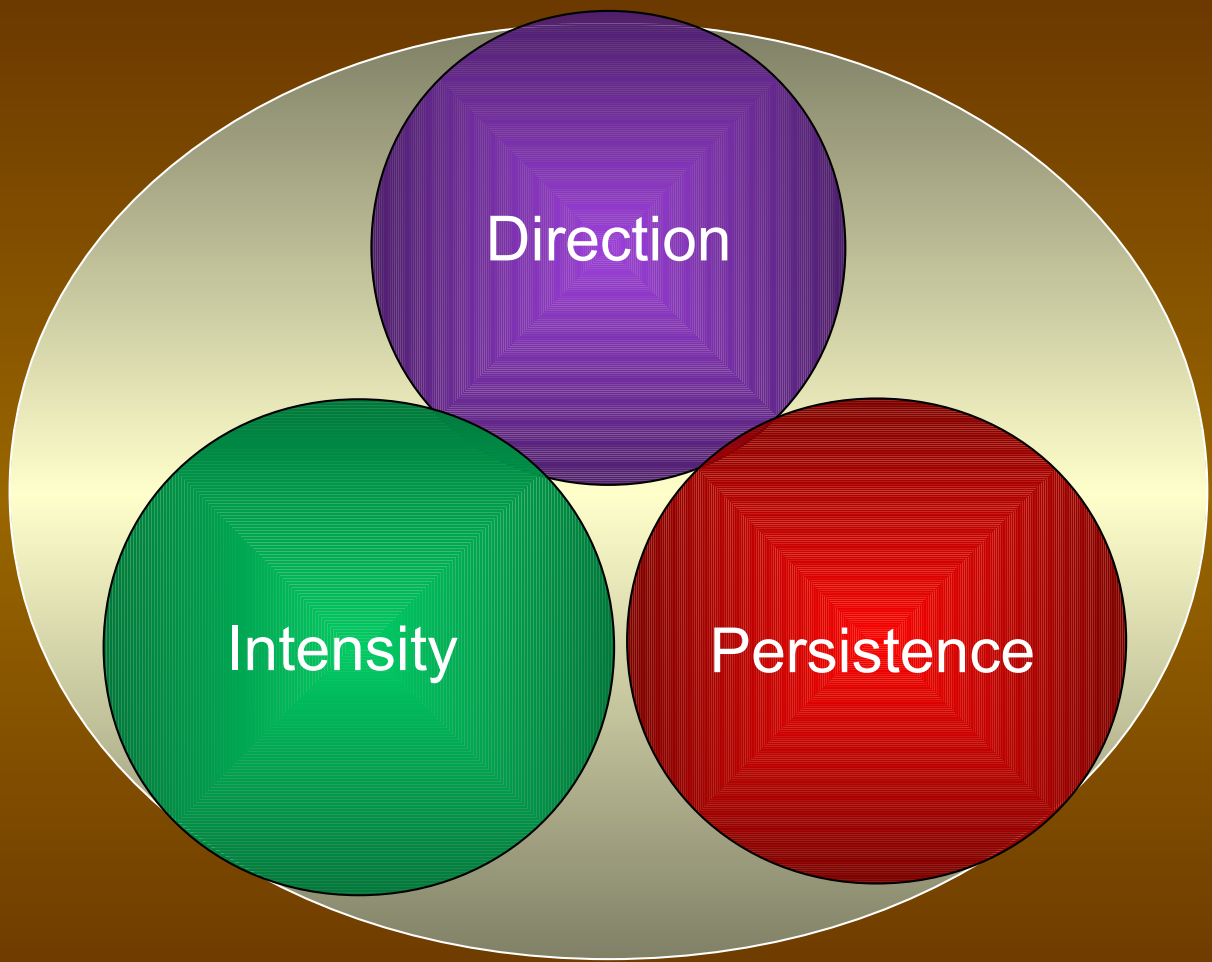
Motivation

The inner drive that directs a person's behavior toward goals.

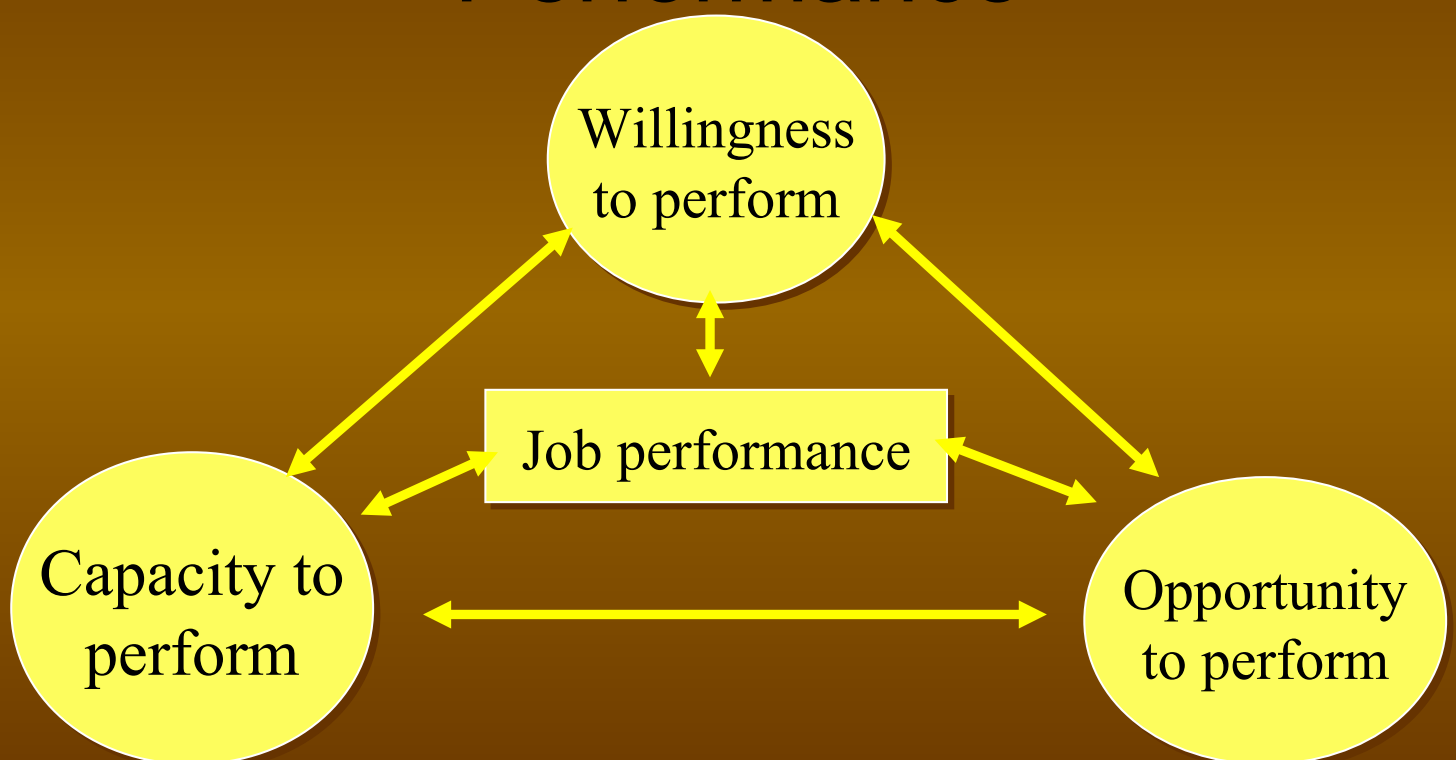




NEEDS → BEHAVIOUR → INCENTIVES AND GOALS



Determinants of Job Performance



Performance Formula

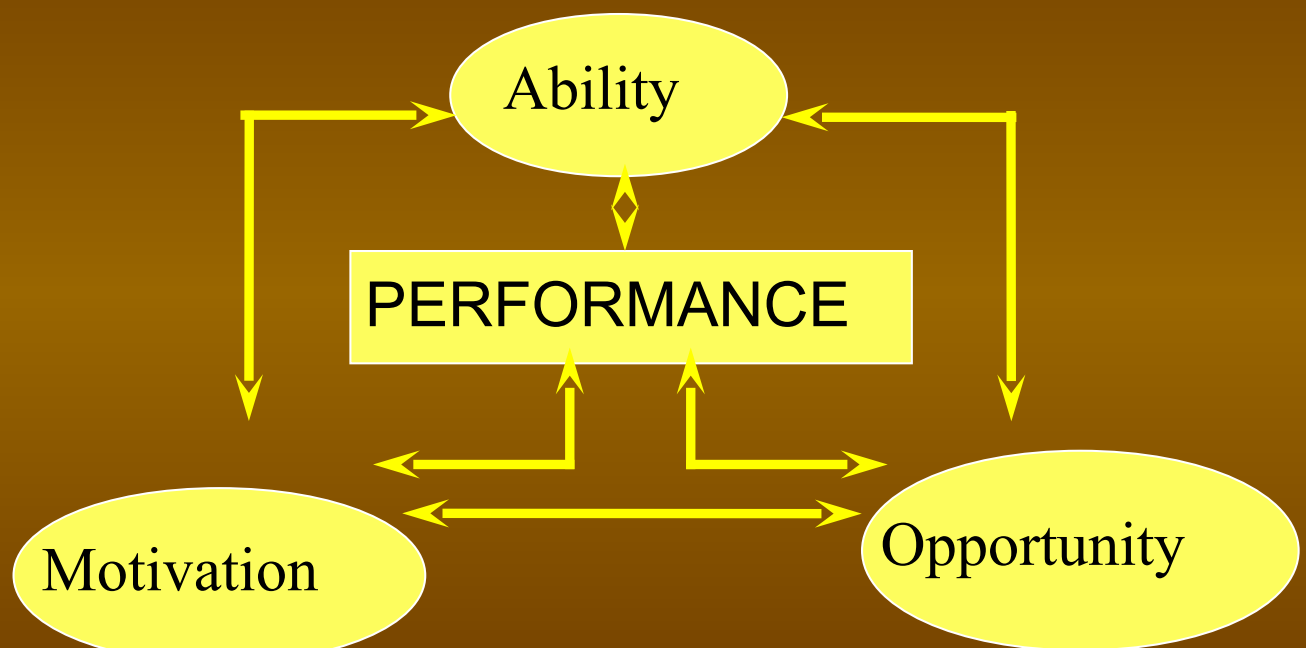
Performance = f (ability X motivation X opportunity)

Ability = individual's knowledge, skills, and ability to accomplish task

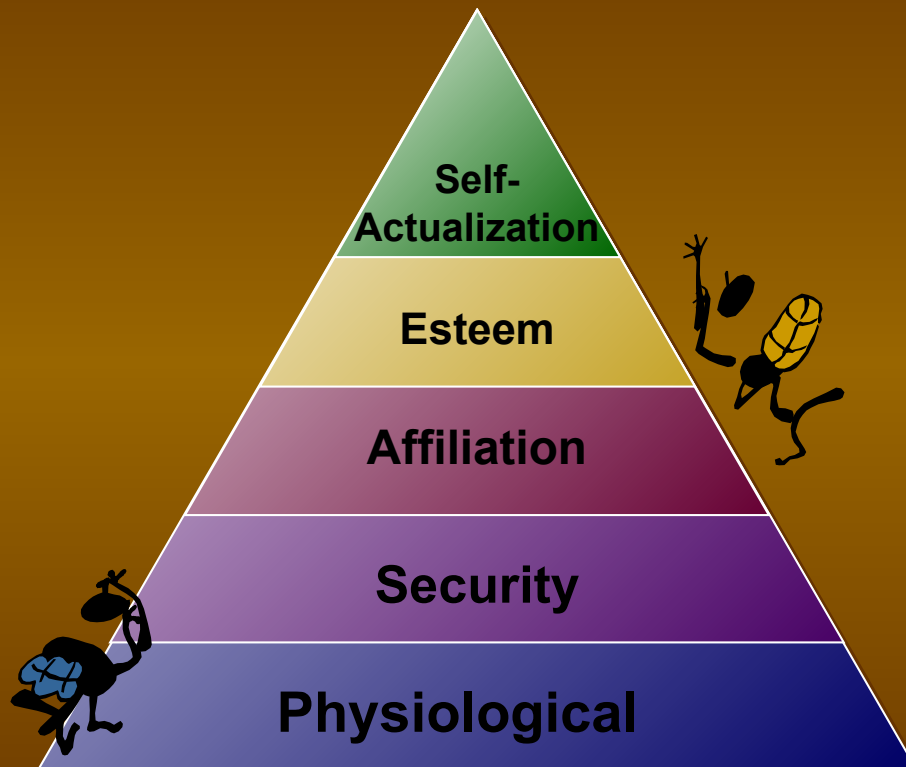
Motivation = level of individual energy for the task

Opportunity = right performance opportunity

Why Do We Care?



Performance =
f (Ability, Motivation, Opportunity)



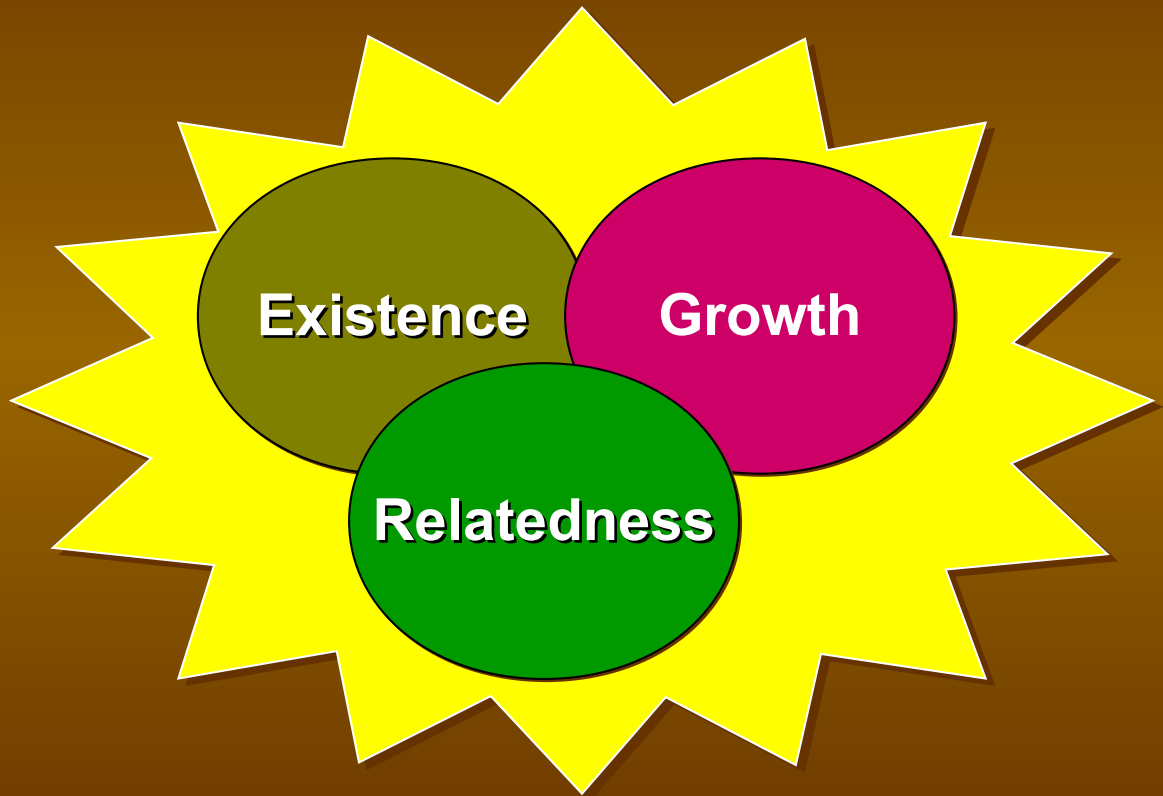
**Need for
Achievement**
(*nAch*)

**Need for
Power**
(*nPow*)

**Need for
Affiliation**
(*nAff*)

**McClelland's
Theory
of Needs**

Alderfer's ERG Theory



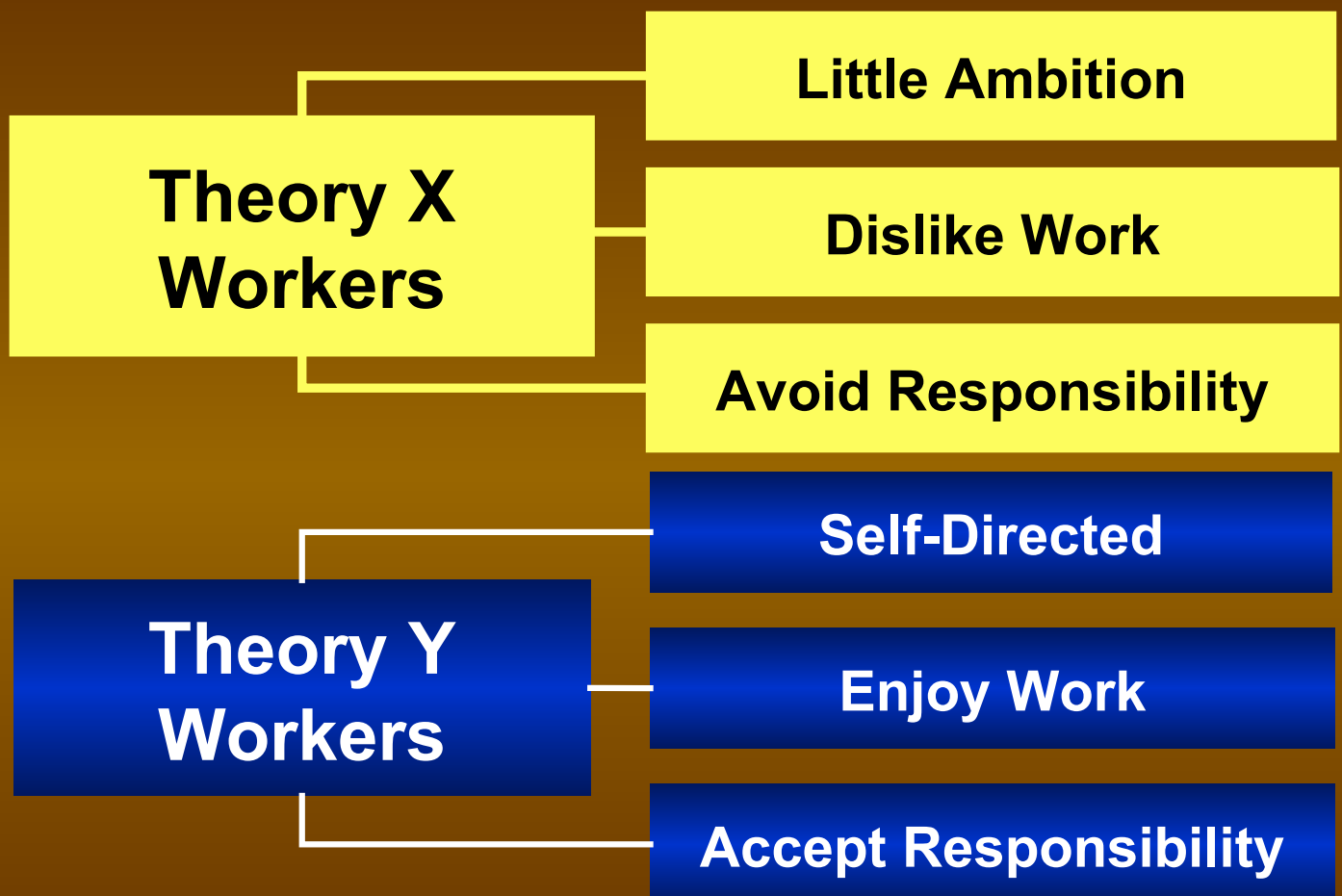
McGregor's Theory-X and
Theory-Y

Theory X

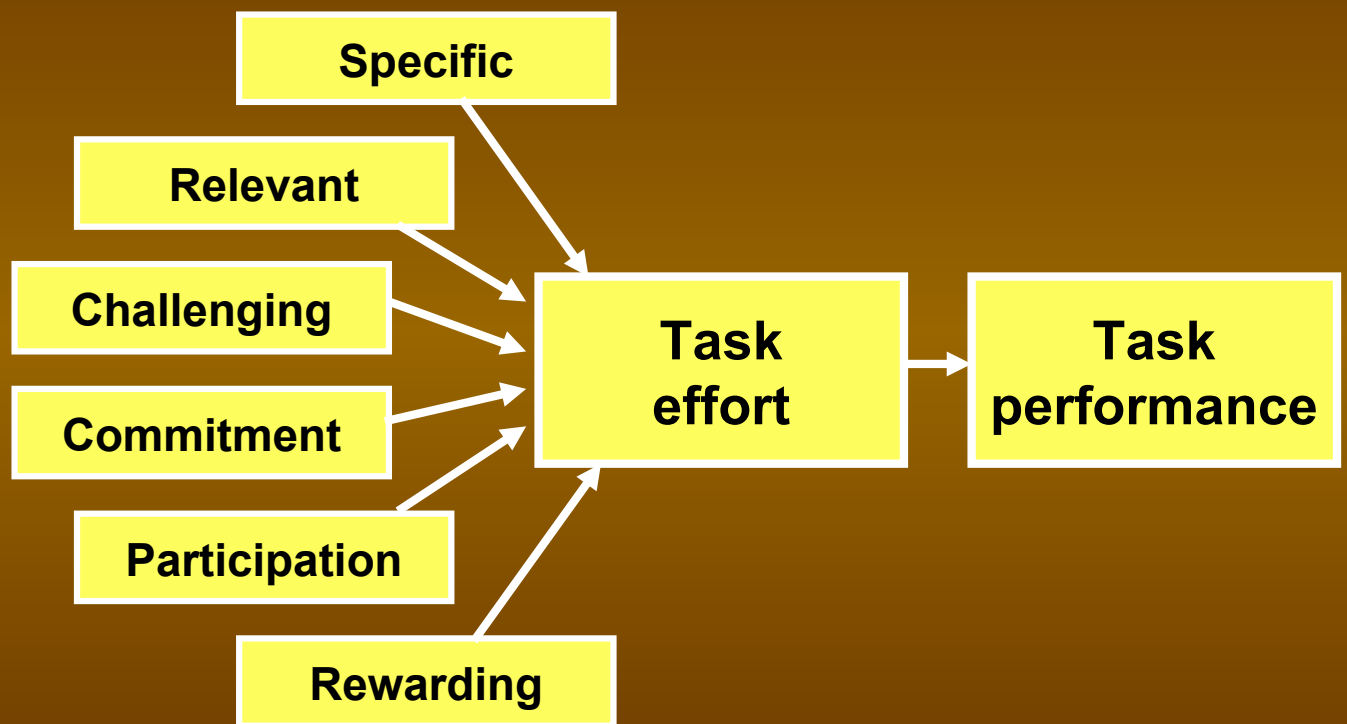
- Management view that assumes workers generally dislike work and must be forced to do their jobs.

Theory Y

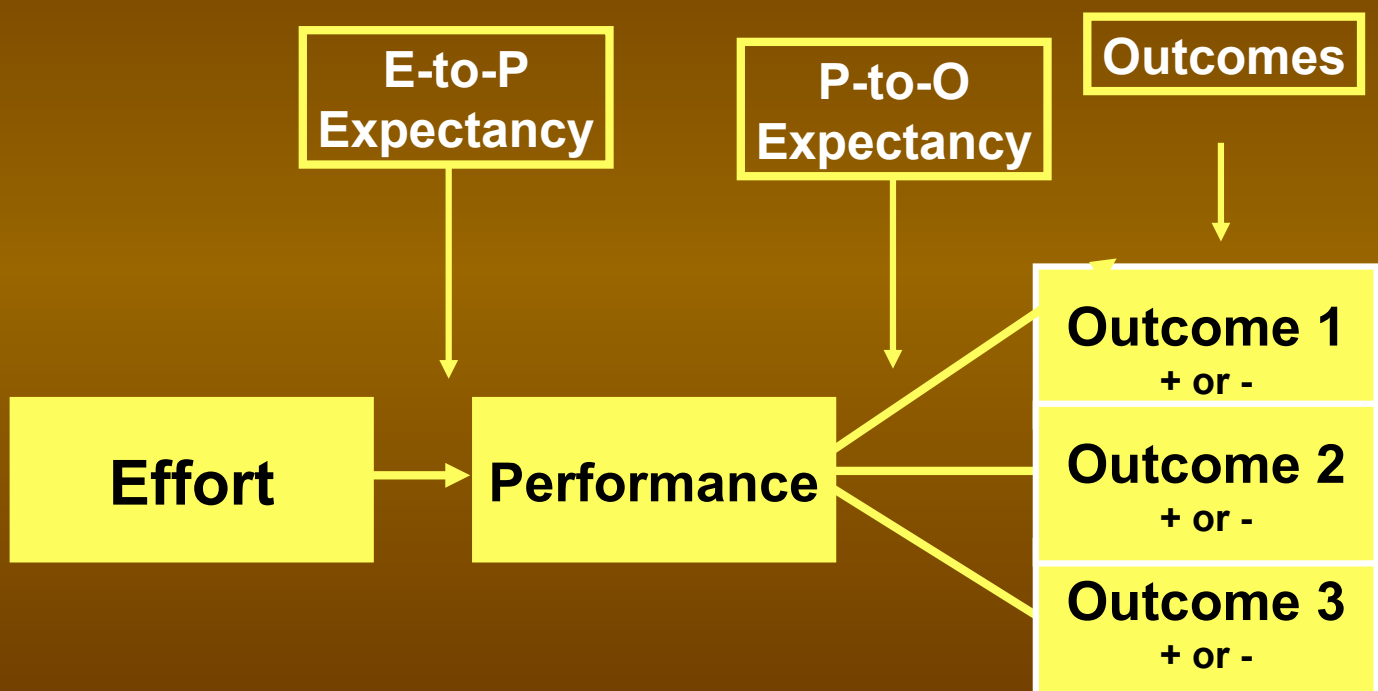
- Management view that assumes workers like to work and under proper conditions, employees will seek responsibility to satisfy social, esteem, and self-actualization needs.

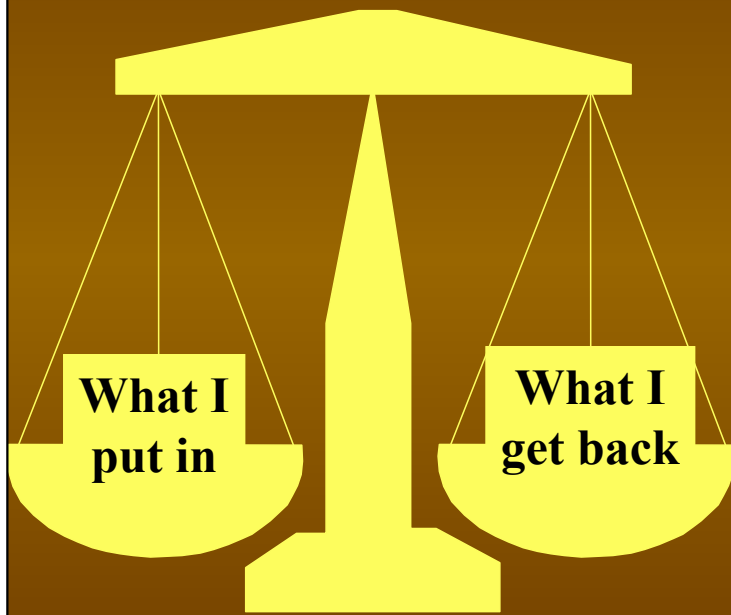


Effective goal setting



Expectancy Theory of Motivation

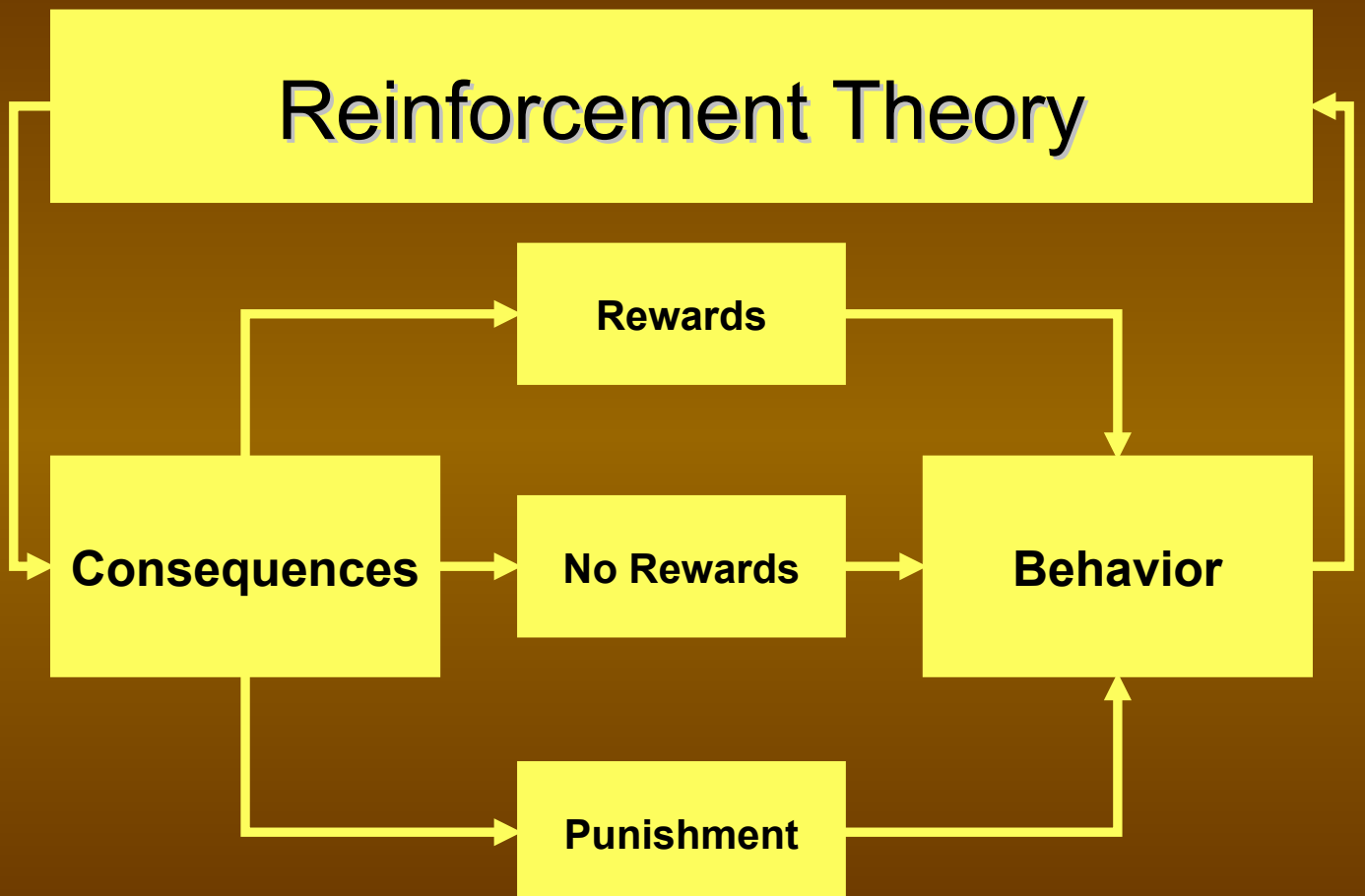




Equity Theory



Expectancy Theory



Continued



What “energizes”
us

What “energizes” us

Continued

“Energizers” – create tensions → feelings of unrest → make effort to reduce tensions

Continued

Goal-directed efforts-provide focus for energy release

Motivational Theories

Motivational Theories

Maslow's Needs Hierarchy

Basic assumptions

- Once a need is satisfied, its role declines
- Needs are complex, with multiple needs acting simultaneously
- Lower level needs must be satisfied before higher level needs are activated
- More ways exist to satisfy higher level needs

Continued

- Individual and environment influence employee behavior
- Individuals decide behavior, although environment can place constraints
- Individuals have different needs/ goals
- Decide among alternatives based on perception of behavior leading to desired outcome

Why is motivation important?

Why is motivation important?

- Important in getting and retaining people
- The glue that links individuals to organizational goals
- Make individuals go beyond the job and be creative

But why is it so important for managers

- Organizations are hiring more contract workers
- Each of us would have worked in 5-6 firms in our life time instead of just 1
- New organizational designs- teams
- Employees need to upgrade skills

Money as a Motivator

Employee Satisfaction

Motivating Contingent Workers

Continued

- Provide opportunity for permanent status.
- Provide opportunities for training
- Provide equitable pay

Motivating the Diversified Workforce

Motivating Low-Skilled Service Workers

Continued

- Increase pay and benefits
- Make jobs more appealing.

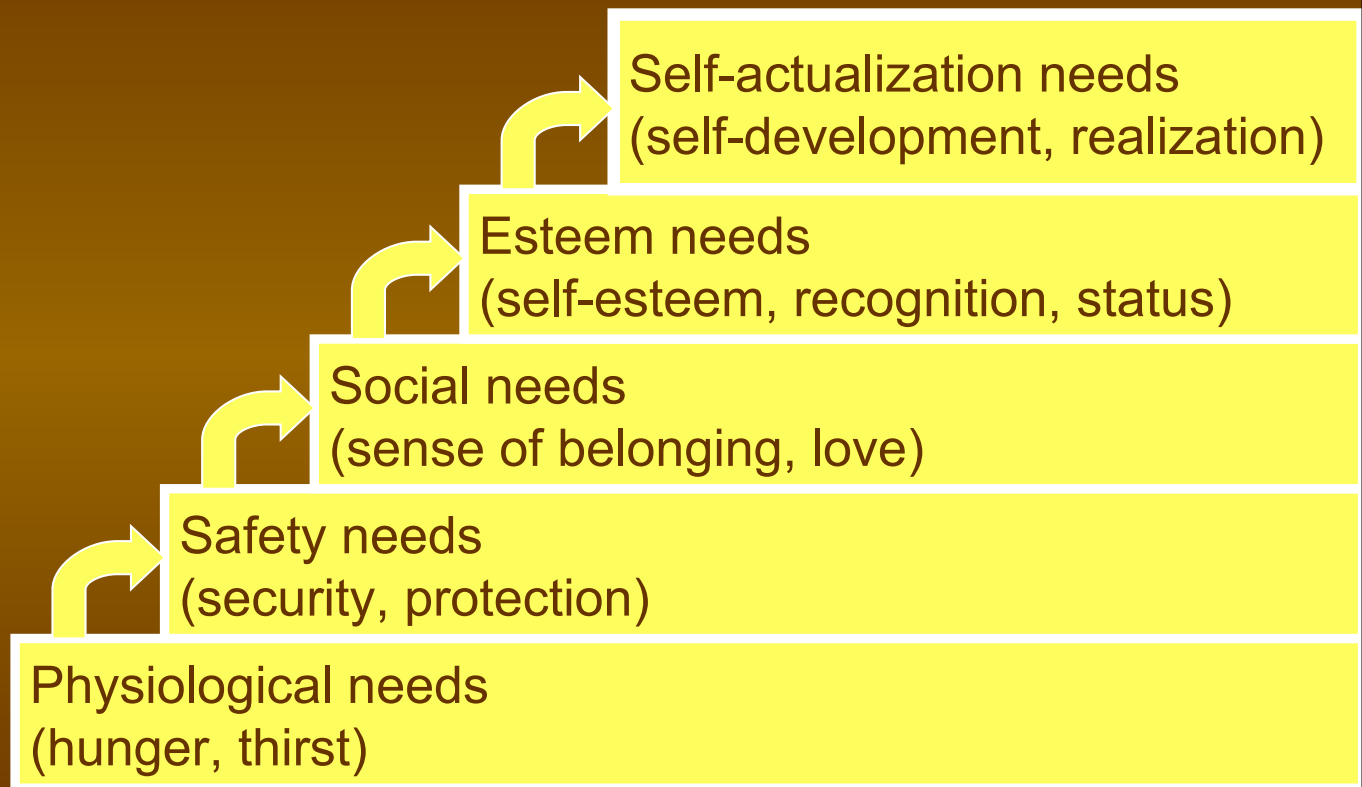
Motivating People Doing
Highly Repetitive Tasks

Continued

Unsatisfied needs = deficiencies that a person experiences at any given time

Continued

- Recruit and select employees that fit the job
- Create a pleasant work environment
- Mechanize the most distasteful aspects of the job



Three Approaches to Motivation

Individual Differences Approach

Treats motivation as a characteristic of the individual

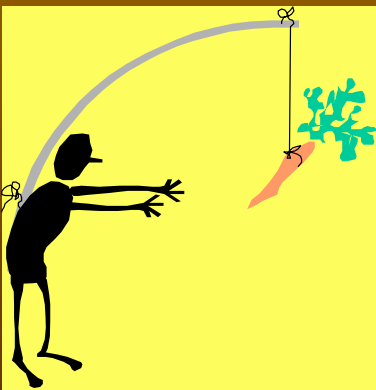
Job & Organization Approach

Emphasizes the design of jobs and the general organizational environment

Motivation

Managerial Approach

Focuses on behaviors of managers, in particular, their use of goals and rewards



When someone
says, "It's not the
money, it's the principle,
it's the money!"

-- Anonymous

**Challenging
Jobs**



**Equitable
Rewards**

**Supportive
Colleagues**



**Good Work
Environment**

**Challenges of motivating
employees**

Summary of Lecture 30

Next....

Health and Safety

Challenges of motivating employees

- Changing workforce
 - younger generation employees have different needs and expectations to senior workers
 - people have more diverse values – results in more variety in what motivates employees
- Cultural values
 - globalisation has added to diversity

Motivating Professionals

- Provide challenging projects.
- Allow them the autonomy to be productive.
- Reward with educational opportunities.
- Reward with recognition.
- Express interest in what they are doing.

- Provide flexible work, leave, and pay schedules.
- Provide child and elder care benefits.
- Structure working relationships to account for cultural differences and similarities.





