

Human Resources Management

HRM 611

Lecture 10: General Revision

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Ch.
01

Introducing HRM

HRM is the process of **acquiring, training, appraising, and compensating** employees, and attending to their **labor relations, health and safety, and fairness concerns.**

HRM is an important part of the overall management process, which involves planning, organizing, staffing, leading, and controlling.

Line and Staff Aspects of HRM:

Line managers have direct authority to direct and oversee their subordinates.

HR managers have a **staff (advisory)** role to assist and advise line managers on HR-related matters.

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Introducing HRM

Line Managers' HRM Duties:

Duties include placing the right person in the right job, employee orientation, training, performance management, labor cost control, and employee health/safety.

HR Manager's Duties:

HR managers have **line, coordinative, and staff** (advisory) functions within the organization.

New trends in organizing HRM functions: Transactional HR, Corporate HR, Embedded HR, Center of Expertise.

Key trends affecting businesses: Globalization, deregulation technology, demographics.

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Introducing HRM

New trends in organizing HRM functions:

Transactional HR: This is like the hospital's information desk. They handle common questions and tasks, like processing payroll or answering basic benefits inquiries. They might even outsource some things, like retirement planning advice, to specialists.

Corporate HR: These are the hospital's strategic advisors. They work with the CEO (Chief Executive Officer) to plan the long-term staffing needs of the hospital. For example, if the hospital wants to open a new wing, they'd help figure out how many nurses, doctors, and other staff they'd need.

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Introducing HRM

New trends in organizing HRM functions:

Embedded HR: Think of these as HR representatives assigned to specific departments, like the cardiology unit. They understand the unique needs of that department and can help them with things like recruiting nurses with specific cardiac care experience or resolving conflicts within the department.

Centers of Expertise: These are like the hospital's internal consulting firms. If a department is going through a big change, like implementing a new electronic health records system, these HR specialists can offer expertise and guidance to make the transition smoother.

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Main Topics

- ☐ Introducing Strategic Management Process
- ☐ Importance of strategic Planning
- ☐ Types of Strategies (Corporate & Business- level strategies)
- ☐ HR Strategy tools (Strategy map, HR Scorecard, digital dashboard)
- ☐ Strategic HRM

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Talent Management

This process aims to attract, develop, and retain skilled employees.

Effective talent management involves:

- Integrating all HR activities like staffing, training, and compensation.
- Making decisions based on clear goals.
- Using consistent criteria throughout the employee lifecycle (hiring to promotion).
- Segmenting employees

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Job Analysis

Job analysis helps determine the tasks and skills required for each position. It involves creating two documents:

Job description: Lists the duties and responsibilities of the position.

Job specification: Identifies the skills and qualifications needed for the job.

Job analysis information is used for various HR functions, including recruitment, training, and performance management.

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Basic Steps in Job Analysis

- **Identifying the purpose of the analysis.**
- **Reviewing background information.**
- **Select Representative Positions**
- **Collecting data through methods like interviews, observation, and questionnaires.**
- **Verifying the collected information.**
- **Developing job descriptions and specifications**

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Importance of job analysis

- **Competitive pay** is important, but job analysis is key to attracting and keeping top talent.
- **Clear Expectations:** Job analysis defines what good performance looks like, ensuring everyone is on the same page.
- It helps **hire qualified individuals** with the right skills who can excel from the start.
- **Effective Training:** It informs training programs to target the most relevant skills.
- **Improved Processes:** It identifies areas where work processes can be streamlined.

Ch.
04**Main Topics****❑ Recruitment & Selection Process**

1. Decide what positions to fill through personnel planning and forecasting.
2. Build a candidate pool by recruiting internal or external candidates.
3. Have candidates' complete application forms and undergo initial screening interviews.
4. Use selection tools to identify viable candidates.
5. Decide who to make an offer to, by having the supervisor and others interview the candidates.

