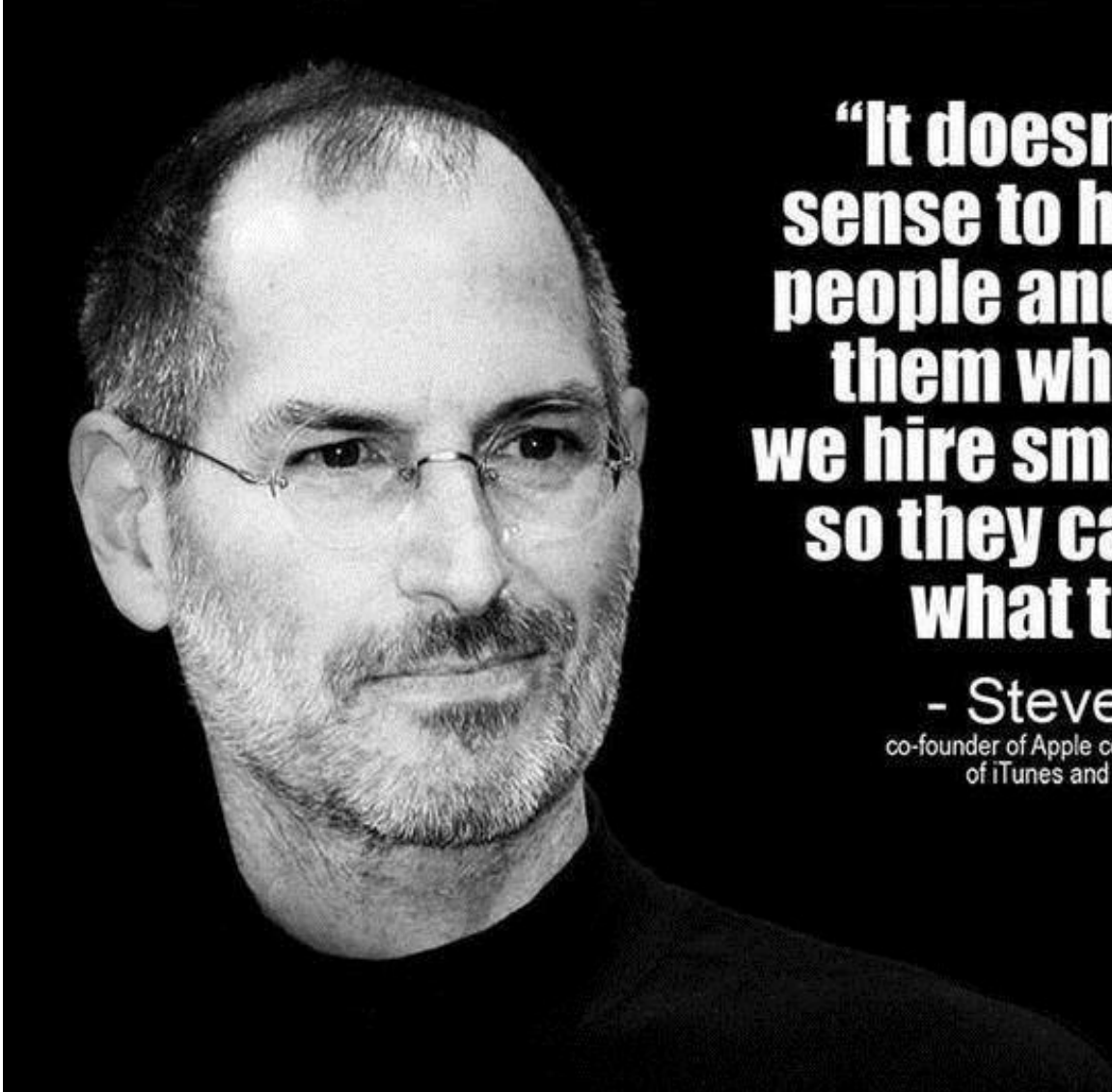


# Managing Human Resources

A black and white portrait of Steve Jobs, showing him from the chest up. He is wearing his signature round glasses and has a short beard. He is looking slightly to the right of the camera with a calm expression. The background is dark.