Human Resource Management – MGT - 501

Lecture 32

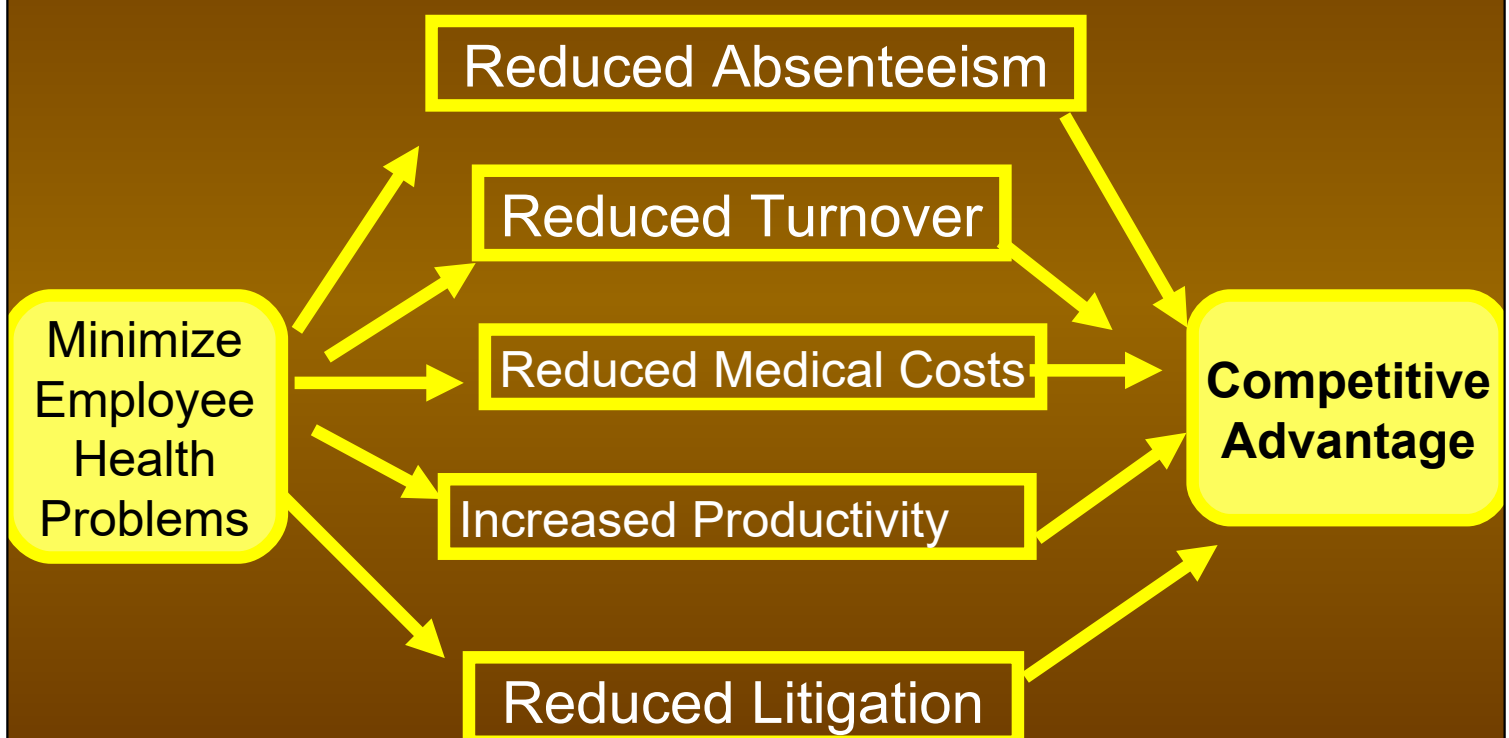
Occupation and Health & Safety

Prof. Dr. Mukhtar Ahmed
mukhtar59@yahoo.com
Virtual University – Pakistan
www.vu.edu.pk

Human Resource Management

Lecture-32

Occupational health & safety refers to the physiological-physical and psychological conditions of a workforce that result from the work environment provided by the organization.



What Causes Accidents?



- Chance occurrences
- Unsafe working conditions
- Unsafe acts by employees

- Unsafe conditions
 - Physical conditions
 - defective equipment
 - inadequate machine guards
 - lack of protective equipment
 - Environmental conditions
 - Noise
 - dust, fumes
 - stress
- Unsafe behaviors

Causes of Accidents

- Human
 - Overwhelming majority
 - Carelessness
 - Intoxication
 - Daydreaming
 - Inability to do the job
 - Other human deficiency



Safety Hazards



- Aspects of the work environment that have the potential of causing immediate and sometimes violent harm or even death
- Examples of safety hazards:
 - poorly maintained equipment
 - unsafe machinery
 - exposure to hazardous chemicals

Health Hazards



- Aspects of the work environment that slowly and cumulatively lead to deterioration of health
- The person may:
 - develop a chronic or life threatening illness
 - become permanently disabled
- Typical causes are:
 - physical and biological hazards
 - toxic and carcinogenic dusts and chemicals
 - stressful working conditions

Organizational Stress

- Four Ss:
 - Supervisor, Salary, Security, Safety
- Organizational change
- Work pacing
- Physical environment
- Stress-prone employees



The Costs of Workplace Injuries and Illnesses

- Medical and insurance
- Workers' compensation
- Lost wages
- Damaged equipment and materials

- Production delays
- Other workers' time losses
- Selection and training costs for replacement workers
- Accident reporting

Steps to Take to Reduce
Workplace Accidents

- Reduce unsafe conditions.
- Reduce unsafe acts.
- Use posters and other propaganda.
- Provide safety training.

- Use positive reinforcement.
- Emphasize top-management.
- Emphasize safety.
- Establish a safety policy.

- Set specific loss control goals.
- Conduct safety and health inspections regularly.
- Monitor work overload and stress.
- Safety committees.

Violence Prevention Suggestions

- Develop a plan
- Review policies
- Treat with respect and dignity
- Problems occur
 - Disciplined too harshly
 - Laid off without reason





- Supervisor training
- Employee assistance programs
- Keep weapons out

Healthy Work Environment

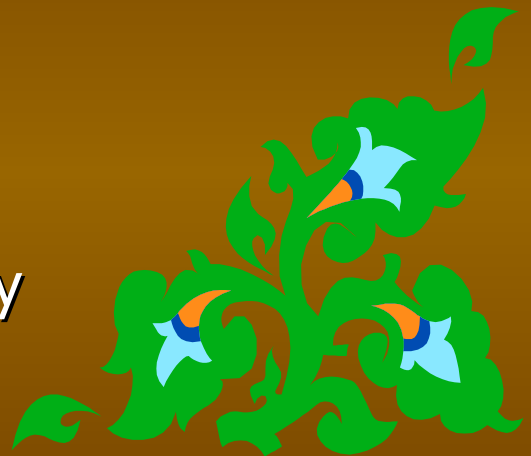
Sick buildings

- Airborne pathogens
- Indoor pollution
- Smoking
- Germs
- Mold
- Fungus



To Have A Healthy Work Environment

- Fresh air
- Avoid suspect building materials
- Test new buildings
- Keep air ducts clean and dry
- Workers' complaints
- Smoking



Smoke-free Environment

- Problems
 - Second-hand smoke
 - Health insurance
 - Productivity
 - Absence
 - Accidents
 - Breaks



Cumulative Trauma Disorders (repetitive stress injuries)



To Avoid CTDs



- Stretch 2 - 3 times per hour
- Maintain good posture
 - Sit erect.
 - Feet flat on floor.
 - Bend elbows at a comfortable angle.
 - Sit about 18-28 inches from the screen.
 - Place documents at the same height and angle as monitor.

Benefits of a Safe and Healthy Workforce



- More productivity
- Increased efficiency and quality
- Reduced medical and insurance costs
- Lower workers' compensation rates and payments
- Greater workforce flexibility

- Help employees should work safely.
- Ensure that workers are doing their jobs safely.
- Investigate accidents.

- Ensure legal compliance.
- Alleviate worker stress.
- Maintain confidentiality of employee information.

Elements of Workplace Safety and Health

Continued

- Physical Conditions:
- Conditions resulting from the workplace environment that include occupational diseases and accidents, such as:
- Repetitive motion injuries
- Back pain
- Cancer
- Etc.

Challenges of motivating employees

Occupational diseases & accidents

- Loss of life
- Loss of limb
- Back pain
- Cardiovascular disease
- Various forms of cancer

Psychological Conditions:

Conditions resulting from the workplace environment that result from organizational stress and low quality of working life.

These include:

- Dissatisfaction, withdrawal
- Mistrust in others, irritability

Result from organizational stress and low quality of working life.



Motivational Theories

Why is motivation important?

What “energizes”
us

Summary of Lecture 31

Today's Topic

Health & Safety

The HRM Department and
Employee Safety and Health

Continued

- Develop safety and health programs.
- Select safety and health programs.
- Evaluate safety and health programs.
- Ensure legal compliance.
- Incorporate safety and health concerns in HRM practices.

Summary

- Causes of Accidents
- Health work Environment
- Benefits of a Safe and Healthy Workplace

Next...

Stress Management

Common Concepts in Health and Safety Statutes

- Share responsibility
- Worker's rights
- Health and safety duties



Line Managers and
Employee Safety

Resource Management

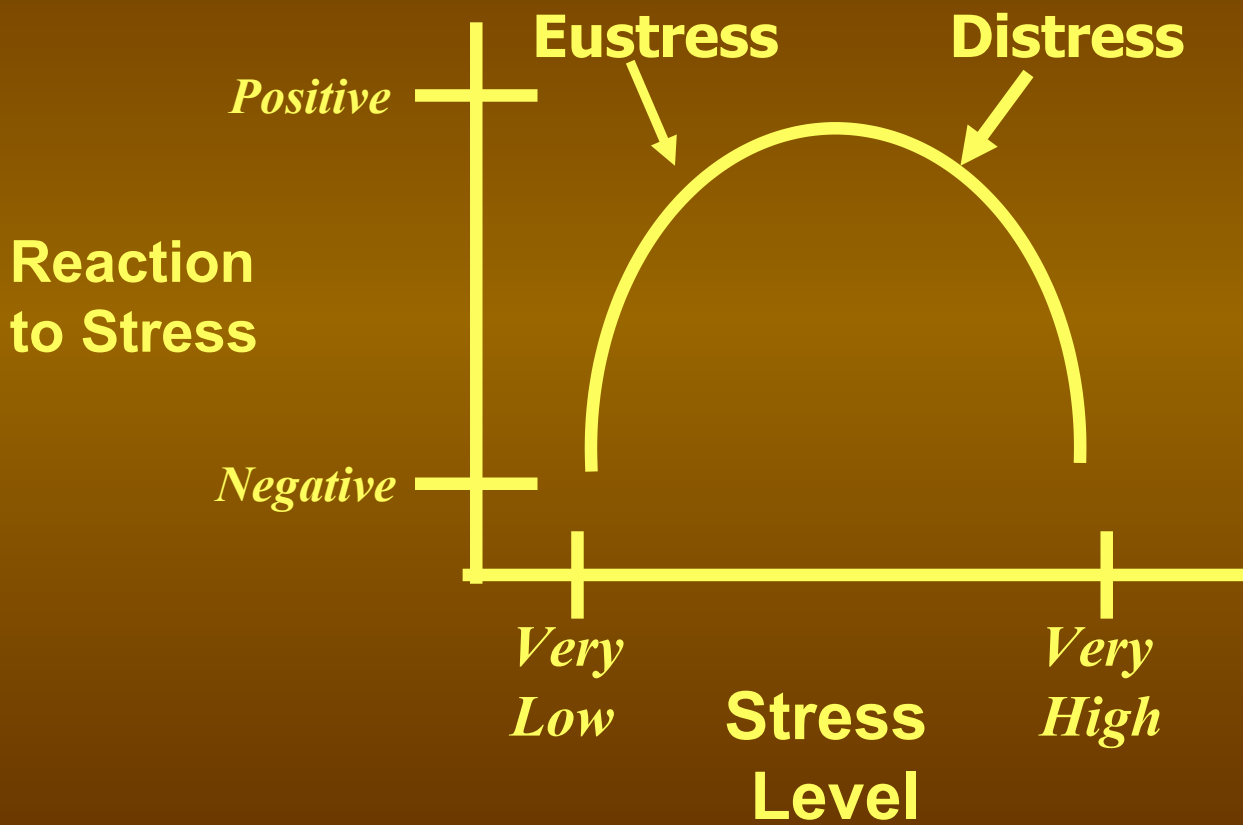
Lecture-33





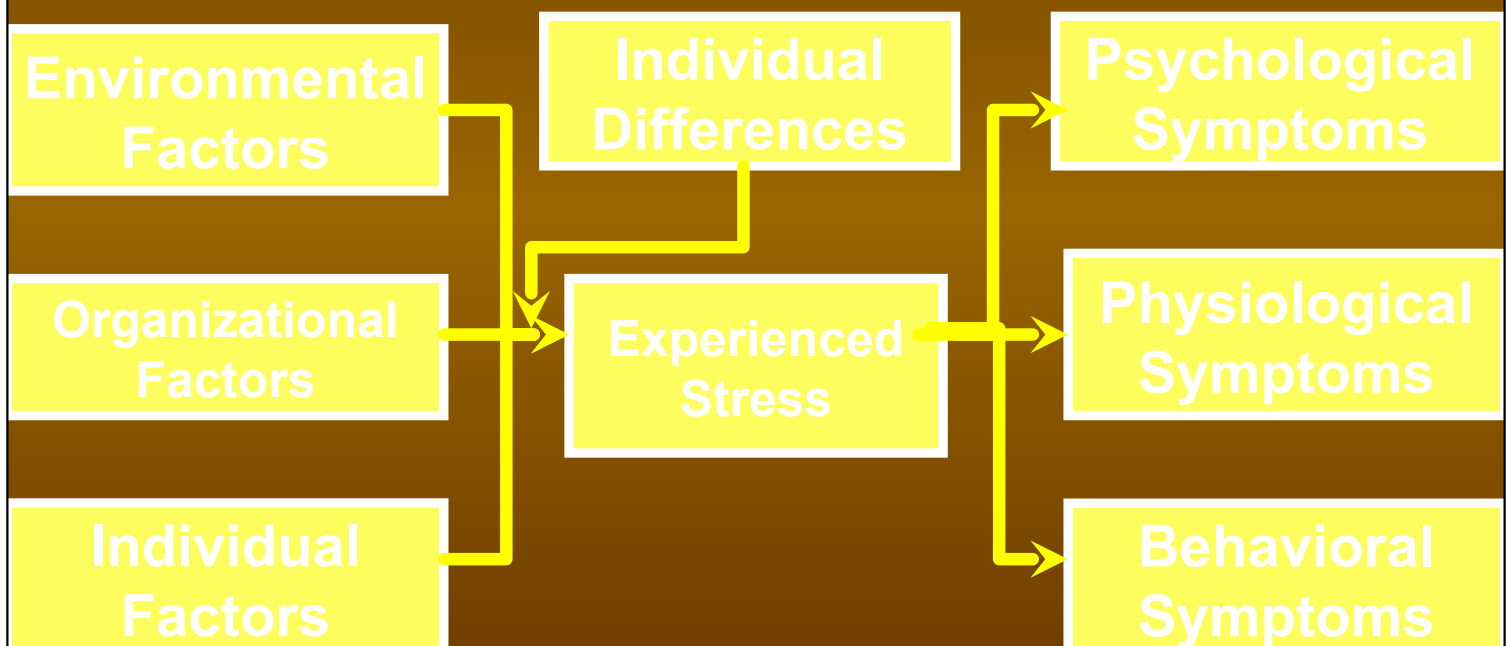


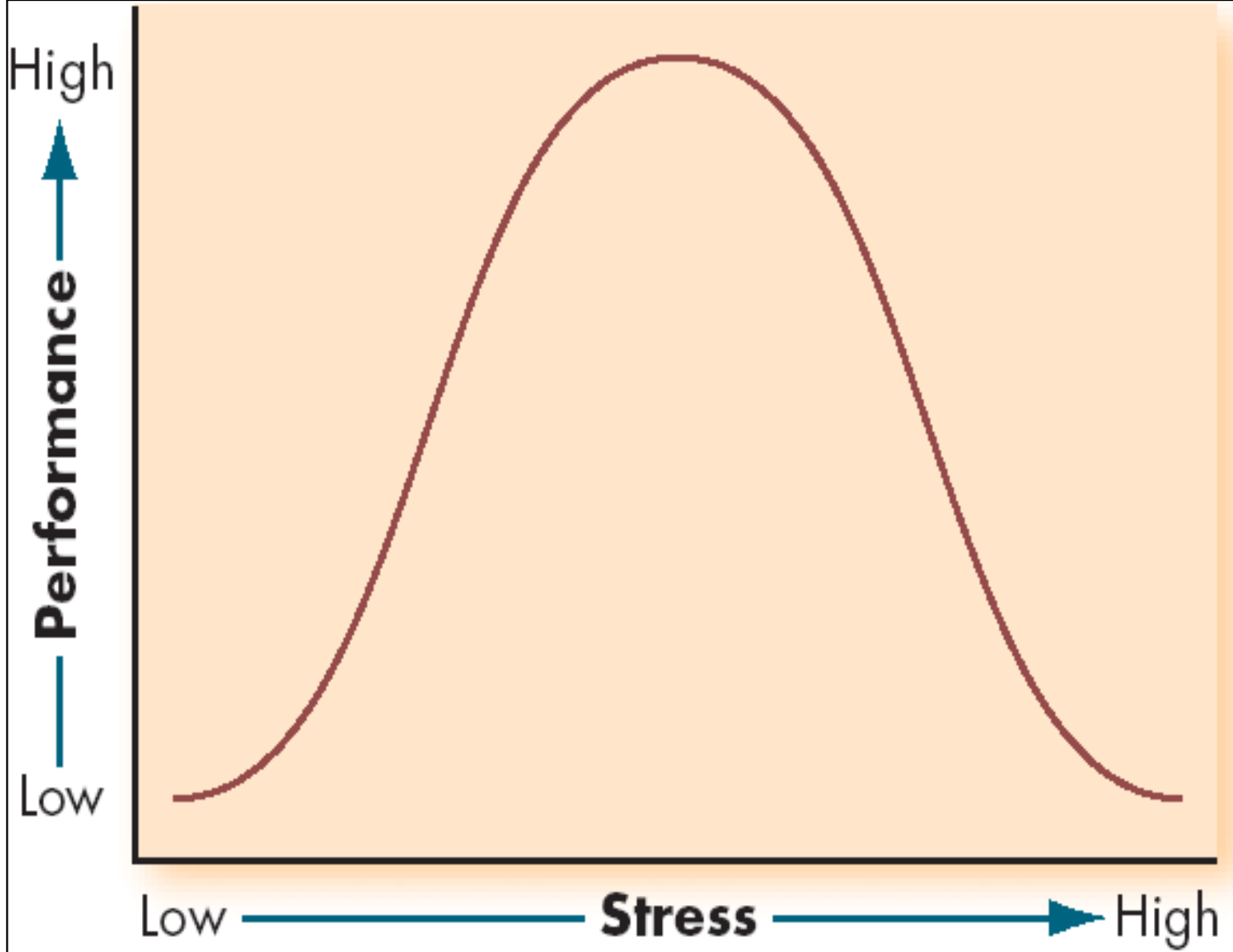
Eustress and Distress



Potential Sources

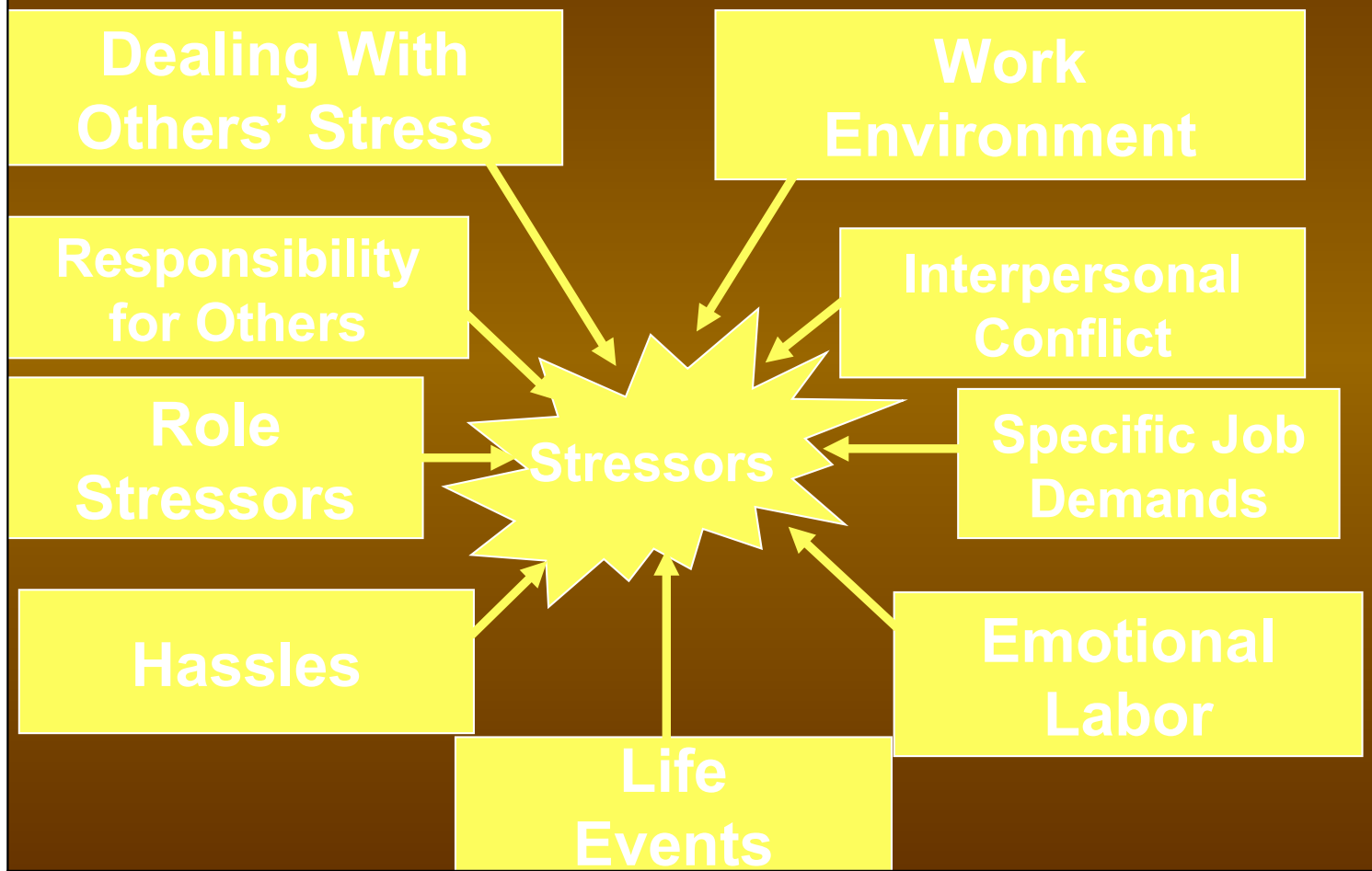
Consequences





Stressor

The person or event that triggers the stress response



Stressors in the Work Environment

- Job risk
- Prolonged noise
- Glaring or inadequate lighting
- Temperature variations
- Poor air quality
- Required repetitive motions

**Role Overload
or Underload**

**Role Conflict:
Conflicting
Expectations**

**Role
Stress**

**Role Ambiguity:
Unclear
Expectations**

- Talking too fast or too loud
- Bad moods
- Being irritable
- Defensiveness
- Being critical
- Aggression
- Irrationality
- Overreaction and reacting emotionally

- Reduced personal effectiveness
- Being unreasonably negative
- Making less realistic judgments
- Being unable to concentrate and having difficulty making decisions
- Being more forgetful

- Making more mistakes
- Being more accident prone
- Changing work habits
- Increased absenteeism
- Neglect of personal appearance

Stress Management

Procedures for helping people cope with or reduce stress already being experienced.

Stress Prevention

Focuses on controlling or eliminating stressors that might provoke the stress response.

Stress Management Programs

- Training
 - Time management
 - Coping skills
- Wellness
 - Assessment
 - Self-help materials
 - Group programs
- Relaxation

Individual Stress Management

- Time management
- Manage Change
- Get fit
- Let it go
- Social support
- Relaxation
- Physical Exercise

Dealing with Long-Term Stress

- Fatigue and exhaustion
 - Go to bed earlier
 - Take a good break (vacation)
 - Change work commitments if possible
 - Time management strategies

- Handling depression

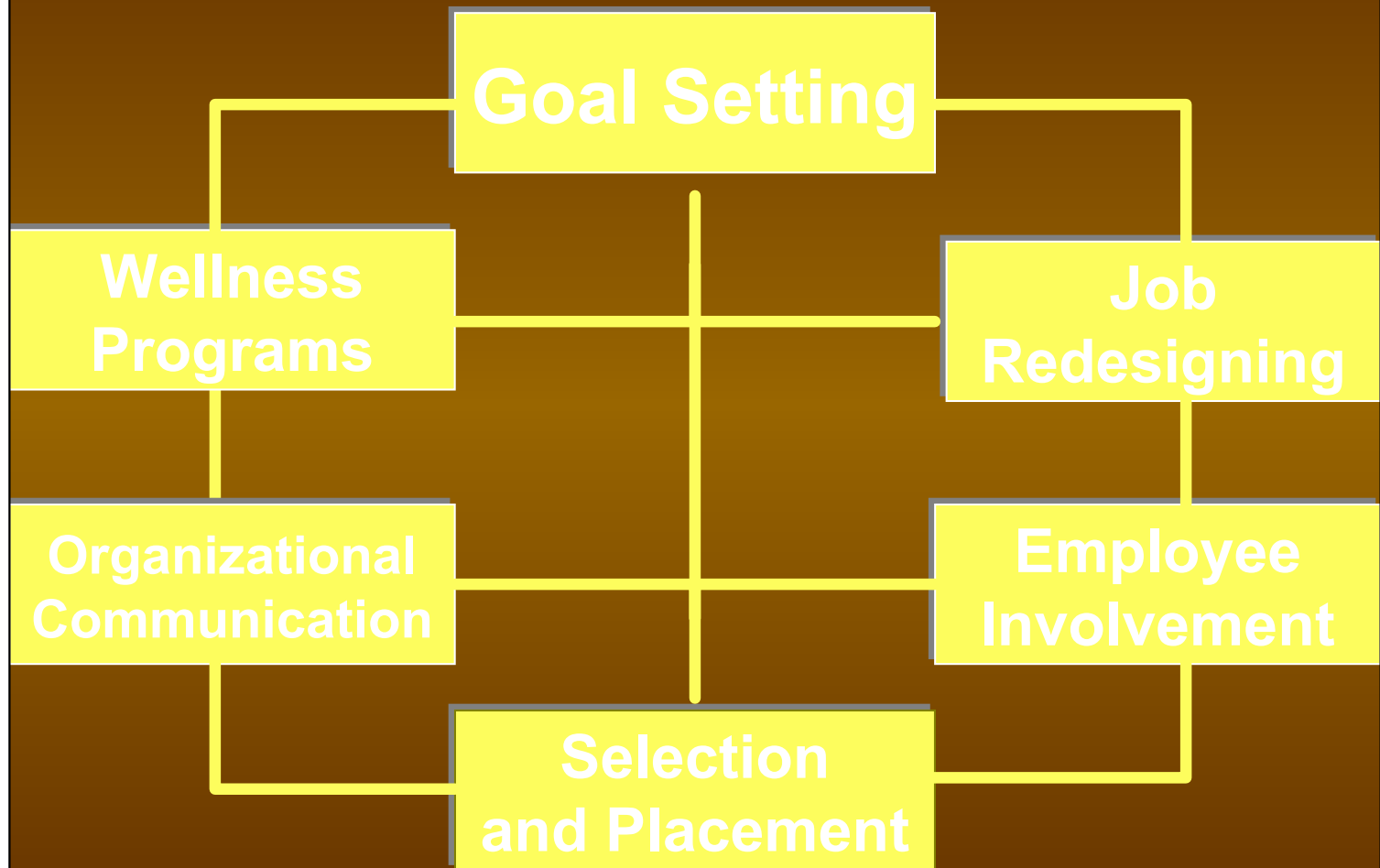
- Deep depression is a clinical illness and should be handled professionally
- Otherwise
 - Positive thinking
 - Talk to people and get support
 - Get away from situation causing stress

- Lack of self-confidence

- Set personal goals
- List your shortcomings and deal with them
- List the things that worry you and see if it is really important to worry about them at all.
- Write down the things you do well
- Positive thinking

- Relationships
 - Being more assertive will help
 - Improve your social skills
 - Are other people contributing to this problem? Are you better off without them?
- Standards
 - Are your standards impossibly high?

Organizational Stress Management



- **Organizational Approaches**

- Improved personnel selection and job placement
- Training
- Use of realistic goal setting
- Redesigning of jobs
- Increased employee involvement
- Improved organizational communication
- Offering employee sabbaticals
- Establishment of corporate wellness programs

Organizational Stress Prevention

- Focuses on people's work demands
- Focuses on ways to reduce distress at work
- Most organizational prevention is primary
 - job redesign
 - goal setting
 - role negotiation
 - career management

What is Stress?

Stress Management



Continued

Stress is an adaptive response, moderated by individual differences, that is a consequence of any action, situation, or event that places special demands on a person.

Three key factors determine the likelihood of stress

- importance:
How significant the event is to the person
- Uncertainty:
Degree of clarity over what will happen
- Duration:
Length of time the demands remain in place

Organization Stress

- Four Ss:
Supervisor, Salary, Security, Safety
- Organizational change
- Work pacing
- Physical environment
- Stress-prone employees

Is stress good or bad?

Continued

- Stress response itself is neutral
- Some stressful activities (aerobic exercise, etc.) can enhance a person's ability to manage stressful demands or a situations

Continued

- Stress can provide a needed energy boost
- Negative stress results from a prolonged activation of the stress response









Human Resource Management

Lecture-34

Burnout

**A pattern of emotional,
physical, and mental
exhaustion in response
to chronic job stressors.**

Organizational

Supervisor
Colleagues
Subordinates
Clients

Family

Spouse, Children
Parents, In-laws

Individual



Religion

Alams, Teachers
Friends
Support groups

Professional

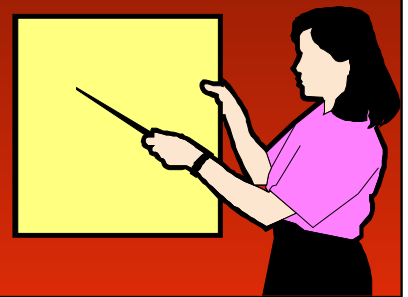
Physicians
Psychologists
Counselors
Lawyers

Clubs

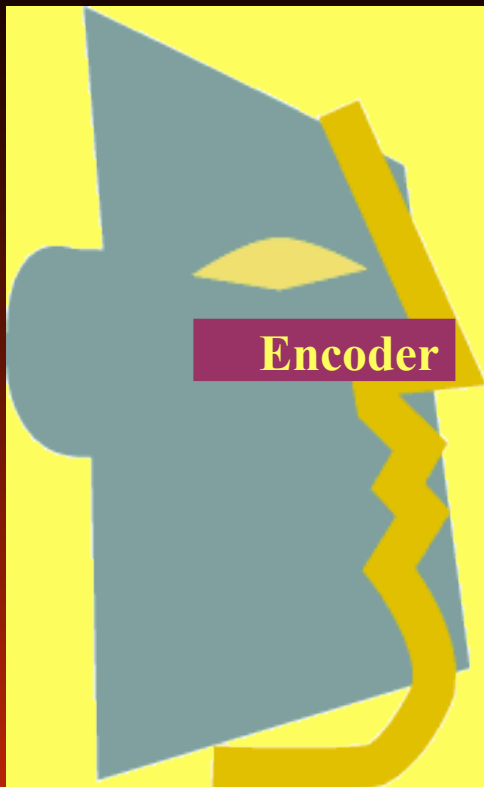
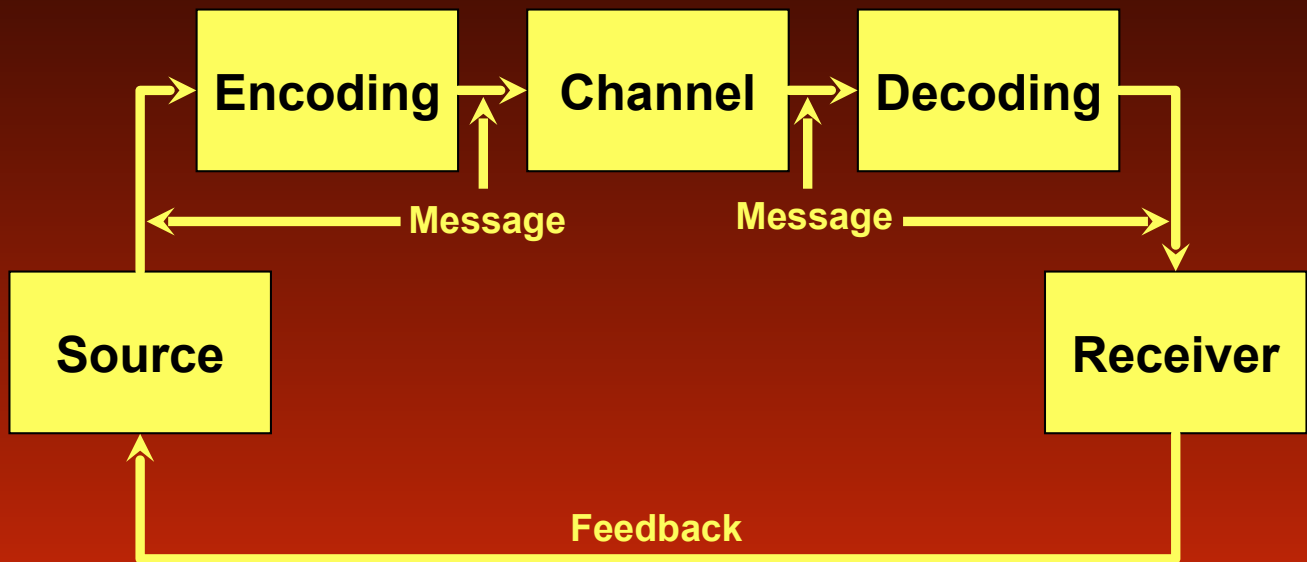
Business associations
Social clubs
Athletic groups

Communication Defined

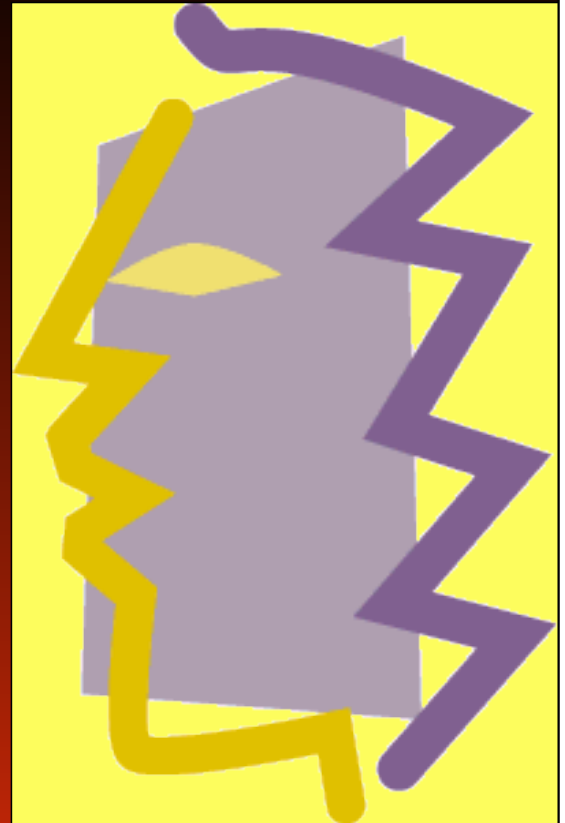
The transmission of
information and
understanding through the
use of common symbols.