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04**Main Topics****Personnel Planning and Forecasting**

Employment/Personnel Planning - the process of deciding what positions the firm needs to fill and how to fill them

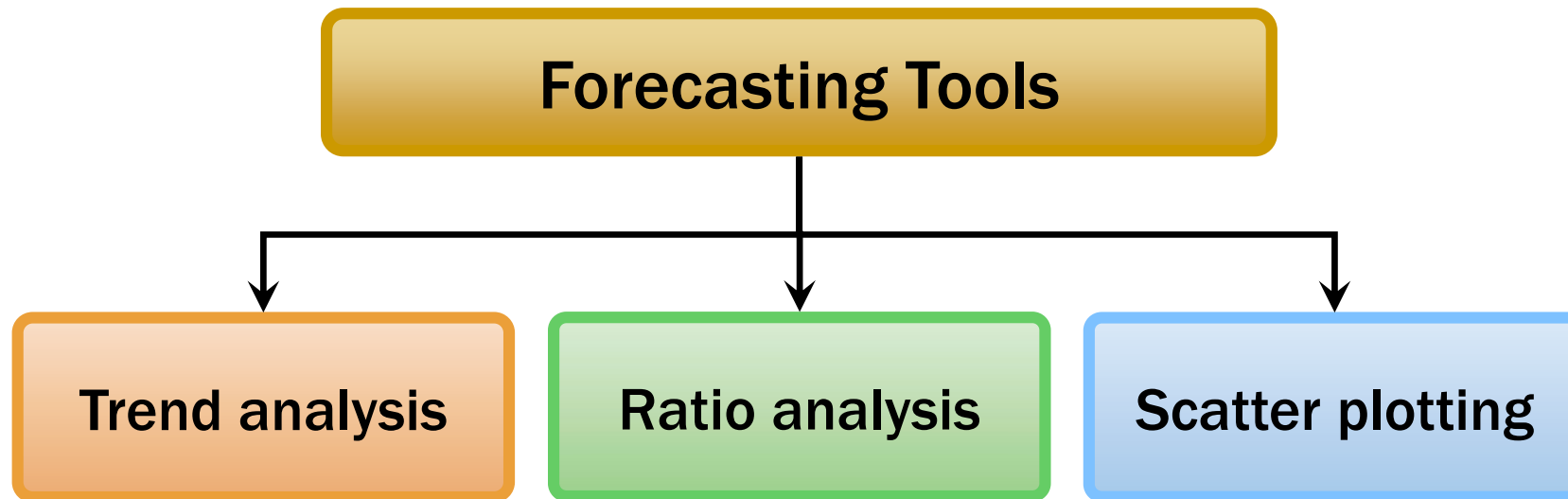
Succession Planning - the process of determining how to fill the company's key executive roles

What to Forecast:

- Overall personnel needs
- The supply of internal/outside candidates

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Main Topics



Main Topics

Drawbacks of traditional forecasting techniques –

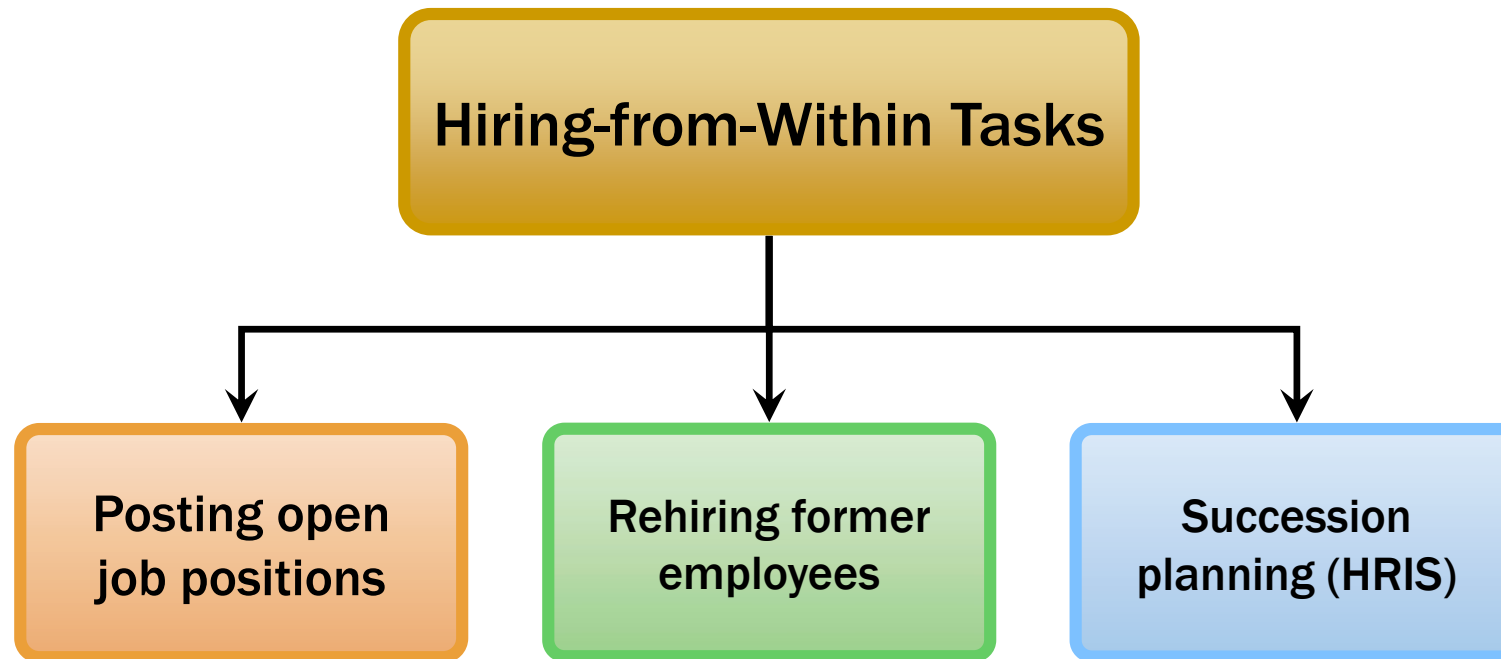
- **Over-reliance on historical data** rather than considering strategic initiatives and future business needs.
- **Lack of a forward-looking perspective** - they tend to be reactive rather than proactive in anticipating workforce changes.
- **Insufficient consideration of broader organizational strategy and long-term goals** when planning personnel requirements.
- **Rigidity and inflexibility**, making it difficult to quickly adapt the forecasting model to sudden changes in the business environment.
- **Potential for inaccurate projections**, as historical data may not adequately account for unforeseen events or disruptive factors impacting future workforce needs.