**“It doesn't make  
sense to hire smart  
people and then tell  
them what to do;  
we hire smart people  
so they can tell us  
what to do.”**

**- Steve Jobs**  
co-founder of Apple computer, co-creator  
of iTunes and the iPhone.



# Learning Outcomes

After studying this chapter, you will be able to:

- Explain how an organization's human resources can be a significant source of competitive advantage.
- Contrast job analysis, job description, and job specification.
- Discuss the major sources of potential job candidates.
- Describe the different selection devices and which work best for different jobs.
- Tell what a realistic job preview is and why it's important.
- Explain why orientation is so important.
- Describe the different types of training and how that training can be provided.
- Describe the different performance appraisal methods.
- Discuss the factors that influence employee compensation and benefits.
- Describe skill-based and variable pay systems.
- Describe career development for today's employees.

# The Importance of Human Resource Management (HRM)

As a necessary part of the organizing function of management

- Selecting, training, and evaluating the work force

As an important strategic tool

- HRM helps establish an organization's sustainable competitive advantage.

Adds value to the firm

- High performance work practices lead to both high individual and high organizational performance.

# Examples of 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

Source: Based on W. R. Evans and W. D. Davis, “High-Performance Work Systems and Organizational Performance: The Mediating Role of Internal Social Structure,” *Journal of Management*, October 2005, p. 760.