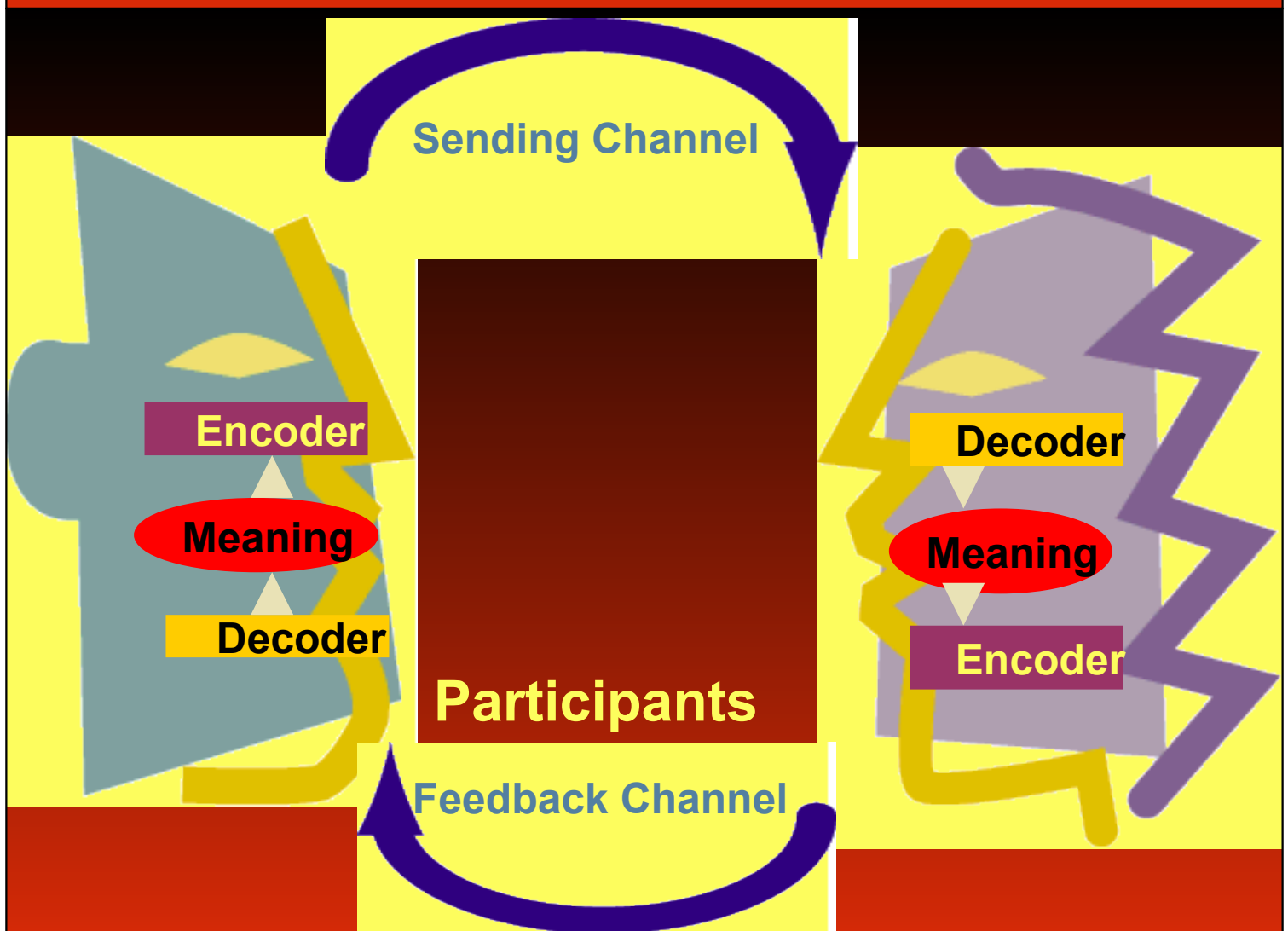
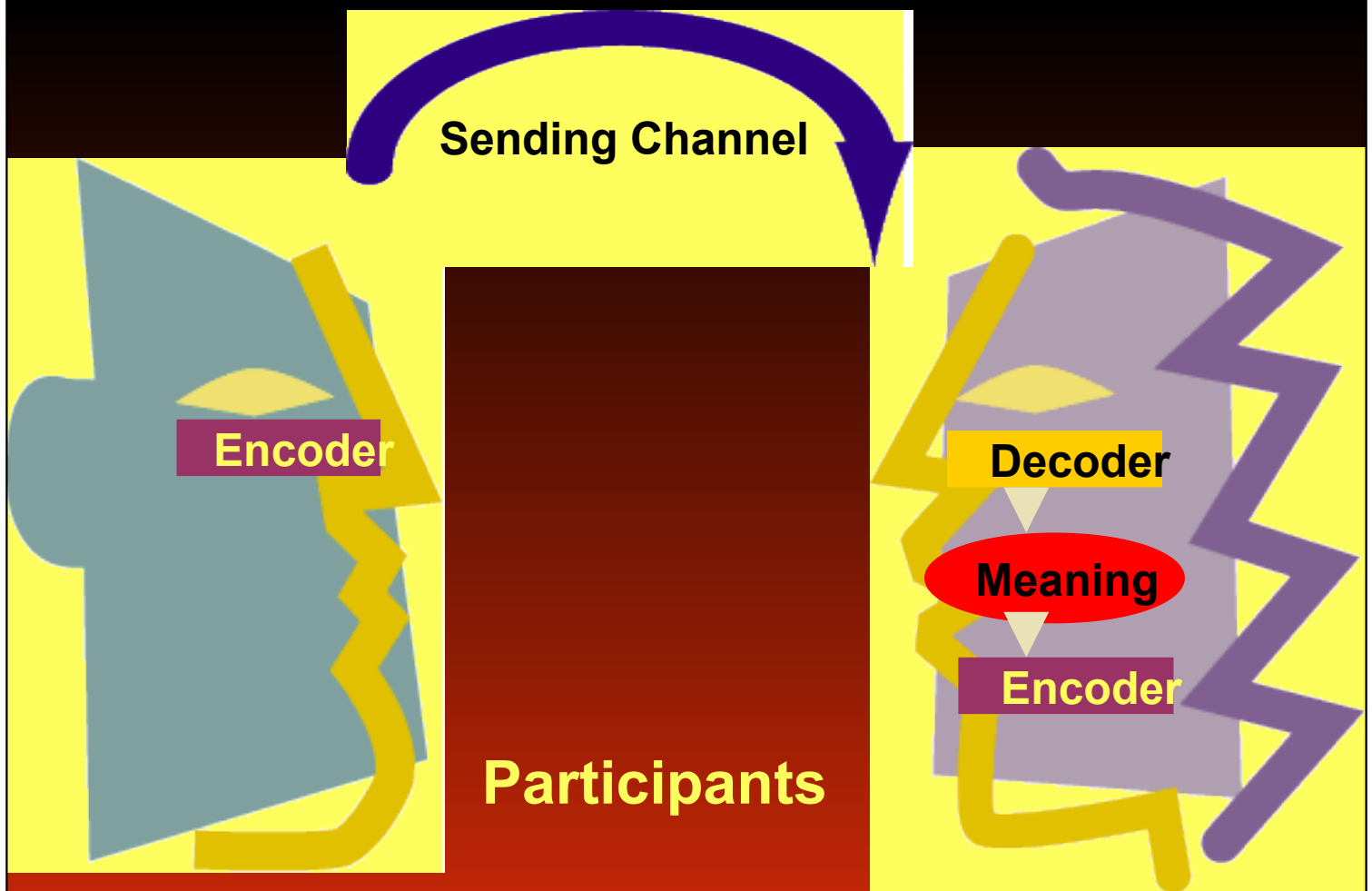


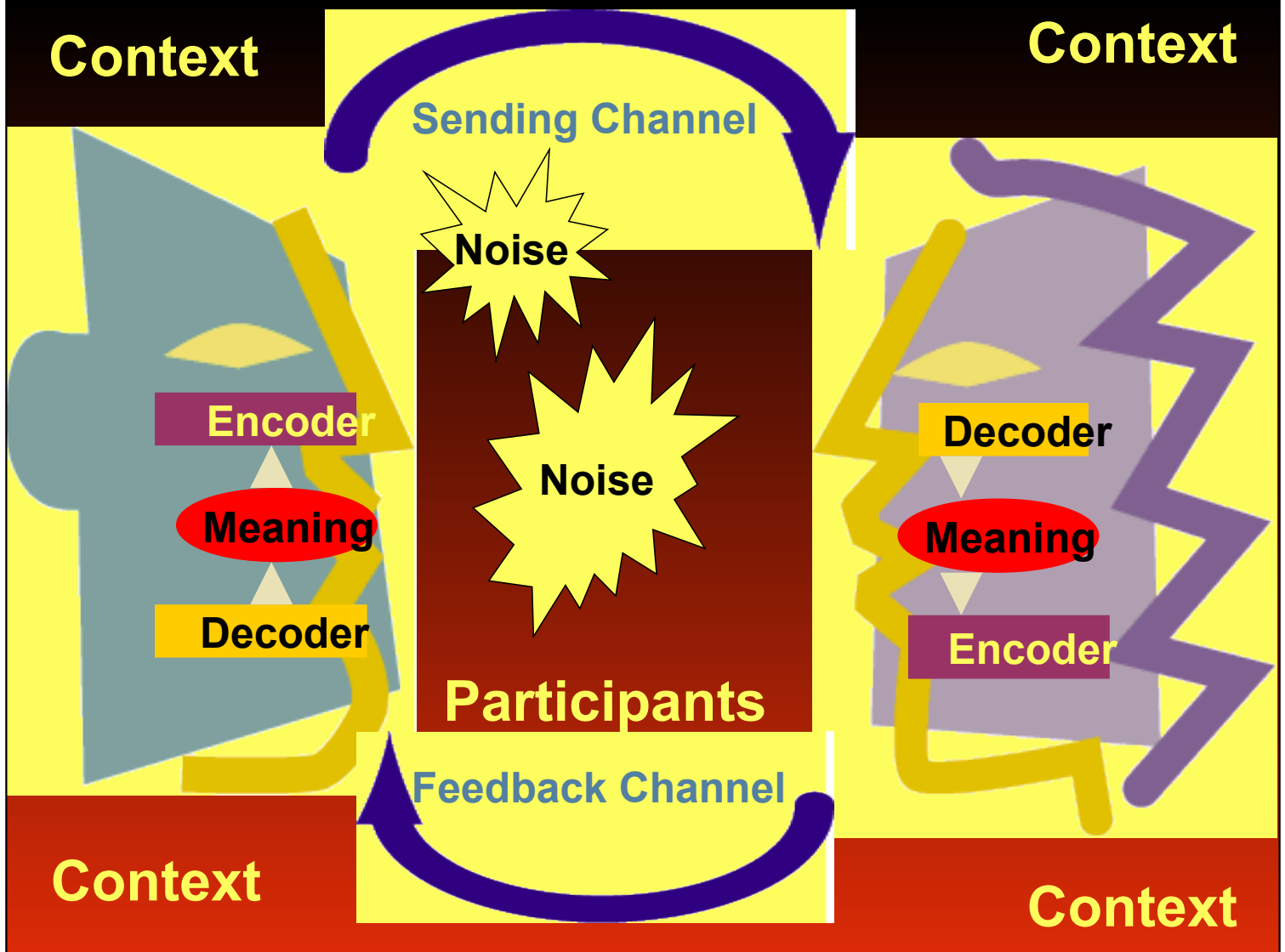
The Communication Process



Participants







●Noise

–Interference in the flow of a message from a sender to a receiver.

●Nonverbal Communication

–Messages sent with body posture, facial expressions, and head and eye movements.



How Communication Works

Communications experts tell us that effective communication is the result of a common understanding between the communicator and the receiver. In fact the word communication is derived from the Latin *communis*, meaning “common.”



**Frame of
Reference**

**Selective
Listening**



**Value
Judgments**

Filtering

**Source
Credibility**

**In-Group
Language**

**Status
Differences**



**Time
Pressures**

**Communication
Overload**

**Following
Up**

**Utilizing
Feedback**



Empathy

Repetition

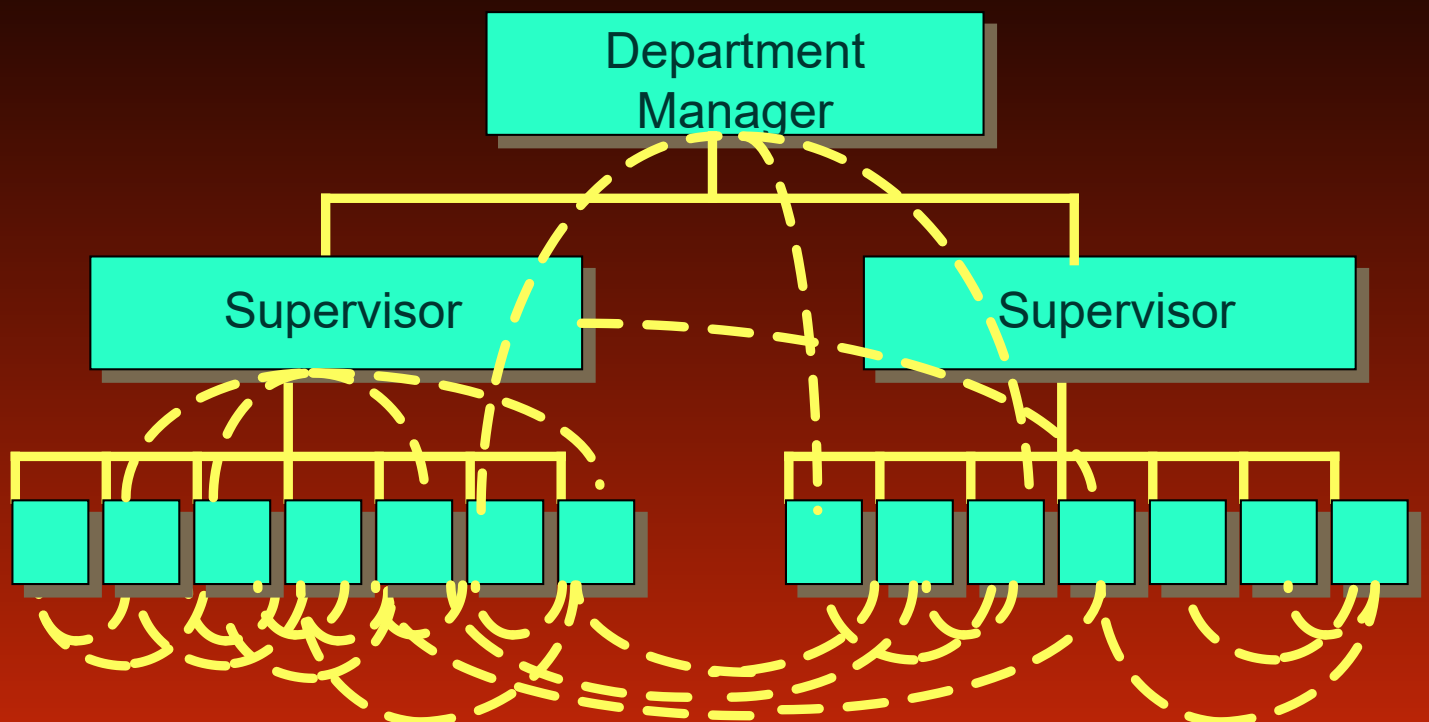
**Regulating
Information Flow**

**Effective
Listening**

**Effective
Timing**



**Simplifying
Language**



Downward Communication

Communication that flows from individuals in higher levels of the organization's hierarchy to those in lower levels.

Upward Communication

Communication that flows from individuals at lower levels of the organizational structure to those at higher levels.

Horizontal Communication

Communication that flows across functions in an organization.

Diagonal Communication

Communication that cuts across functions and levels in an organization.

How do you find out about what happens at work?

👍 **BULLETIN BOARD**

👍 **NEWSLETTER**

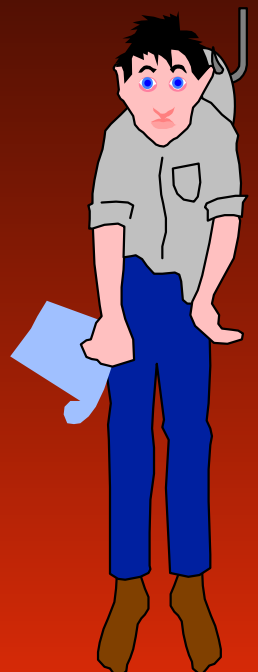
👍 **GOSSIP**

👍 **?????**

What HR functions are involved?

👍 **All of them?**

- **Recruiting**
- **Orientation**
- **Rewarding**
- **AND....**





👍 **Keep employees informed**

👍 **Tool to bring about positive change**

👍 **Influence culture**

●Employee

- Information central source
- Commitment, security
- Direction

●Employer

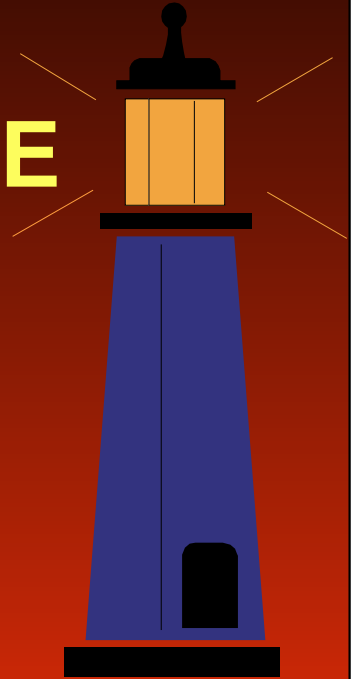
- Committed workforce
- Recruit
- Educate, inform, and guide employees

- Helps employees learn about company at their own pace
- Provides references regarding policies, rules, and benefits
- Ensures HRM policies will be consistently applied
- Creates sense of security and commitment for employees
- Provides information to recruits
- May be interpreted as implied contract
- Should be updated continually

To Achieve that....

AN EMPLOYEE HANDBOOK SHOULD BE

- 👍 Well organized
- 👍 Clearly written
- 👍 Legally limited



- 👉 Introductory comments
- 👉 What you should know
- 👉 Your benefits
- 👉 Your responsibilities and safety procedures

 **Greetings**

 **Welcome**

 **Valuable to the company**

 **Tone setting, culture statement**

 **Performance, role expectations**

 **Rules and policies**

–Attendance, work hours

–Lunch hours

–Lay off practices

–Performance appraisal issues

 **Membership-based**

 **Keep morale high**

 **Costs**

 **Eligibility**

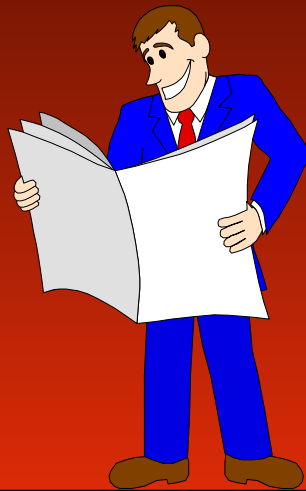
 **Safety**

 **Personal conduct**

 **Reporting accidents**

 **Compliance requirements**

Communication Methods



👍 **Employee handbook**

👍 **Bulletin board**

👍 **Company newsletter**

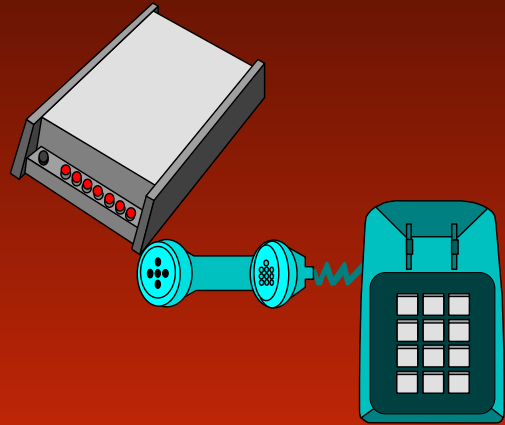
👍 **Company-wide meetings**

👍 **Digital Media**

👍 **Etc.**

For Offsite Employees

- Facsimile machines
- Emails
- Internet
- Phone



HRM Communications Programs

-  **Keep employees informed**
-  **Convey organization's concern for employees**
-  **Build trust and openness**
-  **Monitor employee concerns**

Human Resource Management

Lecture-35

Unions



- **Union**

- organization formed for purpose of representing members' interests in dealing with employers

- **Factors Promoting Interest in Unions**

- Working environment
 - Compensation
 - Management style
 - Organization treatment

Working Environment

- **Inadequate staffing**
- **Mandatory overtime**
- **Poor working conditions**

Management Style

- **Arbitrary Management Decision Making**
- **Use of fear**
- **Lack of recognition**

Organization Treatment

- Job insecurity
- Unfair discipline and policies
- Harassment and abusive treatments
- Not responsive to complaints

Unions Defined



- Organization of workers
- Acting collectively
- Seeking mutual interest
 - Protection
 - Promotion
- Through collective bargaining

What is a Trade Union?

A trade union is an organization that represents the interest of its members in work and related matters. It seeks to maintain and improve their employment relations through direct collective bargaining with management.

Why Do Workers Organize?

The urge to unionize often boils down to the belief that it is only through unity that the workers can get their fair share of the pie and also protect themselves from the arbitrary decisions of management.



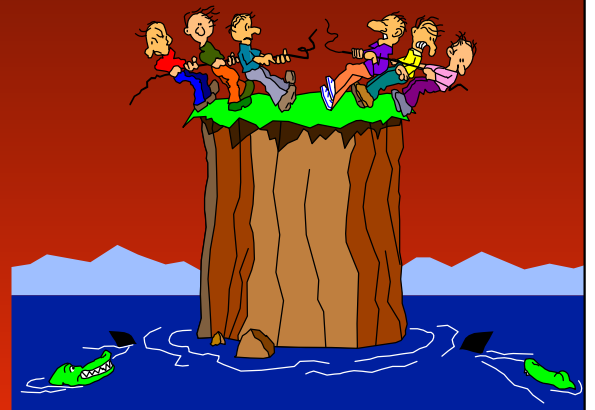
Why People Join Union

- Greater bargaining power
- Desire for self-expression
- Minimize favoritism & discrimination
- Social factors (peer pressures)
- To gain advancement



Reasons to reject Unions

- Cultural problems
- Job satisfaction
- Fear of reprisal

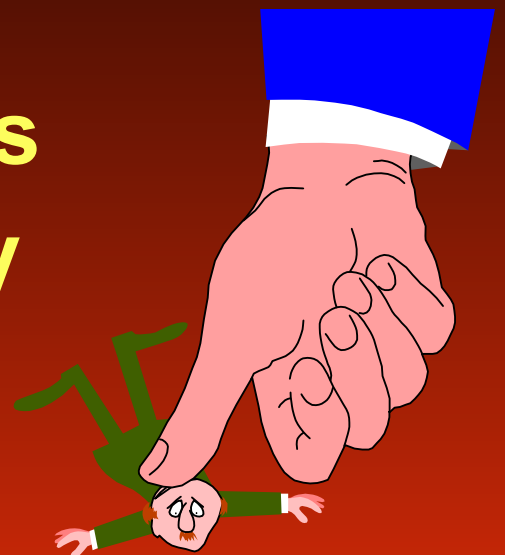


- Shift in employment from manufacturing to service
- Employers oppose unions and take aggressive stands against them
- Employers often find permanent replacements for striking employees

- **Bargain for improved wages, hours, working conditions and benefits for members**
- **Protect members for arbitrary management actions**
- **Provide services and assistance to members**
- **Present the social aspirations and political ideology of members to the public.**

Union Benefits

- **Higher wages and benefits**
- **Influence work rules**
- **Greater job security**
- **Dealing with management**



- **Decisions and policies are subject to challenge and negotiation**
- **Management powers are limited**
- **May have to disclose certain information about the company to union representatives**

Union can also effect management...

 **Staffing**

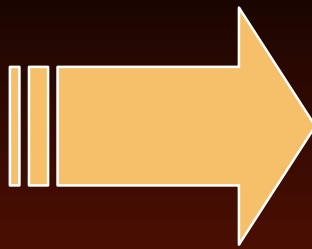
 **Employee Development**

 **Compensation**

 **Employee Relations**

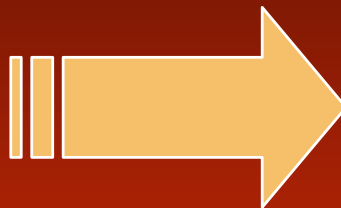
Union-Management Relations Moderate the Impact of Unions on Productivity

**Positive
Union-
Management
Relations**



**Higher
Firm
Productivity**

**Negative
Union-Management
Relations**



**Lower
Firm
Productivity**

☞ **Government**

☞ **Manufacturing**

☞ **Transportation**

☞ **Public utilities**

☞ **Large industrial corporations**

The negotiation process between management and labour in which both parties try to agree on the terms of the contract is known as collective bargaining

Collective Bargaining Objectives

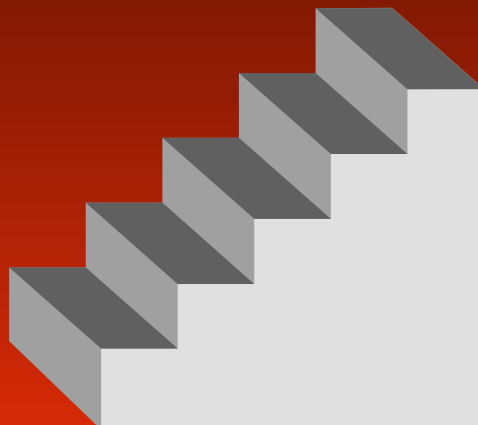


- **Contract agreement**
- **Acceptable to both parties**
- **Common issues**
 - **Wages**
 - **Hours**
 - **Terms and conditions of employment**
 - **Grievance procedure**

Collective Bargaining - Involved

- Labor
- Management
- Government
- Financial institutions (Indirectly)

Collective Bargaining Steps



- **Preparation**
- **Negotiation**
- **Agreement**
- **Contract Administration**

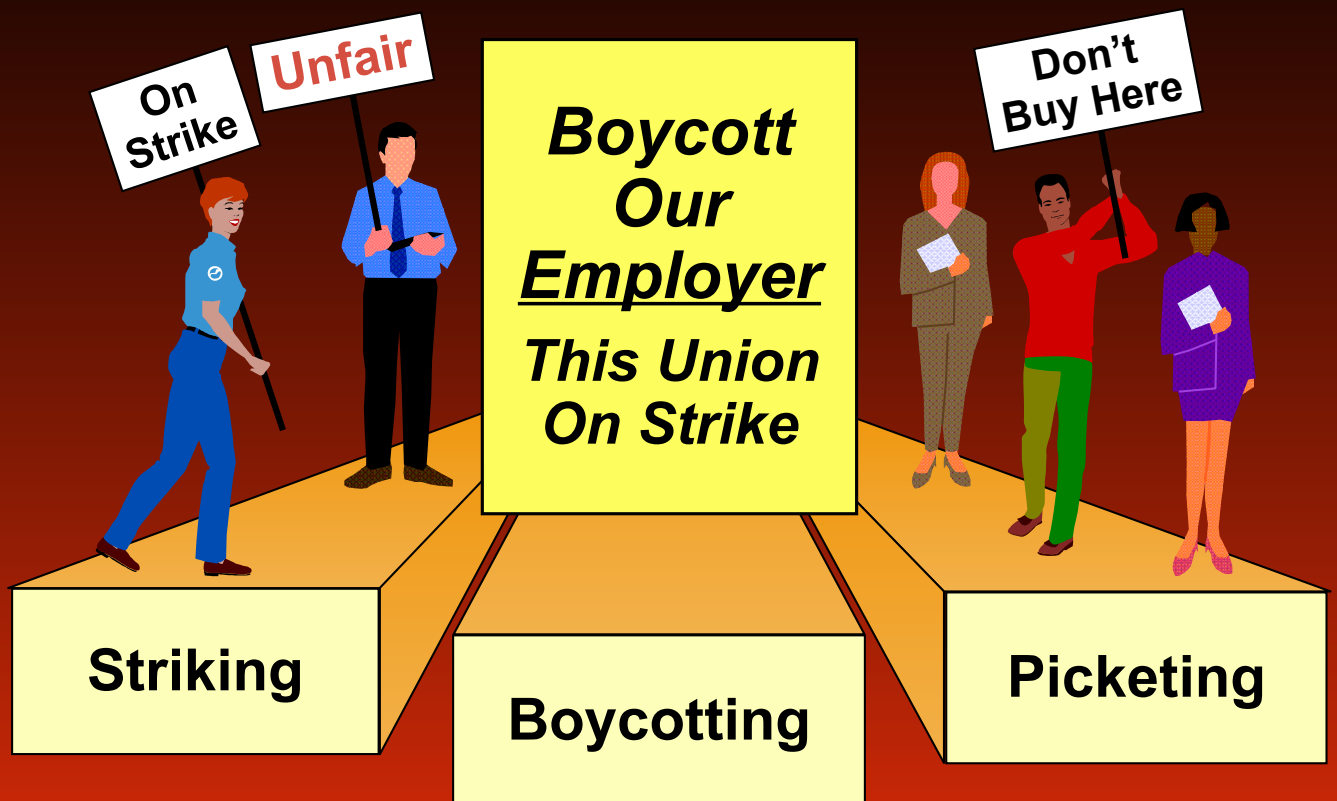
**Adversarial
Relationship**



**Cooperative
Relationship**



Union Power in Collective Bargaining



Grievance is a formal expression of individual or collective employee dissatisfaction with company policies as well as inappropriate management actions.

- 👍 Clear and publicized grievance procedures will clarify the process of handling employee complain.**
- 👍 Perceived fairness may be a motivating factor.**

Grievance Procedure Steps



- **Start at lowest level**
- **Supervisor**
- **Manager, specialist**
- **Grievance rights arbitration**

**Final binding
arbitration**



**Higher level
bilateral discussion**



Written grievance



**Informal attempt
to resolve**

Key Points

- ❏ Procedure should be simple with adequate opportunities for communication
- ❏ Some formality is inevitable since senior management is involved
- ❏ Written complain is needed at the later stage of the procedure
- ❏ If possible, grievance should be settled at the lowest step in the process
- ❏ Sufficient training of foreman or first level supervisor in the grievance procedure is important

Line Managers and HRM in a Unionized Setting



👍 **Comply with provisions of the collective bargaining agreements.**

👍 **Understand the agreement provisions and grievance system.**

👍 **Resolve conflicts early.**

Line Managers and HRM in a Nonunionized Setting



 **Fairly allocate rewards and punishments.**

 **Cultivate a climate that stresses open communication.**

 **Negotiate and consult with union officials.**

 **Ensure compliance with the labor contract.**



Provide workers with a greater voice in determining work conditions.



Install a formal grievance system.



Hire a labor relations consultant.

Phases of Labor Relations

Union organizing

Collective bargaining

Contract administration



Human Resource Management

Lecture-36

Summary of Lecture-35

Unions



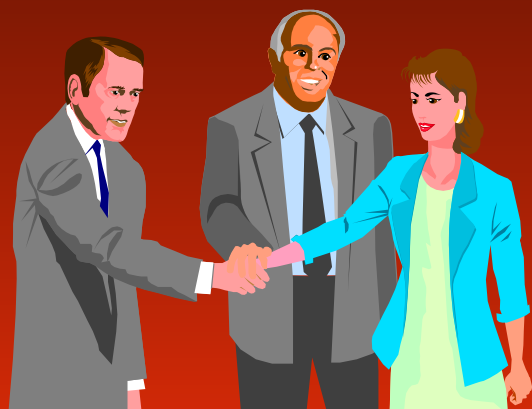
Union Benefits

- Higher wages and benefits
- Influence work rules
- Greater job security
- Dealing with management

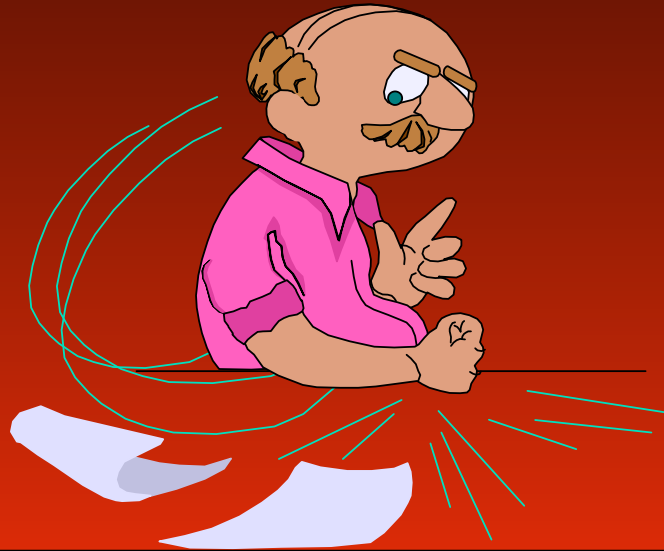


Effect of Unions on Management

Collective Bargaining



Grievance



Phases of Labor Relations

👍 Union organizing

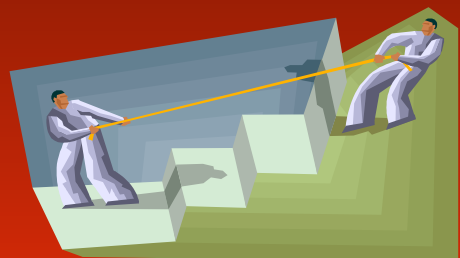
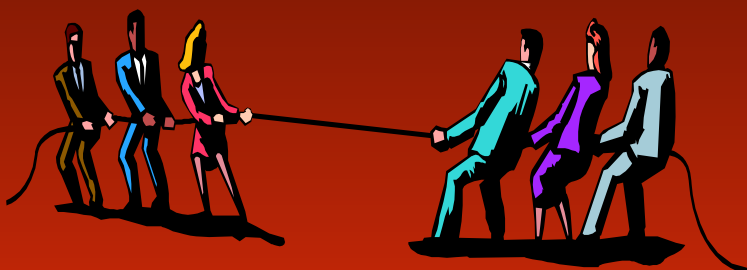
👍 Collective bargaining

👍 Contract administration



Today's Topics

Conflict and Negotiation



Conflict



The process in which one party perceives that its interests are being opposed or negatively affected by another party.



 **Perceived by the parties**

 **Parties are in opposition to one another**

 **At least one party is blocking the goal attainment of the other party**

 **Goals can be tangible or psychological**

–Money

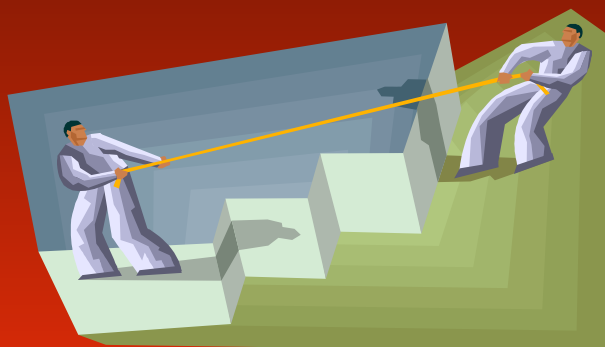
–Task Achievement

–Happiness

“a process which begins when one party perceives that the other is frustrated, or is about to frustrate, some concern of his (or her).”



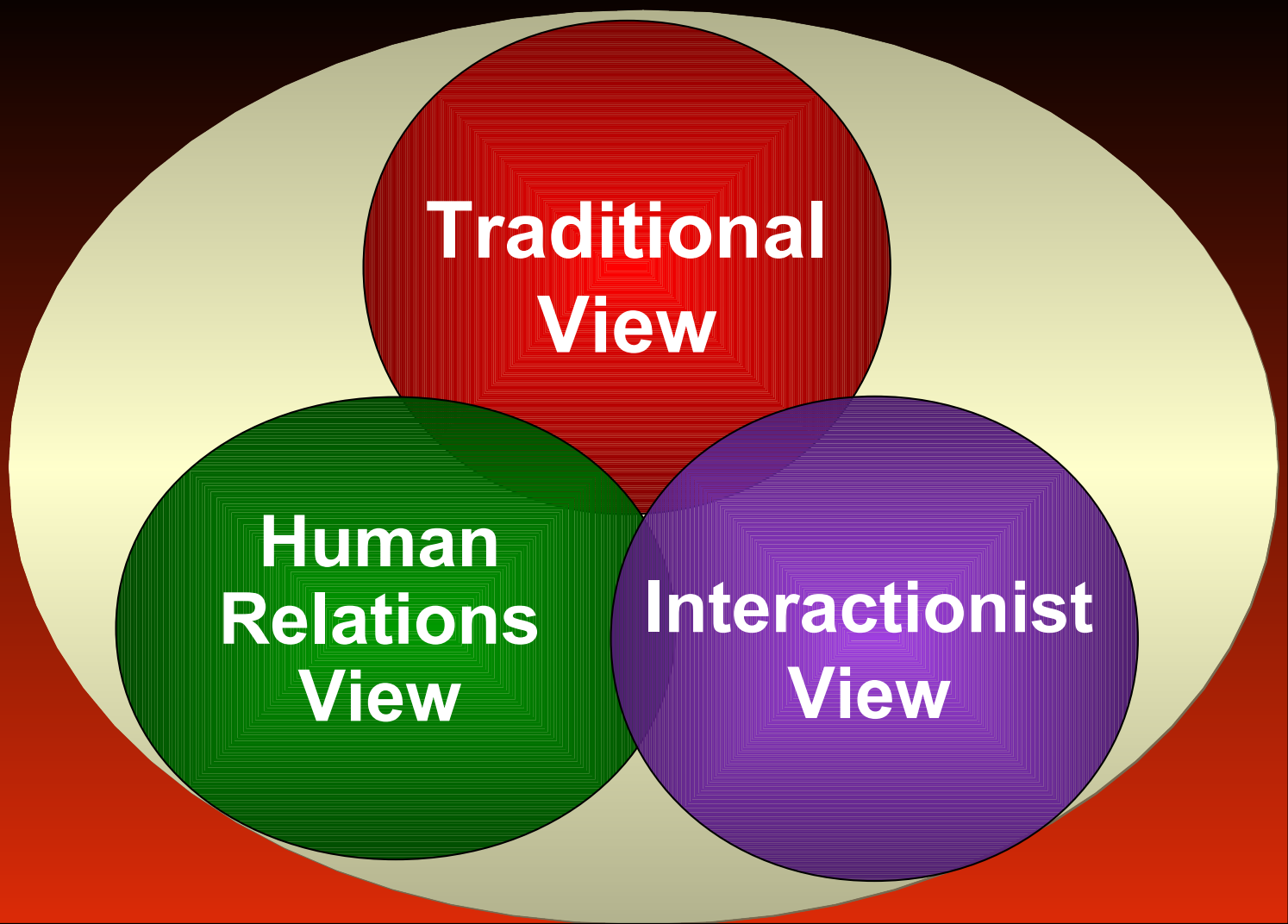
Organizational conflict



- **Organizational hierarchy**
- **Competition for scarce resources**
- **Self-image & stereotypical views of others**

- **Differing goals & objectives**
- **Failures & resultant blame fixing**
- **Poor coordination of activities**

Transitions in Conflict Thought



Traditional

👉 **Conflict is bad & should be avoided**

👉 **Results from lack of openness & trust**

👉 **Evidence of a failure in management**

👉 **The “Common Sense” view of conflict**

Human Relations

 **Conflict is a natural occurrence**

 **We should accept conflict**

Interactionist

 **The view of current Conflict Theory**

 **Conflict should be encouraged & managed**

👍 **Brings life, creativity & synergy**

👍 **Two kinds:**

👍 **Functional**

👍 **Dysfunctional**

Is Conflict Good or Bad?



- **Functions of Conflict**
 - Synergy
 - Promotion of change
 - Promotes goal achievement
- **Dysfunctions of Conflict**
 - Wasted time & energy
 - Stress
 - Detracts from the goal of the group

**Organizational
Conflict
Outcomes**

- **Dysfunctional outcomes**
 - Diverts energy and resources
 - Encourages organizational politics
 - Encourages stereotyping
 - Weakens knowledge management
- **Potential benefits**
 - Improves decision making
 - Strengthens team dynamics

Sources of Conflict

**Goal
Incompatibility**

**Different Values
and Beliefs**

- Goals conflict with goals of others
- Different beliefs due to unique background, experience, training
- Caused by specialized tasks, careers
- Explains misunderstanding in cross-cultural and merger relations

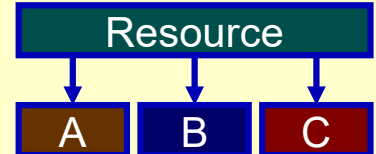
**Goal
Incompatibility**

**Different Values
and Beliefs**

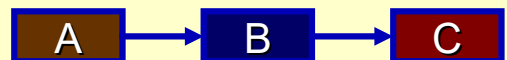
**Task
Interdependence**

Three levels of interdependence

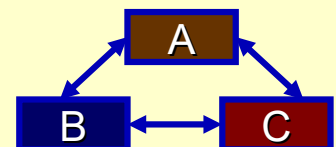
Pooled



Sequential



Reciprocal



**Goal
Incompatibility**

**Different Values
and Beliefs**

**Task
Interdependence**

**Scarce
Resources**

Ambiguity

- **Increases competition for resources to fulfill goals**
- **Lack of rules guiding relations**
- **Encourages political tactics**

**Goal
Incompatibility**

**Different Values
and Beliefs**

**Task
Interdependence**

**Scarce
Resources**

Ambiguity

**Communication
Problems**

Lack of opportunity
--reliance on stereotypes

Lack of ability
-- arrogant communication
heightens conflict perception

Lack of motivation
-- conflict causes lower motivation to
communicate, increases
stereotyping

Levels of Conflict

<u>Level of conflict</u>	<u>Type of conflict</u>

Organization	→	Within and between organizations



Group	→	Within and between groups



Individual	→	Within and between individuals



Types of Conflict



- **Task conflict**

Conflicts over content and goals of the work

- **Relationship conflict**

Conflict based on interpersonal relationships

- **Process conflict**

Conflict over how work get done

Managing conflict effectively

👉 **Identify the problem**

👉 **Plan**

👉 **Communicate effectively**

👉 **Close at the appropriate
moment**

👉 **Follow up the outcomes**

Negotiation Skills



What is negotiation?

