

UNIT 6

HUMAN RESOURCES IN THE COMPANY

1. THE MANAGEMENT OF HUMAN RESOURCES

One of the most complex aspects in the organization of a group is to achieve the full coordination of all its elements to get the objective. In the company, one of the main objectives is to maximize profit.

A company, depending on its size, can be made up of a large number of workers with different categories, who perform different tasks and who, as individuals, have very different personalities and motivations. Achieving the integration of the worker-man in the organization and linking him to his culture is one of the objectives of people management.

The main objective of **human resource management** (HR) is to generate a corporate culture of its own, effective for business objectives.

Company culture is defined as the set of norms, values and ways of thinking that characterize the behavior of personnel at all levels of the company. It is a way of feeling, thinking, acting and living the shared vision and the set of common experiences in the organization.

This culture responds to a varied **set of factors**: the personality, the management style and the behaviors of its owners and managers, their history, tradition and culture, their size, their position in the market, the nature of their products and their capacity of change and innovation.

Human resource management and corporate culture are living elements. The **company culture** is represented by a philosophy of conduct and by many external signs: brand, design, color, advertising message, packaging or establishment, and intangibles such as efficacy, safety, quality, service, guarantee or loyalty.

Human resources (HR) are the main factor that contributes to the success of the company and the achievement of its objectives. The organizations that get the greatest achievements in the management of their personnel are those that have clearly defined their culture, respected and transmitted it. The problem with many organizations is that they do not know their culture, they work by inertia without paying attention to this variable.

2. THE FUNCTION OF MANAGING HUMAN RESOURCES IN THE COMPANY

Do you remember when we studied the different types of companies? We analyze how there is a separation between ownership of the company (partners) and management (administrators and managers). In small companies the two functions are in the hands of the same people, but in larger companies there is a clear separation, which means that management functions are left in the hands of professionals who try to ensure that the people who make up the company act in a coordinated manner.

The management of a company mainly develops the following functions:

- **Planning:** consists of establishing and reaching workers, the future objectives of the company and deciding which are the best ways to achieve them.
- **Organization:** consists of designing the structure of the company, executing the policies established in planning, distributing tasks, establishing the different departments, authority relationships and hierarchy, etc., in order to make the best possible use of the resources that the company has.
- **Control:** it is about checking that the company is taking the planned measures and that they are indeed the most appropriate. This function must allow the resolution of errors through the introduction of corrective measures in case the company does not approach the established objectives.

The representation of the business organization: the organization charts

As we have already studied, the organization of the company can be represented graphically by means of an organization chart. An **organizational chart** is the graphic representation of the different functional areas of the company and their functions, the levels of authority and the information transmission channels.

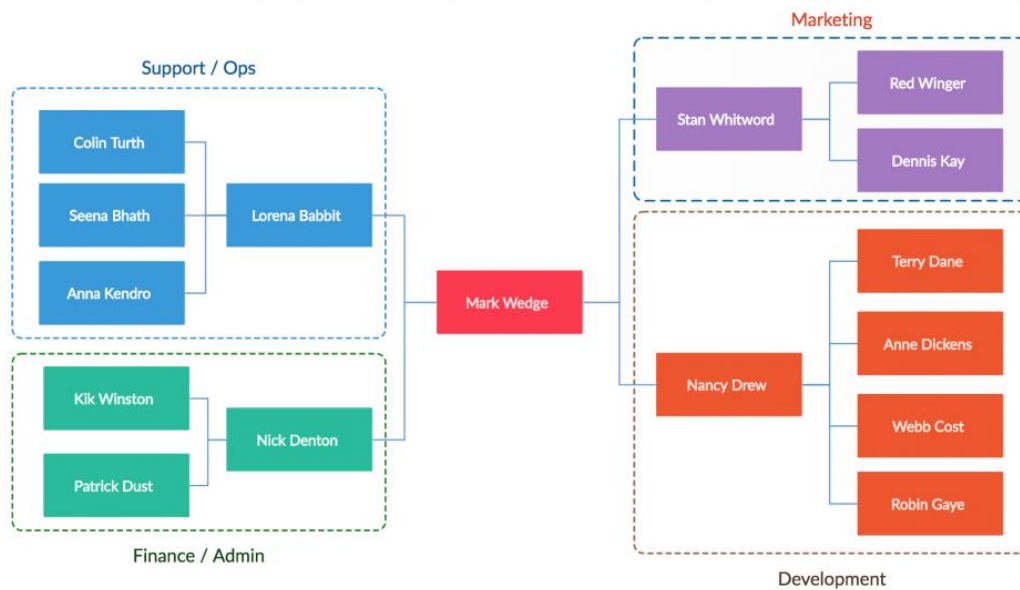
The organizational charts could be of different **types**:

- **Vertical organizational charts.** They aim to highlight the hierarchy of command: The positions that have more authority are located in the highest places and, below them, the subordinate ones. Direct and indirect subordination relationships also stand out.