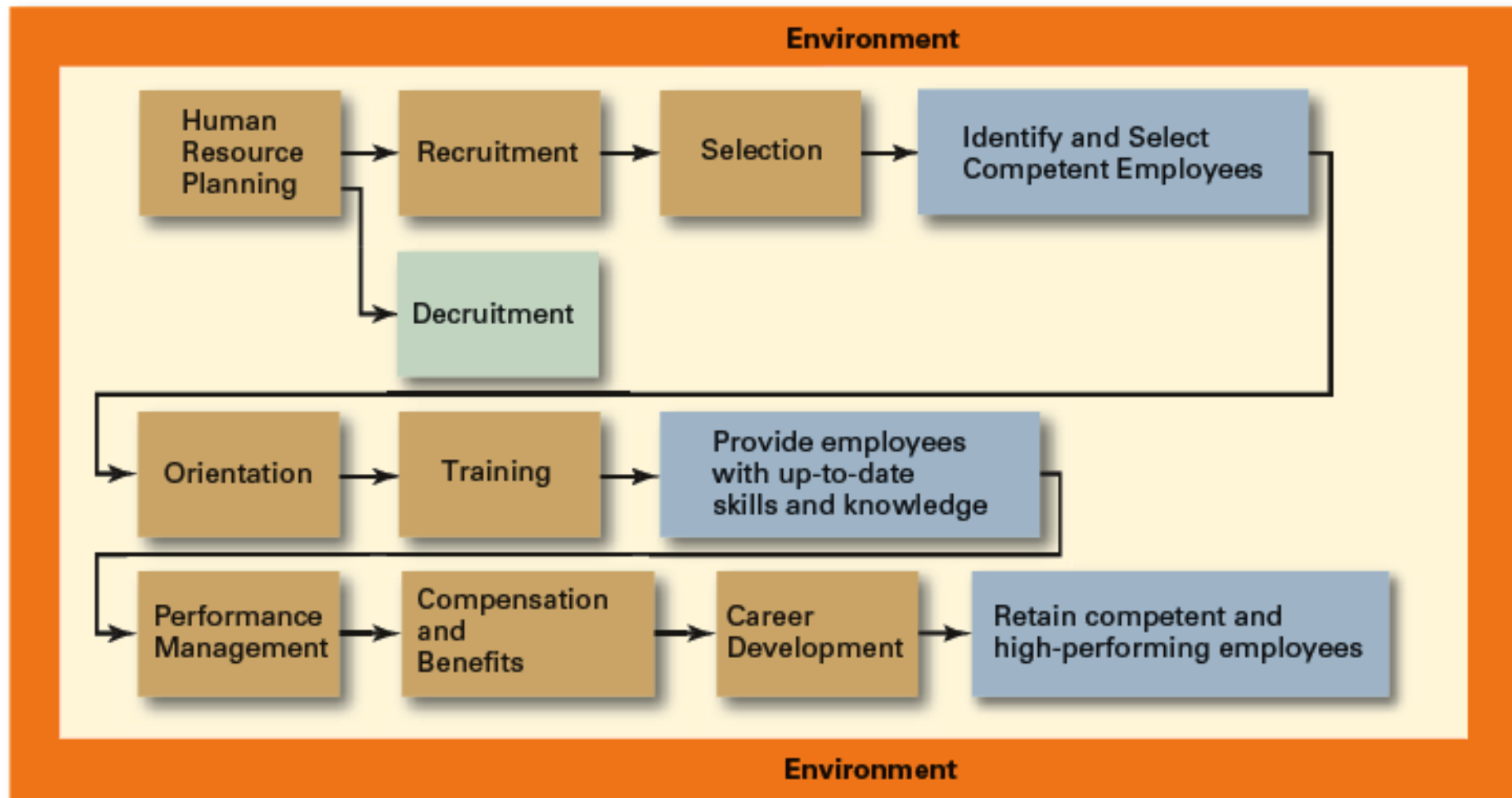
# The HRM Process

**Key task:** Ensure workers with relevant skills and motivation are available

**The HRM process comprises:**

- **Attracting** a quality workforce includes HR planning, recruitment, and selection.
- **Developing** a quality workforce includes employee orientation, and training and development.
- **Maintaining** a quality workforce includes, performance management and appraisal, remuneration and benefits, career planning and retention and turnover.

# The HRM Process



# Managing Human Resources

## Human Resource (HR) Planning

- The process by which managers ensure that they have the right number and kinds of people in the right places, and at the right times, who are capable of effectively and efficiently performing their tasks.
- Helps avoid sudden talent shortages and surpluses.
- Steps in HR planning:
  - Assessing current human resources
  - Assessing future needs for human resources
  - Developing a program to meet those future needs



# Current Assessment

## Human Resource Inventory

- A review of the current make-up of the organization's current resource status
- Job Analysis
  - An assessment that defines a job and the behaviors necessary to perform the job  
Knowledge, skills, and abilities (KSAs)
  - Requires conducting interviews, engaging in direct observation, and collecting the self-reports of employees and their managers.

# Current Assessment

## Human Resource Inventory

- A review of the current make-up of the organization's current resource status

## Job Analysis

- An assessment that defines a job and the behaviors necessary to perform the job

Knowledge, skills, and abilities (KSAs)