Negotiation is the process that is used to achieve agreement about the goals and the outcome of the situation

Essential skills are..

- ✓ **Planning and preparing thoroughly before a negotiation**
- ✓ **Using appropriate techniques during the negotiation**
- ✓ **Following up effectively**
- ✓ **Evaluating the effectiveness of a negotiation**

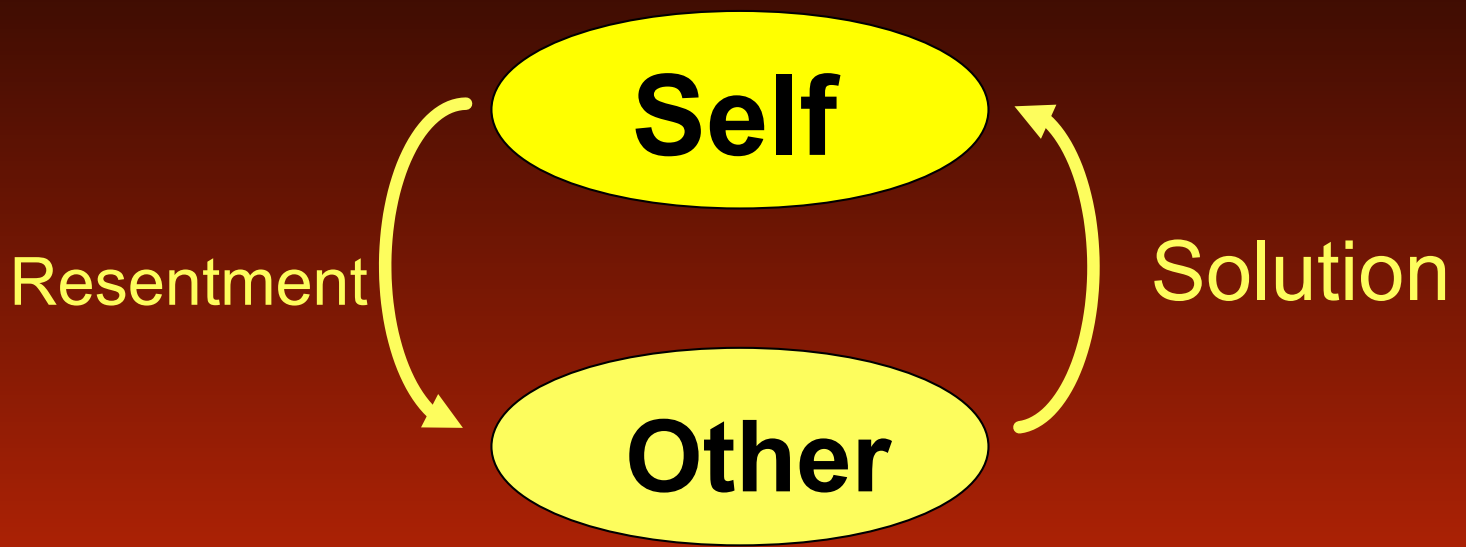
Determine the negotiation outcome

👉 **Win/lose**

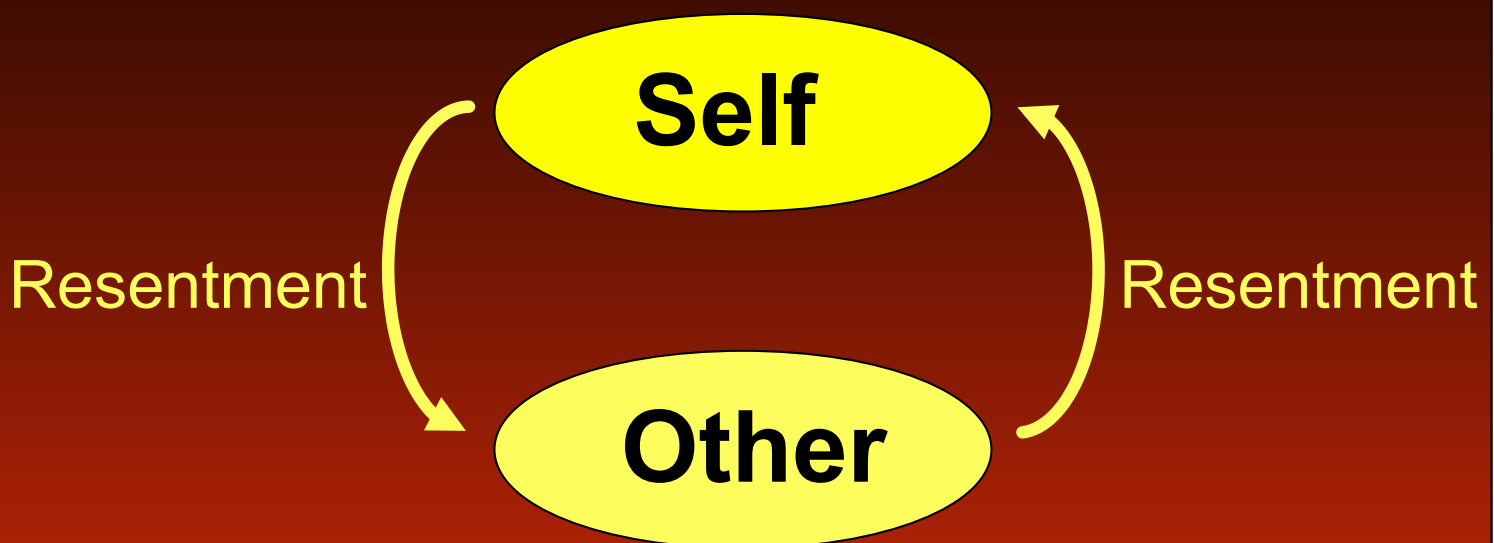
👉 **Lose/lose**

👉 **Win/win**

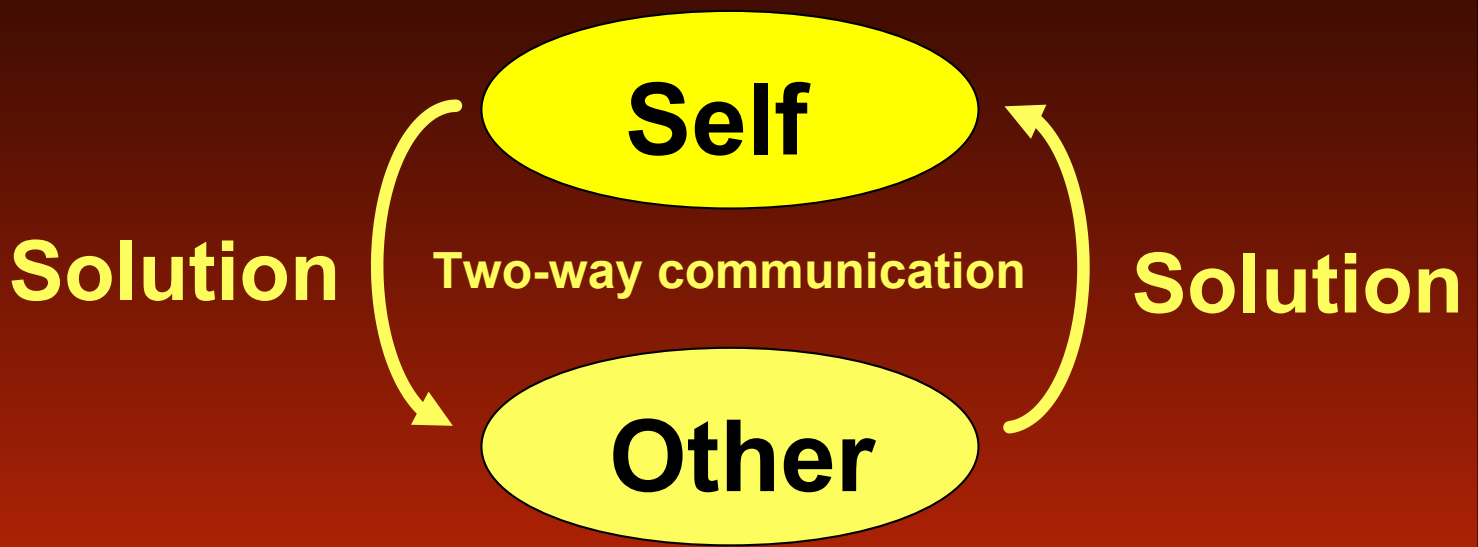
Win/lose



Lose/lose



Win/win



- **Lose-lose methods: compromise**
- **Win-lose methods: dominance**
- **Win-win methods: problem solving**

Negotiating the Agreement

**Negotiating
Committees**

**Preparation
for bargaining**



**Negotiating
Structure**

**Issues for
negotiation**

Negotiating Committees



Preparation for Bargaining



👍 **Fact gathering**

👍 **Goal setting**

👍 **Strategy development**

Issues for Negotiation



- **Mandatory Issues**

- Wages

- Hours

- Other terms and conditions of employment

- **Permissive Issues (If parties agree)**

- Price

- Product design

- New jobs

- **Prohibited Issues**

- Illegal or outlawed activities such as a demand that the employer use only union-produced goods

Negotiating Structures



So, during
Negotiation...

- Separate the people from the problem
- Focus on interests not positions
- Generate a variety of possibilities before deciding what to do
- Insist that the result be based on some objective standard

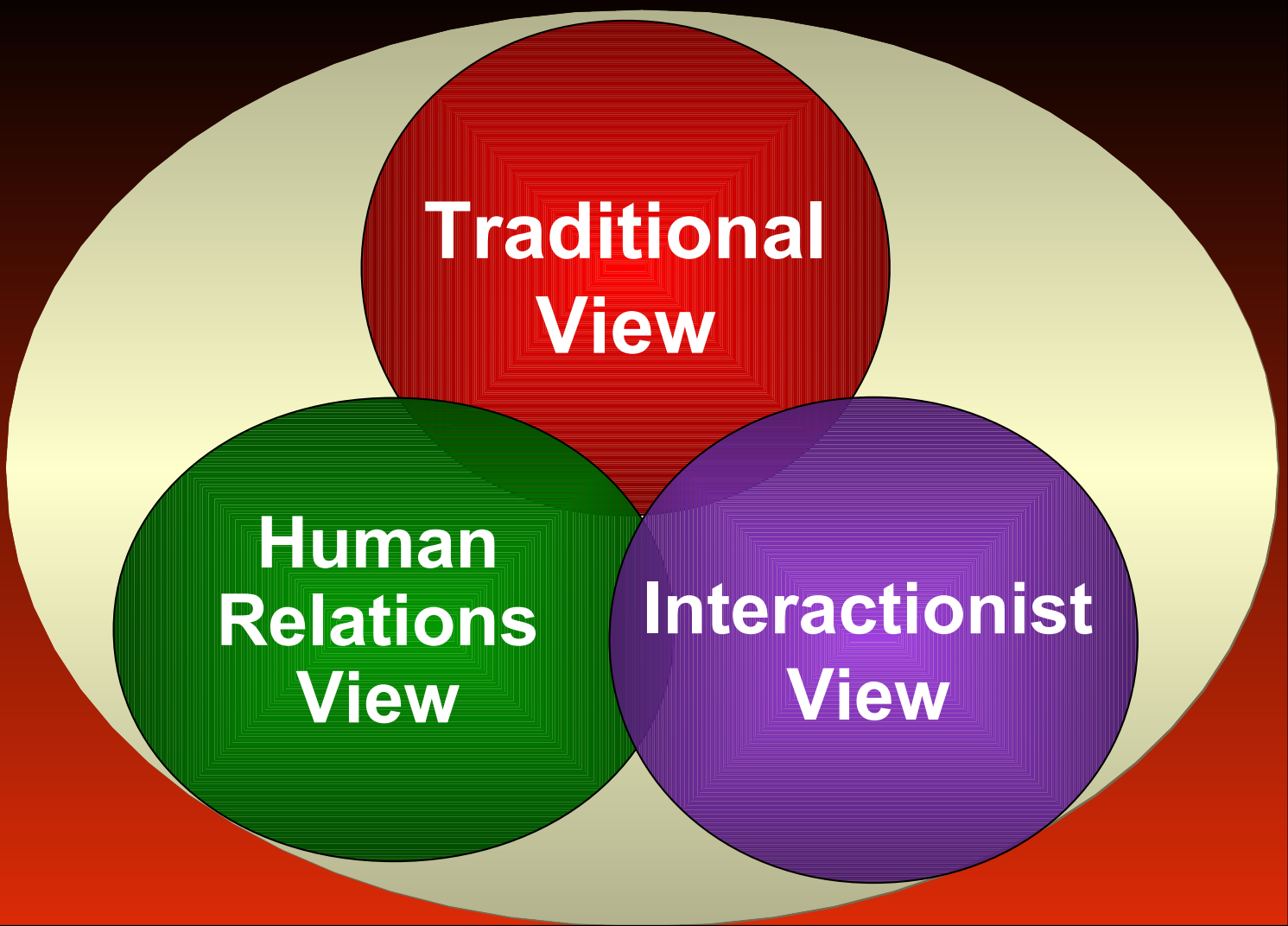


Summary

Conflict



Transitions in Conflict Thought



Sources of Conflict

Types of Conflict

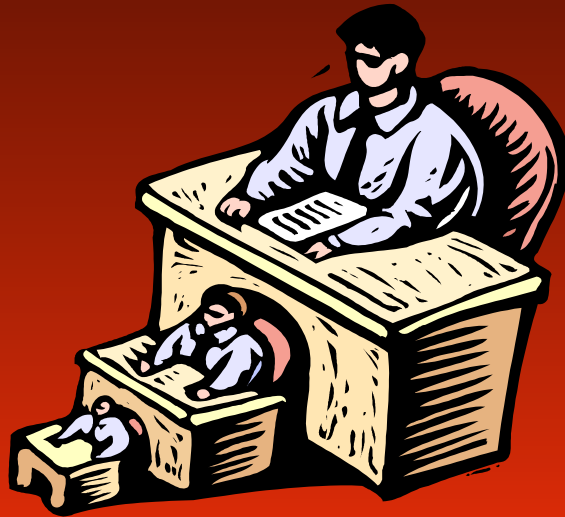


Negotiation Skills



Next....

Power & political Behavior



Human Resource Management

Lecture-36

Human Resource Management

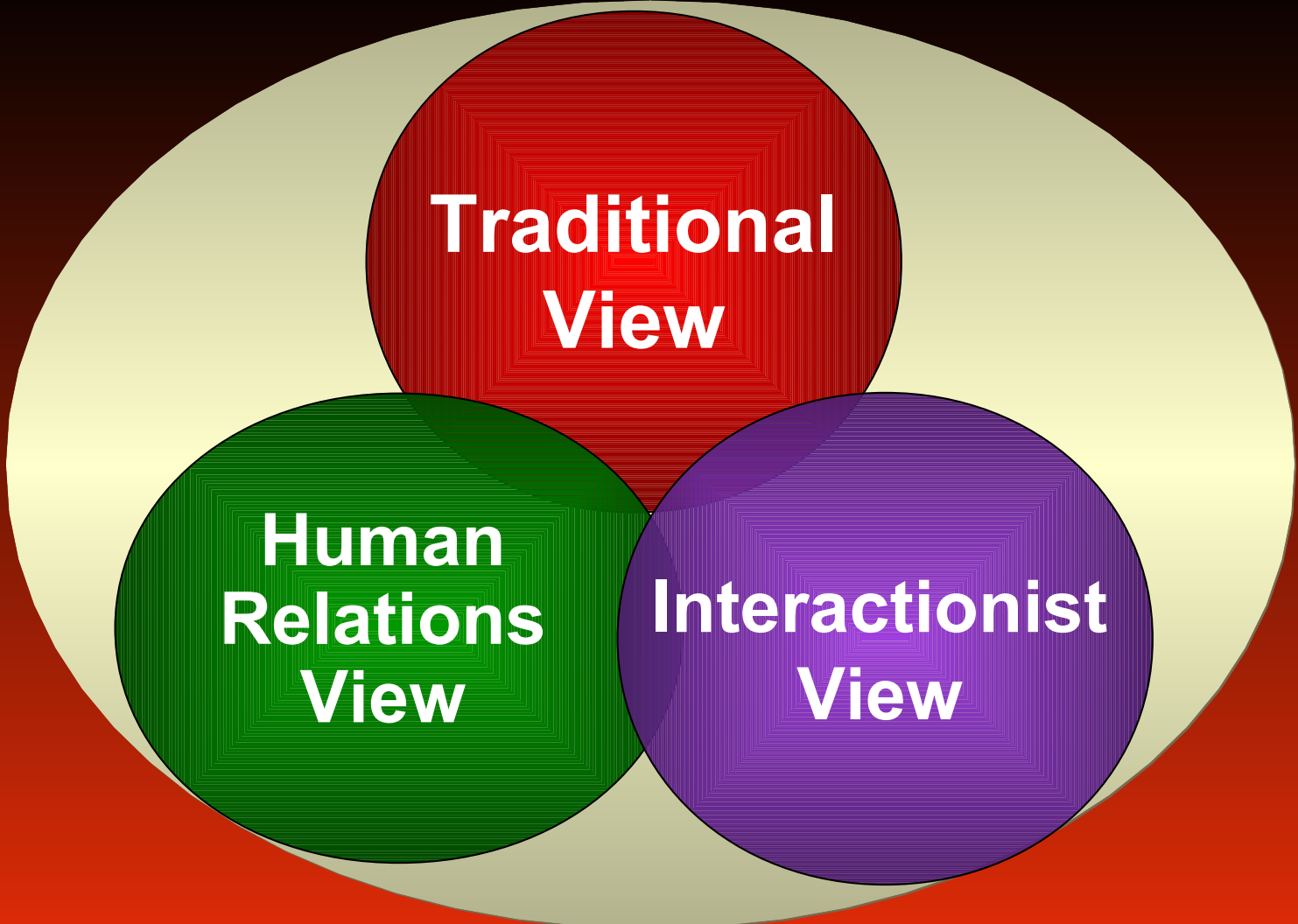
Lecture-37

Summary of Lecture-36

Conflict



Transitions in Conflict Thought



**Traditional
View**

**Human
Relations
View**

**Interactionist
View**

Sources of Conflict

Types of Conflict

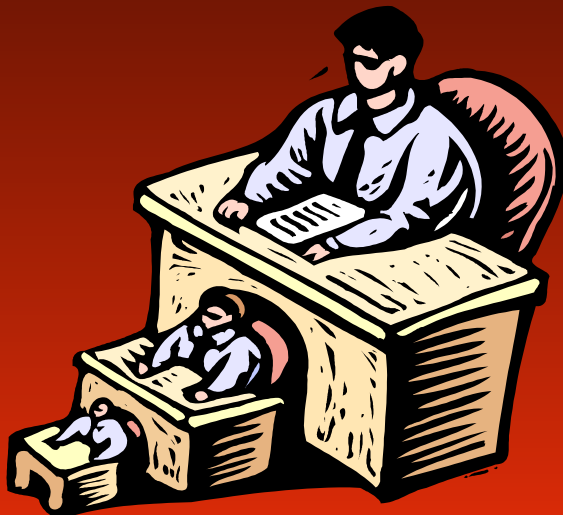


Negotiation Skills



Today's Topics

Power & Political Behavior



Power



- What is it?
- Do you have any?
- Do you want some?
- How can you get some?

Concept of Power



Power - the ability to influence another person

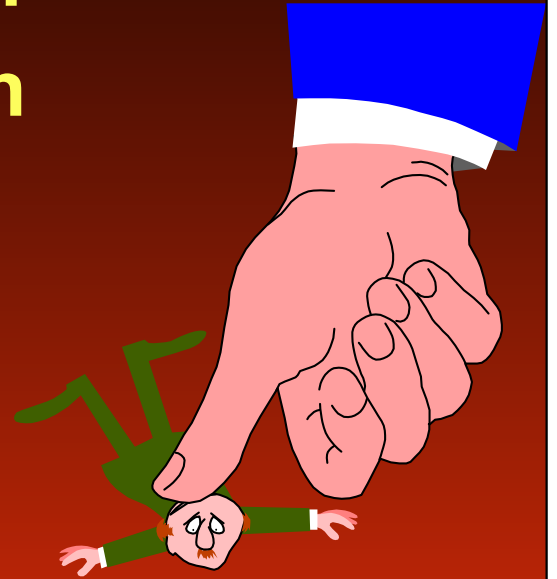
Influence - the process of affecting the thoughts, behavior, & feelings of another person

Authority - the right to influence another person

Sources of Organizational Power

Coercive

Exists when one person believes another person can and will provide or withhold punishment



Reward

Exists when one person believes another person can and will provide or withhold rewards



Legitimate

Exists when one person believes that another person has the right to influence him or her (authority)

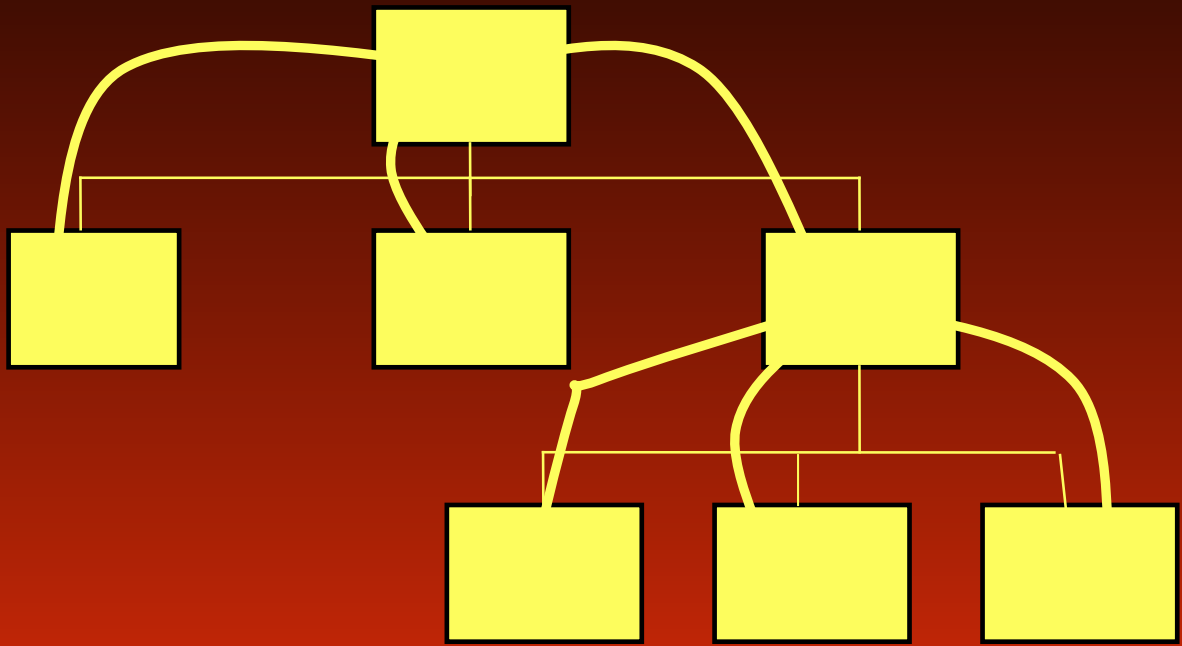


Expert

Exists when one person believes another person has desired expertise and is willing to share or withhold it



Positional Power



Power flows down the organization through delegation

Personal Power



👉 Information power

Power that comes from access to and control over information

👉 Expert power

Influence based on special skills or knowledge

Interpersonal Power

The ability to influence others and maintain control over your own fate



Dependency: The Key To Power

Principles of Power

👉 **Power is perceived**

👉 **Power is relative**

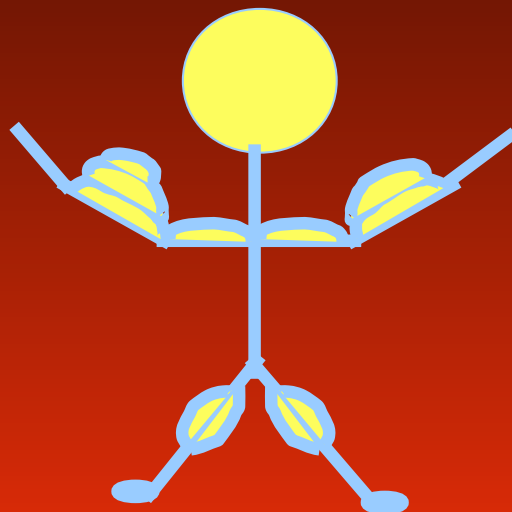
👉 **Power bases must be coordinated**

👉 **Power is a double-edged sword (used and abused)**

Organizational Power Management

- **Select charismatic individual**
- **Select & train for desired expertise**
- **Assign to position of authority**
- **Provide resources to manage**
- **Empower to punish others**
- **Empower to reward others**

Personal Power Management



- **Be a nice person**
- **Acquire and make expertise known**
- **Acquire and make resources known**
- **Use & make authority known**
- **Show ability to provide or with-hold rewards**
- **Show ability to provide or with-hold punishment**

Using Power Ethically



👍 Does the behavior produce a good outcome for people both inside and outside the organization?

👍 Does the behavior respect the rights of all parties?

👍 Does the behavior treat all parties equitably and fairly?

Two Faces of Power



Personal Power

- used for personal gain

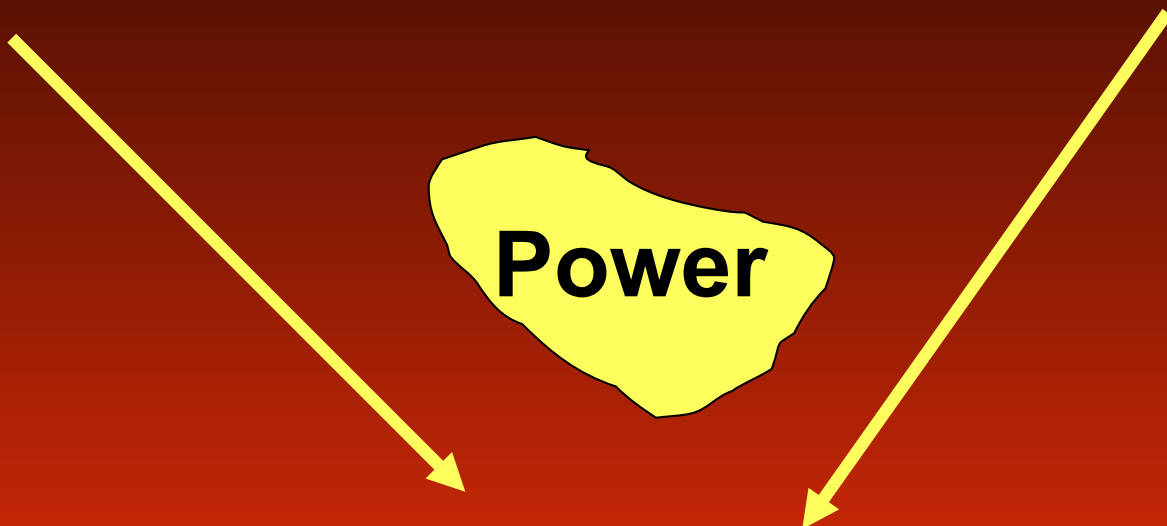


Social Power

- used to create motivation
- used to accomplish group goals

Unit of Analysis

Influence



Control

Power Tactics



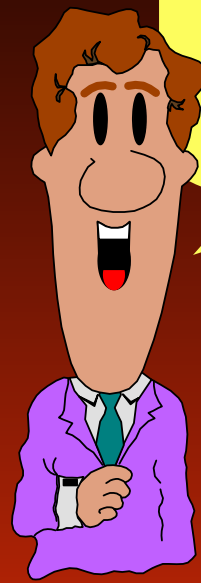
Power tactics

**Ways in which individuals
translates power bases
into specific actions**

Organizational Politics

Organizational politics refer to activities that people perform to acquire, enhance, and use power and other resources to obtain their preferred outcomes in a situation where there is uncertainty or disagreement.

The use of power in nonprescribed ways (means) and/or for nonprescribed purposes (ends)



I'll support your bill if you support mine

Political behavior

Activities that are not required as part of one's formal role in the organization, but that influence, or attempt to influence, the distribution of advantages and disadvantages within the organization

Political Behavior in Organizations

Organizational Politics - the use of power and influence in organizations

Political Behavior - actions not officially sanctioned by an organization that are taken to influence others in order to meet one's personal goals

Organizational Factors that Contribute to Political Behavior

- 👍 Low trust**
- 👍 Democratic decision making**
- 👍 High performance pressures**
- 👍 Scarcity of resources**
- 👍 Role ambiguity**
- 👍 Self-serving senior managers**
- 👍 Unclear evaluation systems**
- 👍 Zero-sum allocations**

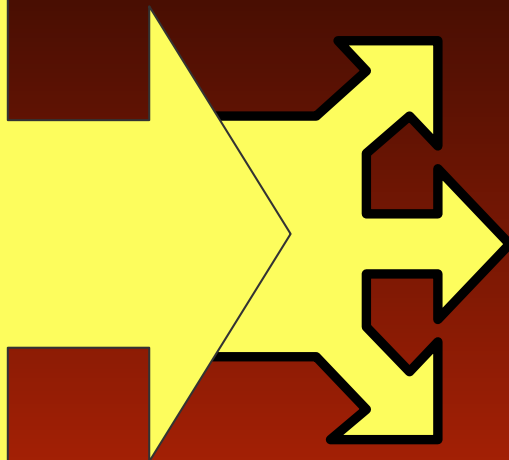
Influence Tactics

- Consultation
- Rational persuasion
- Inspirational appeals
- Upward appeals
- Coalition tactics
- Exchange tactics
- Pressure

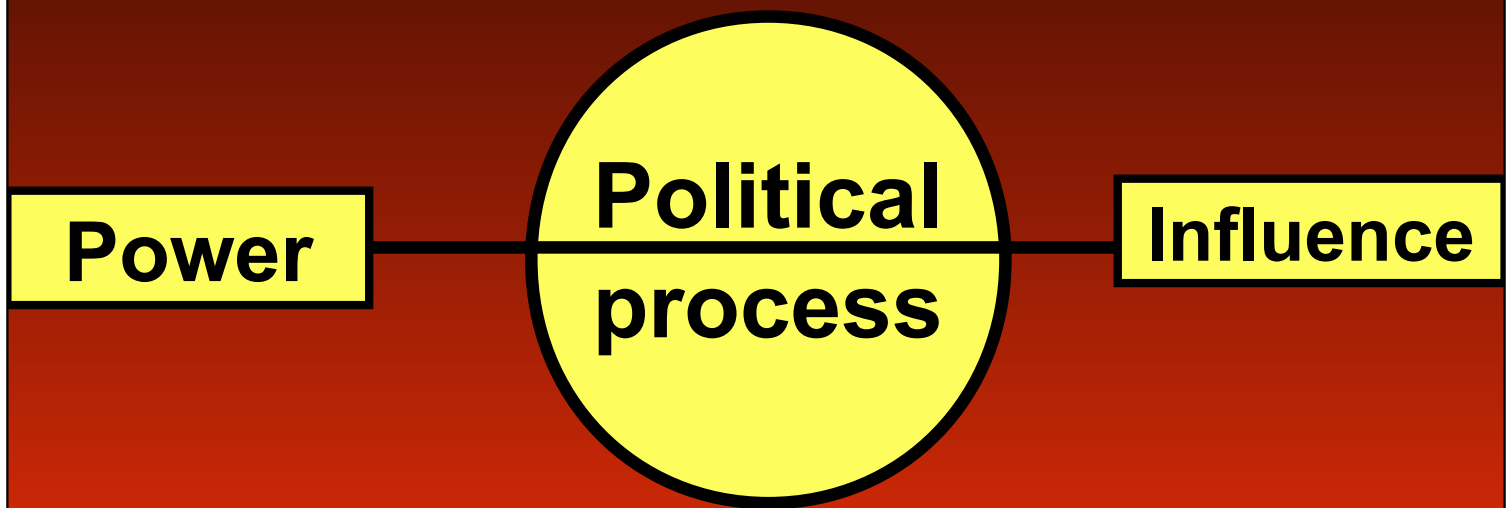
**Upward Influence
the boss**

**Lateral
Influence a
coworker**

**Downward Influence
an employee**



Characteristics of political processes



The Dark Side of Organizational Politics

Deception

Lying

```
graph TD; Deception[Deception] --> OP((Organizational politics)); Lying[Lying] --> OP; Intimidation[Intimidation] --> OP;
```

**Organizational
politics**

Intimidation

Ethical Guidelines for Political Behavior

Question 1

Is the action motivated by self-serving interests which exclude the goals of the organization?

Yes → Unethical

No

Question 2

Does the political action respect individual rights?

Yes

Question 3

Is the political activity fair and equitable?

Yes → Ethical

No

Unethical

No

Unethical

Employee Responses to Organizational Politics

 **Decreased job satisfaction**

 **Increased anxiety**

 **Increased turnover**

 **Reduced performance**

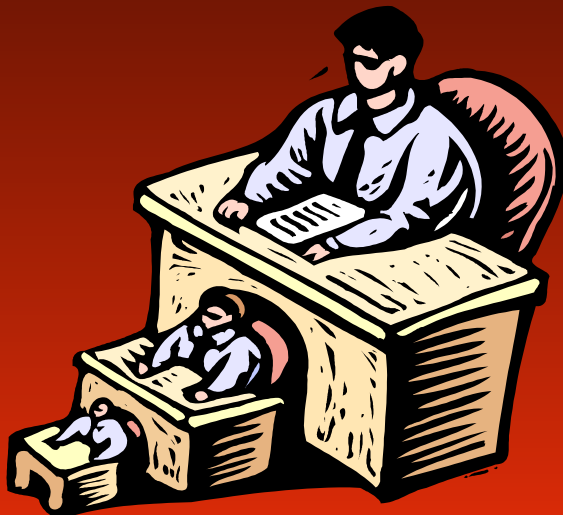
Managing Political Behavior

- 👍 **Maintain open communication**
- 👍 **Clarify performance expectations**
- 👍 **Use participative management**
- 👍 **Encourage cooperation among work groups**
- 👍 **Manage scarce resources well**
- 👍 **Provide a supportive organizational climate**



Summary

Power & Political Behavior



Power - the ability to influence another person

Influence - the process of affecting the thoughts, behavior, & feelings of another person

Authority - the right to influence another person

Sources of Organizational Power

Organizational Power Management

Using Power Ethically



Power Tactics



Organizational Politics

Next....

**Employee Rights
& Discipline**

Human Resource Management

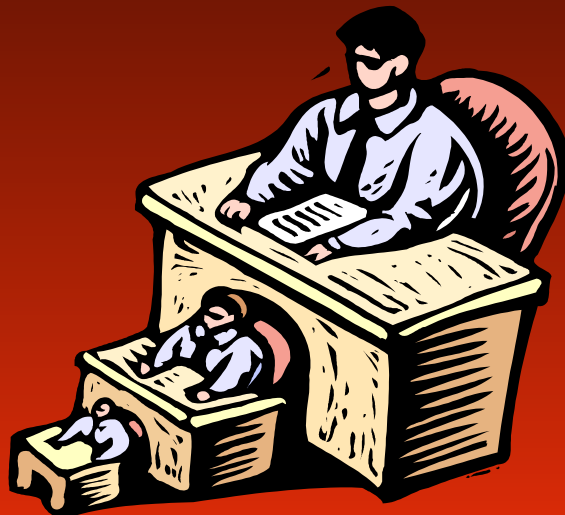
Lecture-37

Human Resource Management

Lecture-38

Summary of Lecture-37

Power & Political Behavior



Power - the ability to influence another person

Influence - the process of affecting the thoughts, behavior, & feelings of another person

Authority - the right to influence another person

Sources of Organizational Power

Organizational Power Management

Using Power Ethically



Power Tactics



Organizational Politics

Managing Political Behavior

Today's Topics

Employee Rights & Discipline

**Rights and
Responsibilities
Issues**

- **Rights**

- That which belongs to a person by law, nature, or tradition.

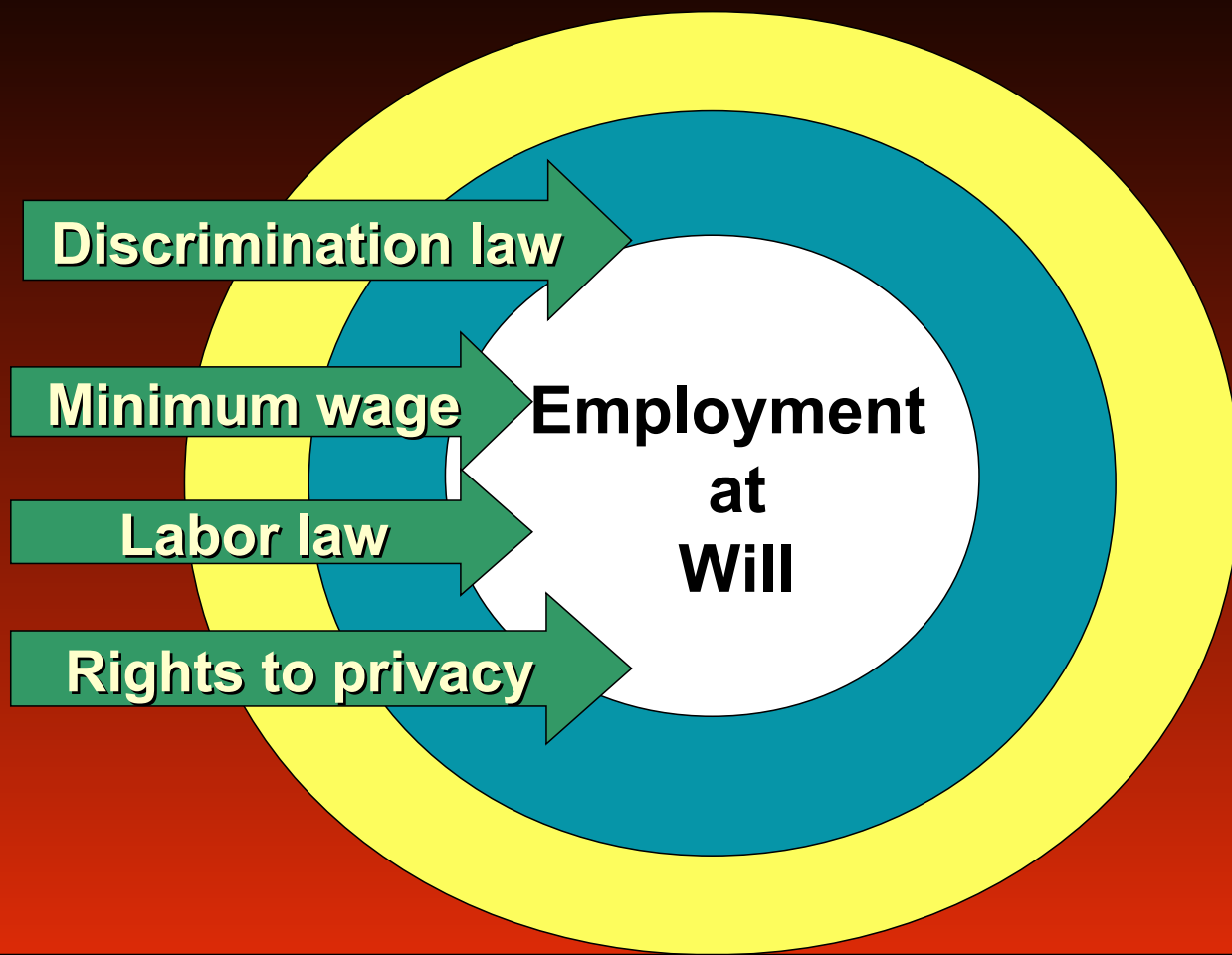
- **Responsibilities**

- Obligations to be accountable for actions.

