


Chapter 6


HUMAN RESOURCES MANAGEMENT



OBJECTIVES

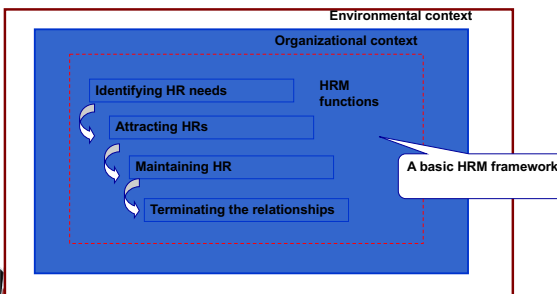
After study this chapter, students should:

- Describe the legislative and business framework within which HRM is conducted
- Describe the importance of job analysis and its relationship to other functions of HRM
- Identify the strengths and weaknesses of internal and external recruitment
- Understand HR planning and management process and its steps: recruitment, selection, job placement, performance appraisal and training



1. WHAT IS HUMAN RESOURCE MANAGEMENT?

The management functions concerned with attracting, maintaining and developing people in the employment relationship.



1. WHAT IS HUMAN RESOURCE MANAGEMENT? CONT.

HRM is one of basic managerial functions, it concerns to the organizing function.

The basic HRM framework places the core HRM functions within two inter-related contexts: Organizational and environmental one.

- Business context/organizational context: HRM is influenced by organizational plans and objectives and its characteristics. For example:
 - Small organizations are more likely to recruit on a needs basis and have informal HRM policies and procedures
 - Large organizations have formal systems to provide structure and accountabilities.



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Today Business Landscape



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Facing the Challenges

- **The world is changing**
- **The economy is changing**
- **The market is changing**
- **The customers are changing**
- **The workforce is changing**

ARE YOU READY?
WHAT SHOULD YOU DO?



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The Business Challenge

- **CHANGE** in the Market
 - occurs **faster** than ever before
 - comes from **more sources** than ever before
 - has a **more radical impact** than ever before

which **FORCES** the Companies to fundamentally
 → change the way they **think** about the business
 → change the way they **run** the business

"Change is the law of life and those who look only to the past or the present are certain to miss the future..."

J.F. Kennedy



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Current HRM Challenges

Globalization Challenge

Sustainability Challenge

HRM PRACTICES

- HRM strategy is matched to business strategy
- Knowledge is shared
- Work is performed by teams
- Pay systems reward skills and accomplishments
- Selection system is job-related and legal
- Flexibility in where and when work is performed

- Work attitude of employees are monitored
- Discipline system is progressive
- Customer satisfaction & quality are evaluated in performance mg't
- Skills and values of a diverse workforce are rewarded

Organizations have to respond to different environment factors, HRM also has to be changed accordingly to these factors

Technology Challenge

Source: Non et al. (2005)

Strategic Fit and Link

Levels of Environmental Challenges

- **Societal Environment**
 - Economic
 - Political/legal
 - Social/demographic
 - Technological

Task Environment

- Labor market
- Competition
- Product/markets
- Customers

Business Strategic Responses

- Cost reduction strategies
- Emphasis on quality
- Change in organization culture
- Change in patterns of work
- Change in product life cycles

HRM Responses

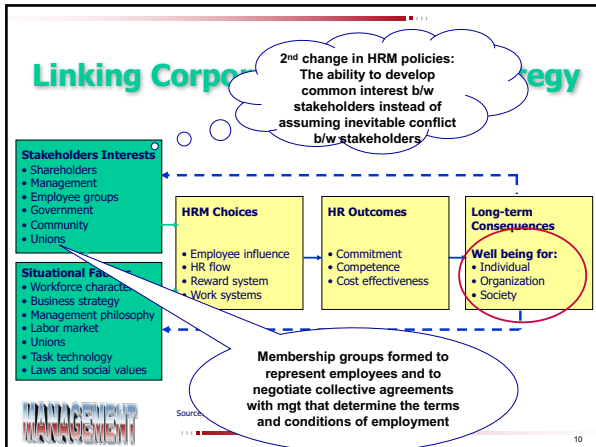
- Employment patterns
- Industrial relations