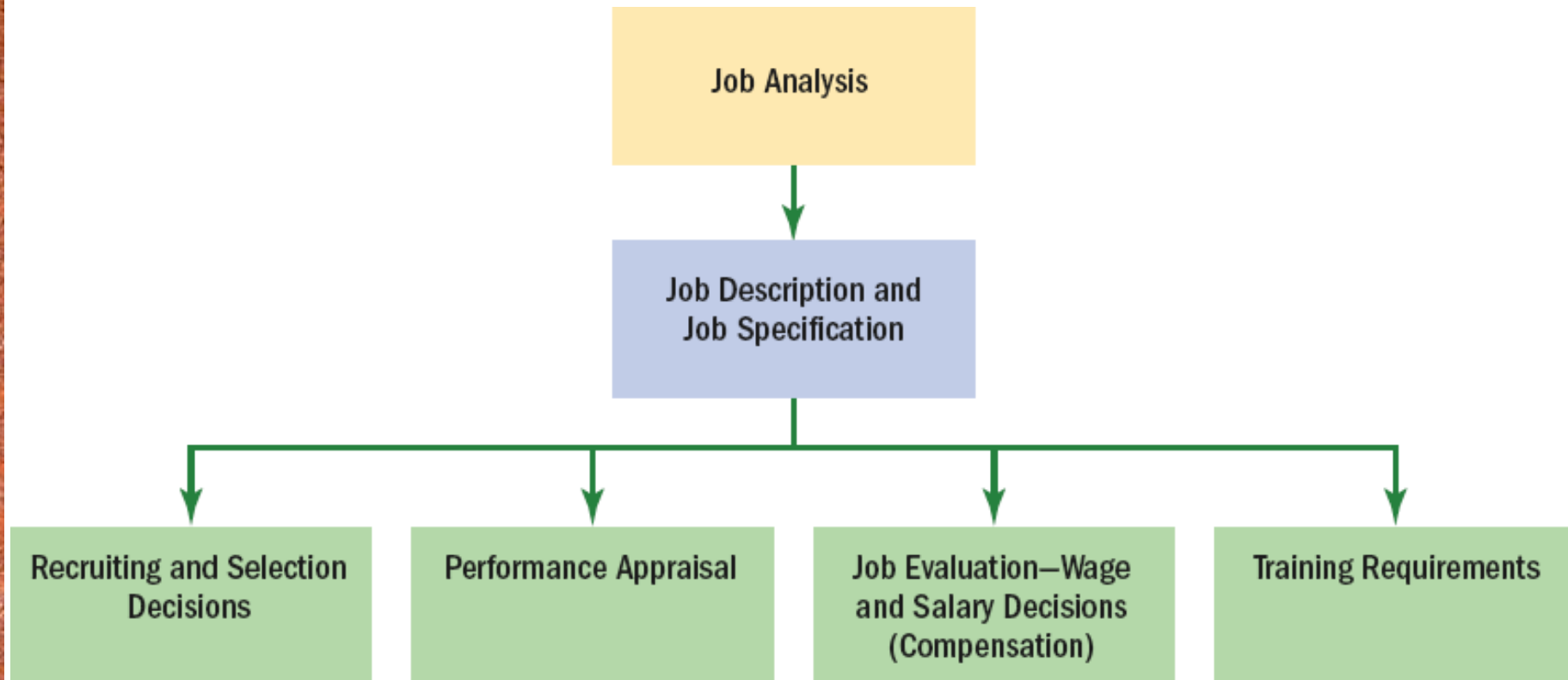
## Job description

- A list of a job's duties, responsibilities, reporting relationships, working conditions, and supervisory responsibilities—one product of a job analysis.

## Job specifications

- A list of a job's "human requirements," that is, the requisite education, skills, personality, and so on—another product of a job analysis.

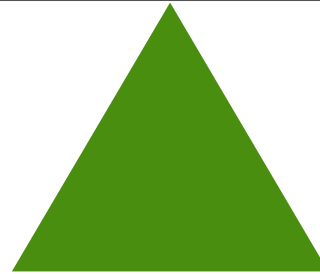
# Uses of Job Analysis Information



# Meeting Future Human Resource Needs

**Supply of Employees**

**Demand for Employees**



## Factors Affecting Staffing

**Strategic Goals**

**Forecast demand for products and services**

**Availability of knowledge, skills, and abilities**



# Attracting a quality workforce: Recruiting

## Recruitment

- Set of activities designed to attract a qualified pool of job applicants to an organisation.

**The three steps** in a typical recruitment process are **advertising** a job vacancy, **preliminary contact** with potential job candidates and **initial screening** to create a pool of qualified applicants.

