

Admas University
Graduate Studies
MBA and Project Management Programs

HRM Session9

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Part V: Employee maintenance and relations

- Job changes
- Absenteeism and turnover
- Employee health and safety
- Employee welfare and social security
- Employee relations and collective bargaining

Job changes

Job change is movement of people within the organization and/or separation from it.

Type of change	Description	Purpose
Promotion	<ul style="list-style-type: none">• Upward movement of employees to higher and better jobs in terms of responsibility, status and potentially better pay• Dry promotion involves promotion without increase in salary• Merit vs seniority in promotion	<ul style="list-style-type: none">• Fill vacant positions from within• Recognize employees' achievements and performance• Motivate employees and creating competitive spirit among workers• Retain skilled and talented workers
Demotion	<ul style="list-style-type: none">• Opposite of promotion• Down grading employees to lower positions• Less frequently used to protect morale of employees	<ul style="list-style-type: none">• To fill skill and capability gaps• To take disciplinary measure
Transfer	<ul style="list-style-type: none">• Mobility of people across equivalent positions in terms of responsibility, status and pay• Within department, or between departments or between branches	<ul style="list-style-type: none">• To reduce boredom /monotony• To correct initial misplacements• To solve conflicts• To reconnect family members• Health related purpose
Separation	<ul style="list-style-type: none">• cessation or termination of service or agreement with the organization for one or other reason• Retirement, resignation, layoff, dismissal	<ul style="list-style-type: none">• To offload underperforming and poorly disciplined workers• To overcome economic crisis (such as recession)• To meet legal procedures

Absenteeism and turnover

Feature	Absenteeism	Turnover
Meaning	<ul style="list-style-type: none"> • unauthorized absence of the worker from his job or the absence of worker when work is available • absence of an employee from work when he is scheduled to be at work • is unauthorized, unexplained, avoidable and willful absence from work. 	<ul style="list-style-type: none"> • It is the process in which employees leave an organization and have to be replaced. • It is a measure of the extent to which old employees leave and new employees enter the service of the concern • is the rate of change in the number of employees of a concern during a definite period
Causes	<ul style="list-style-type: none"> • Stress, alcoholism, chronic disease • Unhealthy working conditions • Maladministration and conflicts • Social and religious engagements • Inadequate employee benefits and welfare 	<ul style="list-style-type: none"> • Unhealthy working conditions • Maladministration and conflicts • Inadequate employee benefits and welfare • Search for better salary and benefits
consequences	<ul style="list-style-type: none"> • Damage on organizational productivity/performance • Employee wastage • Further conflicts • Costs (overtime work, part time) 	<ul style="list-style-type: none"> • Labor instability • Costs (of hiring, replacement, training, part time workers) • Loss of production

Employee health and safety

- Health and safety of employees is key in human resources management.
 - It determines the relationship between employers and employees
 - It has strong hand in employee performance and organizational productivity
- It is highly advocated by several stakeholders (employees, employees' associations, ILO, WHO)
- Health and safety involves
 - Prevention and maintenance of physical, mental and social well-being of workers in all occupations
 - Protection of workers who are ill-health caused by the working conditions
 - Protection of workers in their employment from risks resulting from factors adverse to health
 - Providing employees with protective equipment and training on safety matters
- Health and safety issues include
 - Smoking, alcoholism, drug use, HIV/AIDS and other pandemics
 - Stress and mental health problems
 - Workplace hazards and accidents
 - Discrimination and marginalization
 - Sexual harassment, violence, and incivility

Employee welfare and social security

Feature	Employee welfare	Social security
Meaning	<ul style="list-style-type: none"> Constitutes “the efforts to make life worth living for workmen.” Is also anything done for the comfort and improvement, intellectual or social, of the employees over and above the wages paid which is not a necessity of the industry. Depends on overcoming personal crisis, family problems and work place problems 	<ul style="list-style-type: none"> Comprises health and unemployment insurance, family allowances, provident funds, pensions and gratuity schemes, and widow’s and survivor’s allowances Provides limited income to retired individuals
Strategies	<ul style="list-style-type: none"> Providing housing, daycare and schooling facilities Recreation such as playground, games, clubs, cultural programs, festival celebration Transport facilities, market services Health and medical services 	<ul style="list-style-type: none"> financed by equal employee and employer contributions, based on a percentage of earnings provides income for retirees, disabled workers and surviving dependents provides some health insurance coverage
Outcomes	<ul style="list-style-type: none"> leads to better work performance Leads to physical, moral, mental and emotional well being of employees Corporate social responsibility 	<ul style="list-style-type: none"> Corporate social responsibility counseling of elders, community services for children, youth and women

