

UCS1704 – Management and Ethical Practices

UNIT – II

**Human Resource Management
Planning, Recruitment and Selection**

Semester – VII

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OUTLINE

Why Human Resources Is Important: The HRM Process

- Explain how an organization's human resources can be a significant source of competitive advantage.
- List eight activities necessary for staffing the organization and sustaining high employee performance.
- Discuss the environmental factors that most directly affect the HRM process.

OUTLINE (cont'd)

Human Resource Planning; Recruitment/ Decruitment; Selection; Orientation; Training

- 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.

OUTLINE (cont'd)

Employee Performance Management; Compensation/Benefits; Career Development

- 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.

Current Issues in Human Resource Management

- Explain how managers can manage downsizing.
- Discuss how managers can manage workforce diversity.

OUTLINE (cont'd)

Current Issues in Human Resource Management (cont'd)

- Explain what sexual harassment is and what managers need to know about it.
- Describe how organizations are dealing with work-life balances.

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

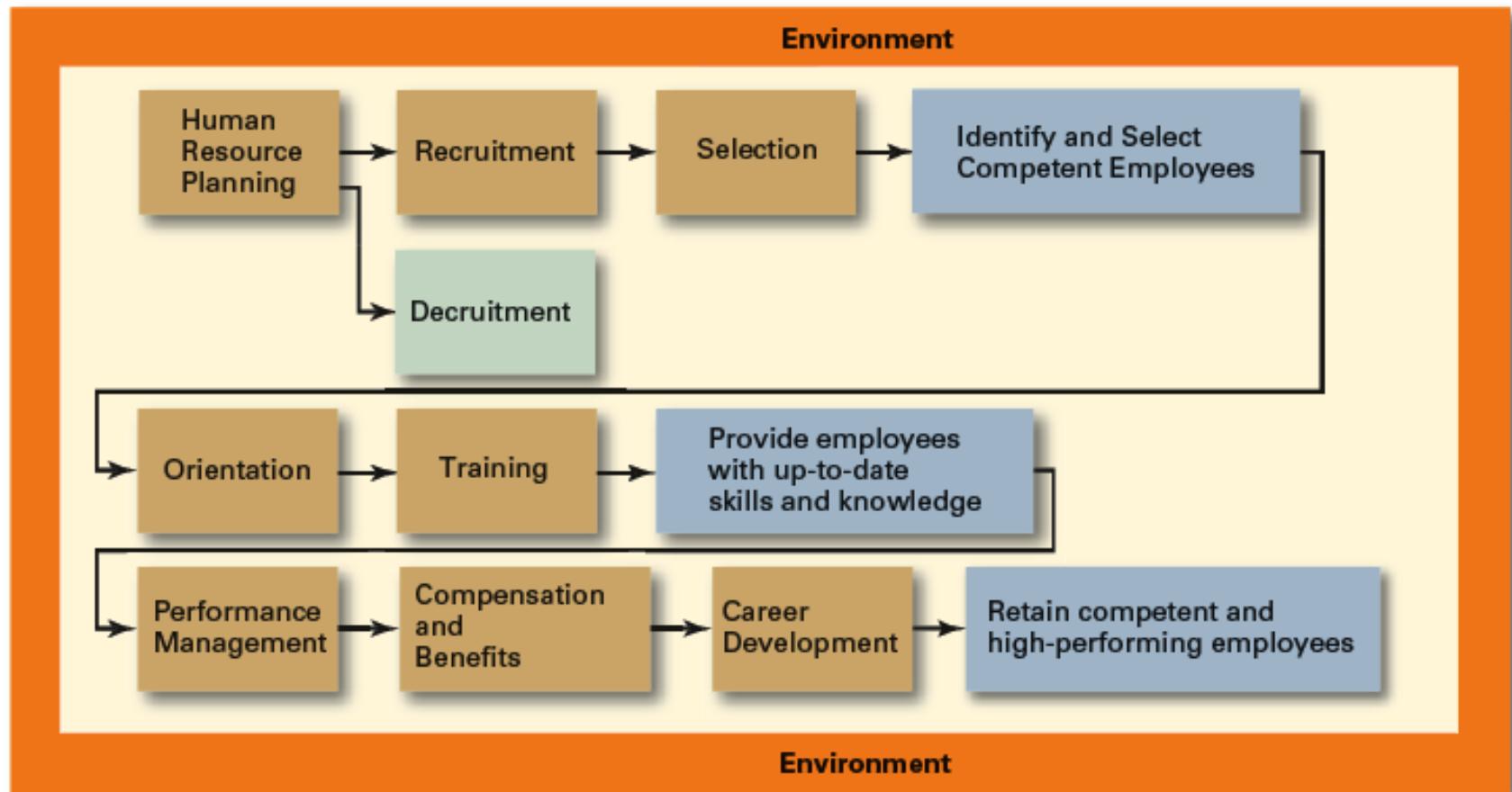
- Self-managed teams
- Decentralized decision making
- Training programs to develop knowledge, skills, and abilities
- Flexible job assignments
- Open communication
- Performance-based compensation
- Staffing based on person–job and person–organization fit

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

- Functions of the HRM Process
 - Ensuring that competent employees are identified and selected.
 - Providing employees with up-to-date knowledge and skills to do their jobs.
 - Ensuring that the organization retains competent and high-performing employees who are capable of high performance.

