

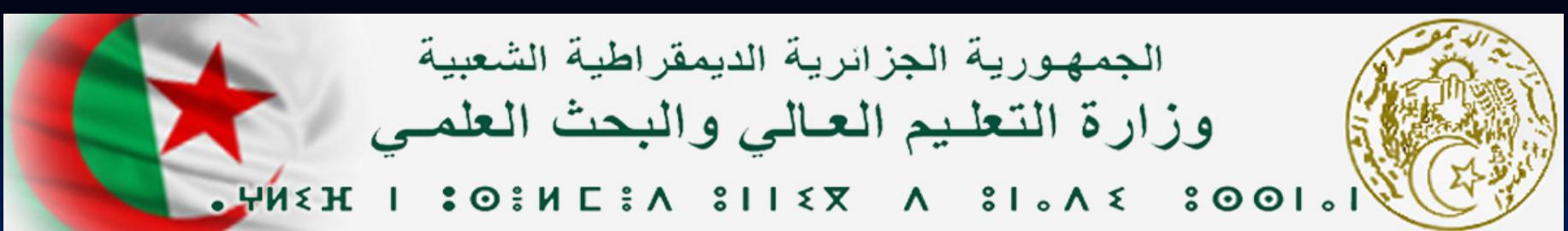


Week 13



ensia The National School of
Artificial Intelligence
المدرسة الوطنية العليا للذكاء الاصطناعي

DECEMBER 19, 2023



الجمهورية الجزائرية الديمقراطية الشعبية
وزارة التعليم العالي والبحث العلمي

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المدرسة الوطنية العليا للذكاء الاصطناعي

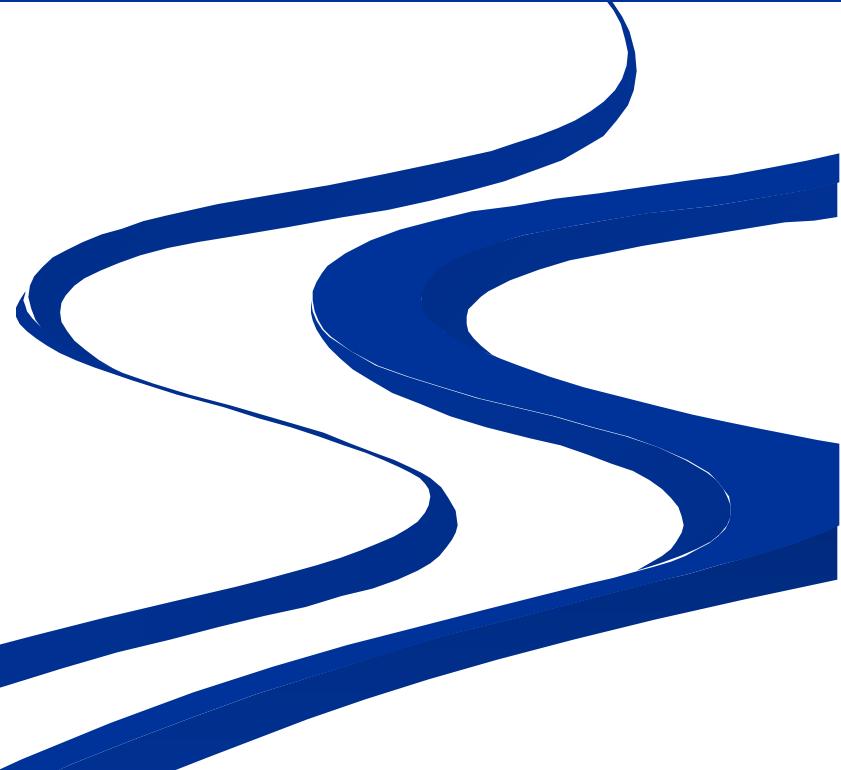
National High School of Artificial Intelligence

(ENSIA)

Academic Year
2023-2024
[Y2-S1]

YOUR MANAGEMENT COURSE

**Introduction to
BUSINESS**





PART 5: ORGANISING

Chapter 18:

MANAGING HUMAN RESOURCES

(HRM = MHR)

