

3. Human Resource Issues

IT5206 - Professional Practice

Level III - Semester 5

Overview

In this lecture, human resource issues in IT companies are discussed in detail.

Recruitment and selection processes in a company, how training and development of employees is done, how the appraisals and evaluations are being conducted, redundancy, dismissal, and grievance management in companies are also discussed.

Finally how the human resources planning is performed to balance work and the personal life is described.

Intended Learning Outcomes

At the end of this lesson, you will be able to understand;

- The role of HRM in organizations
- Define and discuss some of the major HRM activities
- The constraints under which the management and human resources staff should act
- That every manager has some role relating to human resource management and to what extent managers need to be aware of general human resources issues
- Different types of processes carried out when hiring employees

List of sub topics

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3.2 Recruitment and Selection

3.2.1 The Role of HR Manager

3.2.2 Hiring Process

3.2.3 Recruitment vs Selection

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3.3 Staff Training and Development

3.4 Remuneration Policies, Job Evaluation, and Appraisal Schemes

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List of sub topics

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3.1 What are Human Resources?

- A company has many different kinds of assets
 - Ex: capital, equipment, supplies, or facilities, people
 - Its people are its most significant asset
- Most important part of organization's resources
 - Human Resources
- Human Resource - Any person willing to trade their labor, knowledge, or time for compensation in an effort to improve the organization
- Human resources department - the department that manages a company's human resources.



Image Source : <https://www.thebalancemoney.com/what-is-a-human-resource>

When Staff of a Company leaves the Company

- Cost of recruiting new staff —————> High
- Damage caused by loss of continuity —————> High

Therefore organizations will want to keep staff turnover low

Human Resources Department in a company manages 5 main duties :

- > Talent management
- > Compensation and employee benefits
- > Training and development
- > Compliance
- > Workplace safety

3.2 Recruitment and Selection

- To complete work in the organization, you need people
- Humans are still required even with the most advanced technologies
- As a result, staffing is one of the key responsibilities of HRM

What is HRM?

- Process of employing people, training them, compensating them, developing policies relating to them, and developing strategies to retain them.

3.2.1 The Role of HR Manager

- He/She will oversee the regular duties of the Human Resources (HR) division, including hiring and conducting interviews, paying employees, handling leave requests, and enforcing business regulations and procedures

Keep in Mind

Every manager has some role relating to human resource management. Even though he/she do not hold the title of HR manager, he/she still carry out all or at least some of the HRM duties

For instance, most managers are concerned with staff remuneration, inspiration, and retention.