Culture Structure

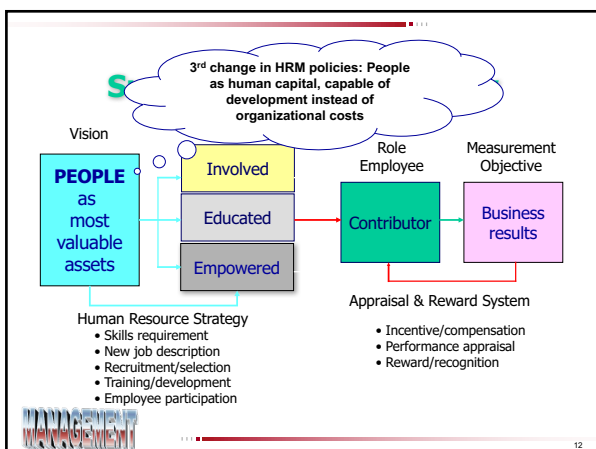
1st change in HRM policies: from reactive interventions to proactive, system wide interventions emphasizing the fit b/w HRM and strategic planning and cultural change

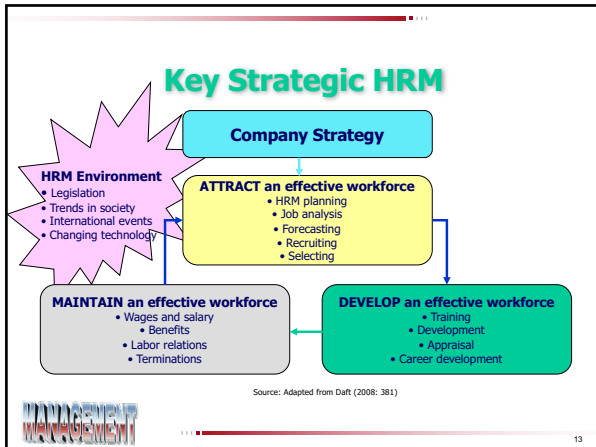


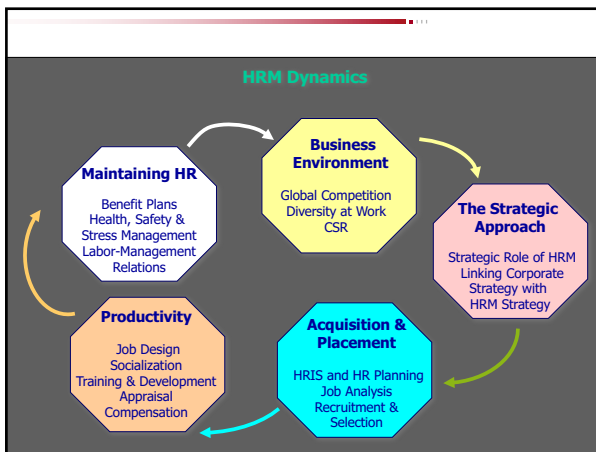
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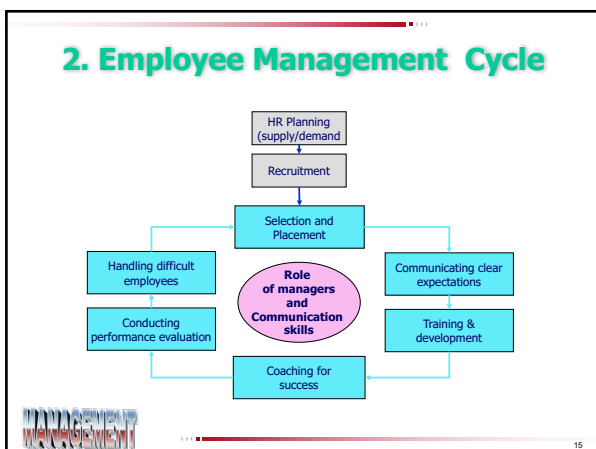