- **Statutory Rights**

- Rights based on specific laws and statutes passed by federal, state, and local governments.

Employee Rights in the Workplace



Employment at Will

- ★ A common law doctrine stating that employers have the right to hire, fire, demote, or promote whomever they choose, unless there is a law or contract to the contrary.
- ★ Employees have the right to quit and get another job under the same constraints.

Employee Rights....

- **There are many laws and regulations governing human resource management that have been created to help define, maintain, and preserve employee rights.**
- **Discrimination laws essentially give people the right to work without being evaluated on the basis of non-job-relevant factors such as religion, origins, sex or race.**

- [illegible]

Just Cause & Due Process

- **Just Cause**

- Reasonable justification for taking an employment-related action.

- **Due Process**

- The means used for individuals to explain and defend their actions against charges or discipline.

- **Distributive Justice**

- Perceived fairness in the distribution of outcomes.

- **Procedural Justice**

- Perceived fairness of the process used to make decision about employees.

Just Cause

- **Cause of action should be a fair one.**

Due Process

- Inform employees of “charges” against them.
- Provide employees opportunity to defend themselves.

3 Types of Employee Rights

Statutory Rights

👍 **Protect from discrimination**

👍 **Safe working conditions**

👍 **Right to form unions**

Contractual Rights

👍 **Employment contract**

👍 **Union contract**

👍 **Employment policies**

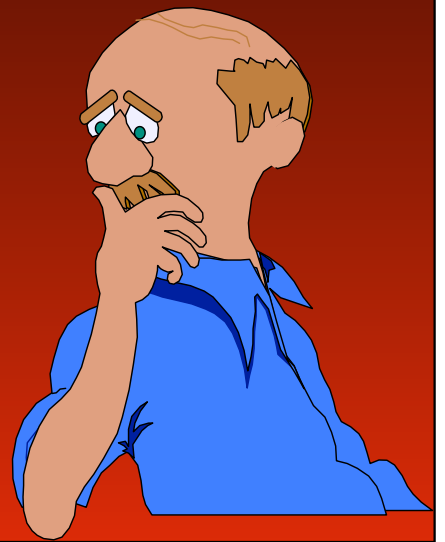


Other Rights

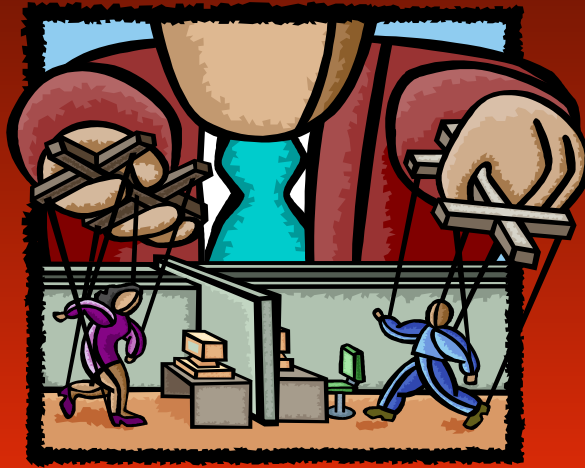
- 👍 Ethical treatment
- 👍 Limited privacy
- 👍 Limited free speech

Employee Rights

- 👍 Protection of one's job
- 👍 Due process and just cause
- 👍 Freedom of speech
- 👍 Privacy
- 👍 Off-the job behavior
- 👍 Protection against layoff



Management Rights



- **Run business and retain any profits**
- **Manage workforce: hire, promote, assign, discipline, discharge employees**
- **Influenced by stakeholders**
- **Employment at will**

Creating Ethical and Fair Work Environment

- **Develop trust**
- **Honor commitments**
- **Act consistently**
- **Be truthful and avoid white lies**
- **Avoid manipulating others**
- **Keep confidences**
- **Show concern for others**

Create Healthy Work Environment

- **Define clear expectations**
- **Treat employees equitably**
- **Avoid favoritism**
- **Adhere to reasonable standards**
- **Respect employees**
- **Recognize employee contributions**

Discipline



**Management action taken
to encourage compliance
with organizational
standard and regulations.**

Why?

Fair and open disciplinary procedures are essential to maintain harmonious corporate relations in organizations.



How?

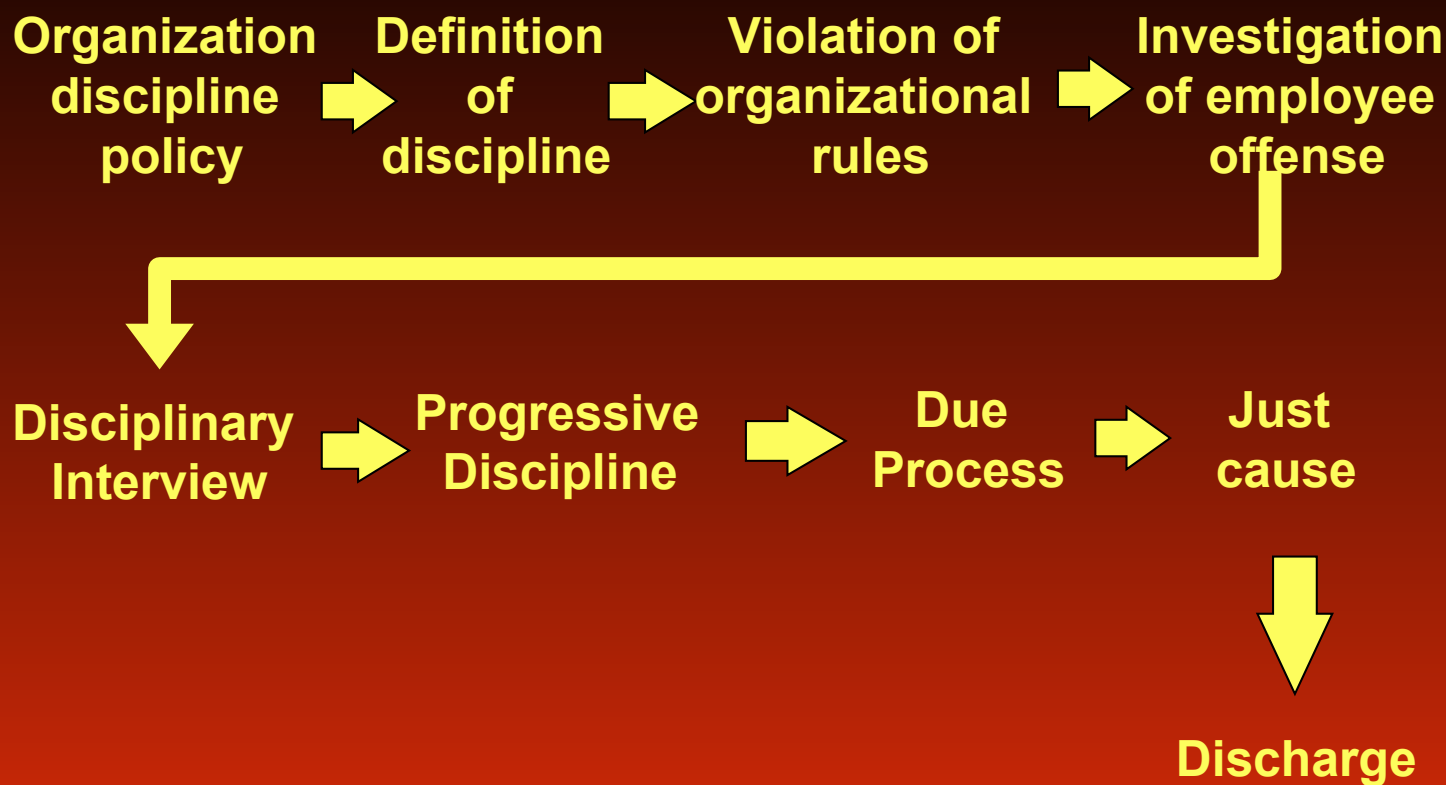
Clearly-defined disciplinary procedures should be made known to all employees and included in employee handbook.



Discipline

- **The primary objective of discipline is to motivate an employee to comply with the company performance standards.**
- **Second objective of discipline is to create and maintain mutual respect and trust between the employees**

A Disciplinary Model



Approaches to Discipline

- **Progressive Discipline**

- Application of corrective measures by increasing degrees.
- Employees always know where they stand regarding offenses.
- Employees know what improvement is expected of them.
- Employees understand what will happen next if improvement is not made.

- **Positive Discipline (problem solving)**

- Discipline that focuses on the early correction of employee misconduct, with the employee taking total responsibility for correcting the problem.

So, Employee Discipline...

Discipline

– A form of training that enforces organizational rules.

Positive Discipline Approach

1. Counseling

2. Written Documentation

3. Final Warning (decision day-off)

4. Discharge

HR Policies, Procedures, and Rules

- **Policies**

- General guidelines that focus organizational actions.

- “Why we do it”

- **Procedures**

- Customary methods of handling activities

- “How we do it”

- **Rules**

- Specific guidelines that regulate and restrict the behavior of individuals.

- “The limits on what we do”

Employee Handbook



Implementing Organizational Rules

**Publish
Widely**

**Keep in
Writing**

**Review
Regularly**

**Be
Reasonable**

**Explain
Reasons**

**Remind/
Restate**

**Guidelines
for the
Implementation
of
Organizational
Rules**

**Get Signed
Statements
of Understanding**



**Enough for
today. . .**

Summary

Employee Rights & Discipline

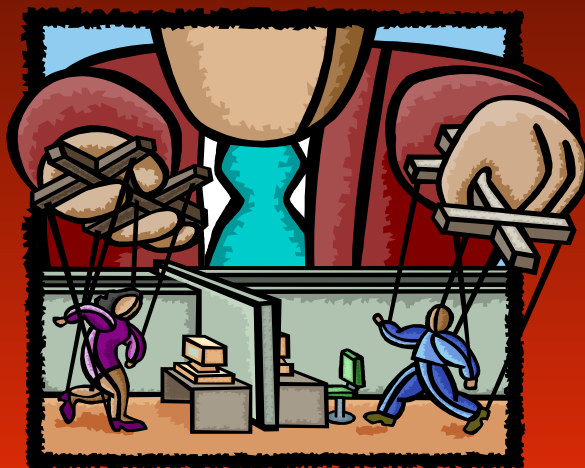
Employee Rights

- 👉 Protection of one's job
- 👉 Due process and just cause
- 👉 Freedom of speech
- 👉 Privacy
- 👉 Off-the job behavior
- 👉 Protection against layoff



Just Cause & Due Process

Management Rights



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- **Manage workforce: hire, promote, assign, discipline, discharge employees**
- **Influenced by stakeholders**
- **Employment at will**

Discipline



A Disciplinary Model

**Implementing
Organizational
Rules**

Next....

 **Discipline (Cont..)**

 **Employee Separations**

Human Resource Management

Lecture-38

Human Resource Management

Lecture-39

Summary of Lecture-38

Employee Rights & Discipline

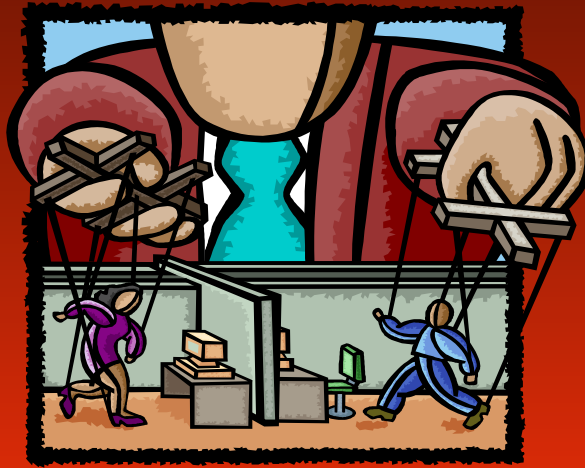
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Just Cause & Due Process

Management Rights



- **Run business and retain any profits**
- **Manage workforce: hire, promote, assign, discipline, discharge employees**
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Discipline



**Publish
Widely**

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**Guidelines
for the
Implementation
of
Organizational
Rules**

**Get Signed
Statements
of Understanding**

Today's Topics

 **Discipline** (Cont..)

 **Employee
Separations**

Common Disciplinary Problems



Attendance

- ◆ Unexcused absence
- ◆ Chronic absenteeism
- ◆ Leaving without permission

Work Performance

- ◆ **Not completing work assignments**
- ◆ **Producing substandard products or services**
- ◆ **Not meeting established production requirements**

Dishonesty and Related Problems

- ◆ **Theft**
- ◆ **Falsifying employment application**
- ◆ **Willfully damaging organizational property**
- ◆ **Punching another employee's time card**
- ◆ **Falsifying work records**

On-the-job Behaviors

- ◆ Insubordination
 - ◆ Smoking in unauthorized places
 - ◆ Fighting
 - ◆ Gambling
 - ◆ Failure to use safety devices
 - ◆ Failure to report injuries
 - ◆ Carelessness
-
- ◆ Sleeping on the job
 - ◆ Using abusive or threatening language with supervisors
 - ◆ Possession of narcotics or alcohol
 - ◆ Possession of firearms or other weapons
 - ◆ Sexual harassment

Discipline System Recommended by Labour Department

- (a) Warning (oral or written)**
- (b) Suspension (with or without pay)**
- (c) Dismissal with appropriate notice**
- (d) Dismissal without notice**
- (e) Appeal**

Progressive Discipline Procedure

First Offense

Verbal Caution

Second Offense

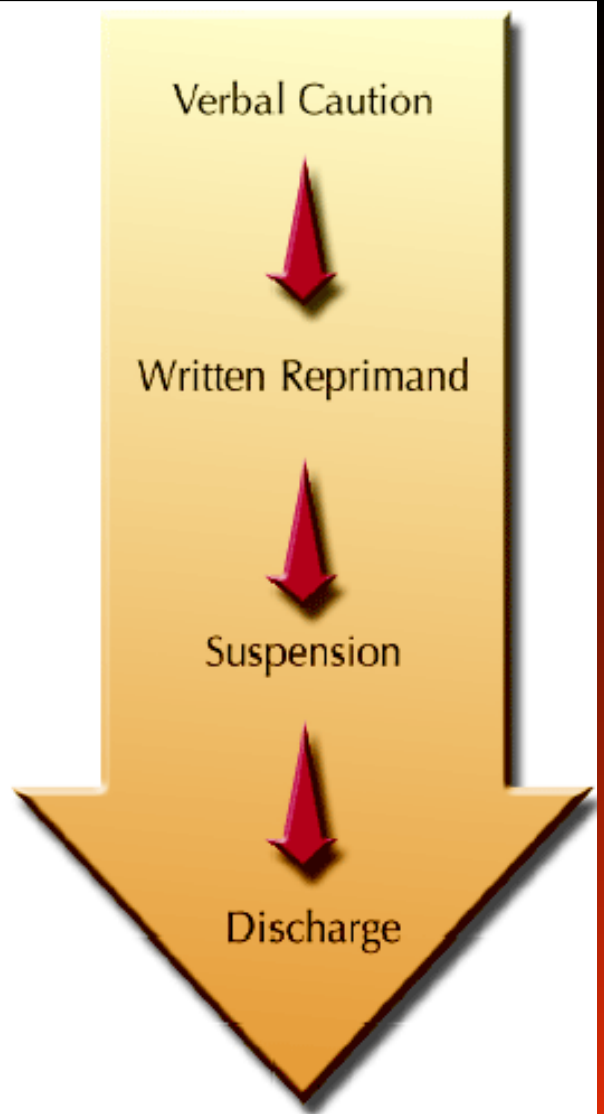
Written Reprimand

Third Offense

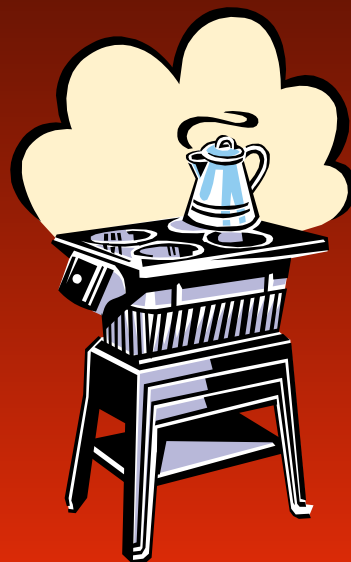
Suspension

Fourth Offense

Discharge



The Hot Stove Rule

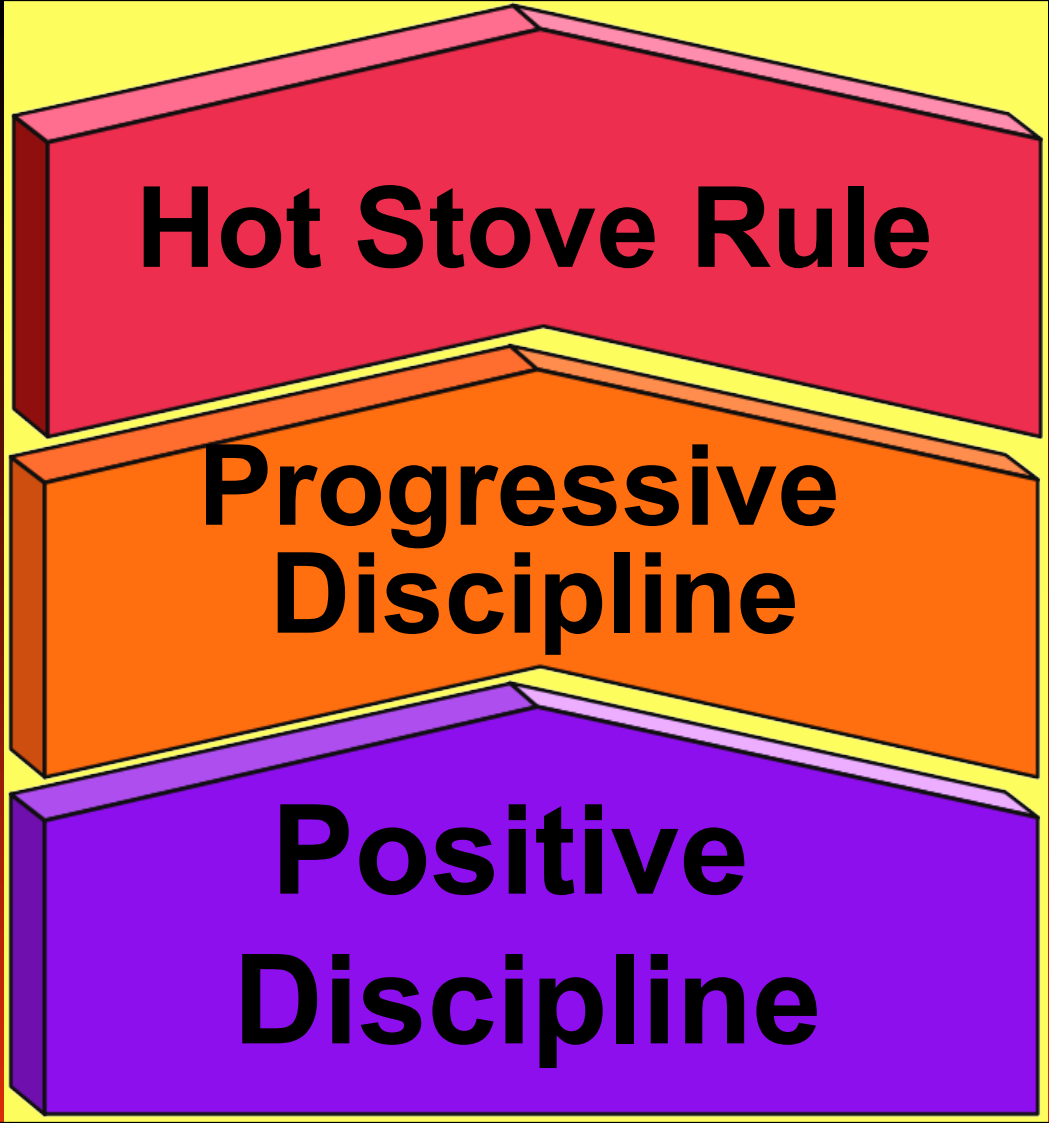


Good discipline (or a rule) is like a hot stove in that:

- **It provides a warning (feels hot)**
- **It is consistent (burns every time)**
- **It is immediate (burns now)**
- **It is impersonal (burns all alike)**



Approaches to Discipline



Hot Stove Rule

**Progressive
Discipline**

**Positive
Discipline**

Let's take some examples..

Ineffective Employees

There are three general questions a manager might use to analyze the performance problem:

- 1. What is the discrepancy?**
- 2. Is it important?**
- 3. Is it a deficiency in skills?**

- **If there is a deficiency in skills, then it must be corrected**
- **If the problem does not have to do with skills, then it must be addressed in terms of:**
 - **removing obstacles**
 - **creating a more positive motivational climate**
 - **bringing about some type of job change**

Participants in Theft and Other Illegal Acts

- **Employees engage in illegal acts including:**
 - **employee theft**
 - **misuse of company facilities or property**
 - **disclosure of trade secrets**
 - **embezzlement**
 - **sabotage of products**
 - **use of company telephones and credit cards for personal use**

- **To deal with employee dishonesty problems, HR managers use:**

- **discipline**

- **termination**

- **rehabilitation**

- **HR departments have responsibility for crime prevention**

- **security programs**

- **pre-employment screening mechanisms**

Rule Violators

- Consistently violate company rules, e.g.,
 - sleeping on the job
 - having weapons at work
 - fighting at work
 - coming in late
 - abusing the supervisor
- Workplace violence is a particularly difficult issue

Discipline Systems

- **Discipline should:**
 - Be proportional to the bad behavior
 - Be applied before the bad behavior becomes a habit
 - Be focused on specific behaviors
 - Be applied consistently across people and time
 - Not be followed by positive rewards that lessens manager's guilt
 - Be administered by someone the employee trusts and respects

Reasons Why Discipline Might Not Be Used



👉 **Organization culture regarding discipline**

👉 **Lack of support by higher management**

👉 **Guilt**

👉 **Loss of friendship**

👉 **Time loss**

👉 **Fear of lawsuits**

Separation

- **Disciplinary separation**
 - Dismissal
- **Non-disciplinary separation**
 - Layoff
 - Downsizing
 - Retirement

Involuntary Separation

Issues:

- Employment-At-Will**
- Discipline Systems**
- Termination for Cause**
- Layoff**

Termination for Cause

Some offenses are so bad they typically justify immediate termination

- Falsify résumé or employment application**
- Falsify work records**
- Divulge trade secrets**
- Steal company property**
- Assault of supervisor or fellow employees**
- Possession of a weapon**
- Possession of alcohol or illegal drugs**

• Acceptable Reasons

- Incompetence that is not responsive to training/accommodation**
- Gross/repeated insubordination**
- Repeated lateness/unexcused absences**
- Illegal behavior/drug activity**
- Verbal Abuse**
- Physical violence**

• **Unacceptable Reasons**

- **Reporting illegal company actions or cooperating in a legal investigation**
- **Filing workers' compensation claim**
- **Engaging in concerted activity to protest wages, working conditions, safety hazards**
- **Engaging in lawful union activity**
- **Refusing an assignment because of a reasonable belief it is dangerous**

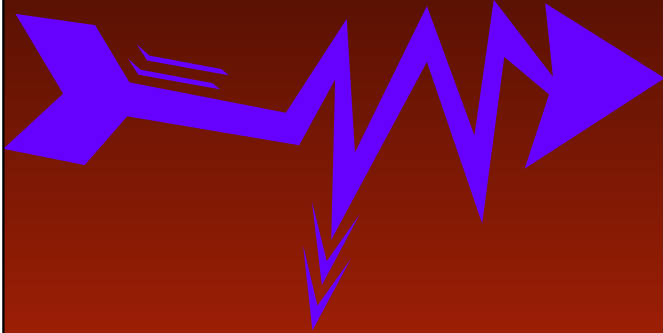
Termination does 2 things:

- **Punishes the problem employee**
- **Sends a message to other employees about what will not be tolerated**

Managing terminations

- **Document, document, document**

Demotion as Alternative to Termination



- Demotions used as alternative to discharge
- Demotion is process of moving worker to lower level of duties and responsibilities, usually involving a reduction in pay

Layoffs

Other terms:

Downsizing

Restructuring

Right-sizing

- **Downsizing also known as restructuring and rightsizing**
- **Reverse of company growing; suggest one-time change in organization and number of people employed**
- **Layoff/recall**
- **Outplacement**

Voluntary Separation

- **Dissatisfaction leads to withdrawal & negative job behaviors**
- **Quitting may also be due to sudden changes**
 - Internal job-related, e.g., not getting a promotion
 - External job-related, e.g., getting better job offer
 - External off-job, e.g., spouse getting transferred

Resignation



- **Exit interview**
- **Advance notice of resignation**

Retirement



- Completed service
- Early retirement



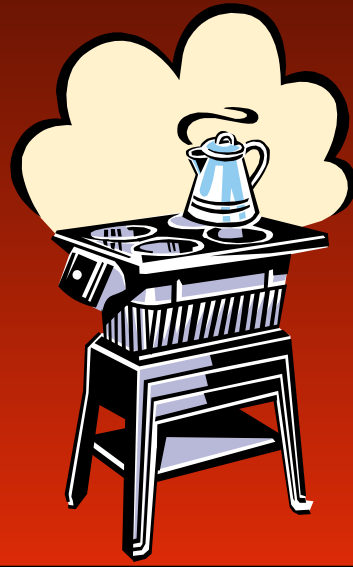
**Enough for
today. . .**

Summary

Common Disciplinary Problems



The Hot Stove Rule



Discipline Systems

Separation

Next....



Human Resource Management

Lecture-39

Human Resource Management

Lecture-40

Summary of Lecture-39

Common Disciplinary Problems



Discipline Systems

Separation

Today's Topics

Leadership



Why?

Leadership



**Leadership is a
Process, Not a
Position**

Leader

Followers

Situation

Leadership

Leadership Defined

👉 **Directing and coordinating the work of group members (Fiedler, 1967).**

👉 **An interpersonal relations in which others comply because they want to, not because they have to (Merston, 1969, Hogan, Curphy, & Hogan, 1994).**

👉 **The process of influencing an organized group toward accomplishing its goals (Roach & Behling, 1984).**

👉 **The leader's job is to create conditions for the team to be effective (Ginnett, 1996.)**

Leadership

The process of influencing an organized group toward accomplishing its goals



Leadership

The ability to get things done through people.



Myths That Hinder Leadership Development

👉 **Good leadership is all common sense.**

👉 **Leaders are born, not made.**

👉 **The only school you learn leadership from is the school of hard knocks.**

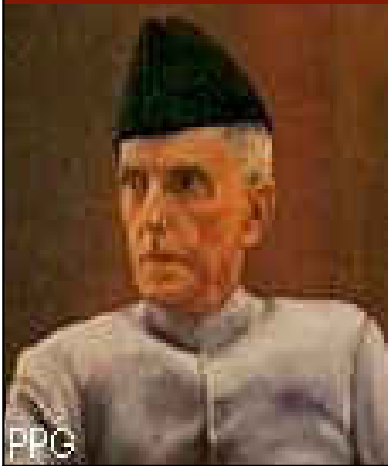
Leadership Theories

 **Trait Theories**

 **Behavioral Theories**

Trait Theories

People are born with certain characteristics which make them leaders.



Common Traits

- Intelligence
- Dominance
- Self-confidence
- High energy level
- Task relevant knowledge

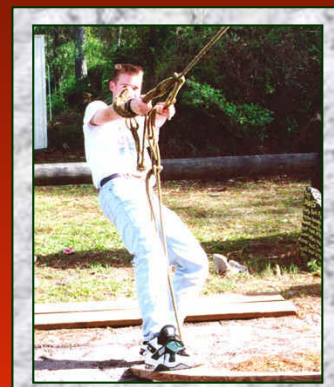


Trait of a Charismatic Leader

- Self-confidence
- A vision
- Strong conviction in that vision
- Out of the ordinary behavior
- The image of a change agent

Behavioral theories

- There are behavioral determinants of leadership which can be **learned**.
- People can be **trained** to be effective leaders.



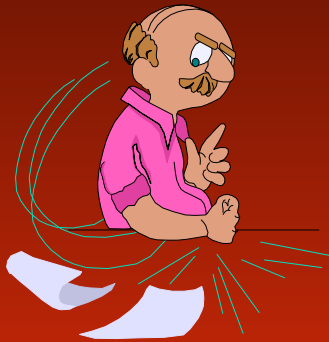
Conventional Wisdom About Leadership

- **People who are tall and athletic make better leaders.**
- **Smarter people make better leaders.**
- **Leaders who are stable and predictable are more effective.**

Research Findings About Leadership

- **People who are tall and athletic do not necessarily make better leaders.**
- **In some situations, smarter leaders consistently performed less well than those who were less smart (Fiedler et al.)**
- **The most effective leaders use different bases of power to meet situational demands.**

What is the Relationship between Power and Leadership?



• Leadership

- Focuses on goal achievement.
- Requires goal compatibility with followers.
- Focuses influence downward.

• Power

- Used as a means for achieving goals.
- Requires follower dependency.
- Used to gain lateral and upward influence.

Two Faces of Power



Personal Power

- used for personal gain



Social Power

- used to create motivation
- used to accomplish group goals

**What is the Relationship
between Power and
Leadership?**

Leaders & Managers



**Decisions, Decisions,
Decisions!**



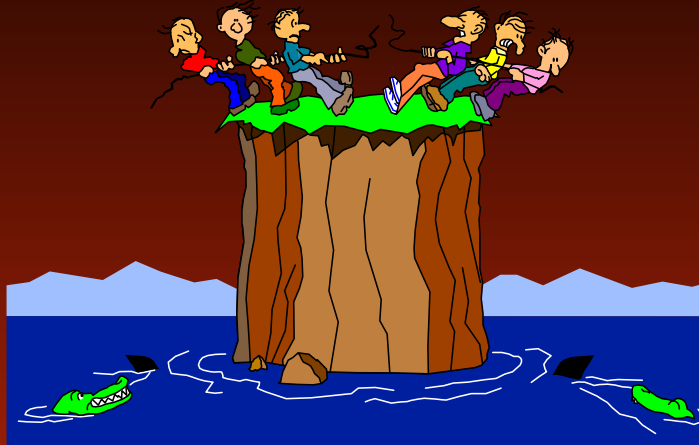
**Both managers and leaders
make many decisions.**

Reaching Consensus



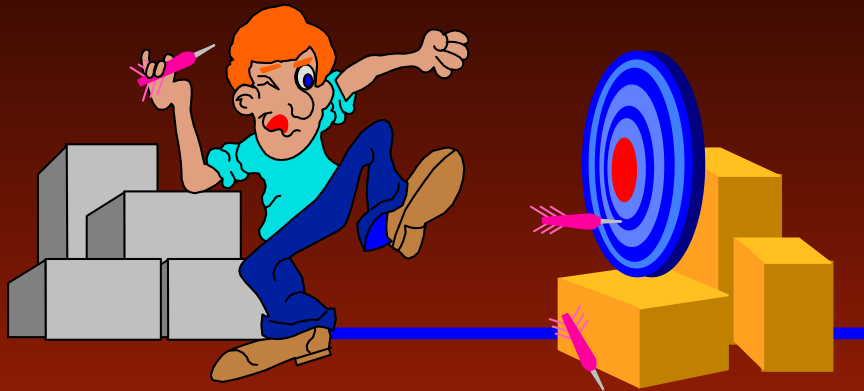
Both managers and leaders help groups make decisions.

Resolving Conflicts



Both managers and leaders help to resolve conflicts.

Goal Setting



Both managers and leaders help set goals in their companies.

Motivating Employees



Both managers and leaders motivate others.

**“All Leaders
are Managers....
But not all Managers
are Leaders”**

True or False?

**Distinctions
Between Managers
and Leaders**

Leaders

- Innovate
- Develop
- Inspire
- Take the long-term view

Managers

- Administer
- Maintain
- Control
- Have a short-term view

Leaders

- Ask what and why
- Originate
- Challenge the status quo.

Managers

- Ask how and when
- Accept the status quo

A LEADER....

 **Visionary**

 **Challenger**

 **Inspirer**

 **Developer Of People**

A MANAGER...

 **Planner**

 **Organizer**

 **Coordinator**

 **Performance Coach**

 **Day-To-Day Problem Solver**

 **Get The Work Of The
Organization Done Through
Others**

Leader Traits That Influence the Leadership Process

- **Personality**

- **Position**

- **Experience**

Follower Traits That Influence the Leadership Process

- **Expectations**
- **Personality**
- **Maturity**
- **Competency levels**



- **Motivation**
- **Number of followers**
- **Trust and confidence**



How Leaders Interact with Followers



- **Create environments where followers' innovations and creative contributions are welcome.**
- **Encourage growth and development in followers.**
- **Interested in the big picture of followers' work.**

- **Motivate followers through more personal and intangible factors.**
- **Redefine the parameters of tasks and responsibilities.**
- **Change situations rather than just optimize their group's adaptation to it.**

Sources of Leader Power

- 👉 **Furniture and office arrangements**
- 👉 **Prominently displayed symbols**
- 👉 **Appearances of title and authority**
- 👉 **Choice of clothing**
- 👉 **Presence or absence of crisis**

Building Power

- Knowledge, skill, reputation, professional credibility (**expert and information power**)
- Political network
 - **Formal or informal**
 - **Often based on position in a communication channel**
- Create perception of dependence: **control of scarce resources**

Trust: The Foundation of Leadership



Five Dimensions of Trust

- **Integrity (honesty and truthfulness)**
- **Competence (technical/interpersonal)**
- **Consistency (reliability, predictability and good judgment in handling situations)**
- **Loyalty (willingness to protect and save face for a person)**
- **Openness (willingness to share ideas and information freely)**

When are leaders irrelevant?

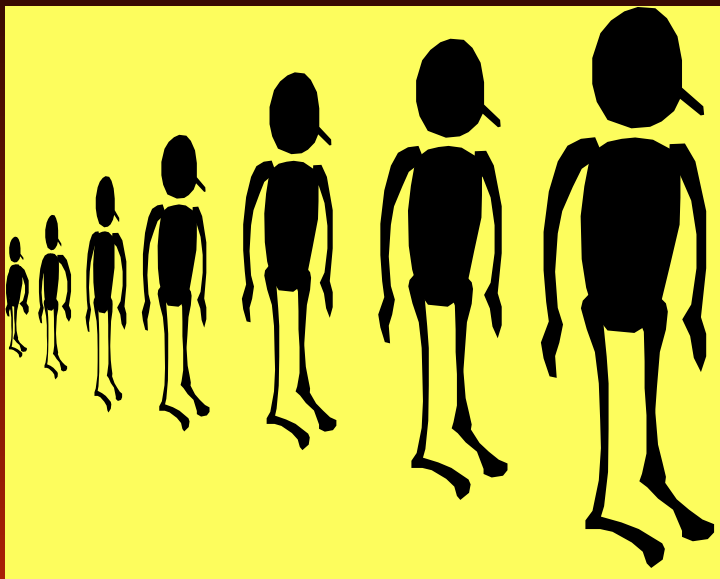
👉 **Substitutes for Leadership make a leader unnecessary.**

- Followers are experts and self-leaders.**
- Task is clear and routine.**
- Organizational rules and policies.**

“Leadership is the art
of accomplishing
more than the science
of management
says is possible.”

"Great leaders are almost
always great simplifiers,
who can cut through argument,
debate and doubt,
to offer a solution everybody
can understand."

**"The day people stop
bringing you their problems
is the
day you have stopped leading
them. They have either lost
confidence that you can help
them or concluded that you
do not care. Either case is a**





**Enough for
today. . .**

Summary

Leadership



Leadership

**The process of
influencing an
organized group toward
accomplishing its goals**



Leaders & Managers



Sources of Leader Power

Next....



Human Resource Management

Lecture-40

Human Resource Management

Lecture-41

Summary of Lecture-40

Leadership

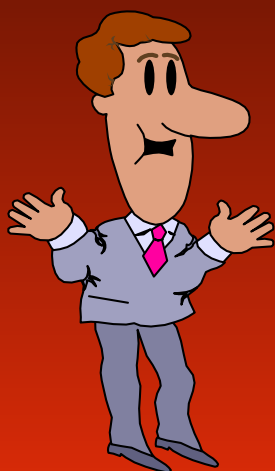


Leadership

The process of influencing an organized group toward accomplishing its goals



Leaders & Managers



Sources of Leader Power

Today's Topics



Recruitment & Placement

**Human Resource
Planning
(HRP)**

The systematic review of human resource requirements.

HRP

**The Required
Number of
Employees**

**With The Required
Skills**

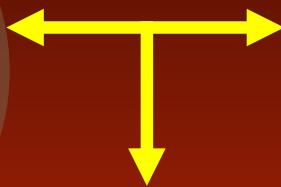
Are Available When Needed

Planning Includes Forecasting



Human Resource Planning

Demand



Supply

Gap?

HR Needs

Demand Forecasting

👉 Statistical approaches

👉 Judgmental methods

Statistical approaches

1. Trend analysis
2. Ratio analysis
3. Regression analysis

Judgmental methods

Managerial judgment

Human Resources Audit

```
graph TD; A[Human Resources Audit] --> B[Forecast Labor Supply]; A --> C[Forecast Labor Demand]; B --> D[Supply = Demand?]; C --> D; D --> E[Surplus: Layoffs, Transfers, Demotions]; D --> F[Shortage: Recruiting, Training, Career Development];
```

*Forecast Labor
Supply*

*Forecast Labor
Demand*

Supply = Demand?