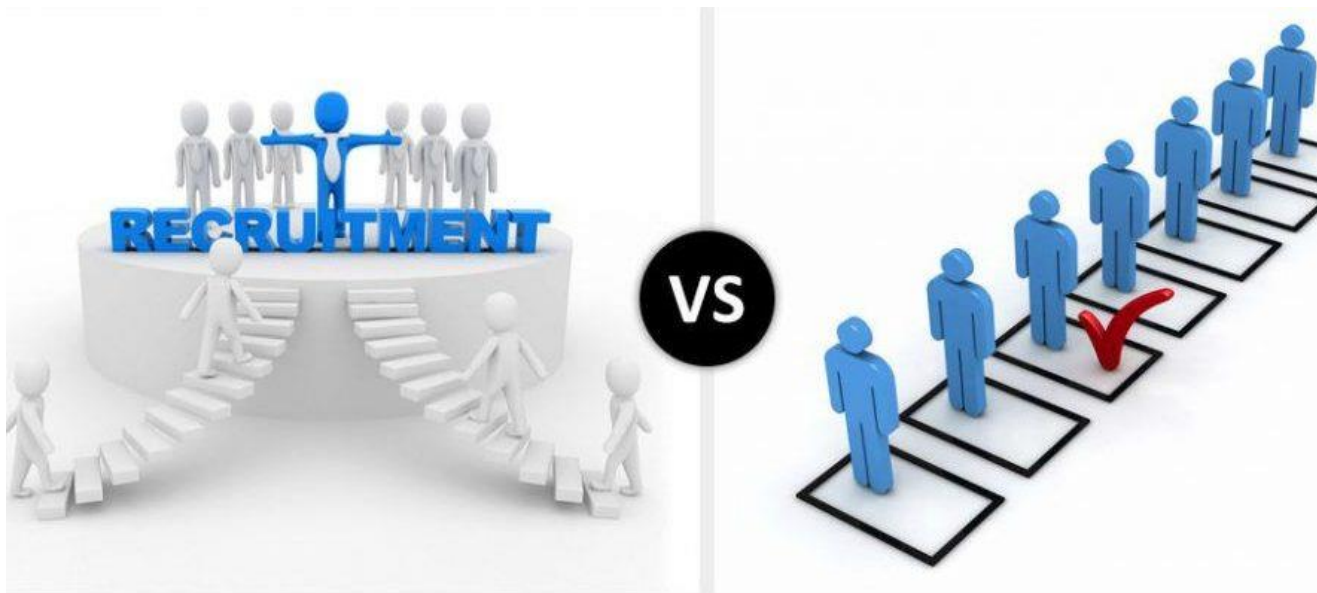
3.2.2 Hiring Process

- The entire hiring process, from posting a job to negotiating a wage package, is included in staffing. There are 4 basic steps in the staffing function
 1. Creation of a staffing strategy

With the use of this plan, HRM can determine how many employees to hire in accordance with revenue projections
 1. Creation of guidelines to promote multiculturalism at work

The importance of multiculturalism in the workplace is growing as more and more people from diverse origins join the workforce
 1. Recruitment
 2. Selection

What do you think is the difference between Recruitment and Selection?



3.2.3 Recruitment vs Selection

Recruitment	Selection
Practice of actively seeking out and selecting candidates for a position.	Method used to pick qualified candidates from the shortlisted
It serves to expand the pool of potential candidates.	The goal is to narrow the pool of candidates until we find the best match.
Enables applicants to submit applications for open positions.	Through this process, the HR can go forward with qualified candidates while rejecting the others.

3.2.3.1 Recruitment

- Recruitment, can be outsourced to specialized agencies
- Such agencies handle the advertising and, often, carry out initial screening of applicants, before presenting their clients with a shortlist of suitable applicants
- Before employing a recruitment agency, a company needs a description of the job to be filled and the type of qualifications or experience the company expect in a successful applicant

Title Embedded Software Engineer	Location
Description We are looking for a professional Embedded Software Engineer to execute complete embedded software development lifecycle. The goal is to create scalable and optimized software systems.	
Responsibilities <ul style="list-style-type: none">• Design and implement software of embedded devices and systems from requirements to production and commercial deployment• Design, develop, code, test and debug system software• Review code and design• Analyze and enhance efficiency, stability and scalability of system resources• Integrate and validate new product designs• Support software QA and optimize I/O performance• Provide post production support• Interface with hardware design and development• Assess third party and open source software	
Requirements <ul style="list-style-type: none">• Proven working experience in software engineering• BS degree in Computer Science or Engineering• Experience in hands-on development and troubleshooting on embedded targets• Solid programming experience in C or C++• Proven experience in embedded systems design with preemptive, multitasking real-time operating systems• Familiarity with software configuration management tools, defect tracking tools, and peer review• Excellent knowledge of OS coding techniques, IP protocols, interfaces and hardware subsystems• Adequate knowledge of reading schematics and data sheets for components• Strong documentation and writing skills	

Sample Job Description

Job Descriptions

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graph TD; JD[Job Descriptions] --> GD[General Descriptions]; JD --> SD[Specific Descriptions];
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General Descriptions

- List of general duties and functions that are required for a position
- When the company is looking for looking for as many good staff with experience
- Less precise

Specific Descriptions

- List of some specific qualifications or skills the applicant need to possess
- When the company needs to fill a specific post

2.3.3.2 Selection

- The Selection is kept in the hands of the employer
- A wide range of selection techniques is available
 - A series of one-to-one interviews with senior management and senior technical staff
 - > Very reliable
 - Interview by a Panel
 - > Widely used
 - > Extensive research evidences demonstrating its unreliability
 - > Tends to favour applicants who are smooth talkers
 - Assessment of References
 - > Importance for academic posts and some in public bodies
 - > Employers who feel that they have been misled by a reference could also sue the applicants