- **Horizontal (Flat) organizational charts.** They have the same elements as vertical organization charts, but command units are on the left and subordinate units on their right. The objective of this organization is to highlight the importance of the functions on the hierarchy of command.

Org Chart Layout for a Flat Organization



If people are the most valuable resource of organizations, when designing the organizational structure of the company, the Management must analyze what type of professional profile is necessary for each job and establish a personnel selection process.

3. THE NEEDS OF PERSONNEL: THE PROCESS OF RECRUITMENT AND SELECTION OF PERSONNEL

To carry out the functions explained above, the Human Resources Department is in charge of the selection and training process of the people necessary to achieve the organization's objectives.

a) Analysis of job positions

To carry out an adequate selection of personnel, the following must be carried out previously:

- **An analysis of the job position:** identifying the tasks and elements that comprise it, as well as the characteristics and requirements that the person who covers it must meet.
- **A job description:** specifying the job objectives, responsibilities, required training, relationship to other positions and working conditions.
- **A specification of the job:** where the necessary requirements to fill them are listed in terms of physical, mental and emotional qualities.

Observe: How do you design a job?

The job position is made up of the set of tasks performed by a person in a company, with the consequent authority and responsibility. To structure an organization, it is necessary to group the tasks (set of operations carried out by a person

at his job and in a given time). A set of tasks make up a position. The position is designed based on the division and specialization of the workers. The specialization attached to each position gives rise to the different professional categories within the company.

b) Recruitment

Once this analysis is done, recruitment begins. This can be done inside the company (own employees) or go abroad to find candidates (depending on the level, some places or others will be used: universities, companies, advertisements, relatives ...).

Depending on the position and the company, this process includes the previous analysis of the candidates (a pre-selection of the applications received, eliminating those that do not clearly meet the requirements), the performance of psychotechnical tests, professional practical tests and personal or group interviews.

Decision-making on the candidate to be selected will be carried out by the head of the department where the candidate will work together with the head of human resources.

4. OBLIGATIONS OF THE COMPANY IN LABOR MATTERS

a) The hiring of workers and the main employment contracts

The hiring plan defines the type of contract that will bind each of the employees to the company, the general conditions of labor relations and its cost.

Workers will be hired full-time and open-ended (indefinido), but there will be cases in which they are hired part-time, for a season, or during a season of the year.

The employer must reflect on the following concepts:

- The trial period is part of the employment contract, it is included within it. Workers must be registered in the Social Security System before starting work.
- Almost all employment contracts must be in writing, and it is always preferable to do so to avoid the presumption that the worker is permanent and full time.
- The most commonly used temporary contracts are: the contract for an specific work or service, the temporary contract due to production circumstances, the internship contract and the training and apprenticeship contract, which are also temporary.
 - Due to production circumstances, when market circumstances, accumulation of tasks or excess orders require it, even in the case of the normal activity of the company.

- To carry out a specific work or service, carry out specific works or services with their own autonomy and substantivity within the company activity and whose execution, although limited in time, is initially of uncertain duration.
- Work experience contract (contrato en prácticas), which may be carried out with those who have a university degree or professional training of a medium or higher degree, within the five years following the completion of the studies.
- Training and apprenticeship contract, which will have the objective of acquiring the theoretical and practical training necessary for the adequate performance of a trade or a job that requires a certain level of qualification. It may be held with workers over sixteen and under twenty-five years of age who lack the required qualifications to carry out an internship contract.
- **Permanent contracts** must be carried out if jobs that are part of the permanent staff of the company are occupied.
- It is possible to hire part-time workers through a specific contract.

It is essential that the company knows and applies the **Collective Agreement** of the sector. It specifically regulates days of work leave, vacation issues, contract improvements and especially salary by professional category and bonuses, as it regulates the working conditions that must be applied to its workers.

b) Obligations of the company with Social Security

The company is obliged to affiliate the worker in Social Security, in case he is not, and register him. As you know, the company collaborates with the Social Security by collecting and entering the fees that both the worker and the company itself have to pay.

What is the effective cost of hiring a worker?

Let's look at the following example.

