

MANAGING HUMAN RESOURCES





LEARNING OBJECTIVES

- Explain the importance of the human resource management process and the external influences that might affect that process.
- 2. **Discuss** the tasks associated with identifying and selecting competent employees.
 - Know how to be a good interviewee.
 - Develop your skill at being a good interviewer.
- 3. **Explain** the different types of orientation and training.
- Describe strategies for retaining competent, highperforming employees.
- Discuss contemporary issues in managing human resources.



WHY IS HRM IMPORTANT?

- ► As a significant source of competitive advantage:
 - People-oriented HR creates superior shareholder value
- As an important strategic tool
 - Achieve competitive success through people by treating employees as partners
- To improve organizational performance
 - High performance work practices lead to both high individual and high organizational performance



WHY IS HRM IMPORTANT? (CONT.)

► High – performance work practices – work practices that lead to both high individual and high organizational performance.

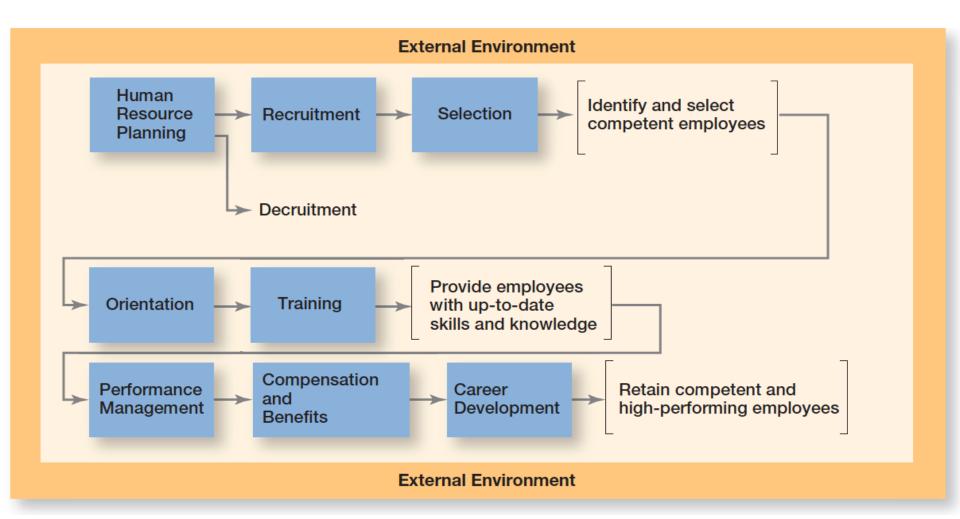


EXHIBIT 12-1 HIGH-PERFORMANCE WORK PRACTICES

- Self-managed teams
- Decentralized decision making
- Training programs to develop knowledge, skills, and abilities
- Flexible job assignments
- Open communication
- Performance-based compensation
- Staffing based on person-job and person-organization fit
- Extensive employee involvement
- Giving employees more control over decision making
- Increasing employee access to information



EXHIBIT 12-2 HRM PROCESS





EXTERNAL FACTORS THAT AFFECT THE HRM PROCESS

- ▶ The Economy's Effect on HRM
 - The global economic downturn has left, what many experts believe to be, an enduring mark on HRM practices worldwide.
 - U.S. workers have dramatically lowered their career and retirement expectations for the foreseeable future.



HUMAN RESOURCE PLANNING

- ► Human resource planning ensuring that the organization has the right number and kinds of capable people in the right places and at the right times.
 - Job analysis an assessment that defines jobs and the behaviors necessary to perform them.



HUMAN RESOURCE PLANNING (CONT.)

- Job description a written statement that describes a job.
- Job specification a written statement of the minimum qualifications a person must possess to perform a given job successfully.



RECRUITMENT AND DECRUITMENT

- ► **Recruitment** locating, identifying, and attracting capable applicants.
- ▶ Decruitment reducing an organization's workforce.