2.3.3.2 Selection Cntd.

- **Psychometric Tests**

> These are of three types

1. Ability tests - measure an individual's ability in a general area (ex: verbal or numerical skills)
1. Aptitude tests - measure a person's potential to learn the skills needed for the job
1. Personality tests - assess the characteristics of a person that significantly affect how they behave in their relationships with other people

2.3.3.2 Selection Cntd.

- **Situational Assessment**
 - > Much used in selecting military officers and by prestigious multinational companies when recruiting new graduates
 - > Shortlisted applicants are brought together and put into a variety of situations
 - > Their performance is observed and assessed by the other participants in the situations
 - > Expensive
 - > Only suitable for use when a number of candidates for jobs can be brought together
- ★ Situational questions in Interviews - Interviewer describes a scenario to the candidate and asks them what they would do in such circumstances

2.3.3.2 Selection Cntd.

- Task Assessment

- > Candidates are asked to carry out some of the tasks that they will be required to do in the job

- Ex: To write a program

- Nepotism and cronyism are also two methods of selection other than the formally recognized methods of staff selection discussed earlier
- Nepotism - Choosing cousins, children or other family members
- Cronyism - Choosing friends or former colleagues

3.3 Staff Training and Development

- After taking the effort to find and hire new employees, companies want to ensure that they not only receive the necessary training but also continue to learn and advance in their positions
- The organization's productivity increases as a result
- Another important factor in employee motivation is training
- Employees that believe they are expanding their abilities tend to be more satisfied in their jobs, which results in increased staff retention

3.3 Staff Training and Development

- There can be variety of training depending on the type of job
- Training program examples could include the following:
 - Training in job-related skills - such as how to use a specific computer software
 - Quality training
 - Education on soft skills such as communication skills
 - Activities for building team spirit
 - Training in policy and law, including training in sexual harassment and ethics

3.4 Remuneration Policies, Job Evaluation, and Appraisal Schemes

- Salary - The flat, base wages given to employees for the work done by them
- Remuneration - In addition to base pay, commissions, gratuities, bonuses, private health insurance or a company car, may be included
- In the public services, this is achieved by using fixed scales that employees move up by annual increments

> **Annual Increment** - an increase in the rate of pay of an employee, within the employee's pay range, which may be granted in recognition of satisfactory service.

> **Promotion** - advancing an employee's rank or position in a hierarchical structure

3.4.1 What is Job Evaluation?

- Technique often used for comparing the relative worth of jobs and allocating jobs to specific grades
- Job evaluation must always involve an element of individual judgement, but the aim is to be as objective as possible
- Many organizations are now using job evaluation as the basis for flatter, broad-banded pay structures
- The doctrine of 'equal pay for work of equal value' - women and men should be paid the same amount if they do identical or similar jobs

3.4.2 Job evaluation schemes

Job evaluation schemes

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graph TD; A[Job evaluation schemes] --> B[Analytical]; A --> C[Non-analytical]
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Analytical

- Schemes assess each job on the basis of the different elements that are involved

Non-analytical

- Involve comparing whole jobs without considering the individual elements and skills
- Ex: financial responsibility, supervisory responsibility, degree of autonomy, decision-making powers, IT skills, linguistic skills

3.4.3 What are Appraisal schemes?

- They measure employee performance against previously-agreed goals, set future objectives and give staff guidance on their developmental and training needs

Management by Objectives (MBO)

- Idea was developed by Peter Drucker
- A strategic management model that aims to improve the performance of an organization by clearly defining objectives that are agreed to by both management and employees
- Empowerment - a management practice of sharing information, rewards, and power with employees

3.5 Redundancy, Dismissal, and Grievance Management

3.5.1 Redundancy

- Process of terminating employees from their employment due to different business reasons
- Employer will be seeking to reduce the number of workers in a particular job category rather than dismissing all workers
- It is common practice to use the 'last in, first out' principle
 - the most recently recruited employees are the first to be made redundant

3.5.2 Dismissal

3.5.2.1 Unfair Dismissal

An act of employment termination made without good reason or contrary to the country's specific legislation

- The law accepts a wide variety of reasons as justifying dismissal
Specifically, it accepts:
 1. Lack of capability
 2. Misconduct
 3. Breach of the law – not by the employee (that would be covered by misconduct) but that the employer would be in breach of the law if he continued to employ the employee, for example, because the employee is a foreign worker whose work permit has expired;
 4. Redundancy