Surplus:

**Layoffs
Transfers
Demotions**

Shortage:

**Recruiting
Training
Career Development**

HR Information Systems

**The system used to
acquire, store,
manipulate, analyze,
retrieve, and distribute
information regarding
an organization's HR.**

Name: Kamran Tayyab DOB: 01/1/79

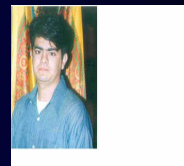
Job: Programmer Hired: 05/1/04

Education: MSE

Performance: Rising to the top

Pay: Rs. 25,000+12,000+2500

KSA: JAVA & C



Common HRIS Functions

- 👍 **Job analysis information can be placed in the HRIS.**
- 👍 **The program can write job descriptions and job specifications.**
- 👍 **Constant monitoring of compliance with EEO legislation.**

👍 Maintain records of rejected applicants.

👍 Saves money and time in compiling reports.

👍 Ensure that women and minorities or not be adversely affected.

👍 Track minority hiring, recruitment, and advancement.

👍 Forecast supply and demand of labor from both the internal and external labor markets.

- 👍 Useful for internal recruiting.**
 - 👍 Can post job opening for employees to access.**
 - 👍 Can search for match between job specifications and applicant qualification.**
-
- 👍 Applicant tracking system.**
 - 👍 Administering and scoring ability tests.**
 - 👍 Scanning resumes submitted online (web based or e-mail) or in person (or mail).**

 **Structured interviews.**

 **Matching qualifications with open positions (finding a good fit).**

 **Also, consider budgetary concerns.**

 **Help with registration, tracking training, monitor training costs, and schedule training.**

 **Used to deliver training.**

 **Career and managerial succession planning.**

 **Used to provide assessment tests to help employee's plan their own career.**

 **Predict career paths.**

 **Provide PA instruments and results.**

 **Comparisons between employees, groups, or supervisors ratings.**

 **Monitor attendance.**

 **Monitor compliance with Labor Standards.**

 **Individual sale data can be accessed (tracking commissions).**

 **Benefits can be managed and administered by computers.**

 **Planned raises and wage histories.**

 **Record employee safety training.**

 **Record employee exposure to various conditions and chemicals.**

 **Track accidents and costs of accidents.**

👍 **Track disciplinary actions and grievances.**

👍 **Labor contract data.**

👍 **Worker seniority list.**

👍 **Etc..**

Job Analysis: A Basic Human Resource Tool



This Analysis Includes

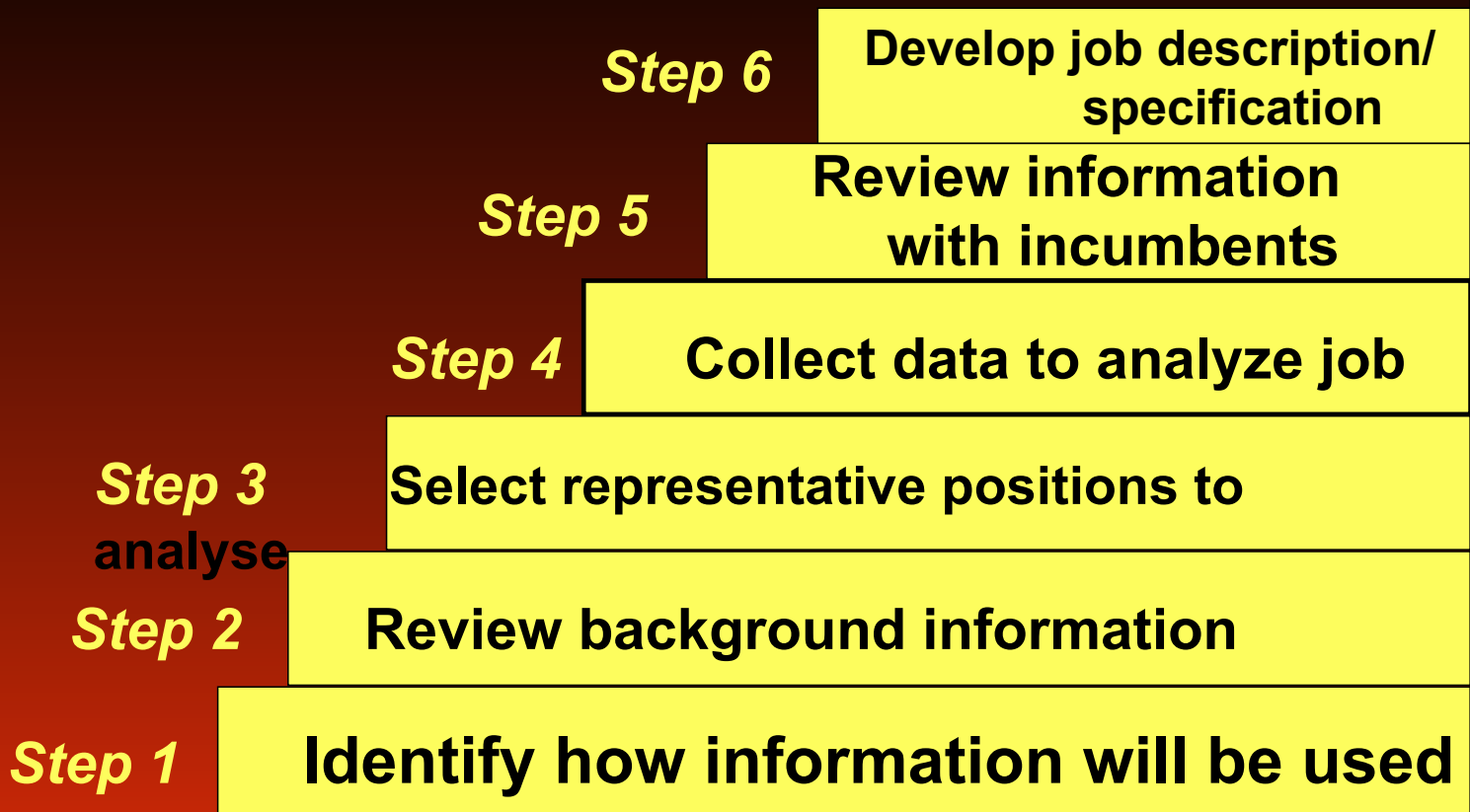
 **Identifying tasks/duties performed**

 **Identifying Knowledge, Skills and Abilities (KSAs) required to perform those tasks**

Uses of Job Analysis



Steps in Job Analysis



Job Analysis Methods



👉 Questionnaires

👉 Observation

👉 Interviews

👉 Employee recording/diary

👉 Combination of methods

Source of Data

 **Employees**

 **Supervisor**

 **Manager**

 **Job Analyst**

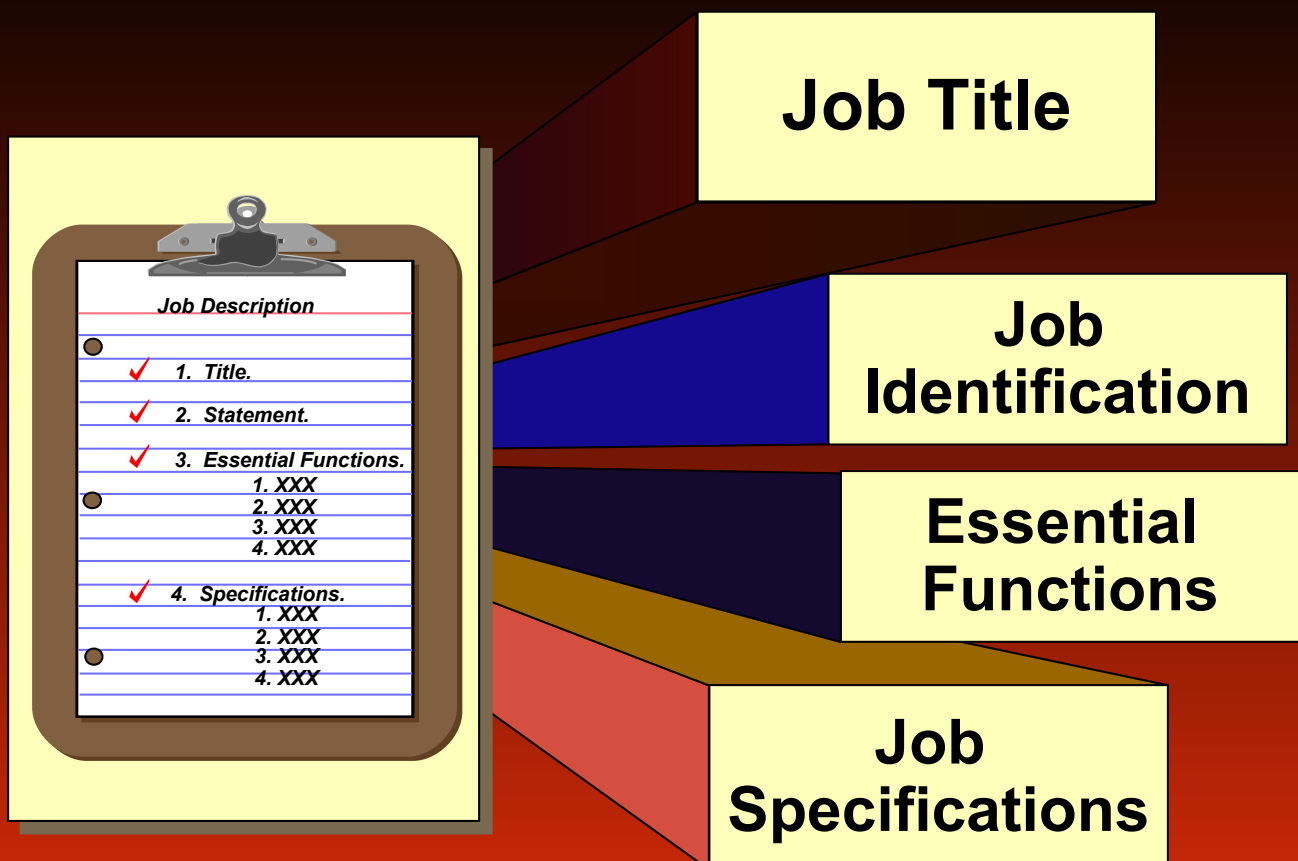
Job analysis outcomes

 **Job description**

 **Job specification**

 **Job evaluation**

Job Description



Job Specification



Minimum Acceptable Qualifications

👉 **Educational Requirements**

👉 **Experience**

👉 **Personality Traits**

👉 **Physical Abilities**

Job Evaluation



- ✓ **Establish job comparability**
- ✓ **Compensation**
- ✓ **Relative value**
- ✓ **Competitive analysis**

The Hiring Process

Recruitment

A black downward-pointing arrow indicating the flow from Recruitment to Selection.

Selection

A black downward-pointing arrow indicating the flow from Selection to Socialization.

Socialization

Recruitment

The process of generating a pool of qualified candidates for a particular job; the first step in the hiring process.

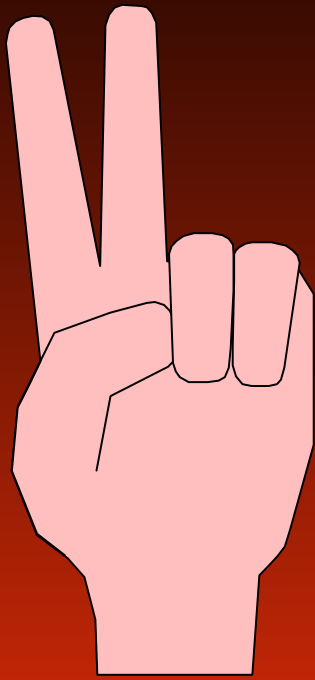
Selection

The process of making a “hire” or “no hire” decision regarding each applicant for a job

Socialization

**The process of orienting
new employees to the
organization or the unit in
which they will be working**

Recruiting Goals

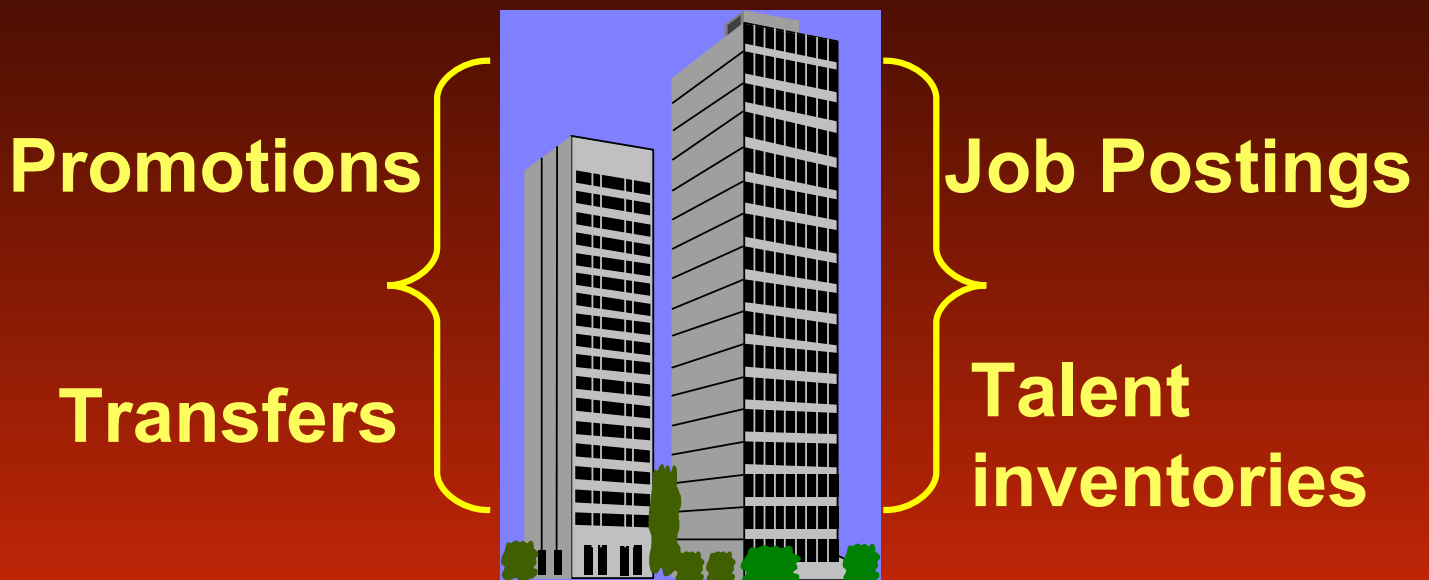


- **ATTRACT POTENTIAL**
 - Communicate the position so that they respond
 - The more, the better
- **NOT UNQUALIFIED**
 - Self select out
 - Saves time, money
 - The less, the better

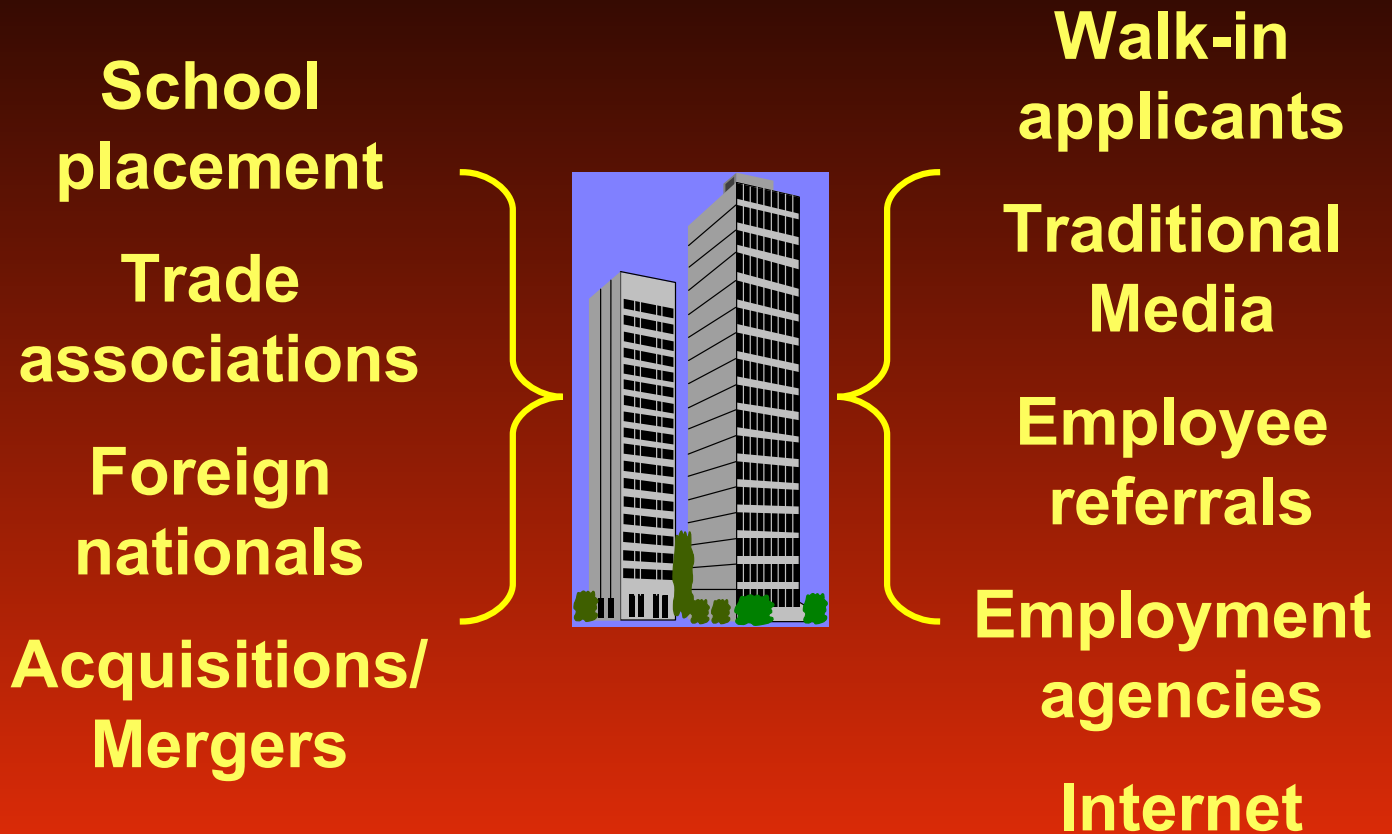
Sources of recruiting

- **Internal sources**
- **External sources**

Internal Sources



External Sources

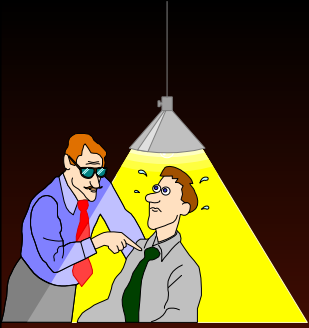


Alternatives to Recruiting



Selection





**“Picking from
the applicant
pool”**

**Steps in the
Selection
Process**



- **Initial Screening**
- **Application Blank**
- **Pre-employment Testing**
 - **General Intelligence Tests**
 - **Aptitude Tests**
 - **Personality and Interest Tests**
 - **Achievement Tests**
 - **Honesty Tests**

•Interviews

- Structured Interview**

- Unstructured Interview**

- Mixed Interview**

- Background Checks**

- Conditional job offer**

- Medical Exam/Drug Tests**

- Selection Decision**

Placement

Socialization

**Teaching the
corporate culture and
philosophies about
how to do business.**



Socialization

- 👉 **Orientation**
- 👉 **Welcome party**
- 👉 **Job rotation**
- 👉 **On job training**
- 👉 **etc.**



Summary



Recruitment & Placement

Next....

Human Resource Management

Lecture-41

Human Resource Management

Lecture-42

Summary of Lecture-41



Recruitment & Placement

Today's Topics



Training & Development

Orientation Training

**Topics covered
in employee
Orientation
program**

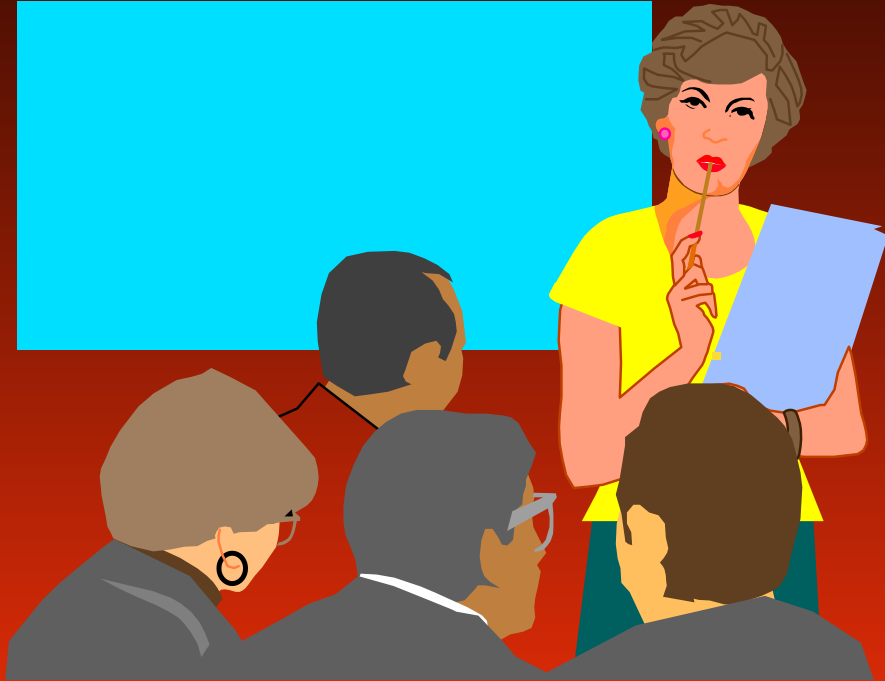
Introduction

Job Duties

Organizational Issues

Employee Benefits

Training



A process whereby people acquire capabilities to aid in the achievement of organizational goals.

“The Peach was once a bitter almond; cauliflower is nothing but cabbage with a college education”

Phases of Training

1. Needs assessment

a) “What’s the issue?”

2. Design of training

a) “What content will address it?”

3. Delivery of training

a) “How will the training be given?”

4. Evaluation

a) “How will we know its effect?”

b) “Did it work?”

Training Methods



👍 **Lecture**

👍 **Case method**

👍 **Simulations**

👍 **Internships**

 **Mentoring**

 **Discussions**

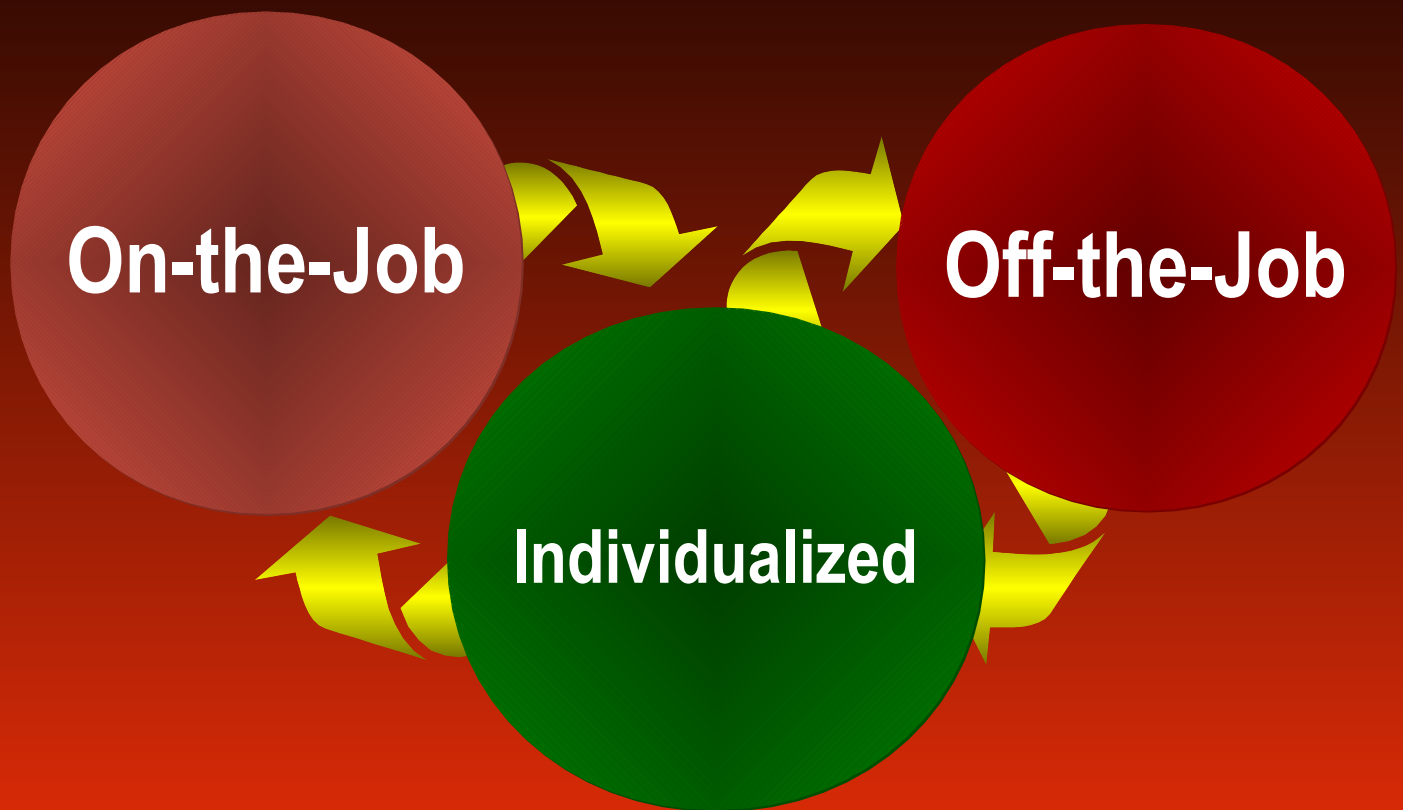
 **Games**

 **Role playing**

 **Computer-based**

 **Video training**

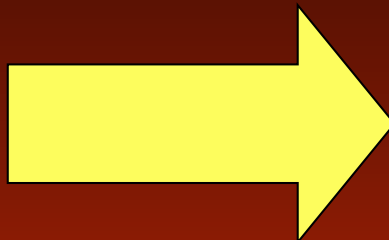
Workplace Training Methods



Transfer of Training



**From
Classroom**



To Job

Learning Principles



👍 **Participation**

👍 **Repetition**

👍 **Relevance**

👍 **Transference**

👍 **Feedback**

Remember

- Hear
- Hear & see
- Hear, see, & do

Improves
remembering

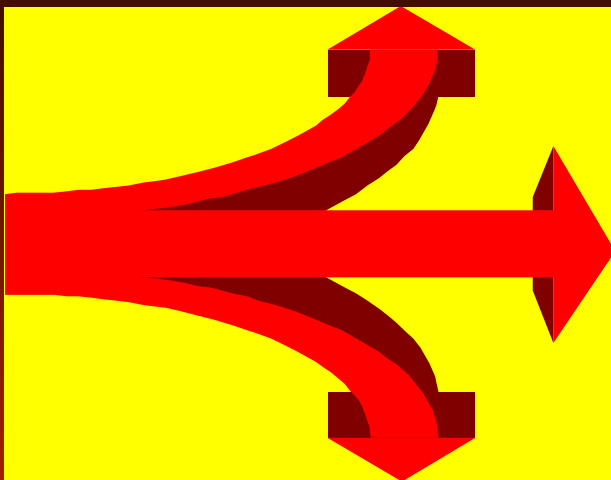


Human Resource Development (HRD)

Training is part of HRD.

Training &
Development

H
R
D



Organization
Development

Career
Development

Training for the present,
Educating for the future,
Developing to lead.



Training vs. Development

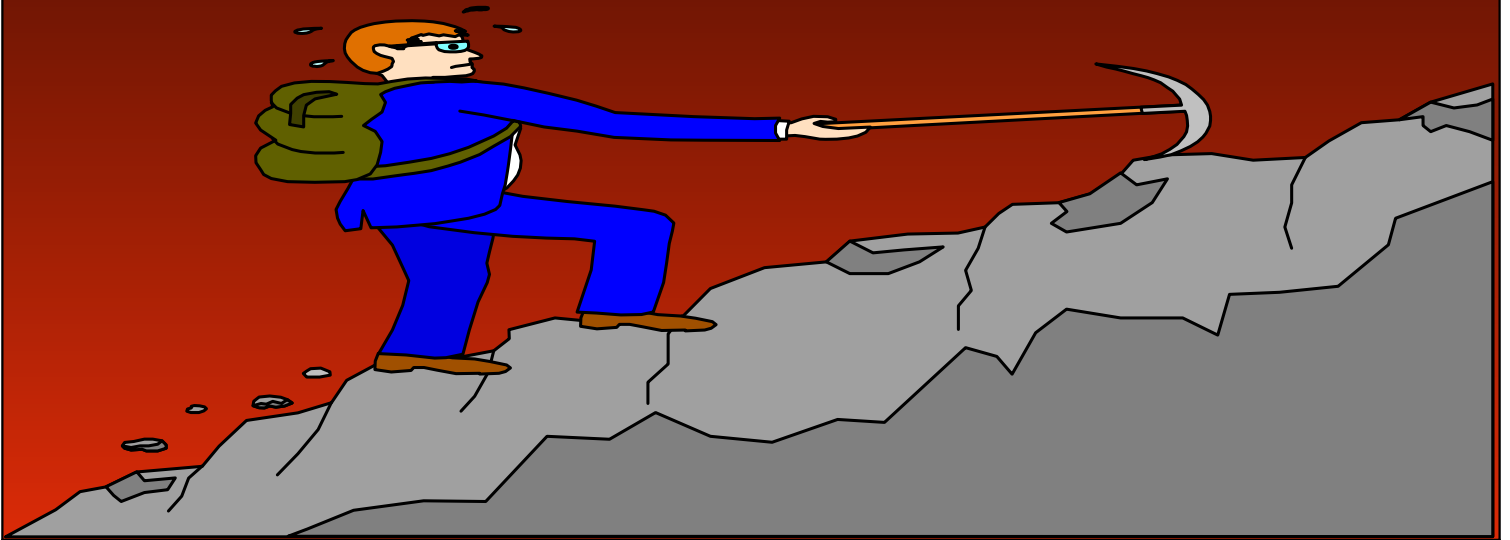
Training

Current Jobs

Development

Future Jobs

Career



Performance

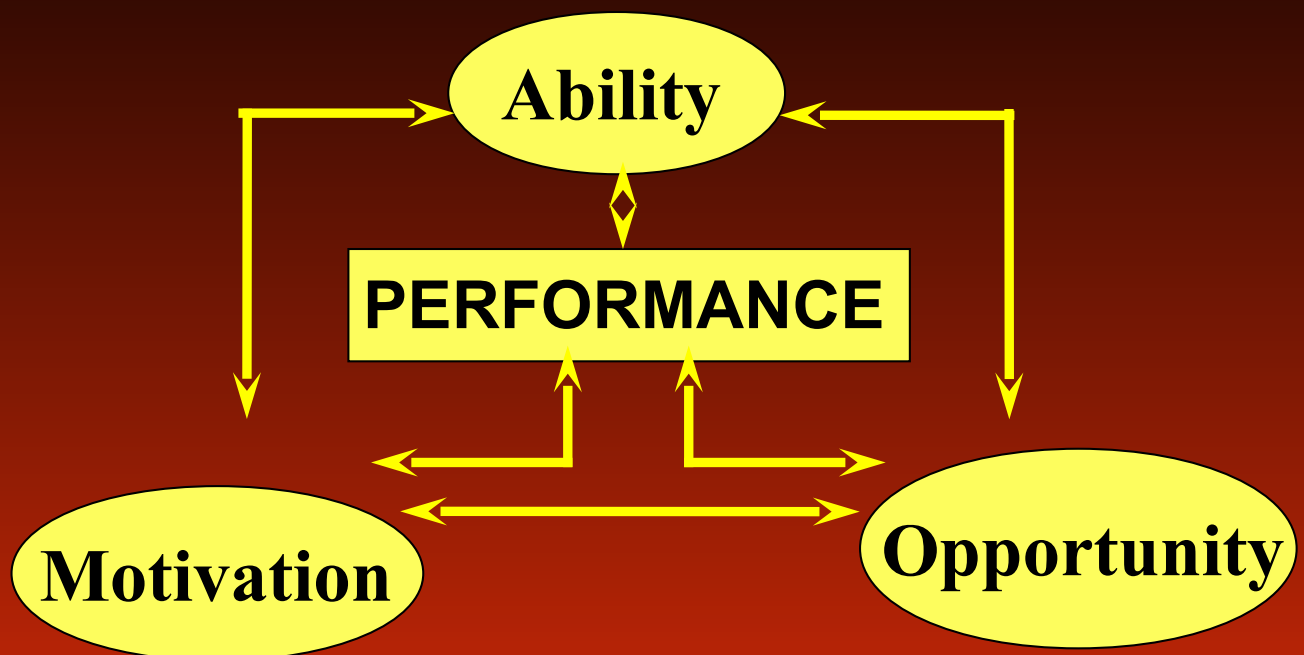
☞ **Performance = A * E * S**

☞ **A: Ability**

☞ **E: Effort**

☞ **S: Organizational Support**

Why Do We Care?



Performance =
f (Ability, **Motivation**, Opportunity)

Performance Appraisal



The ongoing process of evaluating and managing both the behavior and outcomes in the workplace.

What's in performance evaluation system?

Organization...

- WHY is performance measured? (use)
- WHAT is measured? (criteria)
- HOW is it measured?
- WHO measures performance?
- WHEN is it measured? (timing)

Objectives of Performance Appraisal



What to evaluate?

👍 **Traits**

👍 **Behaviors**

👍 **Task Outcomes**

Appraisal process



 **Determine performance requirements.**

 **Choose an appropriate appraisal method.**

 **Train supervisors.**

 **Discuss methods with employees.**

 **Appraise according to Job standards.**

 **Discuss appraisal with employees.**

 **Determine future performance goals.**

Performance Appraisal methods

- **Rating Scales**

- **Graphic Scales**

- **Comparative Methods**

- **Ranking**

- **Forced Distribution**

- **Paired Comparison**

- **Critical Incidents**

- **Annual Review**

- **Checklist**

- **Behaviorally Anchored Rating Scale (BARS)**

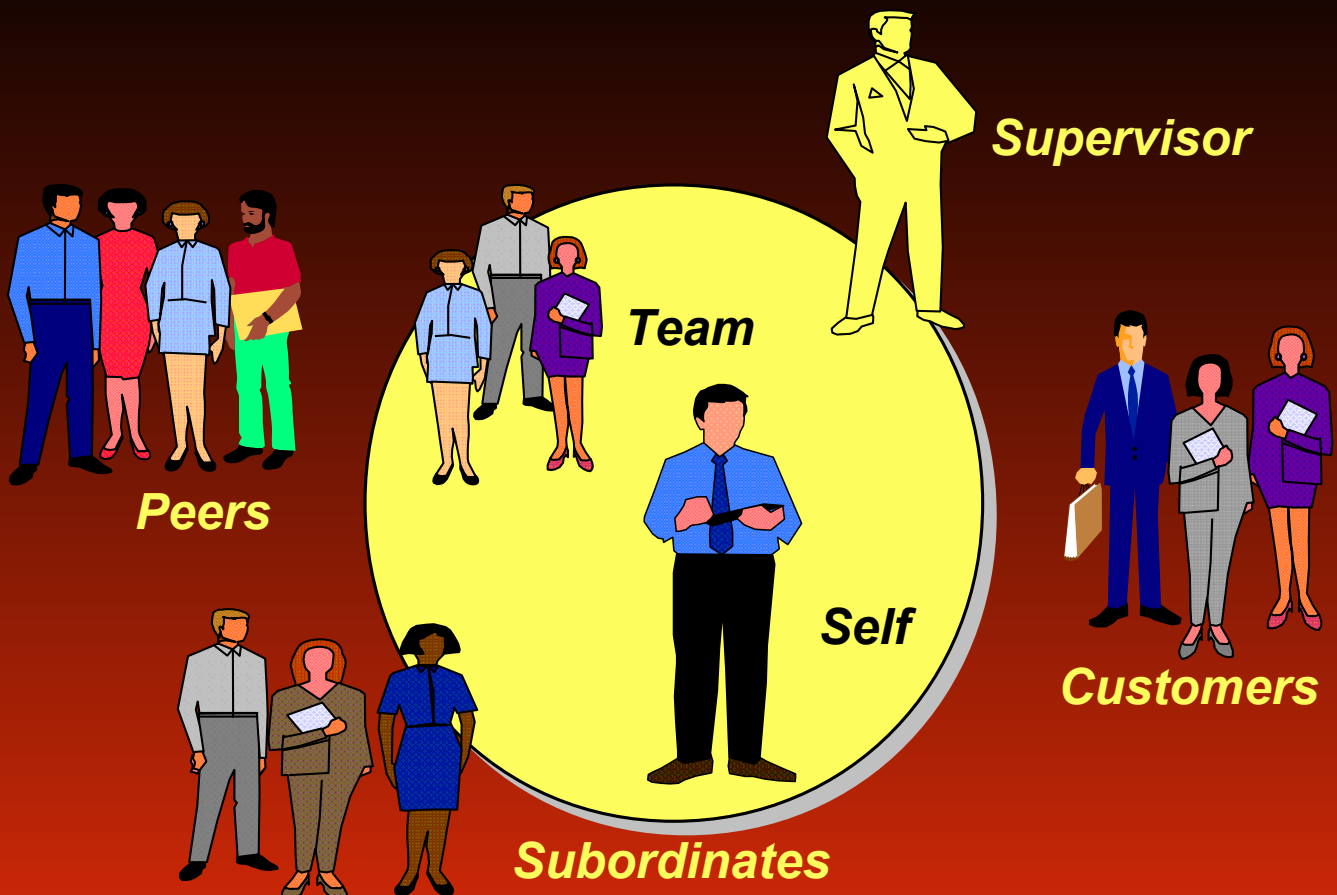
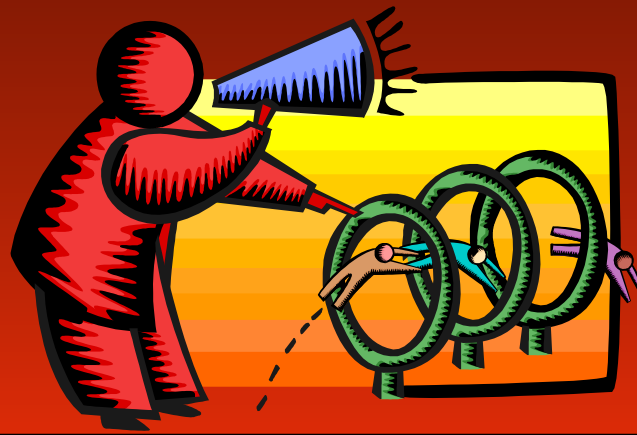
- **Essay**

- **MBO**

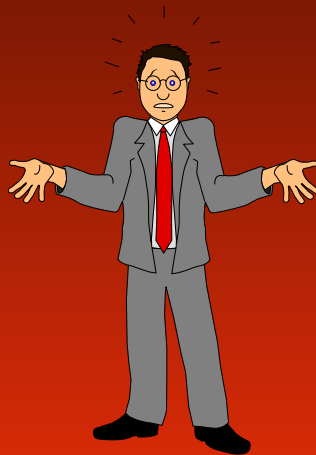
- **Combination Methods**



Who Should Do the Rating?



