**HRM ISSUES**

1. **Difficult area to legislate clearly:**  
   Legislating HR policies is challenging due to the complexity and variability of human behavior and workplace scenarios.
2. **Political battleground:**  
   HR policies often become a focal point of political debates, especially when addressing issues like labor rights and workplace equality.
3. **More attention paid to the rights of individual employees:**  
   There is a growing emphasis on safeguarding employees' rights, necessitating HRM to ensure fair treatment and a non-discriminatory work environment.
4. **HRM needs to comply with anti-discrimination legislation:**  
   Human Resource Management must adhere to laws that prevent discrimination based on factors such as race, gender, age, or disability.

**HRM At work**

1. ensuring that recruitment, selection and promotion procedures
2. comply with anti-discrimination legislation;
3. staff training and development;
4. setting up and monitoring remuneration policy;
5. setting up and monitoring appraisal procedures;
6. administering dismissal and redundancy procedures;
7. dealing with contracts of employment;
8. workforce planning;
9. administering grievance procedures;
10. being aware of new legislation affecting employment rights and
11. advising management of what the organization must do to comply
12. with it;
13. dealing with health and safety;
14. administering consultative committees.

**Remuneration Policy:** A guideline that defines how employees are compensated, including salary, bonuses, and benefits.

**Appraisal Procedures:** The process used to evaluate an employee's performance and contribution to the organization.

**Grievance Procedures:** A formal process for employees to raise complaints or concerns about workplace issues and seek resolution.

An example of HRM monitoring health and safety could be **conducting regular workplace safety audits** to ensure compliance with safety standards, such as checking equipment, ensuring fire exits are accessible, and verifying that employees are using personal protective equipment (PPE) as required.

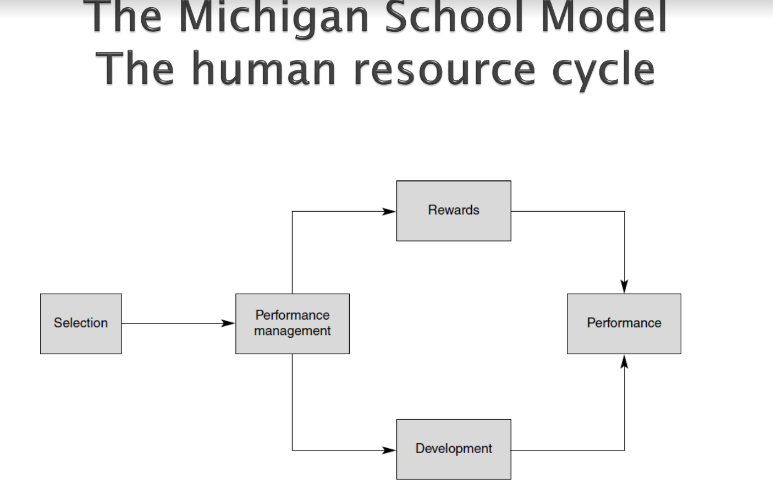
**Administering Consultative Committees:** Facilitating meetings between management and employee representatives to discuss workplace issues, share feedback, and collaborate on decision-making for organizational improvements.

**HR PROCESS**

* 1. **Acquisition:** Recruiting and selecting the right candidates to meet organizational needs.
  2. **Training:** Developing employee skills and knowledge through workshops, courses, or on-the-job training.
  3. **Appraisal:** Evaluating employee performance to provide feedback and identify areas for growth.
  4. **Compensation:** Determining and managing employee salaries, benefits, and rewards.
  5. **Labor Relations:** Maintaining a positive relationship between management and employees, handling disputes and negotiations.
  6. **Health and Safety:** Ensuring a safe work environment by implementing health policies and safety regulations.
  7. **Fairness:** Promoting equality and impartiality in all HR practices, ensuring fair treatment for all employees.

**HR SPECIALITIES**

1. **Recruiter:** Responsible for sourcing, interviewing, and hiring the best candidates for job openings.
2. **EEO Coordinator:** Ensures compliance with Equal Employment Opportunity (EEO) laws and promotes diversity in the workplace.
3. **Labor Relations Specialist:** Manages employee relations, handles disputes, and negotiates with unions on behalf of the organization.
4. **Training Specialist:** Designs and delivers training programs to enhance employee skills and support career development.
5. **Job Analyst:** Analyzes job roles and responsibilities to create accurate job descriptions and determine appropriate qualifications.
6. **Compensation Manager:** Develops and oversees the organization’s pay structure, including salaries, bonuses, and benefits.