3.5.2.2 Constructive Dismissal

An employee with at least 2 years' continuous service in circumstances where they feel forced to resign because of a fundamental breach of contract on the part of their employer

EX:

- > The employer moves an employee's place of work to somewhere 400 km away, at short notice and without consultation
- > The employer requires someone who was employed as an accountant to spend their time acting as a receptionist
- > A senior manager repeatedly countermands instruction issued by a more junior manager

3.5.2.3 Wrongful Dismissal

- This is significantly different from unfair dismissal
- Situation in which an employee's contract of employment has been terminated by the employer, where the termination breaches one or more terms of the contract of employment, or a statute provision or rule in employment law

3.5.3 Statutory Employment Rights

- Written statement of employment particulars
- Itemised pay statement
- A minimum notice period
- Maternity, paternity or adoption leave
- Time off for antenatal care
- Parental leave & Time off for dependants
- Right to request flexible working arrangements
- Not to be discriminated against because of your gender, race, disability, religion or belief, political opinion, sexual orientation or age

3.5.4 Takeovers and Outsourcing

- Frequently happens in modern commerce and industry
- Also happens when an organization outsources its IT activities

Transfer of Undertakings (Protection of Employment) (TUPE) regulations.

The purpose of the regulations is to maintain the employees' conditions of employment in these circumstances.

3.5.4.1 Transfer of Undertakings

Employees employed by the previous employer when the undertaking changes hands *automatically* become employees of the new employer on the same terms and conditions. It is as if their contracts of employment had originally been made with the new employer. Thus employees' continuity of employment is preserved, as are their terms and conditions of employment under their contracts of employment (except for certain occupational pension rights).

Representatives of employees affected have a right to be informed about the transfer. They must also be consulted about any measures which the old or new employer envisages taking concerning affected employees.

DEPARTMENT OF TRADE AND INDUSTRY (2003)
Transfer of Undertakings: A Guide to the Regulations

3.5.5 Public Interest Disclosures

- An employer could dismiss an employee for revealing publicly

Whistleblowers

- A person, often an employee, who reveals information about activity within a private or public organization that is deemed illegal, immoral, illicit, unsafe or fraudulent
- Whistleblowers can use a variety of internal or external channels to communicate information or allegations

3.5.6 Contracts of Employment

- It can be written down or not
- The employer must provide the employee with a statement of the major conditions of the employment, including grievance procedures
- Written in terms that are **easily understood** and should **avoid legal jargon**
- Prospective employees should not need to consult a lawyer in order to understand it

3.6 Human Resource Planning

- Human resources department is to ensure that the organization always has available the staff it needs
process:
- Human resource plans from existing projects, showing how many staff of each grade and with which specialized skills will be required in each of the following months
- Sales forecasts: Sales staff are asked to identify all active sales situations, that is, situations in which they are talking to potential clients about their actual needs, not just trying to establish the company's credentials

3.6 Human Resource Planning

- **The Law of Large Numbers** - an observed sample average from a large sample will be close to the true population average and that it will get closer the larger the sample
- **Pool of staff** - authorized stock in a corporation that is set aside by the corporation as a form of incentive compensation for employees in the corporation
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3.7 Work-Life Balance

Interface is the intersection of work and personal life
many aspects of one's personal life that can intersect with work
including family, leisure, and health.

Work–life interface is bidirectional;

1. work can interfere with private life
2. private life can interfere with work

Work–life balance is the equilibrium between **personal life** and **career work**

Summary

Human Resources
Department in a
company manages
5 main duties

- Talent management
- Compensation and employee benefits
- Training and development
- Compliance
- Workplace safety

Recruitment vs
Selection

Recruitment is seeking out and
selecting candidates for a position
& Selection is the method used to
pick qualified candidates from the
shortlisted

Selection
Techniques

- One-to-one interviews
- Interview by a Panel
- Assessment of References
- Psychometric Tests

Summary

Selection Techniques

- Situational Assessment
- Task Assessment
- Nepotism
- Cronyism

Dismissal

- Unfair Dismissal
- Constructive Dismissal
- Wrongful Dismissal

Job evaluation schemes

- Analytical
- Non - Analytical