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Texas A&M University



8 Learning Goals



1. Explain the **strategic importance of managing human resources effectively**;
2. Explain how **responsibilities of managing Human resources rare shared**;
3. Describe **Some important laws and regulations** that affect how organisations manage their human resources;
4. Explain the **objective of human resources planning** and describe **how organisations respond to the unpredictability of future business needs**;

(continue)



- 5. Describe the hiring process;**
- 6. Describe several types of training and development programs;**
- 7. Describe several principles for improving the accuracy of managers' appraisals of employee performance, and**
- 8. Describe the basic elements of a monetary compensation package.**



The Strategic importance of HRM:

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- Human Resources Management (HRM) is the philosophies, policies, and practices that an organisation uses to affect the behaviours of individuals who work for the organisation.
- It includes various activities related to planning, hiring, training and development, performance review and evaluation, and compensation.
- Strategic use of HRM activities can improve organisational effectiveness;
Companies with the state-of-the-art HRM produce about 10% more revenues/employee compared to average companies. **Successful companies consider them as real ASSETS / HC.**



Shared Responsibilities for Managing HR:



A) Planning Activity

Line/Direct Managers	HR Professionals	Employees
<ul style="list-style-type: none">■ Include HR professionals in the formulation and implementation of business strategy and discussions of its HR implications.	<ul style="list-style-type: none">■ Stay informed of the latest technical principles for managing human resources.	<ul style="list-style-type: none">■ Accept responsibility for managing their own behaviour and careers in organisations.



Shared Responsibilities for Managing HR:

B) Recruitment and Selection Activity



Line Managers	HR Professionals	Employees
<ul style="list-style-type: none">■ Help disseminate information about open positions to all potentially qualified internal applicants;	<ul style="list-style-type: none">■ Develop a recruiting plan to guarantee a diverse pool of applicants.	<ul style="list-style-type: none">■ Participate in recruiting by making referrals and answering questions about the organisation.



Shared Responsibilities for Managing HR:

C) Training and Development Activity

Line Managers	HR Professionals	Employees
<ul style="list-style-type: none">■ Work with employees to identify their training and development needs.■ Provide on-the-job socialisation and training.	<ul style="list-style-type: none">■ Develop and administer training and development programs.■ Inform employees of opportunities for training and development.	<ul style="list-style-type: none">■ Identify own training and development needs.■ Actively seek out and participate in activities that help build own competencies.■ Assist in socialisation and training of other employees.



Shared Responsibilities for Managing HR:

D) Performance Appraisal Activity

Line Managers	HR Professionals	Employees
<ul style="list-style-type: none">▪ Help develop performance measures.▪ Conduct performance appraisals.	<ul style="list-style-type: none">▪ Develop performance appraisal tools and train managers to use them.▪ Train managers in how to conduct performance review sessions.	<ul style="list-style-type: none">▪ Candidly appraise the performance of others when asked to participate in 360-degree appraisals.



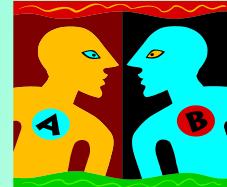
Shared Responsibilities for Managing HR

E) Compensation Activity

Line Managers	HR Professionals	Employees
<ul style="list-style-type: none">■ Assist in developing incentive and bonus plans.	<ul style="list-style-type: none">■ Establish appropriate rates of base pay in compliance with legal requirements.■ Work with managers to design and develop incentives and bonus plans.■ Work with accounting and financial staff to monitor compensation costs.	<ul style="list-style-type: none">■ Develop an accurate understanding of all elements of the organisation's pay practices.■ Be alert to dysfunctional and possible unethical attempts to "game" performance-based pay practices.



How to Gain a Sustainable COMPETITIVE ADVANTAGE Through HRM



Competitors must not be able to easily copy
the company's approach to HRM

Employees must be “rare” or
unique in some way

Employees must
be a source of
ADDED VALUE

HIGH VELOCITY ORGANISATIONS



Impact of Legal and Regulatory Environment

There may exist many important regulations affecting HRM but two major categories worth considering:

- 1- Equal Employment Opportunity (EEO)
- 2- Compensation & Benefits.