 **Selection:** Hiring the right people who fit the organization's strategy.

 **Appraisal:** Assessing employee performance to support strategic objectives.

 **Rewards:** Providing compensation and benefits to motivate and retain employees.

 **Development:** Training and developing employees to build skills aligned with organizational needs.

**Rewards → Performance**: Rewards, such as compensation and benefits, are provided to motivate employees, which in turn enhances their performance.

**Development → Performance**: Employee development and training programs are implemented to improve skills, leading to better job performance.

Both arrows loop back to **Performance** because improved performance can lead to a cycle where employees are further rewarded and developed, maintaining alignment with the organization’s strategic goals.

**Recruitment and Selection**

**Selection Techniques**

* **Assessment of References:**
* **One-to-One Interviews:**
  + Reliable method for personal evaluation.
  + Difficult to ensure compliance with equal rights legislation.
* **Interview with Panel:**
  + Common in public sector hiring.
  + Reduces nepotism and corruption, but can favor smooth talkers and result in poor appointments.
* **Legislation Requires Providing References:**  
  In many jurisdictions, laws require employers to provide certain information about former employees when a new employer asks for it. This typically includes confirming the employee’s job title (the position they held) and the dates they worked at the company (when they started and when they left). For instance, if a candidate applies for a new job and the prospective employer contacts their previous employer, the previous employer must verify these basic details.
* **Legal Risks Involved, Leading to Less Frequent Use:**  
  Employers may hesitate to give detailed references because if they say something negative about the former employee, they could be sued for defamation (making false statements that harm someone’s reputation). To avoid this risk, many companies choose to only provide limited information (like job title and employment dates) rather than opinions about the employee's performance or work ethic. This cautious approach can lead to fewer detailed references being used in the hiring process.
* **Psychometric Tests:**
  + **Ability Tests:** Assess verbal and numerical skills.
  + **Aptitude Tests:** Measure potential to learn new skills.
  + **Personality Tests:** Value in selection is still debated.

 **Situational Assessment:**

* **Common for Military Officers and Multinational Companies to Evaluate Graduates:**  
  Situational assessments are frequently used in recruitment processes for military officers and large multinational companies. For example, a military organization may assess candidates by presenting them with scenarios they might face in the field, allowing recruiters to gauge their decision-making and leadership skills.
* **Situational Questions Add Depth to Interviews:**  
  These questions require candidates to describe how they would handle specific situations. For instance, a situational question might be: "How would you manage a team conflict if two team members disagreed on a project approach?" This type of question helps interviewers understand a candidate's problem-solving abilities, interpersonal skills, and alignment with the company’s values.

 **Task Assessment:**

* Not all skills can be assessed through tasks alone.

 **Nepotism & Cronyism:**

* Low risk with structured recruitment processes.
* **Selection tools must be reliable and valid.**
* **Reliability:** the degree to which the tool measures the same thing each time it is used. Scores should be close for the same person taking the same test over time.
* **Validity:** Does the test measure what it is supposed to measure? Example: does a physical ability test really predict the job performance of a firefighter?
* Managers have an ethical and legal duty to develop good selection tools.

**Staff training and Development**

 **UK Criticized for Lack of Interest in Staff Training:**  
The UK faces criticism for not prioritizing employee training and development, which can hinder workforce skills and productivity.

 **In the USA:**  
Professionals often receive support to pursue part-time degrees, with promotions frequently tied to obtaining further qualifications. This emphasizes the value placed on continuous education and professional growth.

 **Up to Individuals and Managers:**  
Responsibility for seeking training opportunities often falls on individual employees and their managers, highlighting the importance of proactive engagement in personal and professional development.

 **BCS Supports CPD:**  
The British Computer Society (BCS) advocates for Continuous Professional Development (CPD), which encourages professionals to continually update and enhance their skills and knowledge throughout their careers.

 **Managers to Take Responsibility for CPD:**  
Managers are encouraged to take an active role in promoting CPD among their teams, ensuring that staff have access to training and development resources.

 **Staff Training and Development in High-Tech Companies:**  
While staff training is crucial in high-tech industries for keeping up with rapid advancements, it is often the first area to face cuts when budgets are tight, which can lead to skill gaps and decreased competitiveness.

**Training and Development**

**Training:** teach organizational members how to perform current jobs.

* Help workers acquire skills to perform effectively.