Employee relations and collective bargaining

- Employee or employment relations are concerned with generally managing the employment relationship with particular reference to terms and conditions of employment, issues arising from employment, providing employees with a voice and communicating with employees.
- It handles the following issues
 - pay–work bargain
 - employment practices
 - terms and conditions of employment
 - issues arising from employment
 - providing employees with a voice
 - communicating with employees
 - working conditions, security of employment, a healthy and safe working environment
 - the scope to raise and resolve grievances
- Employees are dealt with either directly or through collective agreements where trade unions are recognized.

Employee relations and collective bargaining

- Another related and embedded concept in employee relations is **industrial relations (IR)**
- Industrial relations are relationships of managements and trade unions (employees' associations). It involves:
 - collective agreements
 - Collective bargaining
 - disputes resolution
 - dealing with issues concerning the employment relationship
 - working environment
 - Employee health, safety and benefits

Employee relations and collective bargaining

- Why employee relations?
 - Because employers and employees enter into conflict of interests on terms and conditions of employment.
 - Employee relations devise various ways of resolving such conflicts.
- Parties to employee relations include
 - Employers and employees (primary parties)
 - Representative parties (trade unions and employee associations)
 - Government agencies and offices (e.g. MoLSA, BoLSA in Ethiopia)

Employee relations and collective bargaining

- Purposes:
 - provide for effective and consistent procedures for rule-making
 - ensure consistency in dealing with employee relations issues
 - ensure fairness for all parties involved
 - provide processes that can affect and improve employee behaviour or mechanisms to resolve differences/disputes
- Value added outcomes
 - improved morale and commitment
 - fewer grievances
 - productivity increases
 - better control of labour costs

Elements of employee relations

- Formal and informal employment policies and practices of the organization
- The development, negotiation and application of formal systems, rules and procedures for collective bargaining, handling disputes and regulating employment
- Bargaining structures, recognition and collective agreements and practices that have evolved to enable the formal system to operate
- Policies and practices for employee voice and communications
- Philosophies and policies of the major players in the industrial relations scene
- A number of parties, each with different roles
- The legal framework

Views on employee/industrial relations

View	Description
Unitary view (Fox, 1966)	<ul style="list-style-type: none">• holds that the organization is the only rule-making authority• Is typically held by management who see their function as that of directing and controlling the workforce to achieve economic and growth objectives• is essentially autocratic and authoritarian, has sometimes been expressed in agreements as 'management's right to manage,
Pluralist view (Fox, 1966)	<ul style="list-style-type: none">• holds that an industrial organization is a plural society, containing many related but separate interests and objectives that must be maintained in some kind of equilibrium.• all parties involved should have their voice in the relationship process
Social partnership (Ackers & Payne, 1998)	<ul style="list-style-type: none">• It is closely related to the pluralist view• is the concept that, as stakeholders, the parties involved in employee relations should aim to work together to the greater good of all• 'a stable, collaborative relationship between capital and labour, as represented by an independent trade union, providing for low social conflict and significant worker influence on business decision making through strong collective bargaining'.
HRM approach	<ul style="list-style-type: none">• Emphasis on commitment, mutuality, communication, individual contracts, involvement, quality, flexibility, teamwork and harmonization• emphasizes on individual contracts than collective bargaining

Employee relations approaches

- **Adversarial:** the organization decides what it wants to do, and employees are expected to fit in. Employees only exercise power by refusing to cooperate.
- **Traditional:** a good day-to-day working relationship, but management proposes and the workforce reacts through its elected representatives.
- **Partnership:** the organization involves employees in the drawing up and execution of organization policies, but retains the right to manage.
- **Power sharing:** employees are involved in both day-to-day and strategic decision making.

Thank you!