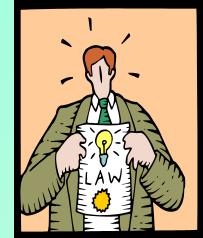
1- Equal Employment Opportunity (EEO)

The principle of EEO states that job applicants and employees should be:

1. Judged on characteristics that are related to the work that they are being hired to do;
2. Judged on their job performance after being hired;
3. Protected from discrimination based on their personal background characteristics, such as gender, race, ethnicity, religion, and so forth.



2- Compensation and Benefits



Fair Labor Standards Act (1938):

- Establishes a **minimum wage**, which may be raised by individual states;
- Controls hours through premium pay for overtime;
- Controls working hours for children;
- Applies to most nonmanagerial employees in private industry.



Equal Pay Act (1963)

- Requires **men and women to be paid equally** when they are doing equal work (in terms of skill, effort, responsibility, and working conditions) in the same organization.





Compensation and Benefits: Comparable Worth



- The Equal Pay Act: requiring employers to assess the worth of all jobs and ensure that jobs of comparable worth are paid similarly.



Human Resource Planning

Central to Managing RH effectively is the process of planning.

- ❖ It involves forecasting the organisation's human resources needs and developing the steps to be taken to meet them.
- ❖ **Contingent workers:** employees who are hired by companies for specific tasks or short periods of time with the understanding that their employment may be ended at any time.
- ❖ **Layoffs:** a strategy of last resort. Potential negative effects of layoffs:

- ✓ More gossip;
- ✓ Lower morale;
- ✓ More resignations (giving-up or quitting office or position);
- ✓ Less employee loyalty;
- ✓ More charges of discrimination;
- ✓ More workplace violence.





Hiring Process



- ❑ HP includes activities related to the recruitment of applicants to fill open positions in an organisation and the selection of the best applicants for a position.
- ❑ Vacancies stimulate the hiring process through:



Organization Growth

Internal Movement

- Promotion
- Demotion
- Transfer

Exit from Organization (Turnover)



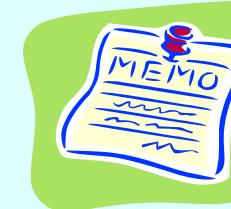


Hiring Process: Recruitment

Organisation
web site



Internal job
positions, paper-
based and Intranet

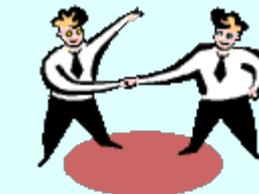


Common
recruitment
methods

Announcements
in newspapers,
magazines,
employment
websites, etc.