EXHIBIT 12-4 RECRUITING SOURCES

Source	Advantages	Disadvantages
Internet	Reaches large numbers of people; can get immediate feedback	Generates many unqualified candidates
Employee referrals	Knowledge about the organization provided by current employee; can generate strong candidates because a good referral reflects on the recommender	May not increase the diversity and mix of employees
Company Web site	Wide distribution; can be targeted to specific groups	Generates many unqualified candidates
College recruiting	Large centralized body of candidates	Limited to entry-level positions
Professional recruiting organizations	Good knowledge of industry challenges and requirements	Little commitment to specific organization



SELECTION

- ► Selection screening job applicants to ensure that the most appropriate candidates are hired.
 - A valid selection device is characterized by a proven relationship between the selection device and some relevant criterion.
 - A reliable selection device indicates that it measures the same thing consistently.



EXHIBIT 12-6 SELECTION DECISION OUTCOMES

	Selection Decision		
		Accept	Reject
erformance	Successful	Correct Decision	Reject Error
Later Job Performance	Unsuccessful	Accept Error	Correct Decision



EXHIBIT 12-7 SELECTION TOOLS

Application Forms

- Almost universally used
- Most useful for gathering information
- Can predict job performance but not easy to create one that does

Written Tests

- Must be job related
- Include intelligence, aptitude, ability, personality, and interest tests
- Are popular (e.g., personality tests; aptitude tests)
- Relatively good predictor for supervisory positions



EXHIBIT 12-7 SELECTION TOOLS (CONT.)

Performance-Simulation Tests

- Use actual job behaviors
- Work sampling—test applicants on tasks associated with that job; appropriate for routine or standardized work
- Assessment center—simulate jobs; appropriate for evaluating managerial potential

Interviews

- Almost universally used
- Must know what can and cannot be asked
- Can be useful for managerial positions



EXHIBIT 12-7 SELECTION TOOLS (CONT.)

Background Investigations

- Used for verifying application data—valuable source of information
- Used for verifying reference checks—not a valuable source of information

Physical Examinations

- Are for jobs that have certain physical requirements
- Mostly used for insurance purposes



SELECTION (CONT.)

▶ Realistic Job Preview (RJP) – a preview of a job that provides both positive and negative information about the job and the company.



PROVIDING EMPLOYEES WITH NEEDED SKILLS AND KNOWLEDGE

- ► Orientation introducing a new employee to his or her job and the organization.
 - Employee Training is an important HRM activity.
 - In 2011, U.S. business firms spent more than \$59 billion on formal employee training.



EXHIBIT 12-8 TYPES OF TRAINING

TYPE	INCLUDES
General	Communication skills, computer systems application and programming, customer service, executive development, management skills and development, personal growth, sales, supervisory skills, and technological skills and knowledge
Specific	Basic life-work skills, creativity, customer education, diversity/ cultural awareness, remedial writing, managing change, leadership, product knowledge, public speaking/presentation skills, safety, ethics, sexual harassment, team building, wellness, and others



EXHIBIT 12-9 TRADITIONAL TRAINING METHODS

On-the-job—Employees learn how to do tasks simply by performing them, usually after an initial introduction to the task.

Job rotation—Employees work at different jobs in a particular area, getting exposure to a variety of tasks.

Mentoring and coaching—Employees work with an experienced worker who provides information, support, and encouragement; also called apprenticeships in certain industries.

Experiential exercises—Employees participate in role playing, simulations, or other face-to-face types of training.

Workbooks/manuals—Employees refer to training workbooks and manuals for information.

Classroom lectures—Employees attend lectures designed to convey specific information.



EXHIBIT 12-9 TRADITIONAL TRAINING METHODS (CONT.)

Technology-Based Training Methods

CD-ROM/DVD/videotapes/audiotapes/podcasts—Employees listen to or watch selected media that convey information or demonstrate certain techniques.

Videoconferencing/teleconferencing/satellite TV—Employees listen to or participate as information is conveyed or techniques demonstrated.

E-learning—Internet-based learning where employees participate in multimedia simulations or other interactive modules.

Mobile learning—Learning delivered via mobile devices.



RETAINING COMPETENT, HIGH PERFORMING EMPLOYEES

- ► Performance management system establishes performance standards used to evaluate employee performance.
 - Skill-based pay a pay system that rewards employees for the job skills they can demonstrate.
 - Variable pay a pay system in which an individual's compensation is contingent on performance.