Common Rater Errors in PA's

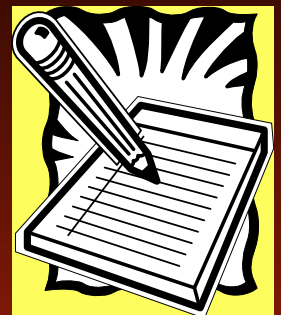


➡ **Supervisory Bias**

➡ **Halo Effect**

➡ **Central Tendency**

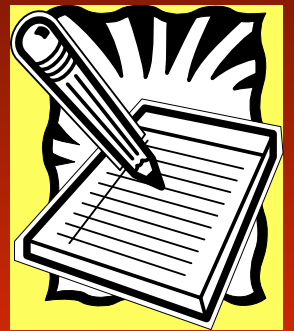
➡ **Leniency**



☞ **Strictness**

☞ **Recency**

☞ **Overall Rating**



**Let's stop
it here**



Summary



Training & Development

Next....

Human Resource Management

Lecture-42

Human Resource Management

Lecture-43

Summary of Lecture-42



Today's Topics



Job Evaluation



👉 **Process for ensuring
internal equity (jobs of
comparable worth receive
comparable wages)**

So.....

**The comparison
results in a wage
or salary hierarchy**

**Choosing a Job
Evaluation
Method**

There are four general job evaluation methods.

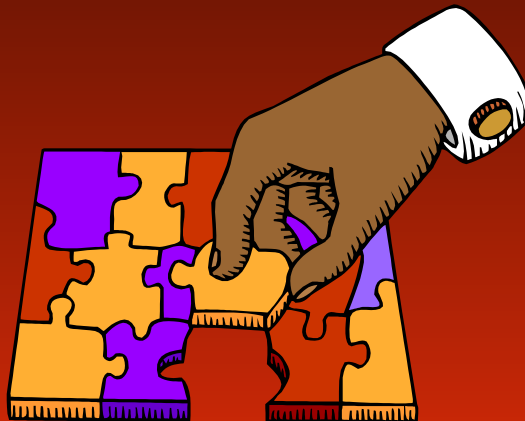
👉 ***Ranking***

👉 ***Classification***

👉 ***Factor comparison***

👉 ***Point factor***

Job Pricing





Job Evaluation

Pay Surveys

**Pay
Policies**

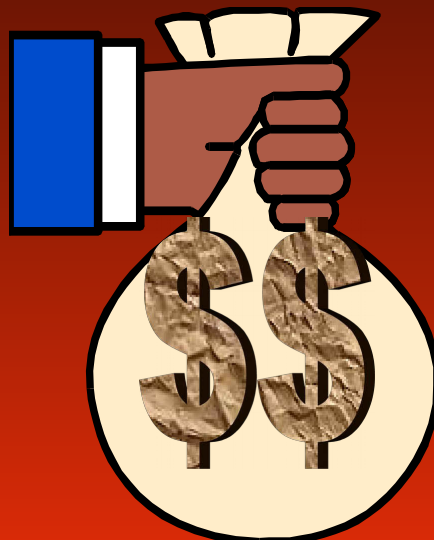
Pay Structure

Individual Pay

**Performance
Appraisal**

**Implementation, Communication,
Monitoring**

Compensation system



Compensation of Employees

Extrinsic Rewards

Monetary Rewards

Hourly Wages
Salary
Bonuses
Commissions
Pay Incentives

Benefits

Insurance
Retirement
Paid Vacations
Food Services
Credit Union
Recreation

Intrinsic Rewards

Recognition
Promotion Opportunities
Working Conditions
Interesting Work

Strategic Role of Benefits

 **Benefits absorb social costs for health care and retirement.**

 **Benefits influence employee decisions about employers (e.g., recruitment and retirement).**

 **Benefits are increasingly seen as entitlements.**

 **Benefit costs are about 40% of total payroll costs.**

Types of Benefits & Services

- **Insurance Benefits**

- **Medical Insurance**
- **Vision Insurance**
- **Dental Insurance**
- **Mental Health Insurance**
- **Life Insurance**
- **Disability Insurance**



● **Employee Security Benefits**

- **Employment Income Security**
- **Retirement Security**

● **Time-Off Benefits**

- **On-the-job Breaks**
- **Sick Days Pay**
- **Holidays & Vacations**
- **Leaves of Absence**

● **Work Scheduling Benefits**

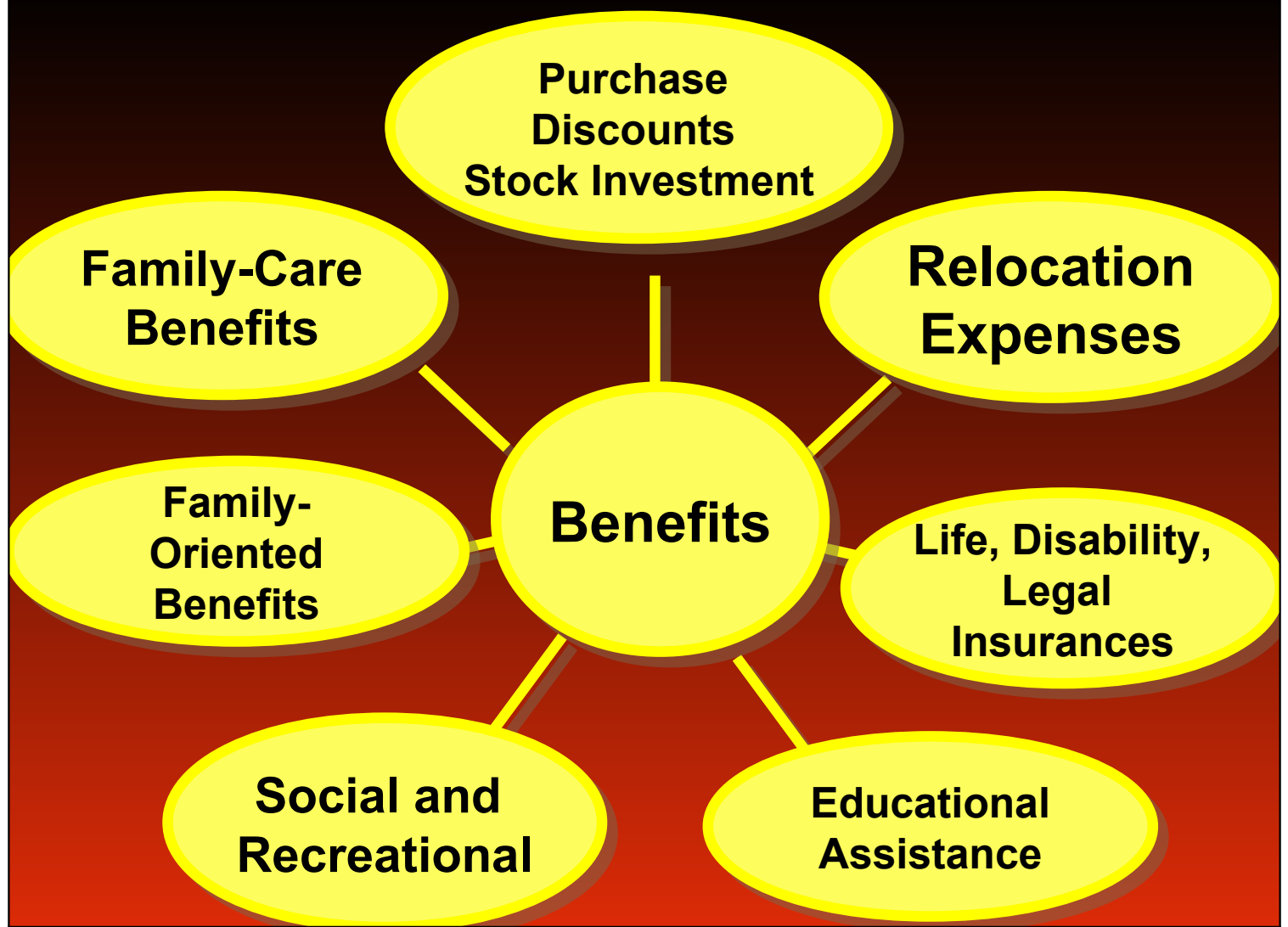
- **Shorter Work Times**
- **Flextime**
- **Job Sharing**

● **Employee Services**

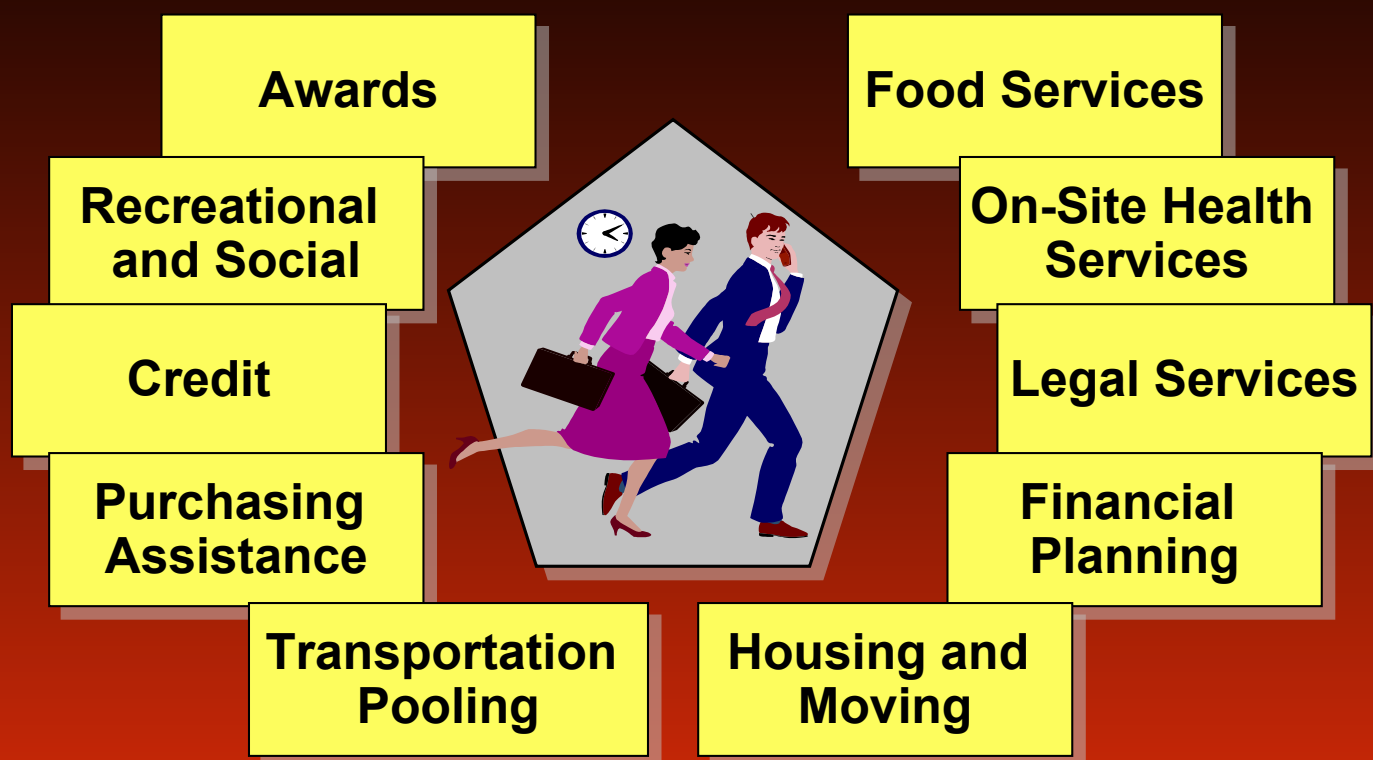
- **Educational Assistance**
- **Financial Services**
- **Social Services**

- **Family Oriented**
 - **Child Care**
 - **Elder Care**
 - **Relocation Programs**

Other Benefits



Other Employee Benefits and Services



Pay-for-Performance

👍 **A compensation philosophy of higher pay for higher contributions**

👍 **Performance will be calculated on - corporate performance and personal performance .**

Types of Pay- for-Performance Plans

- **Individual-Based plans**

- **Merit Pay**

- **Bonus program or lump-sum payment**

- **Award**

- **Team-Based plans**

- **Plant-wide plans (gain sharing)**

- **Corporate-wide plans (profit sharing)**

The Role of Money

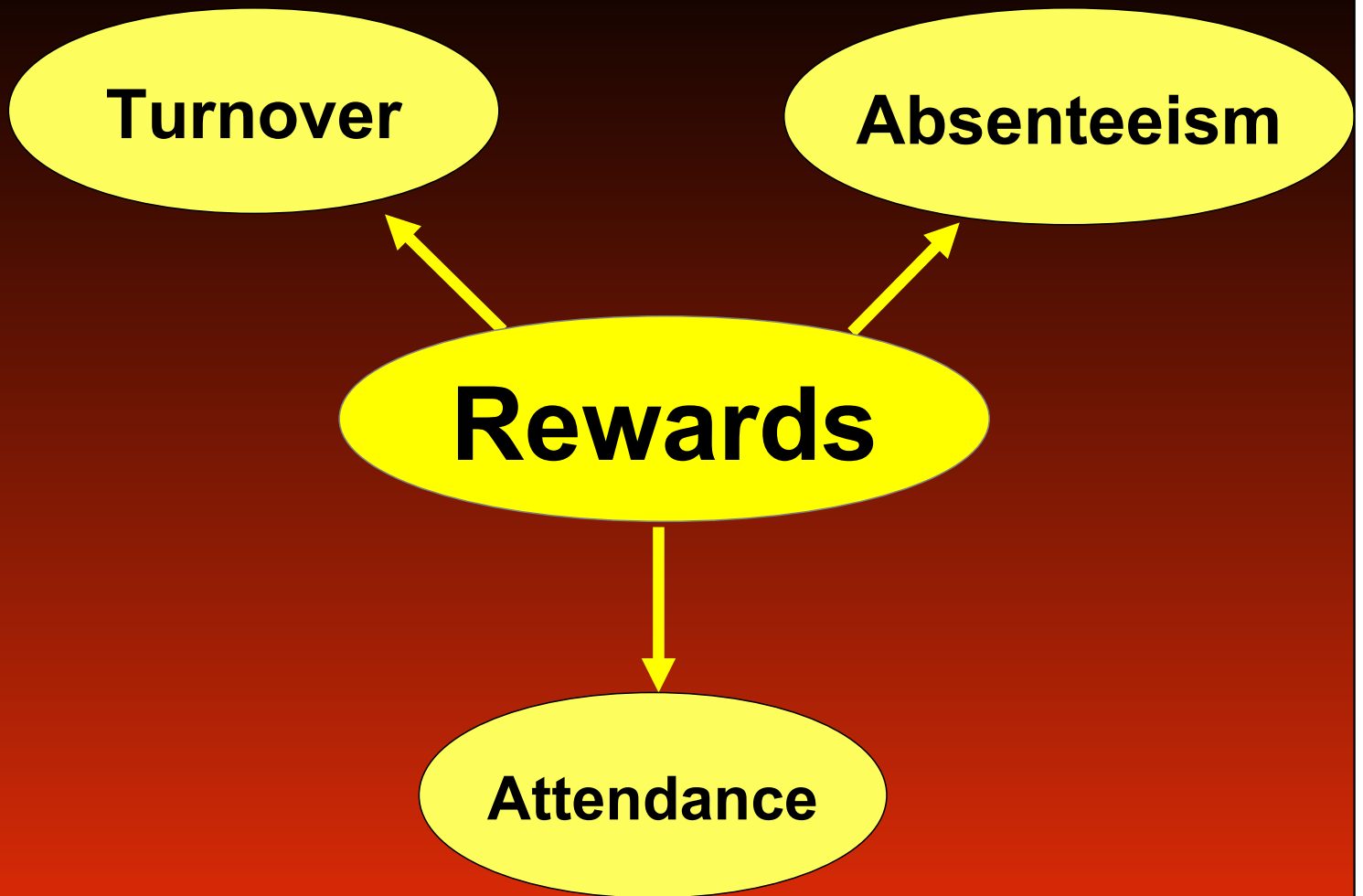
**When someone
says, “It’s not the
money, it’s the
principle,
it’s the money!”**

-- Anonymous

Money as a Motivator



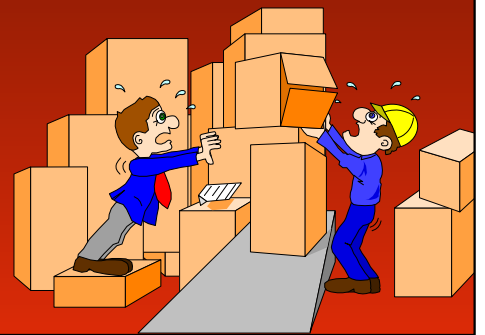
Rewards and other Employee Behaviors



Health & Safety



Occupational health & safety refers to the **physiological-physical** and **psychological** conditions of a workforce that result from the work environment provided by the organization.



Elements of Workplace Safety and Health

- **Physical Conditions:**

- **Conditions resulting from the workplace environment that include occupational diseases and accidents, such as:**

- **Repetitive motion injuries**
 - **Back pain**
 - **Cancer**
 - **Etc.**

Occupational diseases & accidents

- Loss of life
- Loss of limb
- Back pain
- Cardiovascular disease
- Various forms of cancer



- **Psychological Conditions:**
 - Conditions resulting from the workplace environment that result from organizational stress and low quality of working life. These include:
 - Dissatisfaction, withdrawal
 - Mistrust in others, irritability

Causes of Accidents

- **Unsafe conditions**

- **Physical conditions**

- defective equipment
 - inadequate machine guards
 - lack of protective equipment

- **Environmental conditions**

- Noise
 - dust, fumes
 - stress

- **Unsafe behaviors**

Causes of Accidents

- Human

- Overwhelming majority
- Carelessness
- Intoxication
- Daydreaming
- Inability to do the job
- Other human deficiency



Steps to Take to Reduce Workplace Accidents

 **Reduce unsafe conditions.**

 **Reduce unsafe acts.**

 **Use posters and other propaganda.**

 **Provide safety training.**

 **Use positive reinforcement.**

 **Emphasize safety.**

 **Establish a safety policy.**

👍 **Set specific loss control goals.**

👍 **Conduct safety and health inspections regularly.**

👍 **Monitor work overload and stress.**

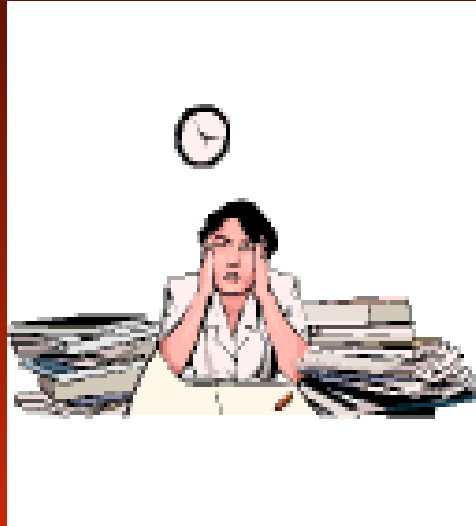
👍 **Safety committees.**

Violence Prevention Suggestions

- **Develop a plan**
- **Review policies**
- **Treat with respect and dignity**
- **Problems occur**
 - **Disciplined too harshly**
 - **Laid off without reason**



What is Stress?

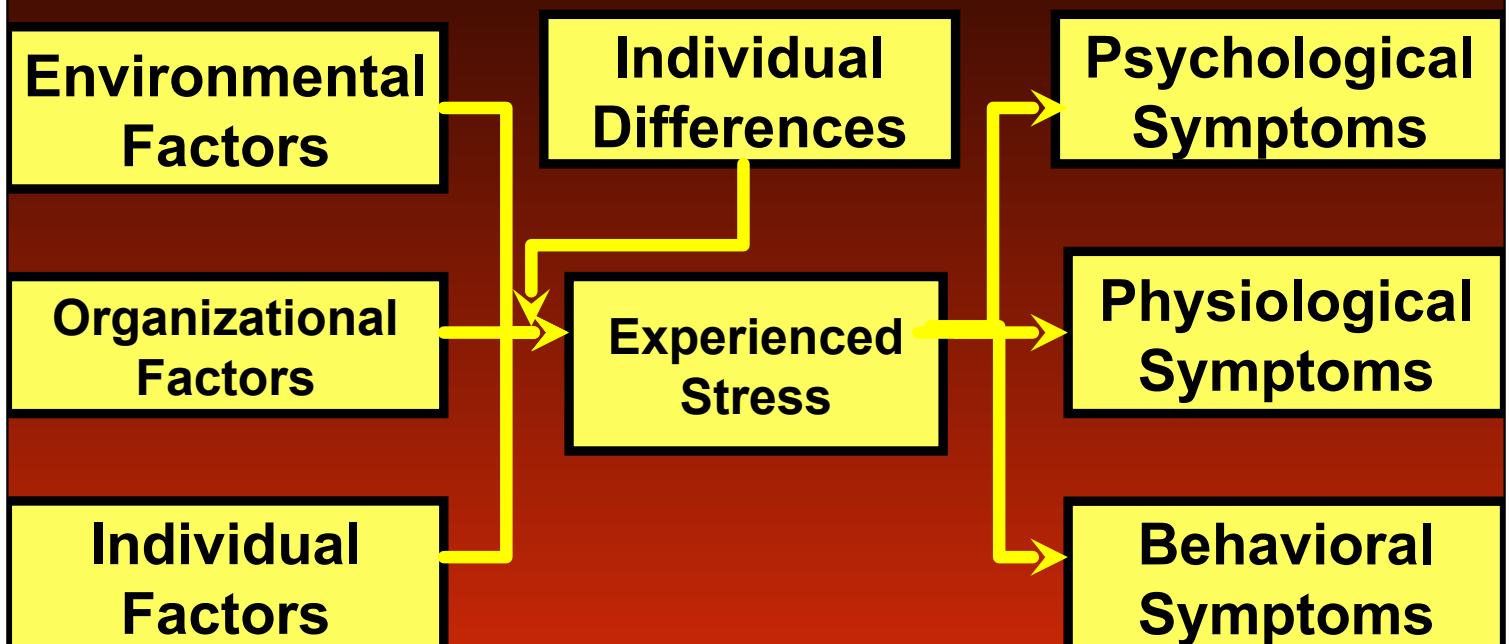


Stress is an adaptive response, moderated by individual differences, that is a consequence of any action, situation, or event that places special demands on a person.

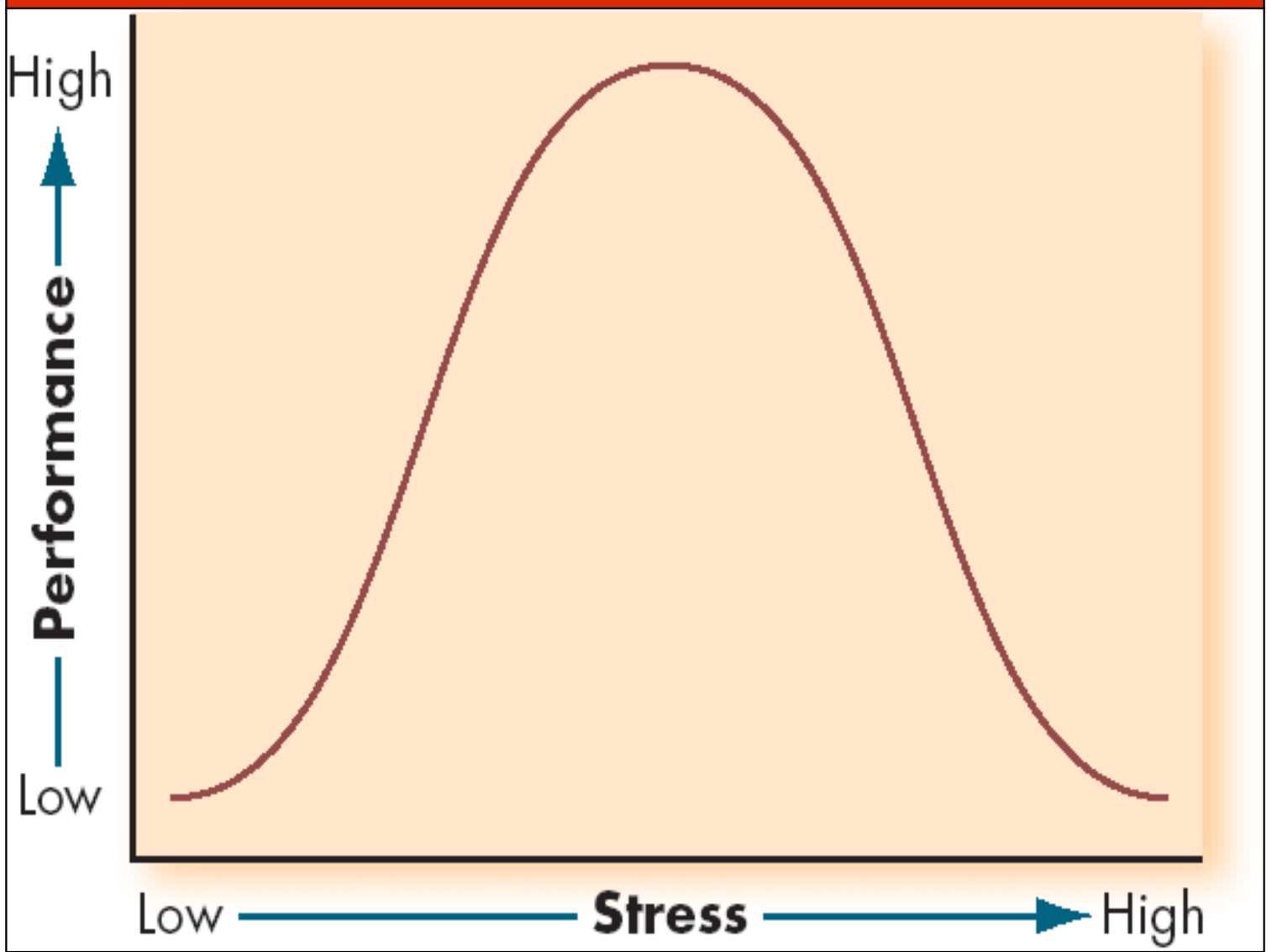
A Model of Stress

Potential Sources

Consequences



Is stress good or bad?



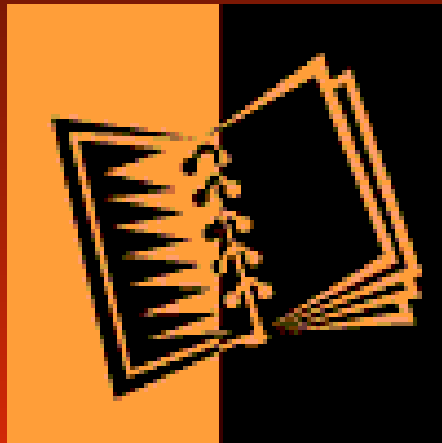
Stress Management and Prevention

Stress Management Programs

- **Training**
 - Time management
 - Coping skills
- **Wellness**
 - Assessment
 - Self-help materials
 - Group programs
- **Relaxation**



Employee Handbook



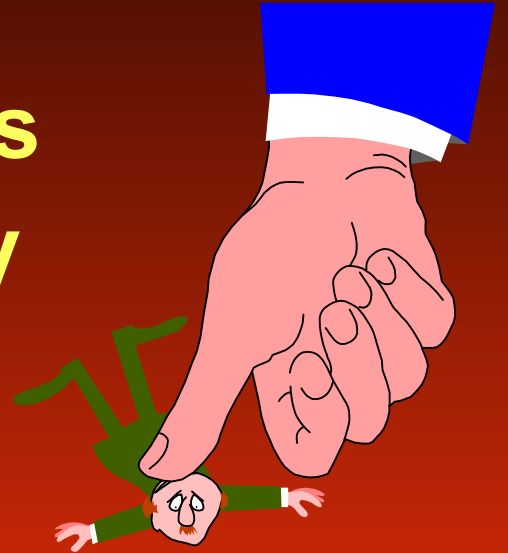
Understanding Unions and their Impact on HRM

Functions of Union

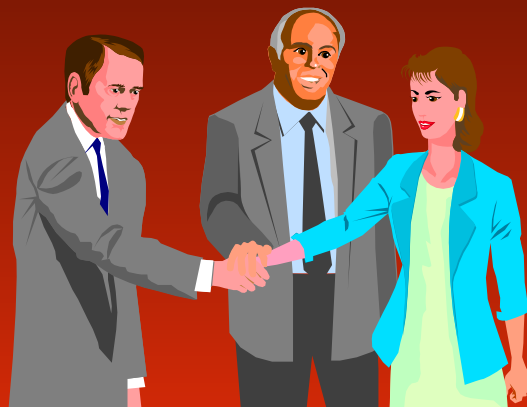
- **Bargain for improved wages, hours, working conditions and benefits for members**
- **Protect members for arbitrary management actions**
- **Provide services and assistance to members**
- **Present the social aspirations and political ideology of members to the public.**

Union Benefits

- Higher wages and benefits
- Influence work rules
- Greater job security
- Dealing with management



Collective Bargaining

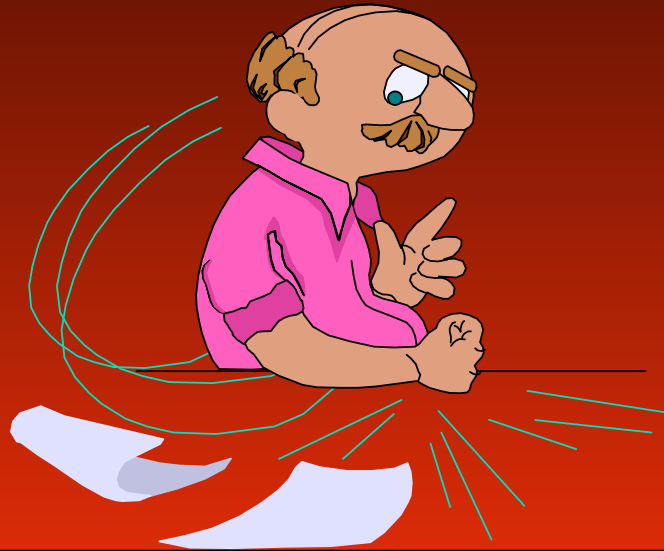


Collective Bargaining Objectives



- **Contract agreement**
- **Acceptable to both parties**
- **Common issues**
 - **Wages**
 - **Hours**
 - **Terms and conditions of employment**
 - **Grievance procedure**

Grievance



Grievance Procedure Steps



- **Start at lowest level**
- **Supervisor**
- **Manager, specialist**
- **Grievance rights arbitration**



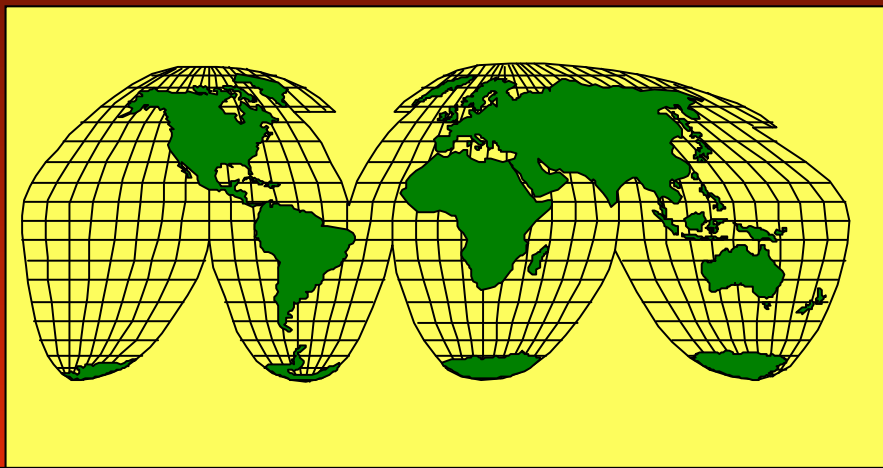
Summary





Next....

Managing Human Resources in an International Business



Human Resource Management

Lecture-43

Human Resource Management

Lecture-44

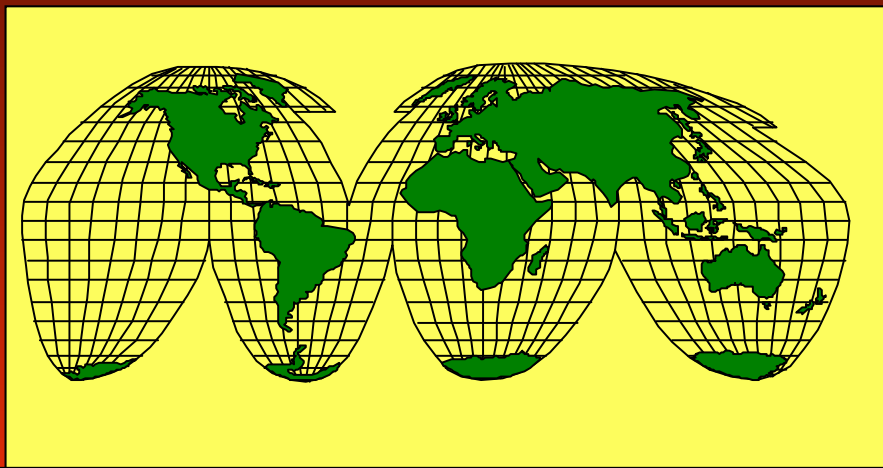
Summary of Lecture-43



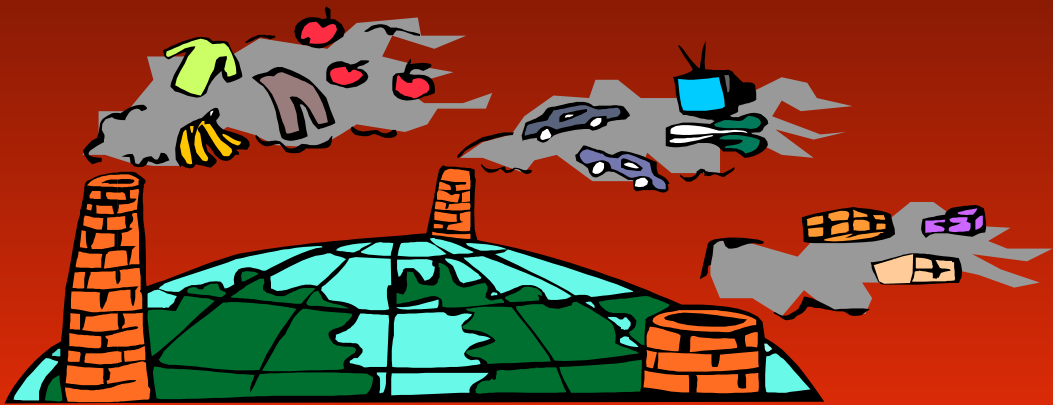


Today's Topics

Managing Human Resources in an International Business



Stages of a Global Organization



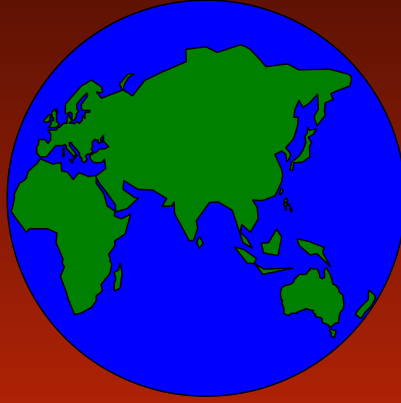
👉 **Domestic**

👉 **International**

👉 **Multinational**

👉 **Global or Trans-
national**

Why?



The Evolution of Global Business



👉 Exporting - Selling abroad

👉 Licensing - Organization grants a foreign firm the right to use intellectual properties

👉 Franchising - Parent company grants another firm the right to do business in a prescribed manner

👉 Multinational corporation - Firm that is based in one country and produces goods or provides services in one or more foreign countries

👉 Global corporation - Has corporate units in a number of countries that are integrated to operate as one organization worldwide

Expatriate

**A citizen of one country
living and working in
another country.**



Multinational Corporation (MNC)

**A firm with assembly and
production facilities in several
countries and regions of the
world.**

Transnational Corporation

A firm with operations in many countries and highly decentralized operations. The firm owes little allegiance to its country of origin and has weak ties to any given country.

HR and International Business Challenge



- 👉 What HRM strategies are appropriate at different stages of internationalization?**
- 👉 How is the best employee mix (host-country and expatriate) determined?**
- 👉 Why do international assignments fail?**
- 👉 How are returning employees re-integrated into the firm?**

👉 Development

- 👉 Knowledge & innovation dissemination**
- 👉 Identifying and development talent on a global basis**

How Inter-country difference affects HRM?

👉 **Cultural factors**

👉 **Economic factors**

👉 **Labor cost factors**

Cultural Perspective



Cultural Environment

Language, religion, values,
attitudes, education, social
organization, technology,
politics, and laws of a
country

Dimensions to Culture

- 👍 **Power distance**
- 👍 **Individualism**
- 👍 **Uncertainty avoidance**
- 👍 **Masculinity/femininity**
- 👍 **Long-term/short-term orientation**



Dimensions on Which Cultures Differ

👉 **The nature of people**

👉 **How people relate to others**

👉 **Primary mode of activity**

👉 **Conception of space**

👉 **Time orientation**

Impact of Culture on IHRM Practices



Aspects of culture you can see

👍 Dress

👍 Food

👍 Climate

👍 Housing

Aspects of culture you can't see

- 👍 **Communication style**
- 👍 **What motivates people**
- 👍 **Role expectations**
- 👍 **Negotiation styles**
- 👍 **Non-verbal communication**
- 👍 **Tempo of work**
- 👍 **How tasks are assigned**
- 👍 **Attitude toward authority**

Cross-Cultural Differences in the Workplace

- **How interviews should be conducted**
- **How managers should act with their subordinates**
- **How negotiations should be conducted**
- **How training should be delivered**
- **How people should be paid for work**

Difference in economic systems

**In free enterprise systems-the
need for efficiency tends to
favor HR policies that value
productivity, efficient workers
and staff cutting where market
dictate**

**In more socialist systems, HR
practices tend to shift
toward preventing
unemployment, even at the
expense of sacrificing
efficiency**

Why Discuss IHRM?