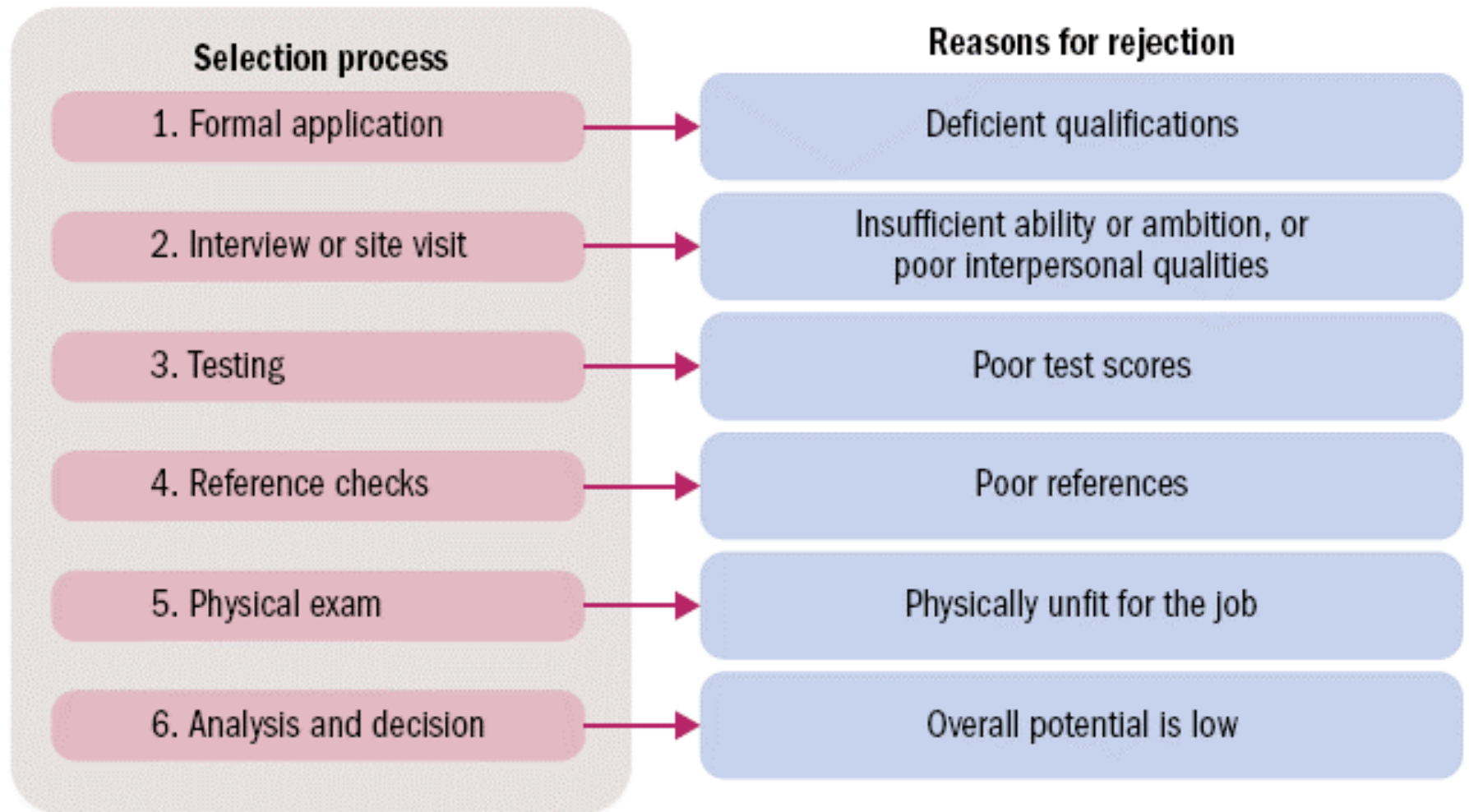
**Potential job candidates** can be recruited from many different sources:

- Internal searches, advertisements, employee referrals, University graduate recruitment, Temp Agencies, and the Internet.

# Major Sources of Potential Job Candidates

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

# Attracting a quality workforce: Selecting



# Interviews

**TABLE 14.7** Suggestions for interviewing

1. Structure a *fixed set of questions* for all applicants.
2. Have detailed *information about the job* for which applicants are interviewing.
3. *Minimise any prior knowledge* of applicants' background, experience, interests, test scores or other characteristics.
4. Ask *behavioural questions* that require applicants to give detailed accounts of actual job behaviours.
5. Use a standardised *evaluation form*.
6. *Take notes* during the interview.
7. *Avoid short interviews* that encourage premature decision making.

Source: Based on D.A. DeCenzo and S.P. Robbins, *Human Resource Management*, 7th edn (New York: Wiley, 2002), p. 200.

**TABLE 14.8** Examples of interview questions managers should not ask

- What is your date of birth?
- Are you married?
- What type of work does your spouse do?
- What is your place of birth?
- Do you own a home, or do you rent?
- What is your native language?
- Do you have children? Plan to have children? Have child care?
- Do you have a physical or mental disability?
- What religion do you practise?