Main Topics

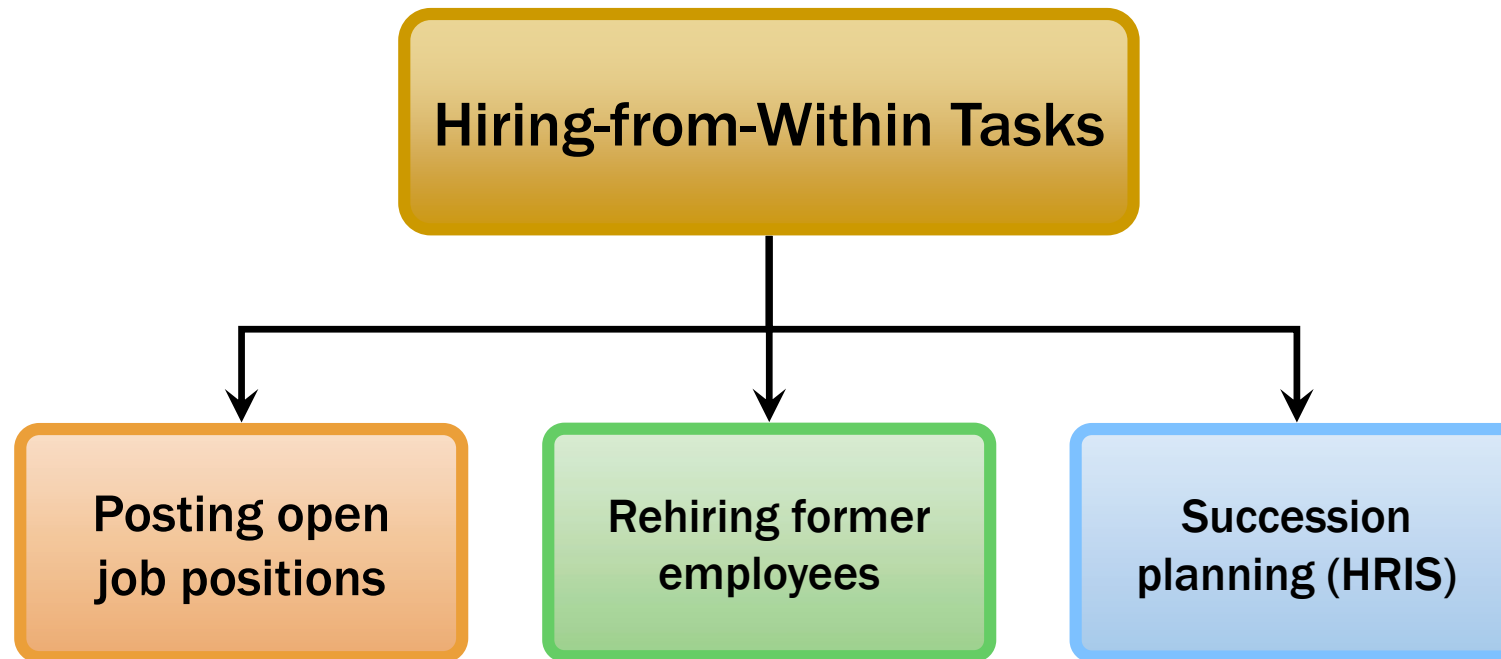
To address these limitations:

- Organizations should complement traditional forecasting techniques with a more strategic, forward-looking approach.
- This includes incorporating scenario planning, workforce analytics, and direct input from business leaders to better align personnel planning with the company's overall strategic priorities and objectives.

Finding Internal Candidates



Finding Internal Candidates



Outside Sources of Candidates

Locating Outside Candidates

-
- 1 → Recruiting via the Internet
 - 2 → Advertising
 - 3 → Employment Agencies
 - 4 → Temp Agencies and Alternative Staffing
 - 5 → Offshoring/Outsourcing
 - 6 → Executive Recruiters
 - 7 → On Demand Recruiting Services (ODRS)
 - 8 → College Recruiting
 - 9 → Referrals and Walk-ins

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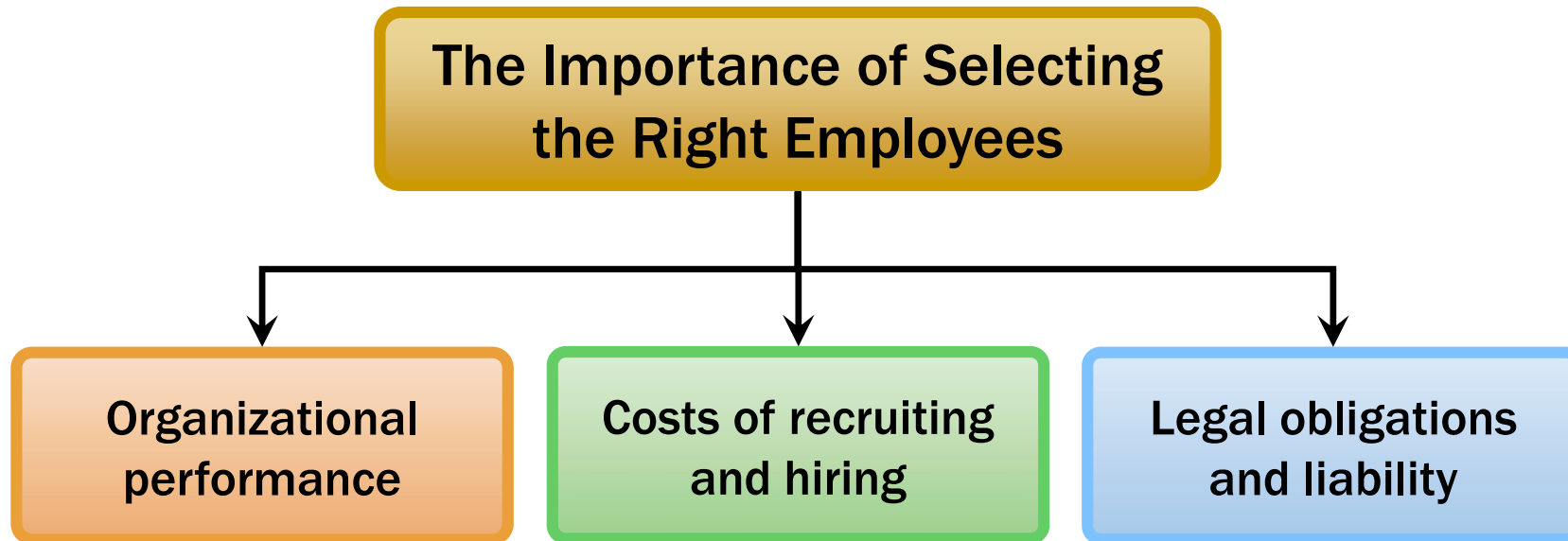
Main Topics

Measuring Recruiting Effectiveness

Discusses metrics to evaluate the success and efficiency of the recruiting process

Such as cost-per-hire, time-to-fill, quality-of-hire, applicant conversion rates, and hiring manager satisfaction.