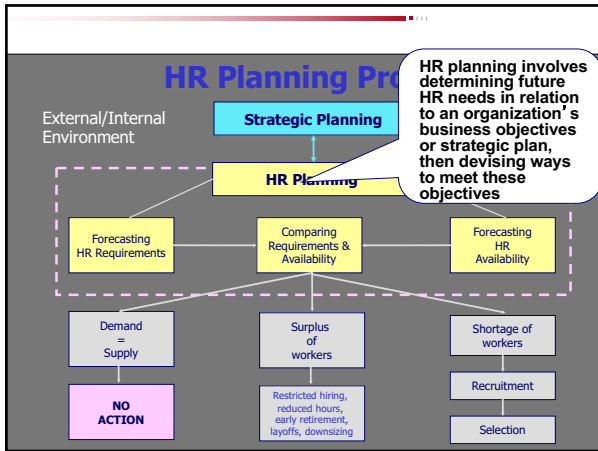













Recruitment

Recruitment is the finding and attracting of job candidates capable to effectively fill job vacancies.

Sources of labor force:

- External labor forces:
- Internal labor forces:

Which source is more important? Why?




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Internal source: more important, major source and contribute to the company;

- Understand more about the company (culture, strategy, colleges);
- Save time for training people;
- More trust people more---easy to work together
- Company security??(confidence)

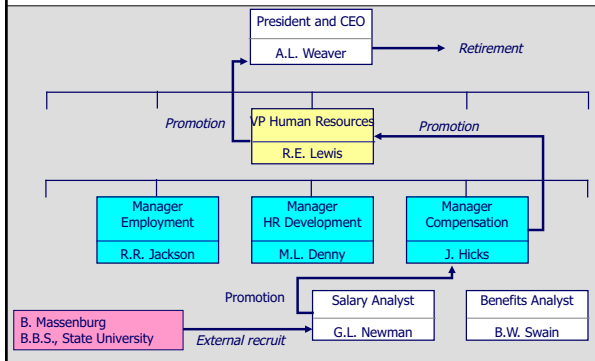
External source: more important b/c

- + more choices to select the people;
- +easily to manage them by make pressures
- + a lot of skills and experience, knowledge to promote the potential of the company
- + want to learn more than internal
- + easily to find the problems of the company than the internal
- + difference in culture and working styles



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Internal Promotion vs. External Recruitment



Advantages and disadvantages of internal and external recruitment

Internal recruitment:

- Improves morale
- Better assessment opportunity
- Motivates staff
- Maintains organizational knowledge
 - Closed group;
 - Nepotism (relationship influenced)
 - Infighting for promotion
 - Induction and training costs

External recruitment:

- Fresh blood
- New knowledge and experience
- Gain competitor insights
 - Harder to assess
 - Lowers morale of internal applicants
 - Adjusting to different work cultures



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Internal and External recruitment

Internal promotions: Low costs, improves morale but no guarantee of finding right person.

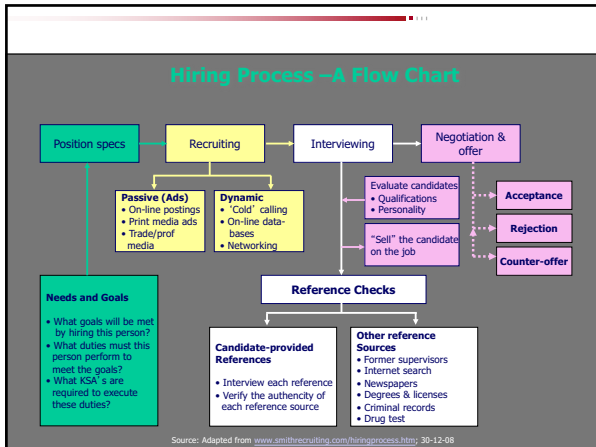
How to conduct the internal recruitment????

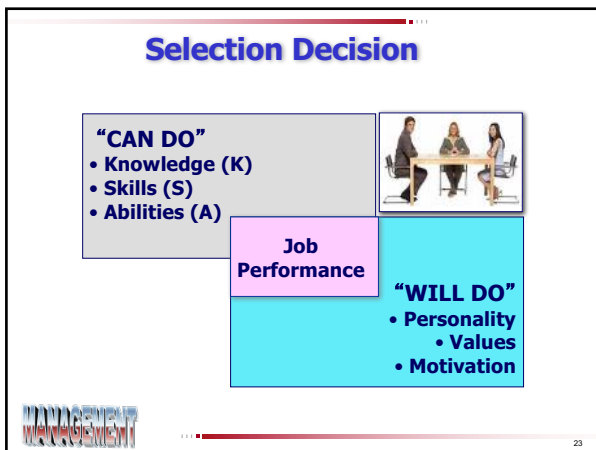
External recruitments:

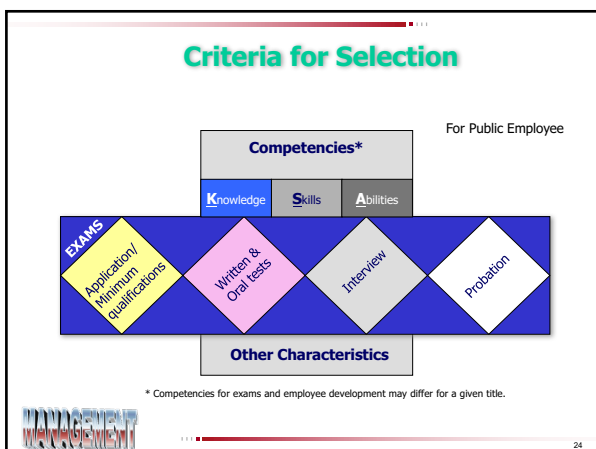
- Advertising: able to target local, state or national markets, also able to promote positive image of company, costs increase
- Employee referrals: can be low cost, generates loyalty but may be limited talent pool
- Employment agencies: useful for low skilled or temporary fills, but at a cost
- Executive recruitment (head-hunters): high fee based search service which hunts out senior mgt replacement, this methods assumes the best person may not be looking to leave their existing job
- Campus interviews: large pool of talent in one location, but it is important than academic qualifications are not the only criteria (VP Banks, HP, etc. Job fairs)
- Contractors: less permanent, reduce on costs, useful for project work but not good for loyalty



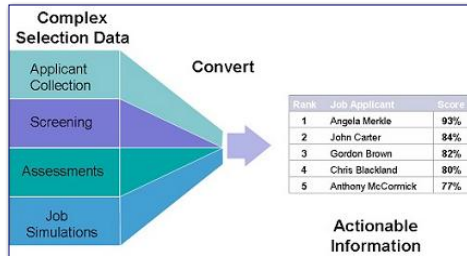
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Example of Selection



www.employeecontinuum.com/article/company-one

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Selecting Criteria



N = 30 (China), 30 (US)

Job selection attributes	Mean (China)	Mean (US)	Rank (China)	Rank (US)
Motivation	4.5410	4.3704	1	3
Initiative	4.5323	4.4259	2	2
Company knowledge	4.4355	3.3091	3	18
Leadership	4.4032	3.9455	4	10
Loyalty	4.3220	4.0741	5	6
Punctuality	4.2742	4.0545	6	9
Work experience	4.2222	3.6909	7	16
Disposition	4.2063	4.1091	8	5
Oral communication	4.1148	4.2000	9	4
Maturity	4.1129	3.7818	10	15
Enthusiasm	4.0484	4.0727	11	8
Age	4.0476	4.4364	12	1
Self-confidence	4.0161	2.3636	13	23
Grades in school	3.9677	4.0741	14	6
Etc.	3.904	3.3818	15	11

Source: Poppo and Zenger (1999)

Top Ten Recruitment Mistakes



1. Failing to look in-house.
2. Look for an exact replica.
3. Not explaining the process.
4. Not involving your employees in the process.
5. Lack of a timeframe.
6. Paying a lot to an outside recruiter.
7. Always using the same source.
8. Not having managers and other key people involved in the process.
9. Not providing a complete job description.
10. Looking for a super hero!

Source: Allbusiness.com; 01-12-08.



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Best Tips for a Job Interview



1. Be on time (10-20' before).
2. Occupy yourself while waiting.
3. Research the company.
4. Dress the part.
5. Tie your answers to issues the company/ interviewer is facing.
6. Be courteous to support staff.
7. Be energetic but not desperate.
8. Don't bad mouth current/former employer.
9. Be clear on the next step(s).
10. Send a thank-you note afterward.

Source: www.cadmus.com 03-06-08.



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Selection Excellence at Toyota



Toyota Manufacturing Plant in Goergetown, Kentucky

What's Assessed?