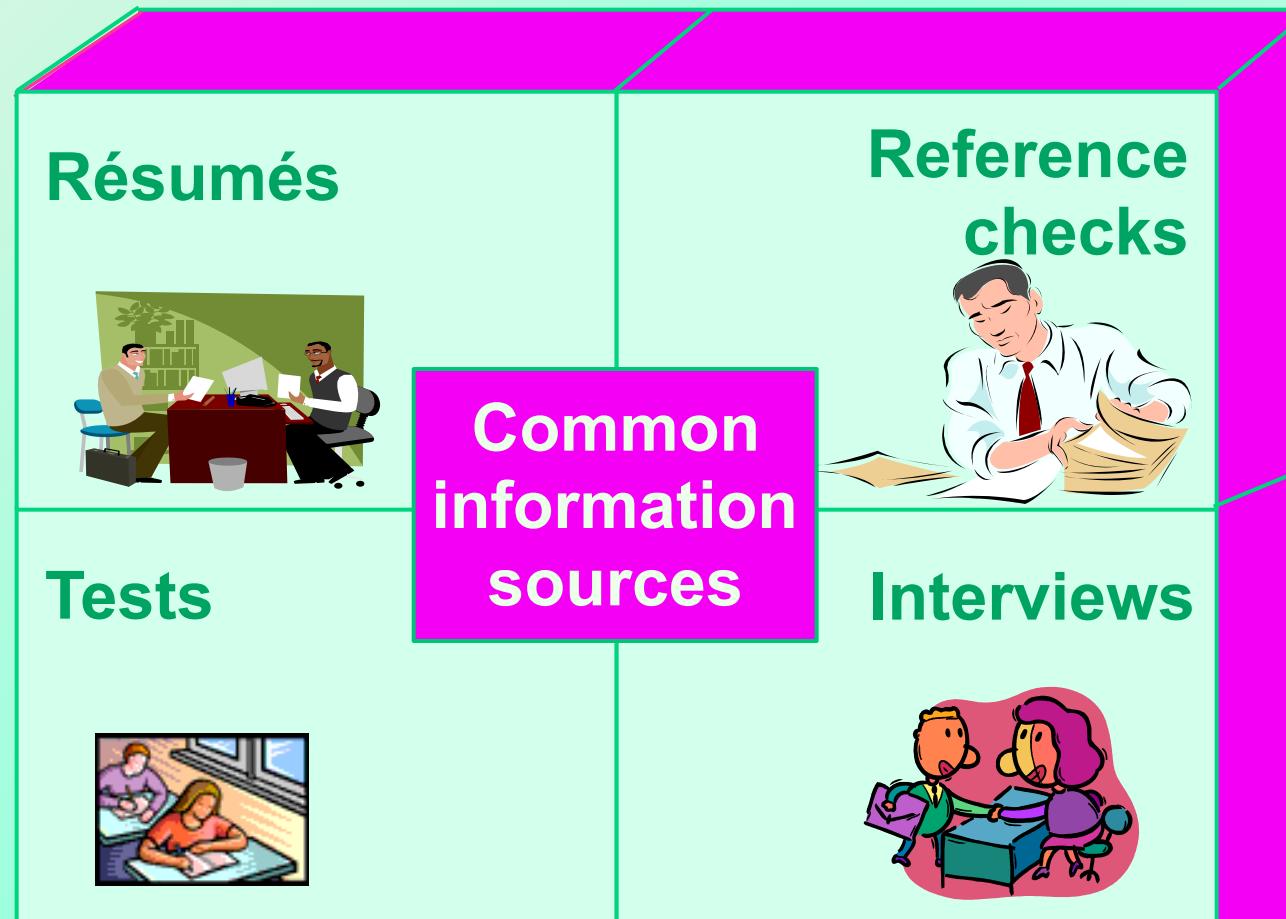
Employee
referrals





Hiring Process: Employee Selection

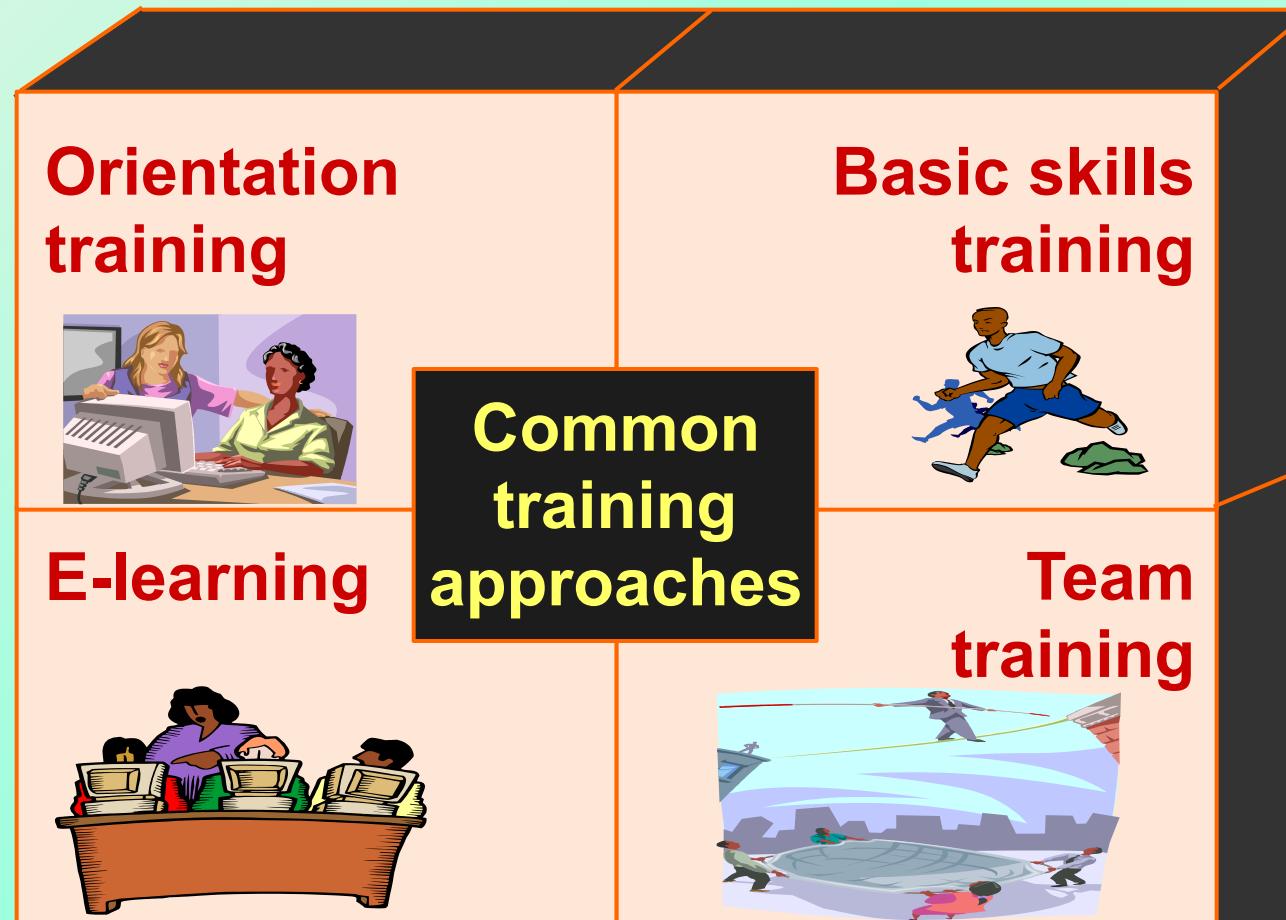
- ❑ A process that involves deciding which of these recruits should actually be hired and for which positions.