Why Careful Selection is Important



Reliability and Validity:

- Reliability refers to the consistency of a test or assessment in measuring a trait or skill
- Validity is the degree to which a test actually measures what it claims to measure and is predictive of job performance

Validating Tests:

- Conduct job analysis to identify critical job requirements and competencies
- Pilot test the assessment with a sample of current high-performing employees
- Analyze assessment scores against objective measures of on-the-job performance
- Monitor reliability and validity of the assessment over time

Effectiveness of Personality Testing

Employee Selection Tests:

- Knowledge/skills tests - Evaluate technical/functional expertise
- Ability tests - Measure cognitive skills, problem-solving, etc.
- Personality/behavioral assessments - Assess work style, interpersonal skills
- Work sample/job tryout tests - Simulate real job tasks and activities

Background Investigations:

Verify employment history, education, and professional credentials

Check references to validate work performance and interpersonal skills

Review criminal records, credit history, and other public records

Maintain consistency and fairness across all candidates

Effectiveness of Personality Testing

Factors Affecting Test Effectiveness:

- **Test Design Quality:** The test should accurately measure what it intends to assess.
- **Job Relevance:** The personality traits measured should relate to success in the specific job.
- **Testing Procedures:** The test should be administered consistently and fairly.

Types of Interview

Structured interviews: Follow a set protocol with identical questions for all applicants.

Unstructured interviews: Spontaneous conversations with no predetermined questions

Question Types:

Situational questions ask how a candidate would behave in a specific scenario. Behavioral questions ask how a candidate behaved in a past situation. Knowledge and background questions assess a candidate's job-related knowledge and experience.

Interview formats: Interviews can be conducted one-on-one, sequentially by multiple interviewers, as a panel interview, by phone or video, or even in a speed-dating format.

Common Interview Mistakes

Snap Judgments: Interviewers often form quick opinions about candidates early

Negative Bias: Interviewers tend to focus on negative information about candidates more than positive information.

Not Knowing the Job: Interviewers who don't understand the job requirements

Pressure to Hire: If interviewers are under pressure to fill a position quickly

Candidate Order Error: The order you interview candidates in can affect how you rate them.

Nonverbal Cues: Interviewers tend to rate candidates who make more eye contact, smile, and use positive body language higher.

Attractiveness Bias: People tend to view attractive people more favorably.

Ingratiation: Candidates who agree with the interviewer and promote themselves effectively

CHAPTER SUMMARY

1. Careful employee selection is important for several reasons. Your own performance always depends on your subordinates; it is costly to recruit and hire employees; and mismanaging the hiring process has various legal implications including equal employment, negligent hiring, and defamation.
2. Whether you are administering tests or making decisions based on test results, managers need to understand several basic testing concepts. Reliability refers to a test's consistency, while validity tells you whether the test is measuring what you think it's supposed to be measuring.
3. Whether administered via paper and pencil, by computer, or online, we discussed several main types of tests. Tests of cognitive abilities measure things like reasoning ability and include intelligence tests and tests of specific cognitive abilities such as mechanical comprehension. There are also tests of motor and physical abilities, and measures of personality and interests.

Chapter Summary

Importance for Training and Development

- ❑ Rapid technological advancements make skills obsolete quickly. Training ensures employees use the latest technologies.
- ❑ Restructured jobs with broader responsibilities require employees to develop teamwork, communication, and problem-solving skills.
- ❑ Mergers and acquisitions necessitate integrating employees from different cultures, requiring cultural sensitivity training.
- ❑ Increased employee mobility necessitates onboarding and integrating new hires more effectively.
- ❑ Globalization demands managers to possess intercultural skills.

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Chapter Summary

Onboarding Programs: Immerse new hires in company culture and equip them with essential skills from day one

Customized Training: Develop training content tailored to the specific needs of different departments and employee roles

Strategic Focus: Align training programs with the organization's goals and business objectives (e.g., all case studies discussed).