- Technical skills
- Technical performance
- Leadership
- Problem-solving skills
- Health assessment

PHASE 1

Applicants complete applications, and watch an Interpersonal Skills one-hour video about the work environment.

PHASE 2

Applicants complete Kentucky's Department of Employment Services' Situation Judgment Inventory --measuring one's ability to work in a team and other interpersonal skills.

PHASE 3

Applicants participate in a four-hour program designed to assess individual and group problem-solving skills. Applicants are observed by Toyota screening experts. Assembly-line applicants also participate in a five-hour assembly simulation.

PHASE 4

One hour interview with a group of Toyota interviewers

PHASE 5

Conditional Toyota employee. Applicants undergo two-and one-half hours of physical and substance testing at an area hospital.

PHASE 6

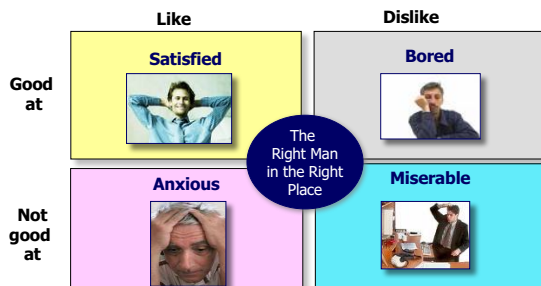
Employee is closely monitored by seasoned employees who assess job performance for the next six months

Source: DeCenzo and Robbins (1999:192)

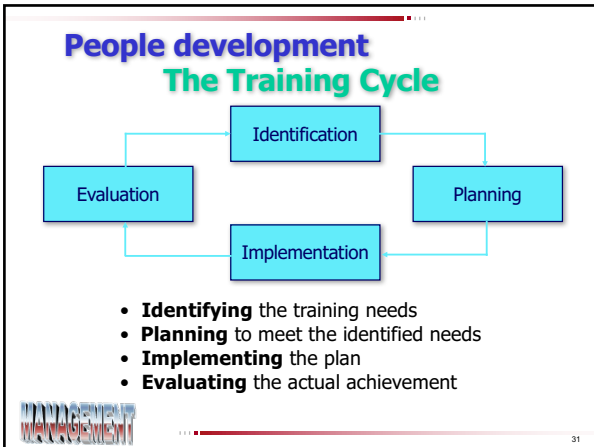


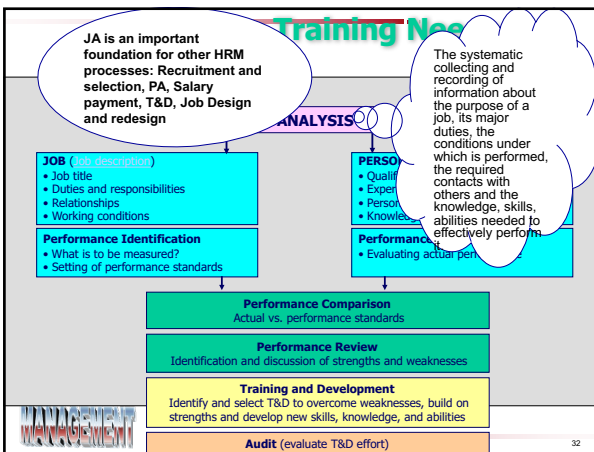
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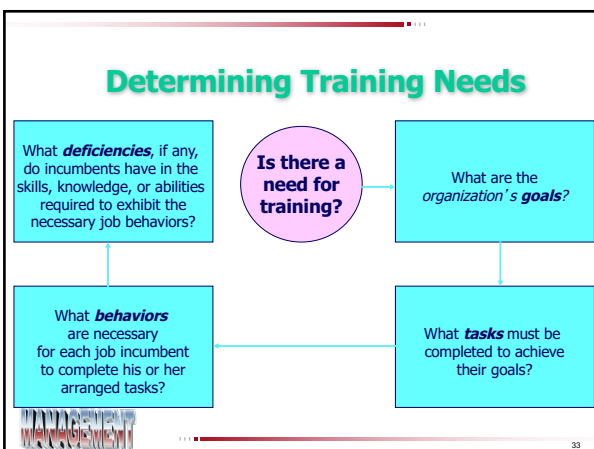
Job Fit Development/Placement