**Development:** build workers' skills to enable them to take on new duties.

* Training is used more often at lower levels of the firm; development is common with managers.

A Needs Assessment should be taken first to determine who needs which program and what topics should be stressed.

**Types of development**

**Varied Work Experiences:** Top managers must build expertise in many areas.

* Workers identified as possible top managers are given many different tasks.

**Formal Education**: Tuition reimbursement is common for managers taking classes for an MBA or similar.

* Long-distance learning can also be used to reduce travel.

Whatever training and development efforts are used, results must be transferred to the workplace.

**REMUNERATION POLICIES AND JOB EVALUATION**

* **Scales and Increments:**  
  Salary scales are used, but adapting to market conditions can be challenging, especially for government hiring of IT professionals, where salary differences can be significant.
* **Salary Variations:**  
  Salaries often vary within established guidelines, with substantial increases occurring when employees threaten to leave their jobs.
* **Job Evaluation:**  
  This process compares the relative worth of jobs to establish grades, ensuring equal pay for equal work, particularly important under anti-discrimination legislation.
* **Importance During Mergers:**  
  Job evaluation is crucial during mergers and acquisitions to maintain clarity and consistency, especially in rapidly growing companies. (Both companies paid equally)

**Types of Job Evaluation Schemes:**

* **Non-Analytical:**  
  Compares entire jobs without focusing on individual skills. Common in public sectors where job grades are predetermined.
* **Analytical:**  
  Evaluates jobs based on specific skills and elements, allowing for a more detailed assessment of job worth.

**Pay Incentives**

* **Industry Comparison:**  
  The firm's pay incentives are assessed against those of other firms in the industry, determining how competitive their compensation packages are.
* **Managerial Decisions:**  
  Managers have the flexibility to offer either low or high relative wages based on their strategic objectives and market conditions.

**Pay Structure**

* **Job Clustering:**  
  The pay structure involves categorizing jobs into clusters based on their importance, required skills, and other relevant factors. This helps create a systematic approach to compensation.

**Benefits**

* **Mandatory Benefits:**  
  Some benefits are legally required, such as social security and workers' compensation.
* **Optional Benefits:**  
  Employers may also provide additional benefits, such as health insurance and daycare, at their discretion.
* **Cafeteria-Style Plan:**  
  This flexible benefits plan allows employees to choose their preferred mix of benefits, catering to individual needs. However, it can be challenging to manage due to the variety of options available.

**Base Wage**

1. **Job-Based Pay:**
   * Employees are compensated based on the specific job they perform.
   * Pay is determined by the responsibilities and requirements of the job itself.
2. **Competency-Based Pay:**
   * Compensation is linked to the employee's job-relevant skills, knowledge, and experience.
   * Encourages employees to develop and enhance their skills to increase their pay.
3. **Incentive Pay:**
   * Pay is tied to job performance, motivating employees to achieve higher levels of productivity.
   * Increases motivation and engagement by linking compensation to individual and organizational performance.
   * Particularly effective in environments where employees have trust in the organization's goals and values.

**Performance-Based Pay Types**

1. **Piece-Rate Pay:**
   * Employees are compensated for each unit of output they produce.
   * This system incentivizes higher productivity by directly linking pay to the quantity of work completed.
2. **Commissions:**
   * Employees receive compensation based on a percentage of sales or profits generated.
   * This pay structure is common in sales roles and encourages employees to maximize their sales efforts.
3. **Bonuses:**
   * Lump sum payments provided to employees as a reward for achieving specific performance goals or milestones.
   * Bonuses can be tied to individual, team, or organizational performance, serving as an incentive for enhanced productivity and engagement.

**TEAM OR ORGANIZATIONAL BENEFITS**

 **Gain Sharing:**

* **Definition:** Teams of employees share in the gains resulting from improvements in productivity or cost-saving measures.
* **Example:** A manufacturing team implements a new process that reduces production costs. As a result, they receive a percentage of the savings achieved over a specific period.

 **Profit Sharing:**

* **Definition:** Employees receive a percentage of the profits earned by a department or company.
* **Example:** At the end of the fiscal year, a company distributes a portion of its profits to all employees based on their salary and tenure.

 **Stock Ownership:**

* **Definition:** Employees are given shares of the company, aligning their interests with those of shareholders.
* **Example:** A tech company grants stock options to employees, allowing them to purchase shares at a predetermined price, potentially benefiting from stock price increases.