Human Resource Management Process



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.

Major U.S. Federal Laws and Regulations Related to HRM

- 1963 Equal Pay Act
- 1964 Civil Rights Act, Title VII (amended in 1972)
- 1967 Age Discrimination in Employment Act
- 1973 Vocational Rehabilitation Act
- 1974 Privacy Act
- 1978 Mandatory Retirement Act
- 1986 Immigration Reform and Control Act
- 1988 Worker Adjustment and Retraining Notification Act
- 1990 Americans with Disabilities Act
- 1991 Civil Rights Act of 1991
- 1993 Family and Medical Leave Act of 1993
- 1996 Health Insurance Portability and Accountability Act of 1996
- 2003 Fair and Accurate Credit Transactions Act
- 2004 FairPay Overtime Initiative

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.

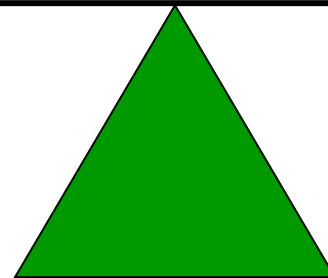
Current Assessment (cont'd)

- Job Description
 - A written statement of what the job holder does, how it is done, and why it is done.
- Job Specification
 - A written statement of the minimum qualifications that a person must possess to perform a given job successfully.

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

Recruitment and Decruitment

- Recruitment
 - The process of locating, identifying, and attracting capable applicants to an organization
- Decruitment
 - The process of reducing a surplus of employees in the workforce of an organization
- E-recruiting
 - Recruitment of employees through the Internet
 - ❖ Organizational web sites
 - ❖ Online recruiters

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

Decruitment Options

Option	Description
Firing	Permanent involuntary termination
Layoffs	Temporary involuntary termination; may last only a few days or extend to years
Attrition	Not filling openings created by voluntary resignations or normal retirements
Transfers	Moving employees either laterally or downward; usually does not reduce costs but can reduce intraorganizational supply-demand imbalances
Reduced workweeks	Having employees work fewer hours per week, share jobs, or perform their jobs on a part-time basis
Early retirements	Providing incentives to older and more senior employees for retiring before their normal retirement date
Job sharing	Having employees share one full-time position

Selection

- Selection Process
 - The process of screening job applicants to ensure that the most appropriate candidates are hired.
- What is Selection?
 - An exercise in predicting which applicants, if hired, will be (or will not be) successful in performing well on the criteria the organization uses to evaluate performance.
 - Selection errors:
 - ❖ Reject errors for potentially successful applicants
 - ❖ Accept errors for ultimately poor performers

Selection Decision Outcomes

		Selection Decision	
		Accept	Reject
Later Job Performance	Successful	Correct decision	Reject error
	Unsuccessful	Accept error	Correct decision

Validity and Reliability

- **Validity (of Prediction)**
 - A proven relationship between the selection device used and some relevant criterion for successful performance in an organization.
 - ❖ High tests scores equate to high job performance; low scores to poor performance.
- **Reliability (of Prediction)**
 - The degree of consistency with which a selection device measures the same thing.
 - ❖ Individual test scores obtained with a selection device are consistent over multiple testing instances.

Selection Devices

- Application Forms
- Written Tests
- Performance Simulations
- Interviews
- Background Investigations
- Physical examinations



Written Tests

- **Types of Tests**

- Intelligence: how smart are you?
- Aptitude: can you learn to do it?
- Attitude: how do you feel about it?
- Ability: can you do it now?
- Interest: do you want to do it?

- **Legal Challenges to Tests**

- Lack of job-relatedness of test items or interview questions to job requirements
- Discrimination in equal employment opportunity against members of protected classes

Performance Simulation Tests

- Testing an applicant's ability to perform actual job behaviors, use required skills, and demonstrate specific knowledge of the job.
 - Work sampling
 - ❖ Requiring applicants to actually perform a task or set of tasks that are central to successful job performance.
 - Assessment centers
 - ❖ Dedicated facilities in which job candidates undergo a series of performance simulation tests to evaluate their managerial potential.

Discussion - HRM

- Engagement
- Job demands-resources model
- Strategic Human Resource Management
- HR analytics
- Employee turnover
- Applicant tracking system
- HR report
- Employee experience
- 360-degree survey