EXHIBIT 12-11 WHAT DETERMINES PAY AND BENEFITS

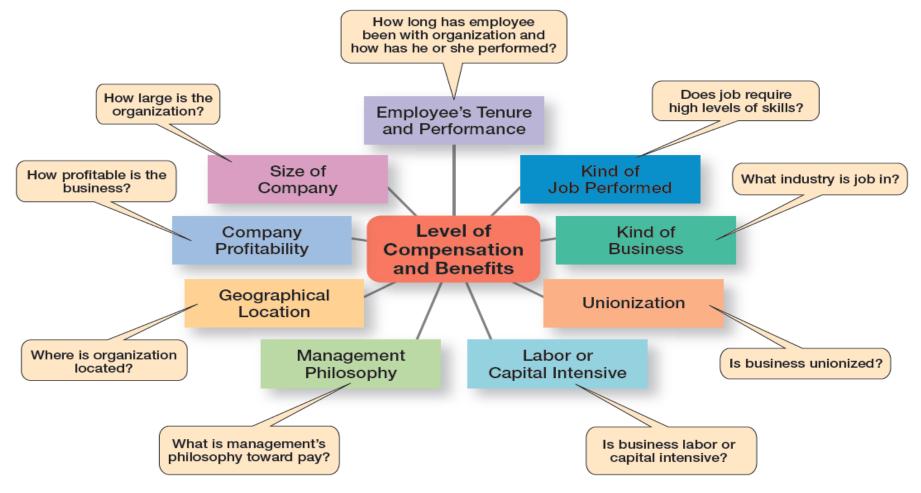




EXHIBIT 12-12 TIPS FOR MANAGING DOWNSIZING

- Treat everyone with respect.
- Communicate openly and honestly:
 - Inform those being let go as soon as possible.
 - Tell surviving employees the new goals and expectations.
 - Explain impact of layoffs.
- Follow any laws regulating severance pay or benefits.
- Provide support/counseling for surviving (remaining) employees.
- Reassign roles according to individuals' talents and backgrounds.
- Focus on boosting morale:
 - Offer individualized reassurance.
 - Continue to communicate, especially one-on-one.
 - Remain involved and available.
- Have a plan for the empty office spaces/cubicles so it isn't so depressing for surviving employees.



CONTEMPORARY ISSUES IN MANAGING HUMAN RESOURCES (CONT.)

► Family-friendly benefits — benefits that accommodate employees' needs for work—life balance.





CONTEMPORARY ISSUES IN MANAGING HUMAN RESOURCES (CONT.)

- Employee Health Care Costs since 2002, health care costs have risen an average of 15 percent a year and are expected to double by the year 2016 from the \$2.2 trillion spent in 2007.
- Employee Pension Plan Costs pension commitments have become such an enormous burden that companies can no longer afford them. In fact, the corporate pension system has been described as "fundamentally broken."



REVIEW LEARNING OBJECTIVE 12.1

- Explain the importance of the human resource management process and the external influences that might affect that process.
 - HRM is important for three reasons:
 - 1. It can be a significant source of competitive advantage.
 - 2. It's an important part of organizational strategies.
 - The way organizations treat their people has been found to significantly impact organizational performance.



REVIEW LEARNING OBJECTIVE 12.2

- Discuss the tasks associated with identifying and selecting competent employees.
 - A job analysis is an assessment that defines a job and the behaviors necessary to perform it.
 - A job description is a written statement describing a job.
 - A job specification specifies the minimum qualifications a person must possess to successfully perform a given job.



REVIEW LEARNING OBJECTIVE 12.2 (CONT.)

- Major sources of potential job candidates include:
 - The Internet
 - Employee referrals
 - Company Web site
 - College recruiting
 - Professional recruiting organizations



REVIEW LEARNING OBJECTIVE 12.2 (CONT.)

- Different selection devices include: application forms, written tests, work sampling, assessment centers, background investigations, reference checks, and physical exams.
- A realistic job preview gives an applicant more realistic expectations about the job, and should increase employee job satisfaction and reduce turnover.



REVIEW LEARNING OBJECTIVE 12.3

- Explain the different types of orientation and training.
 - Orientation results in an outsider-insider transition that makes the new employee feel comfortable and fairly well-adjusted.
 - The two types of training are general and specific.



REVIEW LEARNING OBJECTIVE 12.5

Discuss contemporary issues in managing human resources.

- Managers can manage downsizing by communicating openly and honestly.
- Organizations are dealing with work–family life balance issues.
- Organizations are controlling HR costs by controlling employee health care costs and pensions.