 **Employee Stock Ownership Plans (ESOPs):**

* **Definition:** A retirement plan that provides employees with an ownership interest in the company through stock shares.
* **Example:** A company sets up an ESOP, allowing employees to accumulate shares over time, which can be cashed out upon retirement or leaving the company.

**Management by Objectives (MBO) APPRAISEL SCHEMES**

1. **Objective Setting:**
   * A set of objectives is established to achieve within a specific timeframe, typically six months.
   * Objectives should be precise, verifiable, and quantifiable, allowing for clear assessment of progress.
2. **Awareness:**
   * Both managers and staff should be aware of the organization’s overall objectives, ensuring alignment and focus.

**MBO Weaknesses**

1. **Difficulties in Specification:**
   * Not all objectives can be easily specified and quantified, which may lead to challenges in assessment and accountability.
2. **Short-Term Focus:**
   * MBO often emphasizes short-term objectives, potentially neglecting long-term strategic goals and vision.

**Appraisal Schemes**

* Modern management trends lean towards general principles of MBO rather than strictly adhering to rigid formal objectives.
* **Empowerment:** Employees at all levels are involved in setting expectations, allowing them the flexibility to determine how they achieve these goals.

**Rigid Formal Objectives**

* **Explanation:**  
  Rigid formal objectives refer to fixed, unchanging goals that do not allow for flexibility or adaptation to changing circumstances. This can lead to a lack of responsiveness to dynamic business environments and may discourage innovation and creativity in problem-solving.

**Process of Evaluating Employee Performance (performance Apprasel)**

* Job-related strengths
* Development needs
* Progress toward goals
* Determine ways to improve performance
* Pay and promotion decisions
* More systematic is better, for the most part

**Types of Appraisals**

* **Self Appraisal:**
  + Employees evaluate their own performance, promoting self-reflection and personal accountability.
* **Peer Appraisal:**
  + Colleagues assess each other's performance, providing insights based on collaboration and teamwork.
* **360 Degree Appraisal:**
  + A comprehensive evaluation that gathers feedback from various sources, including supervisors, peers, subordinates, and sometimes clients.

**Common Errors in Appraisal**

* **Central Tendency Error:**
  + All employees are ranked as average, regardless of their actual performance levels, leading to a lack of differentiation.
* **Leniency:**
  + Individuals are ranked higher than they deserve, which can inflate performance ratings and misrepresent true performance levels.

**SOURCES OF APPRAISEL**

**Self, peers, client & customers, supervisors, subordinates**

**Redundancy, dismissal and grievance procedure**

**Fair dismissal:**

* Lack of capability to do the job
* Misconduct
* It is illegal for the employer to employ the employee – employee’s work permit expired(cant employee but still doing so )
* Redundancy (position not required )
* “Other reasons” – but many are “unfair” e.g. on grounds of discrimination, because the employee is taking legal action to enforce their rights at work, ….

**Dismissal Process:**

1. **Written Statement:**
   * Provide a written statement explaining the reasons for considering dismissal.
2. **Arrange a Meeting:**
   * Schedule a meeting where both the employer and employee can present their cases.
3. **Decision Notification:**
   * After the meeting, inform the employee of the decision regarding their dismissal.
4. **Right of Appeal:**
   * Allow the employee the right to appeal the decision to a more senior manager.
5. **Other Issues:**
   * Consider additional factors such as constructive dismissal, takeovers, and outsourcing.

**Redundancy:**

* **Definition:**
  + Occurs when the employer no longer requires employees to perform a specific job or fewer employees are needed.
* **Employee Entitlement:**
  + Employees are entitled to compensation, subject to a legal minimum.
* **Employer Intent:**
  + Employers often aim to reduce the number of employees in a particular category.
* **Selection Process:**
  + Traditionally, selection for redundancy was based on the last-in, first-out principle. (Is this reasonable?)
* **Voluntary Redundancy:**
  + Employers may offer voluntary redundancy to employees. (Do you see any issues with this?)

**Contracts of Employment**

* In most modern economies, employees are required to have contracts (whether or not they are written).
* Employees should understand their conditions of employment.
* HR staff oversee the signing and record keeping around contracts.

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**Human Resource Planning**

* HR departments often get involved in resource planning:
  + Characterizing the skills of the current workforce.
  + Characterizing the current workload and how effectively the workforce meets that workload.
  + Forecasting likely increases in workload and the pattern of workload.
  + Forecasting staff losses and gains.
  + Predicting the effects of takeovers, etc., on HR.