# Examples of “Can’t Ask and Can Ask” Interview Questions for Managers

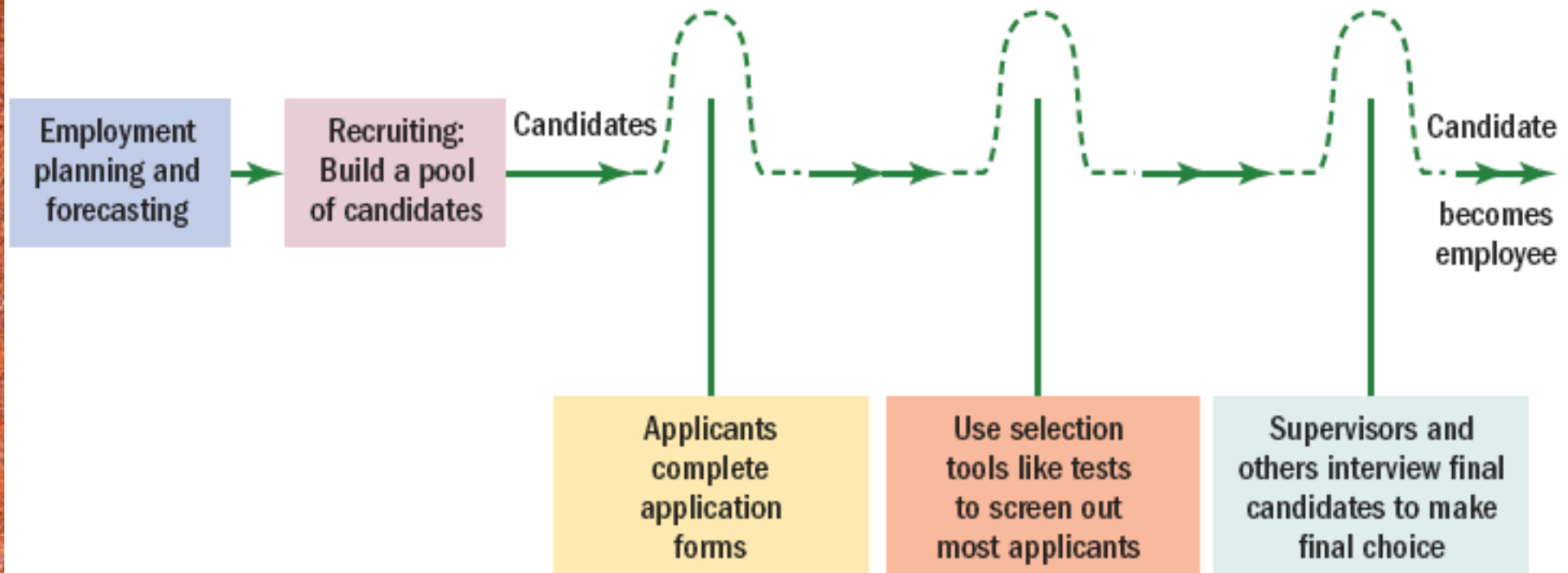
## Can’t Ask

- What’s your birth date? or How old are you?
- What’s your marital status? or Do you plan to have a family?
- What’s your native language?
- Have you ever been arrested?

## Can Ask

- Are you over 18?
- Would you relocate?
- Are you authorized to work in the United States?
- Have you ever been convicted of [fill in the blank]?—The crime must be reasonably related to the performance of the job.

# Steps in Recruitment and Selection Process



# Developing a quality workforce

## Socialisation

- Systematically changes the expectations, behaviour and attitudes of new employees.
- Begins with orientation.

## Orientation

- Familiarises new employees with jobs, co-workers and organisational policies and services.

## Training

- Provides learning opportunities to acquire and improve job-related skills.