**Becoming truly global
requires effective
management of a
diverse international
labor force**

Defining “IHRM”

International HR Management is the strategic integration and alignment of HR practices with business objectives to enhance firm and employee performance around the globe

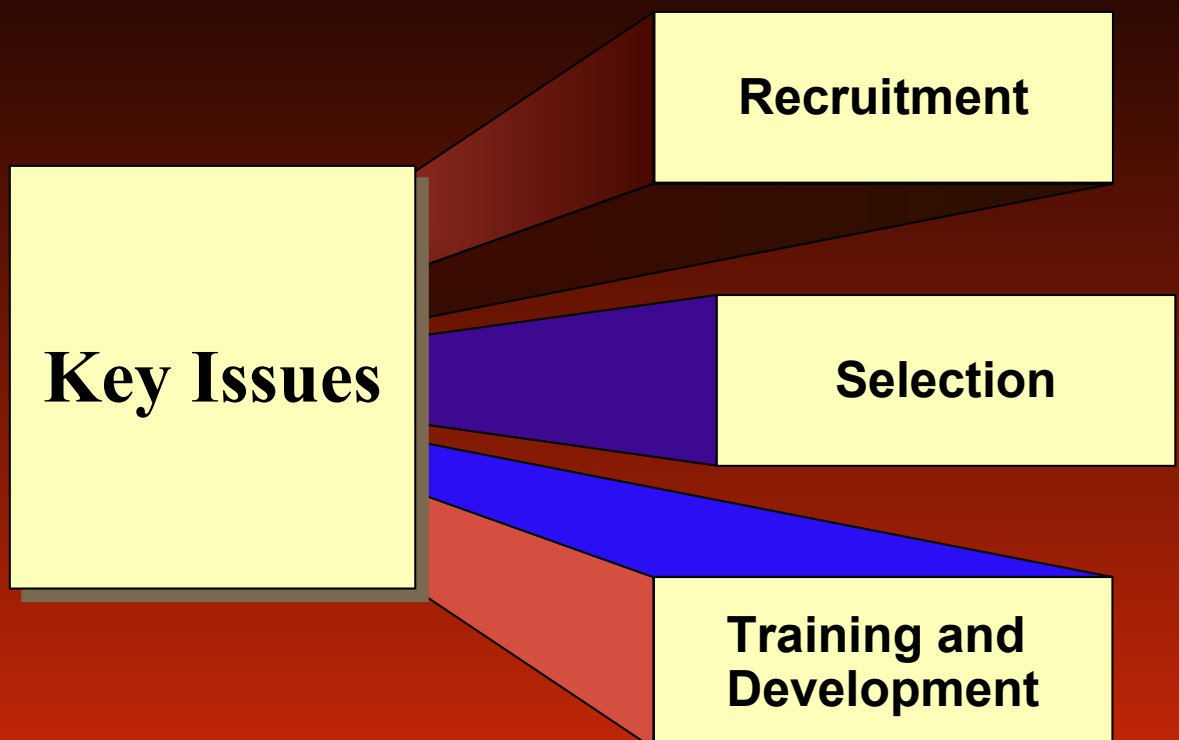
**Think about how you would get talent
IN → THROUGH → OUT
of an organization on a global scale:**

- Recruiting**
- Selection**
- Compensation**
- Benefits**
- Performance Management**
- Training**

Global HR: HR Planning

- 👍 In deciding level of international involvement of the business....
 - HR provides information about relevant HR issues (e.g., local market pay rates, labor laws)
- 👍 Decisions about where & how many employees are needed for each facility

International Staffing



Global HR: Selection

- 👉 **Identify host-country, parent-country, & third-country nationals**
 - Hire locally? For which jobs?
- 👉 **Anticipate emotional cycle associated with foreign assignment:**
 - Culture shock
 - Learning
 - adjustment
- 👉 **Consider criteria associated with success in working overseas:**
 - Competence in area of expertise
 - Ability to communicate verbally & nonverbally in foreign country
 - Flexibility, tolerance of ambiguity, & sensitivity to cultural differences
 - Motivation to succeed & enjoyment of challenges
 - Willingness to learn about country's culture, language, customs
 - Support from family members

Selection of Employees for International Assignments

- **Emphasize cultural sensitivity as a selection criteria**
- **Establish a selection board of expatriates**
- **Require previous international experience**
- **Screen candidates' spouses and families**

Global HR: Training & Development

- 👉 **Consider differences when developing training**
 - Norms for participation? Language? Content?
- 👉 **Cross-cultural preparation for international assignment (departure, assignment, return)**
- 👉 **International assignments as a part of career paths (development)**
 - Process for identifying employees

Four Step Approach to Training Overseas Candidates

 **Level 1** training focuses on the impact of cultural differences, and on raising trainees' awareness of such differences and their impact on business outcomes.

 **Level 2** training aims at getting participants to understand how attitudes (both negative and positive) are formed and how they influence behavior.

 **Level 3** training provides factual knowledge about the target country.

 **Level 4** training provides skill building in areas like language and adjustment and adaptation skills.

Global HR: Performance Mgmt

 **Consider legal requirements, local business practices, national culture**

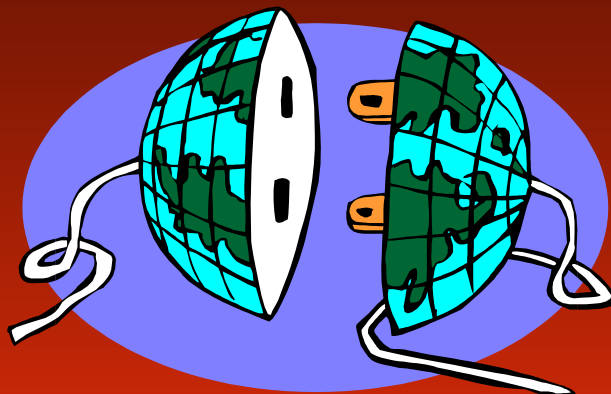
 **Think about**

- What is rated & how it is rated**
- How much performance is measured**
- Norms for providing feedback**

Global HR: Compensation

- 👍 Pay level & relative worth of jobs may differ across countries (e.g., different labor markets)
- 👍 Pay consistency vs. tailoring to location?
- 👍 Consider company costs & ability to compete
- 👍 Incentive pay
- 👍 Benefits – legal issues, expectations

Why International Assignments Fail ?



👉 **Career blockage**

👉 **Culture shock**

👉 **Lack of pre-departure cross-cultural training**

👉 **Overemphasis on technical qualifications**

👉 **Family problems**

Upon Return



👉 **Lack of Respect for Acquired Skills**

👉 **Loss of Status**

👉 **Poor Planning for Return Position**

👉 **Reverse Culture Shock**

**Managing Host Country
Employees**

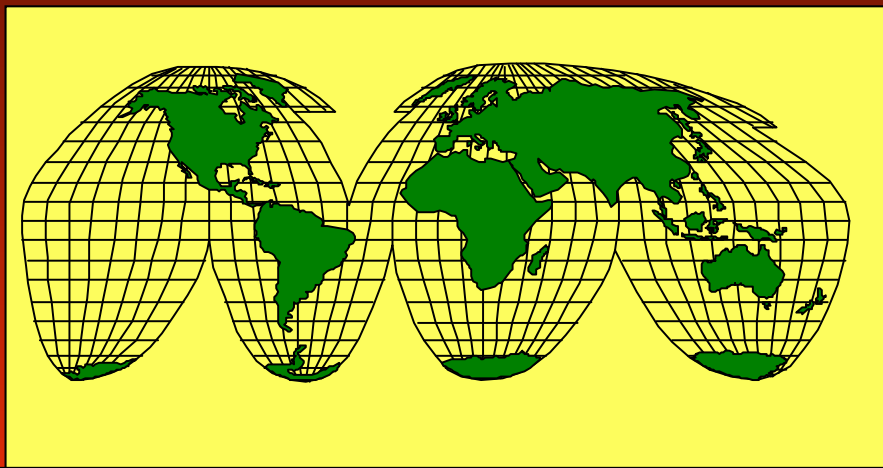
- **Adjust HRM practices to the norms and culture of the host country.**
- **Develop training programs that are compatible with the host country's views of the educational process.**
- **Develop compensation systems that are adapted to what motivates employees in the host culture.**

**Let's stop
it here**



Summary

Managing Human Resources in an International Business

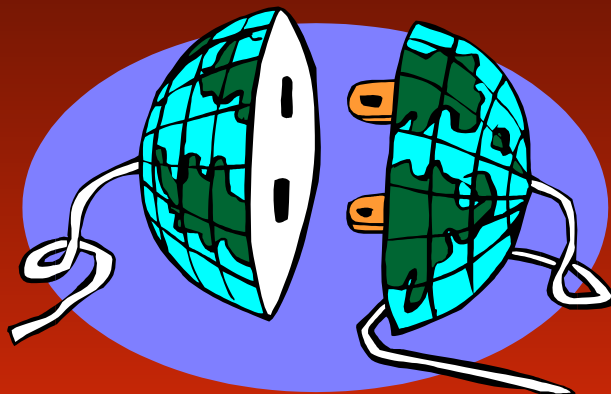


How Inter-country difference affects HRM?

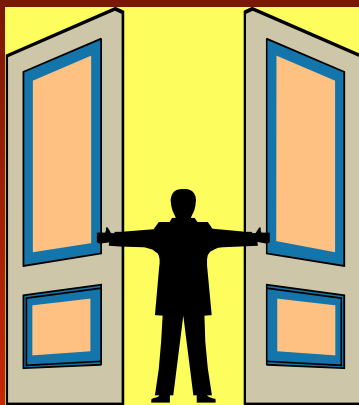
- 👉 **Cultural factors**
- 👉 **Economic factors**
- 👉 **Labor cost factors**

Why Discuss IHRM?

Why International Assignments Fail ?



Upon Return

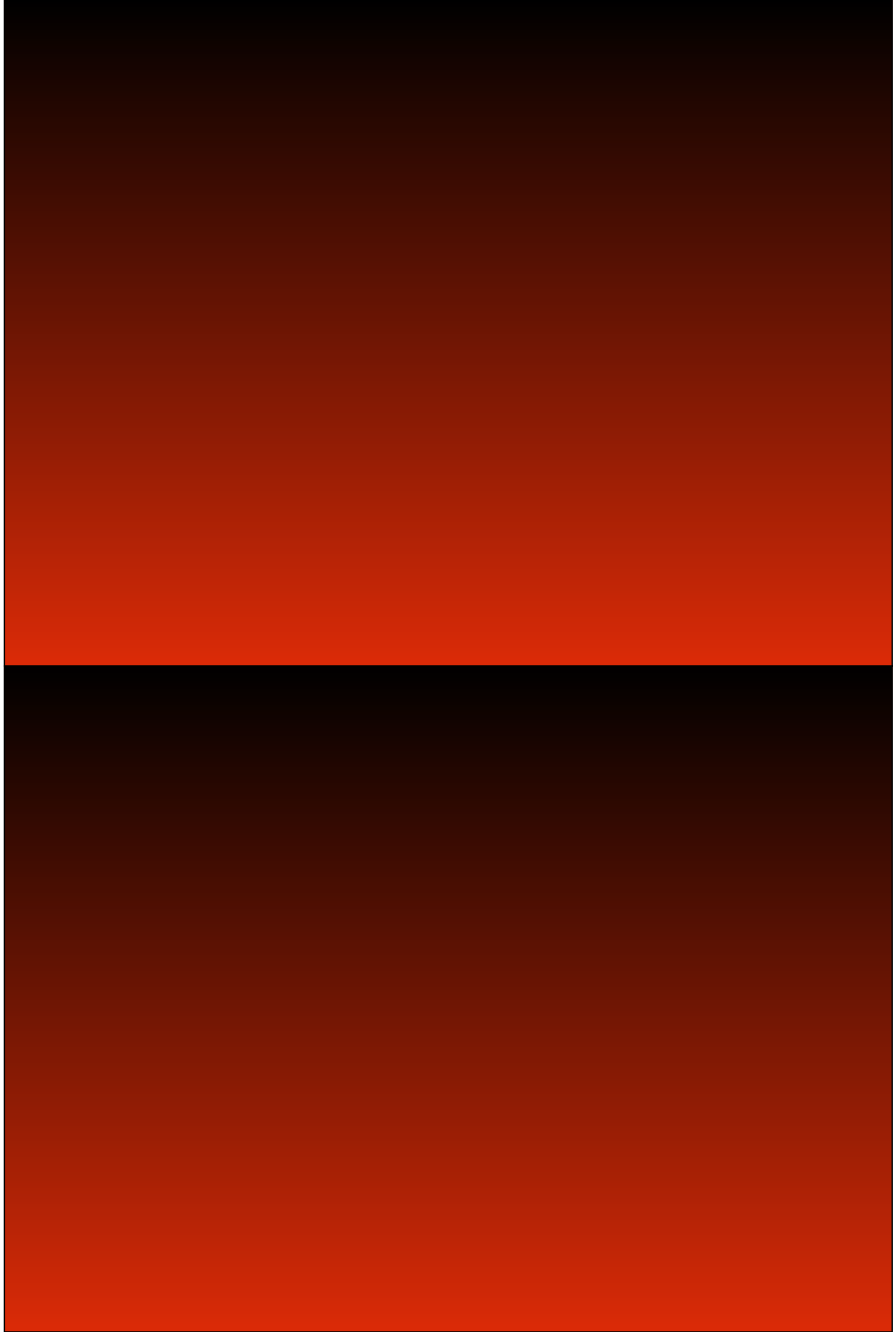


Next....

Last one....

Human Resource Management

Lecture-44



Five Figures Important in International Assignee Importance Factors' Components

1. Job Knowledge and Motivation

- **Managerial ability**
- **Organizational ability**
- **Imagination**
- **Creativity**
- **Administrative skills**
- **Responsibility**
- **Industriousness**
- **Initiative and energy**
- **High motivation**
- **Frankness**
- **Belief in mission & job**

2. Relational Skills

- **Respect**
- **Courtesy & tact**
- **Display of respect**
- **Kindness**
- **Empathy**
- **Integrity**
- **Confidence**

3. Flexibility/Adaptability

- **Resourcefulness**
- **Ability to deal with stress**
- **Flexibility**
- **Emotional stability**
- **Willingness to change**
- **Tolerance for ambiguity**
- **Adaptability**
- **Independence**
- **Dependability**
- **Political sensitivity**
- **Positive self-image**

4. Extra-Cultural Openness

- **Variety of outside interests**
- **Interest in foreign cultures**
- **Openness**
- **Knowledge of local language(s)**
- **Outgoingness**
- **Overseas experience**

5. Family Situation

- **Adaptability of spouse & family**
- **Spouse's positive opinion**
- **Willingness of spouse to live abroad**
- **Stable marriage**

The Global Marketplace

Employers:

- ◆ Importing & exporting organizations
- ◆ Multinational enterprises (MNEs)
- ◆ Global organizations

Employees:

- ◆ Parent-country national
- ◆ Host-country national
- ◆ Third-country national
- ◆ Expatriate



Compensation

- ◆ Provide expatriate with disposable income equivalent to what s/he would get at home
- ◆ Provide explicit “add-on” incentive for accepting international assignments
- ◆ Avoid having expatriates fill same jobs held by locals or lower-ranking jobs

Selecting Employees for International Assignments

- 👍 **Emphasize cultural sensitivity as a selection criteria**
- 👍 **Establish a selection board of expatriates**
- 👍 **Require previous international experience**
- 👍 **Explore the possibility of hiring foreign-born employees who can serve as “expatriates” at a future date**
- 👍 **Screen candidates’ spouses and families**

Five Major Dimensions to Culture

- ◆ **Power distance** Extent to which individuals expect a hierarchical structure that emphasizes status differences between subordinates and superiors.
- ◆ **Individualism** Degree to which a society values personal goals, autonomy, and privacy over group loyalty, commitment to group norms, involvement in collective activities, social cohesiveness, and intense socialization.
- ◆ **Uncertainty avoidance** Extent to which a society places a high value on reducing risk and instability.
- ◆ **Masculinity/femininity** Degree to which a society views assertive or “masculine” behavior as important to success and encourages rigidly stereotyped gender roles.
- ◆ **Long-term/short-term orientation** Extent to which values are oriented toward to future (saving, persistence) as opposed to the past or present (respect for tradition, fulfilling social obligation).

Human Resource Management

Lecture-45

Today's Topics

Human Resource Management

Managerial function that tries to match an organization's needs to the skills and abilities of its employees.

Managing Human Resources



👍 To attract

👍 To Develop

👍 To Motivate and

👍 To Keep/Retain talented people

Why is HRM Important?

- ☞ Every manager manages human resources
- ☞ Human resources- the primary source of lasting competitive advantage

Traditional Sources of Competitive Advantage

👉 **Financial or Economic Capabilities**

👉 **Product Capabilities**

👉 **Technological or Process Capability**

👉 **Organizational Capability**

Strategies for Gaining Competitive Advantage

- **Cost leadership: Compete by lower costs**

- Core workforce mindset: cost reduction & effectiveness

- **Product Differentiation/Innovation**

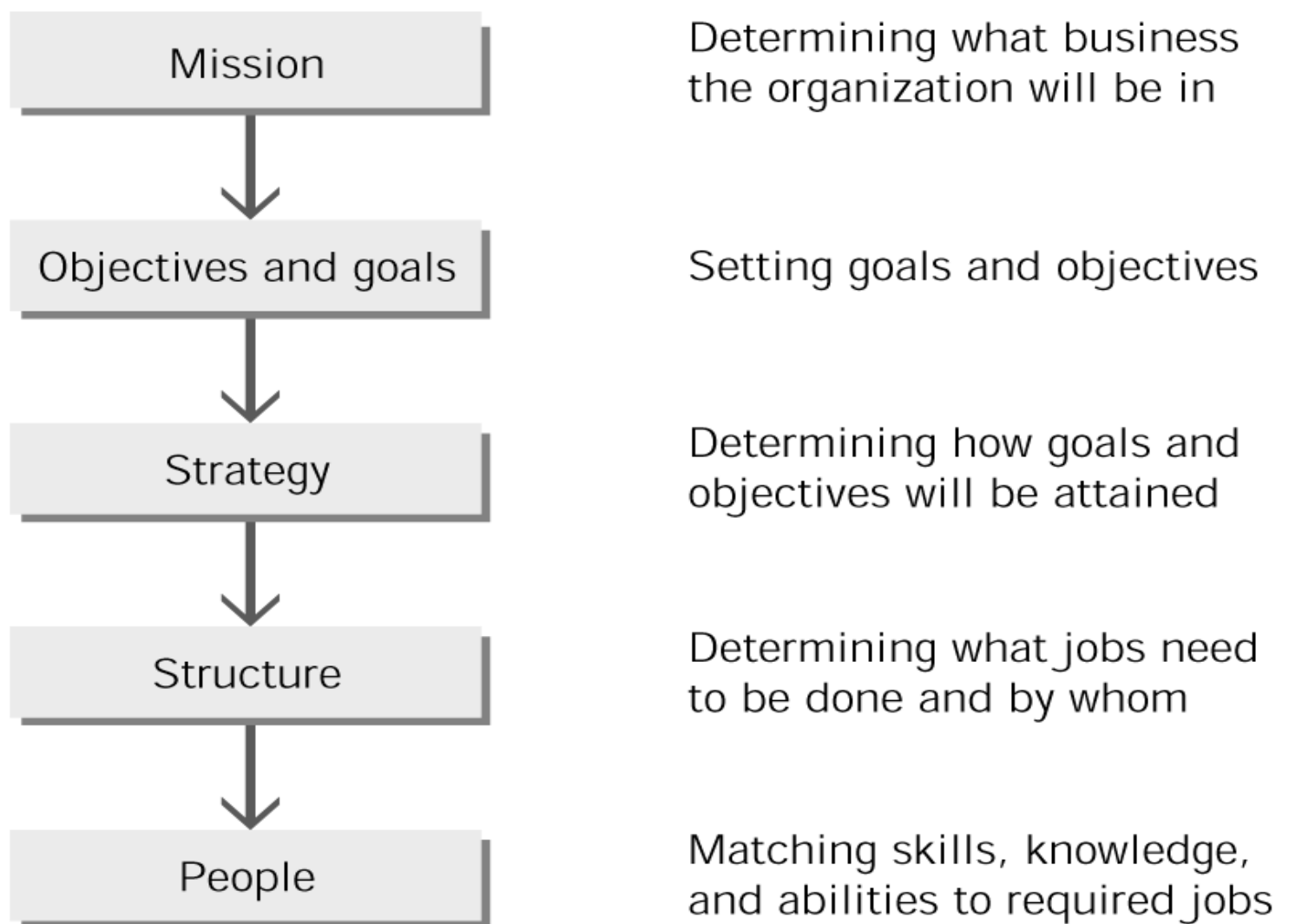
- Core mindset: innovation & flexibility

- **Focus: Best customer service or quality**

- Core mindset: reward teamwork and quality successes that surpass customer needs

- **Speed to Market**

- Core mindset: Work faster than competitors



The Strategic Importance of Managing Human Resources

- **Competitive Advantage**
 - When all or part of the market prefers the firm's products and/or services.
- **Ways firms can use HRM to gain sustainable competitive advantage:**
 - Maximize the value added by employees
 - Acquire rare employees
 - Develop a culture that can't be copied.

Human Resource Roles



- 👍 **Strategic Management Role**
- 👍 **Enabler Consultant Role**
- 👍 **Monitoring and Maintaining Role**
- 👍 **Change and Knowledge Facilitator Role**
- 👍 **Innovator Role**

Strategic Management Role



👉 **Linking the firm's HR policies and practices to the broader, longer-term needs of the firm and its stakeholders**

👉 **Includes:**

- Setting the direction
- Crafting corporate- and business-level plans
- Developing and implementing functional plans
- Measuring, evaluating, revising and refocusing

The fit between HR & business strategy

External forces



HR strategy → **Fit** ← **Business strategy**



Internal forces

Enabler and Consultant Role



👍 **Enabling line managers to make things happen**

👍 **Includes**

- Training
- Assisting with problem diagnosis
- Developing solutions with managers
- Being accessible and attuned to employee needs and concerns

Monitoring and Maintaining Role



👍 **Monitoring compliance with legal regulations and effectiveness of HR activities**

👍 **Includes**

- Monitoring morale
- Providing support during change and uncertain times

Innovator Role



👍 **Improving productivity and quality of work life**

👍 **Includes:**

- Adapting to an environment of uncertainty, energy conservation, and international competition
- Justifying the benefits and costs of programs

Change and Knowledge Facilitator Role

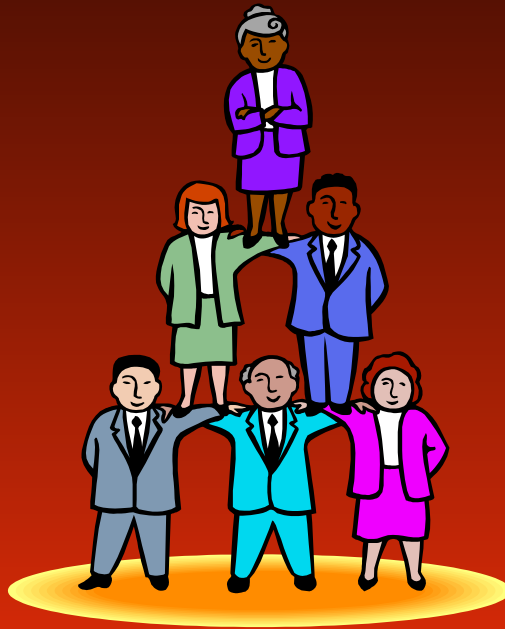


👍 **Facilitating organizational change and maintaining organizational flexibility**

👍 **Includes**

- **Focusing on the future**
- **Guiding the flow of knowledge, information and learning throughout the organization**

The HR Triad



👍 **All managers responsible for leading people**

👍 **Employees share responsibility for human resource management**

👍 **“Customerization” means:**

- Viewing people inside and outside the organization as customers to be satisfied
- Involving customers in the design of products and services

Achieving Sustainable Competitive Advantage through Employees

Valuable

Rare

**Characteristics
of Employees'
Competencies**

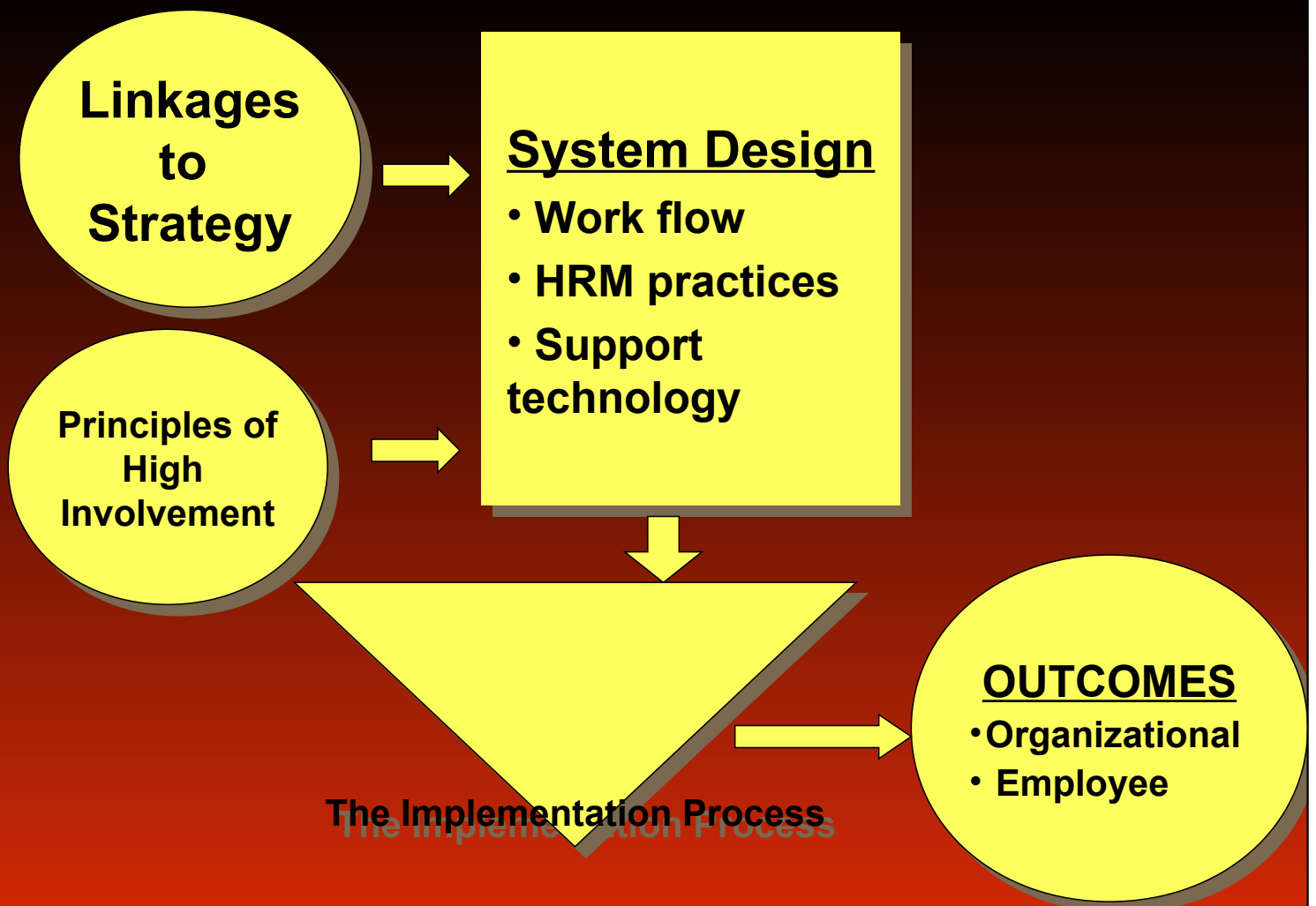
Organized

Difficult to Imitate

High-performance Work System (HPWS)

- **A specific combination of HR practices, work structures, and processes that maximizes employee knowledge, skill, commitment, and flexibility.**
- **Systems composed of many interrelated parts that complement one another to reach the goals of an organization, large or small.**

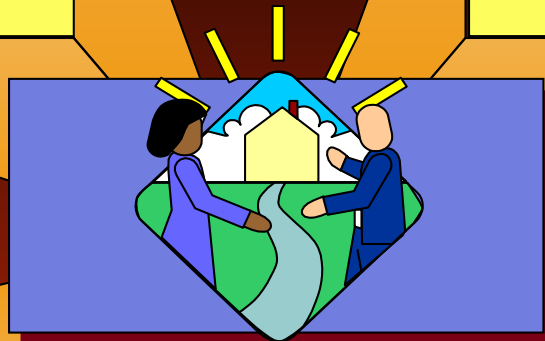
Developing High-Performance Work Systems



Underlying Principles of High-Performance Work Systems

**Shared
Information**

**Knowledge
Development**

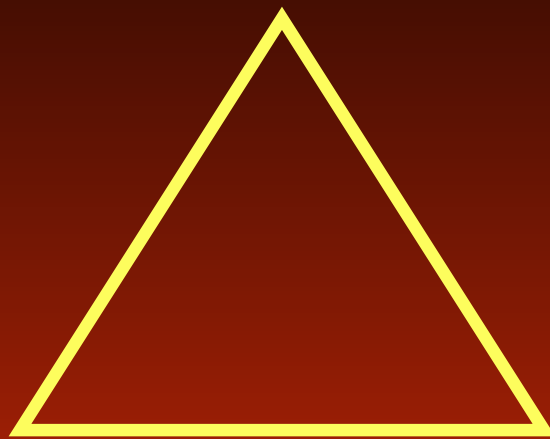


**Performance-
Reward
Linkage**

**Social
equality**

Complementary Human Resources Policies and Practices

**Training and
Development**



Staffing

Compensation

Ensuring Fit

Internal fit

- The situation in which all the internal elements of the work system complement and reinforce one another.

External fit

- The situation in which the work system supports the organization's goals and strategies.

Benefits of HPWS

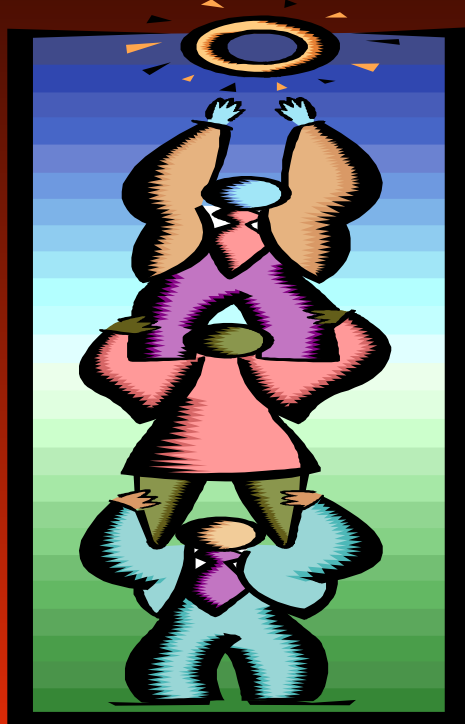
Employee Benefits

- Have more involvement in the organization.
- Experience growth and satisfaction, and become more valuable as contributors.

Organizational Benefits

- High productivity
- Quality
- Flexibility
- Customer satisfaction.

Expectations for HR Professionals



- Understand problems assigned
- Stay competent and professional through study and research
- Maintain high standards of personal honesty and integrity

- **Consider the personal interests, welfare, and dignity of all employees affected by recommendations and actions**
- **Ensure organizations maintain high regard for public interest and personal interests and dignity of employees**

Current HRM Challenges



***Managing Teams**

***Managing Diversity**

***Managing Globalization**

***Managing Change**

**Organizational
Ethics Problems
Related to HRM**

- **Using favoritism rather than ability or job performance for managerial decisions regarding:**

- **employment**

- **promotion**

- **pay**

- **discipline**

HR Professionals' Roles in Workplace Ethics

- 👍 **Monitor:** ensure all individuals are treated fairly and ethically
- 👍 **Investigator:** investigate complaints bearing on ethical issues
- 👍 **Spokesperson:** defend company's actions when confronted by a regulatory agency or the media

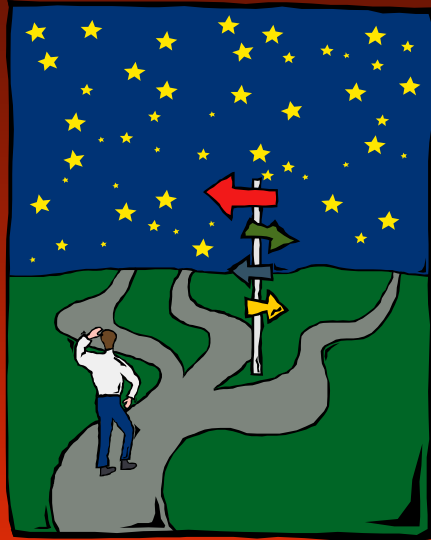
Code of Ethics for HR Professionals

-  **Maintain the highest standards of professional and personal conduct.**
-  **Encourage employers to make fair and equitable treatment of all employees a primary concern.**
-  **Maintain loyalty to employers and pursue company objectives in ways consistent with the public interest.**

 **Uphold all laws and regulations relating to employer activities.**

 **Maintain the confidentiality of privileged information.**

Code of Ethics for Human Resource Management



“Practitioners must regard the obligation to implement public objectives and protect the public interest as more important than blind loyalty to an employer’s preferences.”

Why Aren't "Best HR Practices" Used More Often?



- 👉 **Resistance to change**
- 👉 **Ignorance on the part of decision makers**
- 👉 **Political considerations**

How Can You Gain Support for “Best HR Practices?”



- 👉 **Link the use of HR practices to the solution of real business problems, and to achieving tangible business goals.**
- 👉 **Demonstrate how the benefits outweigh the costs of using “best HR practices.”**
- 👉 **Speak the language of business people, i.e., money, not correlation coefficients!**

Future HR Trends



- 👉 **Workplace Flexibility:** collaborative work in a virtual office
- 👉 **Global Business:** borderless business requires a global workforce
- 👉 **Work & Society:** working to live, not living to work
- 👉 **Workforce Development:** constant learning in a just-in-time format , learning organization & high skill utilization

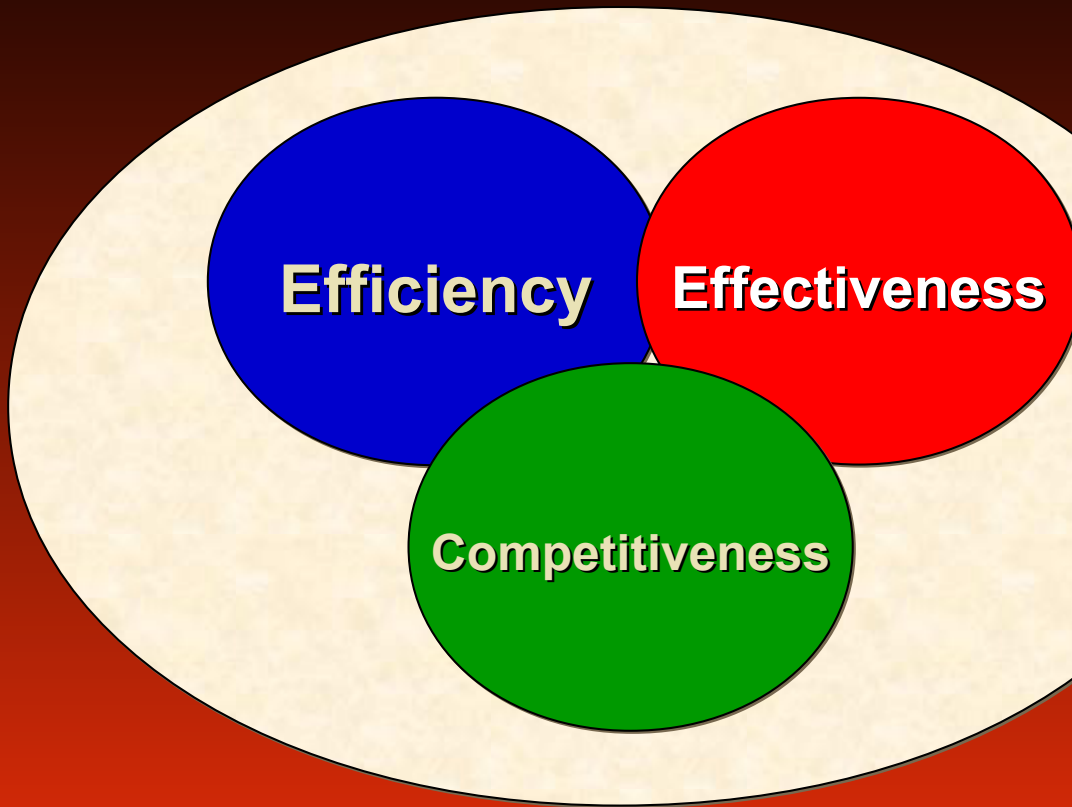
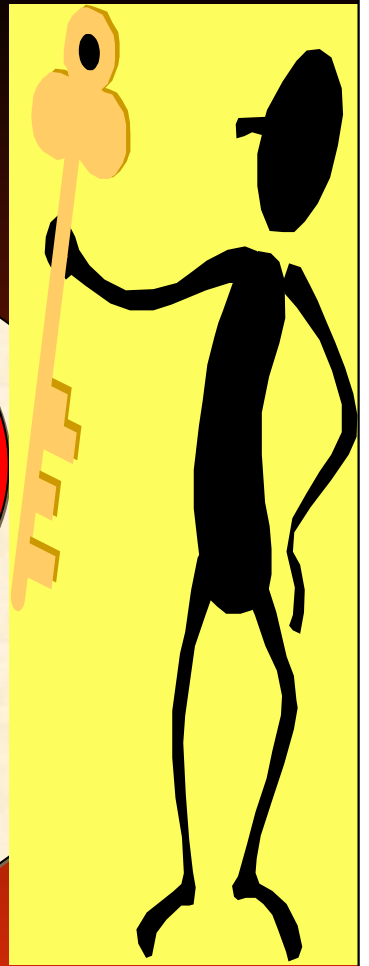
👍 **Definition of Jobs: jobs get bigger & broader**

👍 **Strategic Role of HR: becoming leaders, not just partners**

👍 **The Value of Predicting: having a vision & a way to achieve it**

Summary

The Key Issues



How to achieve it?

**Managing and
retaining learning
Human Resources..
Who deliver....**



**Think Globally
Act Locally**



**“Knowledge and
experience are
available but often
ignored”**

The End

Thanks for your
attention



Human Resource Management

Lecture-45

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Good Luck

Regards : Zarva Chaudhary

Admin:

* Zarva Chaudhary *

* Chaudhary Moazzam *

* Laiba Maki *