Permanent worker

Base Salary € 1,200

2 Annual extra payments: € 200 / month (1200.2 / 12)

Personal income tax withholding: 10%

Premiums: 2%

Cost = Gross Salary + company social security

Worker net salary calculation:

Gross salary = 1,200 + 200 = € 1,400

Social security worker = 4.7% (Common contingencies) + 1.55% (Unemployment) + 0.1% (Professional Training) of BCCC (Coincides with BCCP) = 6.35% of 1,400 = € 88.90

Employee's personal income tax = 10% of 1,400 = € 140

Net salary = 1,400 - 88.90 - 140 = € 1,171.10

The worker receives a net amount of € 1,171.10

Fees to be paid by the company for the contracted worker's:

- Common Contingencies = 23.6% of 1,400 = € 330.40
- Professional Contingencies = 2% of 1,400 = € 28
- Unemployment = 5.50% of 1,400 = € 77
- Salary Guarantee Fund = 0.2% of 1,400 = € 2.8
- Vocational Training = 0.6% of 1,400 = € 8.4

TOTAL social security paid by the company = € 446.60

What perception does the company have of the cost incurred by the worker?

Net salary to be delivered = € 1,171.10

+ Social security worker = € 88.90

+ Personal income tax of the worker = € 140

+ Social security paid by the company = € 446.60

Total worker cost = 1,846.60, when adding what the worker receives plus personal income tax plus Social Security.

What does the entrepreneur pay as an autonomous?

Likewise, the company pays its share of Social Security, which comes in during the following month. It is noteworthy that the self-employed quota is a percentage that is calculated on the basis of contribution or "theoretical salary" that, as a worker, you estimate that you will have. The **contribution base** has a minimum and a maximum that the Government establishes each year.

The autonomous fee depends on the contribution base you have chosen and the bonuses you can take advantage of.

Since January 2019 there is only one type of contribution for everyone, which is the one that applies to the chosen contribution base. Currently this type of contribution for the self-employed is **30,6%**. This percentage would be divided into:

- 28,3% for common contingencies
- 1,3% for professional contingencies
- 0,9% due to cessation of activity
- 0,1% for professional training

Thus, the self-employed quota is a percentage of the contribution base that has a minimum and a maximum, and within them you can choose the base you want.

The minimum base in 2022 stands at 960.60 euros. The minimum installment to be paid in 2022 is the result of applying 30,6% as a general rate to the minimum base of 960.60 euros that begins the year 2022 intact. In this way, the minimum quota for the self-employed in 2022 is 294 euros and is paid by the majority of the self-employed. As we have already indicated, these 294 euros per month for the self-employed fee cover the self-employed worker in the event of common illness, accident or occupational disease, cessation of activity and training.

Reduction of the autonomous fee

When the activity begins, there is the possibility of availing itself of a flat rate that varies throughout the first months of activity, establishing three reduction sections based on the minimum contribution base and the minimum contribution rate, including temporary capacity. The excess of contribution from the minimum base remains without any bonus, quoting at the general rate of 30%.

- **Tranche 1: First 12 months:** in 2022, 60 euros of the minimum fee for common contingencies or an 80% discount on the minimum base in case of contributing for bases higher than the established minimum (960,60 euros). In the case of the self-employed company (autónomo societario), the minimum contribution base established at 1,234,86 euros, obliges the worker to pay a fee slightly higher than 60 euros.
- **Tranche 2: Months 13 to 18:** 50% reduction in the minimum fee for common contingencies during the second semester. The self-employed, natural person, fee amounts to 143,10 euros per month. The share of the self-employed company stands at 188,93 euros.
- **Tranche 3: Months 19 to 24:** 30% reduction in the minimum fee for common contingencies during the following semester. The fee for the self-employed, natural person, amounts to 200,30 euros, while the fee for the self-employed company stands at 264,51 euros.
- **Tranche 4: Months 25 to 36:** 30% discount on the minimum fee for common contingencies only for new self-employed men under 30 years of age and self-employed women under 35 years of age. The self-employed, natural person, fee amounts to 200,30 euros, while the self-employed company fee stands at 264,51 euros.

<https://www.infoautonomos.com/seguridad-social/cuota-de-autonomos-cuanto-se-paga/>

5. OBLIGATIONS REGARDING TO THE PREVENTION RISKS AT WORK

Prevention risks at work is the activity that aims to promote the improvement of working conditions to raise the level of protection of the health and safety of workers.