# 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



# Employee Training Methods

## Traditional Training Methods

- On-the-job
- Job rotation
- Mentoring and coaching
- Experiential exercises
- Workbooks/manuals
- Classroom lectures

## Technology-Based Training Methods

- CD-ROM/DVD/videotapes/audiotapes
- Videoconferencing/teleconferencing/satellite TV
- E-learning

# Maintaining: Performance management and appraisal

## Performance management

The process employers use to make sure employees are working toward organizational goals.

## Performance appraisal

Evaluating an employee's current and/or past performance relative to his or her performance standards.

# Advantages and Disadvantages of Performance Appraisal Methods

Method	Advantage	Disadvantage
<b>Written essays</b>	Simple to use	More a measure of evaluator's writing ability than of employee's actual performance
<b>Critical incidents</b>	Rich examples; behaviorally based	Time-consuming; lack quantification
<b>Graphic rating scales</b>	Provide quantitative data; less time-consuming than others	Do not provide depth of job behavior assessed
<b>BARS</b>	Focus on specific and measurable job behaviors	Time-consuming; difficult to develop
<b>Multiperson comparisons</b>	Compares employees with one another	Unwieldy with large number of employees; legal concerns
<b>MBO</b>	Focuses on end goals; results oriented	Time-consuming
<b>360-degree appraisals</b>	Thorough	Time-consuming

# Maintaining: Compensation and benefits

## Benefits of a Fair, Effective, and Appropriate Compensation System

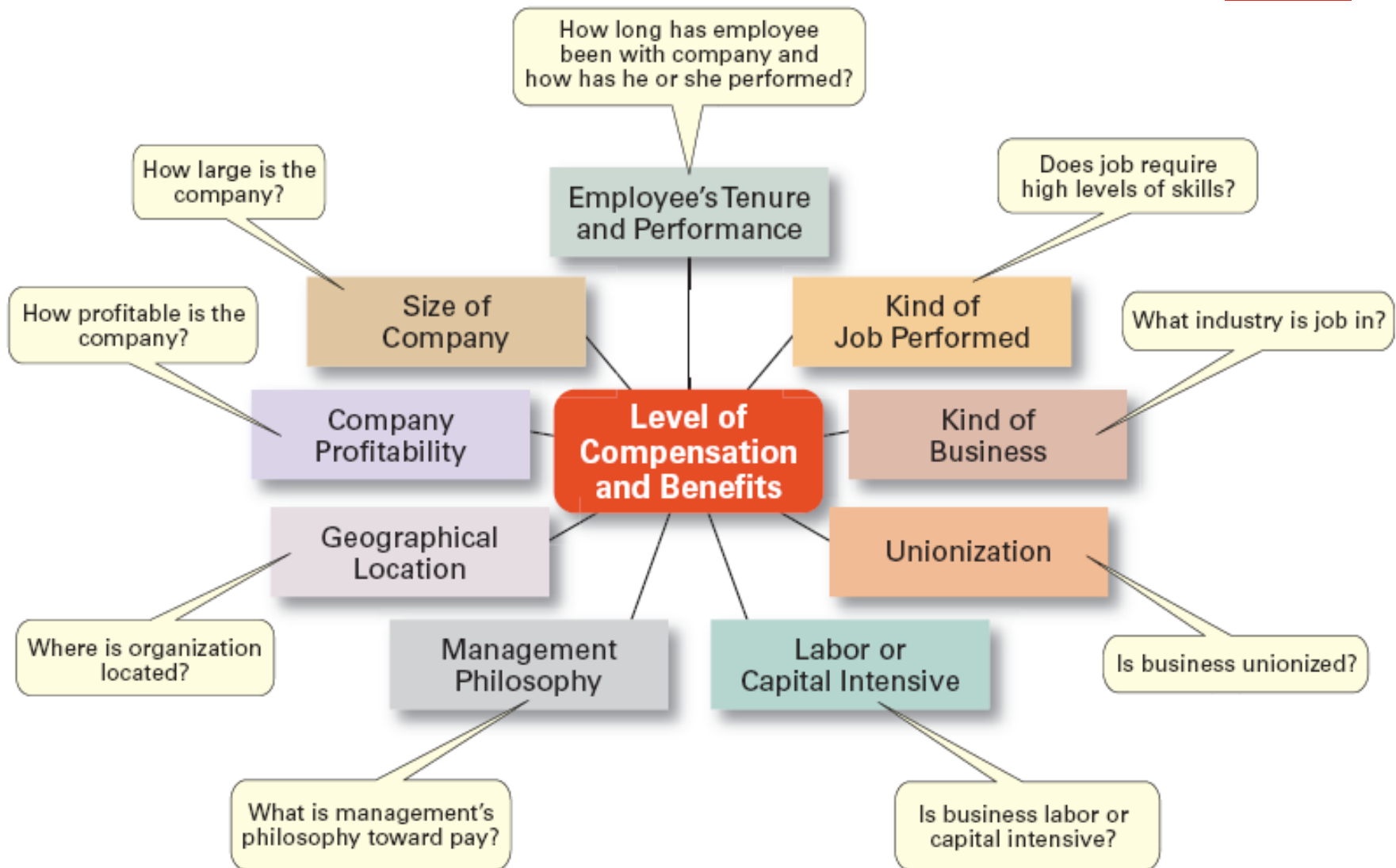
- Helps attract and retain high-performance employees
- Impacts on the strategic performance of the firm