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Chapter Summary

Developing successful training programs requires careful planning and strategizing. This involves four main steps:

- ❑ **Needs Assessment:** Identify the need for training and analyze its fit within the organization's context.
- ❑ **Set Objectives and Measures:** Define what the training aims to achieve and how success will be measured.
- ❑ **Deliver the Training:** Implement the training program according to the plan.
- ❑ **Evaluate:** Assess the effectiveness of the training program after delivery.

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Chapter Summary

Technology Integration: Utilize online learning platforms and other technological tools to deliver, manage, and track training programs

Performance Management Integration: Connect training programs with performance evaluation and development planning to ensure skill development translates to better job performance.

Chapter
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Chapter Summary

Benefits of Effective Training and Development

- ☐ Increased Employee Engagement
- ☐ Improved Productivity
- ☐ Reduced Turnover
- ☐ Enhanced Company Culture
- ☐ Competitive Advantage

CHAPTER SUMMARY

Performance management is an ongoing cycle that encompasses setting clear performance expectations, providing continuous feedback and coaching, conducting regular performance evaluations, and using these insights to guide development plans.

Performance feedback plays a central role in this process. By offering specific, constructive feedback, managers can help employees understand their strengths and weaknesses, identify areas for improvement, and adjust their behaviors to achieve better results.

A Roadmap for Success:

Collaborative Design & Strategic Alignment: Involve managers in the design process and ensure the system is tightly linked to the organization's strategy.

Fair and Objective Evaluations: Establish clear performance standards using a combination of absolute (rating) and relative (ranking) measures when appropriate.

CHAPTER SUMMARY

The chapter discussed **various Performance evaluation methods** (Ranking and rating methods)

Common Appraisal Problems:

- Subjectivity and Bias
- Leniency or Strictness
- Central Tendency
- Halo Effect
- Legal Issues

Guideline for managers in conducting an effective evaluation interview

Designing an Effective Performance Management System

Purpose and Use: What's the main goal of the system? Is it for employee development, informing rewards and compensation, boosting motivation, ensuring legal compliance, or HR planning (or a combination)? It's crucial to define the purpose upfront to avoid conflicting goals and ensure data collection supports them all.

Employee Development: The system should identify skill and performance gaps to guide training and development programs. Performance feedback should provide information to fuel these programs, and desired outcomes from training should be incorporated back into the performance management system. This creates a two-way loop for improvement.

Designing an Effective Performance Management System

Rewards and Compensation: Decisions like salary, promotions, and bonuses often rely on performance data. Employees must trust the performance feedback system for these decisions to be seen as fair. An unfair system can lead to a perceived unfairness in compensation as well.

Motivation: A formal process for acknowledging and praising employees can reinforce positive behaviors and outcomes. The system should clearly communicate expectations and allow employees to express their desired job assignments and responsibilities.

Legal Compliance: Documentation of performance deficiencies is crucial for defending against claims of unfair dismissal or discrimination. Data showing consistent, unacceptable performance strengthens the organization's defense against such charges.

EXHIBIT**10.1****Performance Feedback Versus Performance Appraisal**

	Performance Feedback	Performance Appraisal
Time period	Past, present, and future	Past
Focus	Link employee work activities to specific business objectives and strategy	Create records; document performance problems
Nature of communication	Two-way	One-sided, downward, directive; "rebuttal" sometimes allowed
Employee role	Active participant	Passive
Formality	Informal, verbal	High formality, written forms with signatures
Timing	Spontaneous, ad hoc needed	As prescribed (usually annual)
Basis of relationship	Collegiality	Power
Role of supervisor	Coach, motivator, partner	Authority figure
Outcomes	Participation; enhanced, targeted performance; improved relationships	Compensation decision; task directives

CHAPTER SUMMARY

Compensation management is a strategic process involving the design, implementation, and administration of pay structures to attract, motivate, and retain employees.

Several factors influence pay rates, including:

Job-related factors: Job complexity, responsibility, required skills, working conditions, and performance levels.

Employee-related factors: Education, experience, certifications, and performance.

Organizational factors: Company size, industry, profitability, and compensation philosophy.

Market factors: Labor supply and demand, cost of living, and competitor pay rates.

Legal and regulatory factors: Minimum wage laws, overtime regulations, and equal pay legislation.

CHAPTER SUMMARY

Direct Compensation

Direct compensation refers to monetary payments employees receive for their work. It comprises:

Base pay: The fixed amount of money employees earn for their job, usually paid on a regular basis (hourly, weekly, monthly, or annually).