Training and Development

- **Training:** activities that help employees overcome limitations and improve performance in their current jobs.





Performance Appraisal

❑ A formal, structured system for evaluating an employee's job performance.

❑ Common uses of performance appraisal:

- To make decisions about who will be promoted, demoted, transferred, or dismissed;
- To make decisions about pay raises;
- To improve future performance of employees.



Performance Appraisal: Performance Feedback Sessions



- Managers and their subordinates meet to exchange performance information and discuss how to improve future performance.
- Performance information increasingly includes:



- Employee's own assessment of performance;
- Assessment by teammates;
- Information from customers.



Performance Appraisal Accuracy

- ❑ Difficult for managers to accurately assess performance of subordinates.
- ❑ Two approaches to improve accuracy:



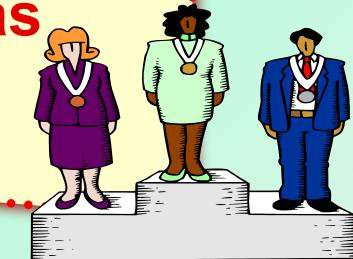
- Use appropriate rating scales that provide specific descriptions of what each level of performance means
- Use multiple raters.
 - ✓ One example. 360-degree appraisal—measures performance by obtaining assessments of the employee from a variety of sources: supervisors, subordinates, colleagues inside the company, people outside the organisation with whom the employee does business, and even a self-appraisal by the employee .





Compensation: Two Components

- ❑ **Non-monetary compensation:** the many forms of social and psychological rewards, such as recognition and respect from others and opportunities for self-development.



- ❑ **Monetary compensation:** the direct payments such as salary, wages, and bonuses, as well as benefits such as covering the costs of insurance plans.





Compensation: Pay Fairness

- What people believe they deserve to be paid in relation to what others deserve to be paid.

- However, compensation must be externally competitive to attract qualified applicants.

- Components of pay system employees consider in evaluating fairness:
 - Base pay—perceived fairness increases if at or above market average;
 - Incentive pay—such as commissions, bonuses, and profit sharing;
 - Employee benefits—some required by law and others are voluntary.





HRM

THE BIG MISTAKE

<https://www.youtube.com/watch?v=RR5OffXFLsg>

An animated timeline of the history of HR

https://www.youtube.com/watch?v=RpHX03q_3UI

MHR - QUIZ



WATCH IT

Cognitive dissonance

Refers to a situation involving conflicting attitudes, beliefs, or behaviours.

For example, when people GO ON STRIKE (behaviour) and they know that DOING SO causes PERFORMANCE LOSS (cognition), they are in a state of cognitive dissonance.



THANK YOU



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