The protection of the worker's health is carried out through the so-called **hygiene at work** that includes the techniques developed within the company to avoid occupational diseases, that is, those derived from the performance of the work activity. From a technical point of view, **occupational diseases** are the gradual and slow deterioration of the worker's health produced by continuous and chronic exposure to adverse situations.

The promotion of worker safety seeks to prevent work-related accidents, that is, injuries suffered by the worker in the performance of his or her work as an employee, produced during the time of their employment service, as well as injuries caused during their displacement from their residence to the place of work (*in itinere*).

Prevention risk at workn obliges different agents related to work activity:

- **Employers** are obliged to assess possible risks, try to avoid them, applying safety and hygiene regulations in their companies (they are ultimately responsible for their compliance).
- **Workers** must ensure their own health and safety and that of third parties. Therefore, they must properly use machines, tools and dangerous substances, use the means of prevention and protection according to the instructions. They must also inform their superiors of situations that may pose risks to their health or safety.
- **Manufacturers, importers, suppliers of machinery, etc.**, must duly inform about the correct use, handling and conservation of the products to avoid risks.
- **Public Authorities** must develop actions aimed at preventing work accidents and occupational diseases. In addition, they must stimulate the development of knowledge and activities of employers and workers on occupational risks and their consequences.

6. MANAGEMENT AND LEADERSHIP

A fundamental trait that a manager must have in order for his functions to fulfill the established objectives is leadership capacity. Leadership is essentially about making people in the organization identify with the group's objectives and act to achieve them. In other words, directive tasks can be carried out using principles of authority ("It is done because I say so, that's what I'm the boss for") but surely the guidelines will come better if they are transmitted through a leader who manages to involve everyone group in decision making ("Let's try to get for this month ...").

Manage is related to authority, power and hierarchy, while leading is determined by influence. The leader pays the same attention to external customers (those who purchase the goods and services produced by the company) as to internal customers (workers and collaborators). We should not think that the manager's attitudes are bad and that of the leader good, the art of management is to use both facets well.

Manage people = conduct + lead

	Manager	Leader
Origin authority	Formal hierarchy	Informal influence
Goals	External clients.	External clients. Internal clients.
Vision	Short-term Tactics	Long-term strategic.
Main resources	Materials	Emotional
Main task	Control and supervise	Train and advise (Coach)
Real vision	He/she accepts it	He/she questions it

The Human Resources (HR) manager must be able to combine management with leadership; formal authority (hierarchy) with influence in the staff.

Leadership styles

It is the leader's way of behaving before his followers:

- **Autocratic:** it is based on the strict definition of tasks and procedures, and on the mechanical obedience of subordinates.
- **Democratic:** make subordinates participate in decision making.
- **Laissez-faire:** the leader provides great freedom, provides only information and hardly participates or controls the results obtained.

Style flexibility is an important quality of good leaders, they adapt their style to each situation. It is necessary to understand that every situation requires different styles of leadership.

7. MOTIVATION OF WORKERS

How to get the motivation of the workers? How would a company get you to feel more involved in the work you do? Beyond the theories seen, we will see what are the main factors that can improve employee performance. Surely the first thing that one thinks when talking about motivation is the money that one is paid but as you will see below, the company has to take into account other factors that sometimes work better than the material aspects:

- **Monetary factors:** money acts as a motivator especially while lower needs are not covered. Its effect decreases when these needs are covered and other higher needs appear. In other words, when one begins to work or has only been working for a short time, the salary increases are more appreciated and once a certain level of income has been reached, other measures may be more valued.

Monetary measures can be carried out directly through salary, supplements, productivity payments or distribution of business profits. But also indirectly through payments in kind such as allowances, travel, rentals or material gifts.

- **Non-monetary factors:** money does not act as the only motivator:
 - **Job enrichment:** a job is less motivating the more monotonous and routine it is, therefore job enrichment aims to introduce modifications in the content of the job to meet higher-level needs. A position is enriched by expanding the variety of tasks, giving a global sense or identity to the task so that it can identify the global result of its effort, giving the worker autonomy and favoring his creativity, and so on.
 - **Delegate authority and responsibility:** make the worker participate in the decisions that concern her work.
 - **Use continuous communication** to better inform workers about what is expected of them or recognize workers for their merits and a job well done.
 - **Introduce mechanisms for self-evaluation:** give workers means by which they can know the progress they are making at work, which avoids frequent control by other people, which is a factor that reduces motivation.
 - **Facilitate the training** and personal development of workers.
 - **Incentive and promotion policy** based on merits and job expectations and the career plan: if the worker's promotion and promotion opportunities are not satisfied, their motivation will be less and less, as a situation of frustration occurs personal.