Incentives: Variable pay linked to individual or organizational performance. This includes:

Bonuses: Lump sum payments given in recognition of specific achievements or contributions.

Commissions: Pay based on a percentage of sales or revenue generated.

Profit-sharing: Employees receive a portion of the company's profits.

Stock options: The right to purchase company shares at a predetermined price.

CHAPTER SUMMARY

Indirect Compensation (Benefits)

Indirect compensation, also known as benefits, refers to non-monetary rewards provided to employees. These can be categorized into:

Legally Required Benefits:

- Social security
- Unemployment compensation
- Workers' compensation
- Family and Medical Leave Act (FMLA)

Optional Benefits:

- Paid time off (PTO) including holidays, vacation, sick leave, Health insurance, Retirement/pension plans, Disability insurance, Life insurance, Tuition reimbursement, Dependent care assistance
- Flexible work arrangements (telecommuting, flextime, compressed work weeks)

CHAPTER SUMMARY

Job evaluation is a systematic process of determining the relative worth of different jobs within an organization. It involves comparing jobs based on factors like skills, effort, responsibility, and working conditions. Methods include job ranking, job classification, and the point factor method.

Establishing a Market-Competitive Pay Plan

Conduct a Job Evaluation: Determine the relative worth of jobs within the organization.

Conduct a Salary Survey: Gather data on market rates for similar jobs.

Develop Pay Grades and Ranges: Group similar jobs into pay grades and establish pay ranges for each grade.

Create a Wage Curve: Plot the relationship between job evaluation points and pay rates to visualize pay distribution.

Adjust Pay Rates: Compare internal pay rates to market rates and make necessary adjustments.

CHAPTER SUMMARY

Pricing Managerial and Professional Jobs

Managerial and professional jobs often require specialized compensation approaches due to their unique characteristics. Factors such as education, experience, certifications, and performance play a more significant role in determining pay for these positions. Market-based pricing and incentive compensation are often used.

Competency-Based vs. Traditional Pay Plans

Traditional pay plans focus on job titles and responsibilities, with pay rates based on job grades.

Competency-based pay rewards employees for the skills and knowledge they possess, regardless of their job title. This approach encourages skill development and flexibility.

CHAPTER SUMMARY

Contemporary Compensation Trends

Broadbanding: Consolidating pay grades into wider bands to increase flexibility.

Talent Management: Focusing on high-potential employees and allocating resources accordingly.

Comparable Worth: Ensuring equal pay for jobs of comparable value, regardless of gender or job title.

Pay for Performance: Linking compensation to individual or team performance.

CHAPTER SUMMARY

Employee Retention

Comprehensive approach: Implement strategies such as competitive compensation, flexible work arrangements, career development opportunities, and a positive work environment to retain top talent.

Employee engagement: Foster a sense of belonging, purpose, and connection through open communication, employee recognition, and opportunities for growth.

Importance: Engaged employees are more productive, innovative, and committed to the organization.

Fostering engagement: Create a positive work culture, provide opportunities for employee input, and offer meaningful work.

Measurement: Use employee surveys and feedback to assess engagement levels and identify areas for improvement.

CHAPTER SUMMARY

Employee Career Development

Employer and supervisor roles: Provide clear career paths, mentorship, and training opportunities.

Employee responsibilities: Encourage proactive career planning and goal setting.

Performance management: Link performance evaluations to career development opportunities.

Effective Coaching

Establish rapport: Build trust and open communication with the employee.

Define goals: Clearly outline the coaching objectives and desired outcomes.

Provide feedback: Offer constructive criticism and positive reinforcement.

Follow-up: Monitor progress and provide ongoing support.

Promotion Decisions

Criteria: Consider factors such as performance, potential, seniority, and job requirements.

Fairness: Ensure a transparent and equitable promotion process.

Succession planning: Identify and develop high-potential employees for future leadership roles.

Dismissal Management

Grounds for dismissal: Unsatisfactory performance, misconduct, or job redundancy.

Legal compliance: Adhere to employment laws and regulations.

Fair treatment: Conduct termination procedures with empathy and respect.

Documentation: Maintain thorough records of performance issues and disciplinary actions.



Thank You

References

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Additional Resources for extra reading.

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- Noe, R. A., Hollenbeck, J. R., Gerhart, B., & Wright, P. M. (2023). Human Resource Management in Canada (10th Ed.). McGraw-Hill Ryerson.

Thank You