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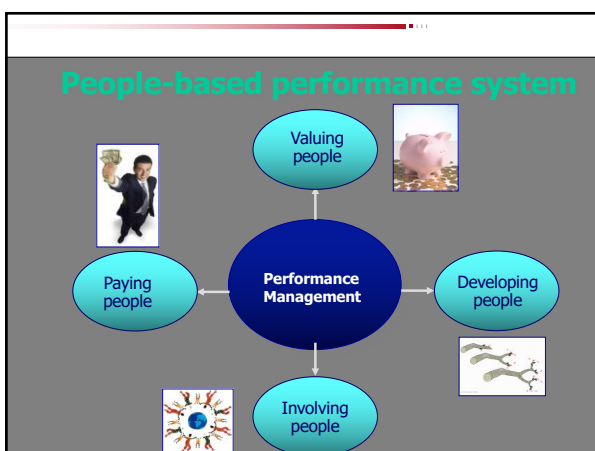
Development Program at GE			
Program	Description	Target	Courses
Executive Development Sequence	Courses emphasize strategic thinking, leadership, cross functional integration, competing globally, customer satisfaction	Senior professionals and executives identified as high potentials	<ul style="list-style-type: none"> Manager development Global business mgn't Executive developm't
Core Leadership Program	Courses develop functional expertise, business excellence, management of change	Managers	<ul style="list-style-type: none"> Corporate entry leadership Professional developm't New mgr. developm't Experienced manager
Professional Development Program	Courses emphasize preparation for specific career path	New employees	<ul style="list-style-type: none"> Audit staff Financial management Human resources Technical leadership

Performance appraisal

PA is a process of appraising the job performance of employees.

Why need to do Performance appraisal?

- To force employee behaviors a/c to company-determined norms
- To enhance consistency b/w employee actions and corporate goals
- To improve quality of HR planning, in particular training and succession
- To improve quality and salary reviews
- To help identify the effectiveness of job analysis and recruitment and selection process
- Etc..



Performance appraisal methods

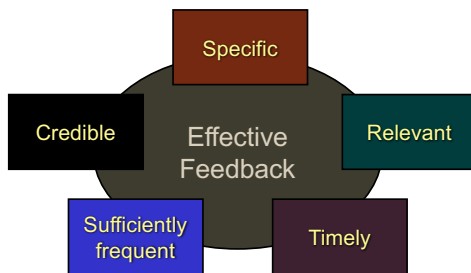
Performance assessments include:

- Observations
- Demonstration and questioning
- Pen and paper tests and essays
- Oral tests
- Projects
- Simulations
- Computer based assessments
- etc



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Characteristics of Effective Feedback

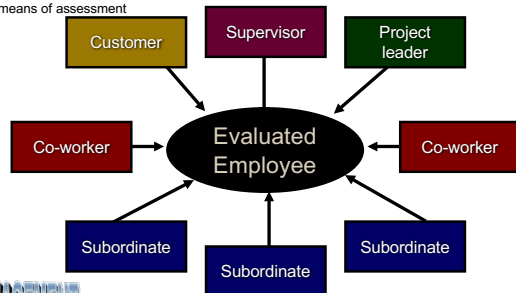


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Multisource (360-degree) Feedback

Traditional appraisal system: the more senior person is the only one able to provide feedback; managers appraise supervisors who appraise employees

360 degree feedback: it is useful to receive feedback not only from one's immediate supervisor but from peers and subordinates. The collection of ratings or views from subordinates, peers and supervisors are collated (cross-checked) to provide multi-source means of assessment



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Food for Thought



“In many fast-growing economies, it may be easier to access money and technology than good people. Competitive advantage belongs to companies that know how to attract, select, deploy and develop talent.”

Edward L. Gubman
“The Talent Solution” (1998)



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Case study 6

1. Do you think that Mr. Hoa implemented appropriate delegation process?
2. In your opinion, what should be improved in Mr. Hoa's working process?
3. Do you think that Ms. Tam will complete the task successfully?



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Review questions

1. What is the HRM function? Describe the relationships between HRM function with other managerial functions?
2. What is Job Analysis and describe how it relates to other HR functions especially recruitment and selection, performance appraisal, remuneration and training.
3. Explain the benefits of 360 degree performance feedback over traditional performance appraisal processes.



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