## Types of Compensation

- Base wage or salary
- Wage and salary add-ons
- Incentive payments
- Skill-based pay
- Variable pay



# Factors That Influence Compensation and Benefits



# Maintaining: Career development

## Career Defined

- The sequence of positions held by a person during his or her lifetime.

### ■ The Way It Was

#### ☐ Career Development

- Provided for information, assessment, and training
- Helped attract and retain highly talented people

#### ☐ Now

- Individuals—not the organization—are responsible for designing, guiding, and developing their own careers.

### ■ Boundaryless Career

- ☐ A career in which individuals, not organizations, define career progression and organizational loyalty

# Maintaining: Retention and turnover

- Maintaining human resources involves managing both retention and turnover of resources.
- De-recruitment options:
  - Resignation, dismissal, redundancy/retrenchment, redeployment/transfer, lay off, attrition, reduced work week, early retirement, job sharing, and hiring freezes.
- Tips for managing a reduction in human resources:
  - Communicate openly and honestly with respect.
  - Follow laws and maintain records
  - Provide support/counselling for both employees being dismissed and surviving (remaining) employees.
  - Boost morale for the surviving (remaining) employees
  - Have a plan for reassigning roles and empty office spaces.

# Environmental Factors Affecting HRM

## Employee Labor Unions

- Organizations that represent workers and seek to protect their interests through collective bargaining.
  - **Collective bargaining agreement**  
A contractual agreement between a firm and a union elected to represent a bargaining unit of employees of the firm in bargaining for wage, hours, and working conditions.

## Governmental Laws and Regulations

- Limit managerial discretion in hiring, promoting, and discharging employees.
  - **Affirmative Action:** the requirement that organizations take proactive steps to ensure the full participation of protected groups in its workforce.

# Current Issues in HRM

## Managing Downsizing

- The planned elimination of jobs in an organization
  - Provide open and honest communication.
  - Provide assistance to employees being downsized.
  - Reassure and counseling to surviving employees.

## Managing Work Force Diversity

- Widen the recruitment net for diversity
- Ensure selection without discrimination
- Provide orientation and training that is effective



# Current Issues in HRM (Cont'd)

## Sexual Harassment

- An unwanted activity of a sexual nature that affects an individual's employment.
  - Unwanted sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when submission or rejection of this conduct explicitly or implicitly affects an individual's employment.

## Work-Life Balance

- Employees have personal lives that they don't leave behind when they come to work.
- Organizations have become more attuned to their employees by offering **family-friendly benefits**:
  - On-site child care
  - Summer day camps
  - Flextime
  - Job sharing
  - Leave for personal matters
  - Flexible job hours

# Organizations are About People

“Take away my people, but leave my factories, and soon grass will grow on the factory floors. Take away my factories, but leave my people, and soon we will have a new and better factory.”

Andrew Carnegie (1835-1919)

## Acknowledgments

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University of Oxford

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thank you!