

Entrepreneurship & Innovation

Prepared by Dr. Amany Ramadan

PMG 611

Lecture 10





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Entrepreneurship & Innovation

Lecture 10

PMG (611)

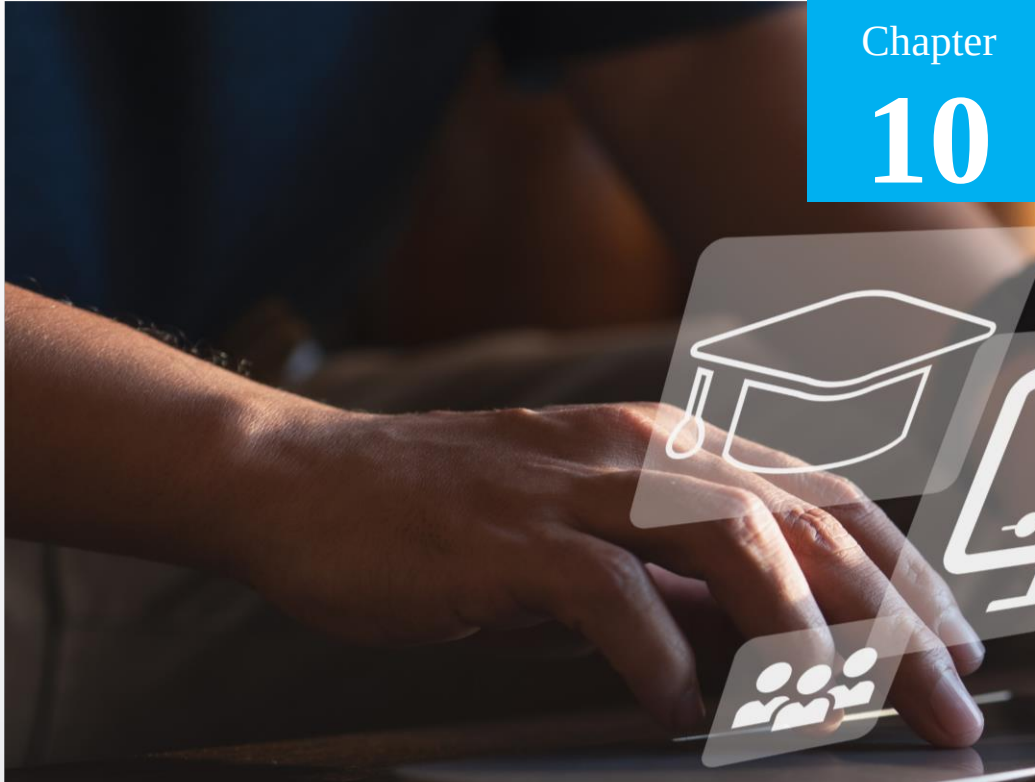
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Chapter

10

Recruiting & staffing For Entrepreneurs (Strategy and Planning)



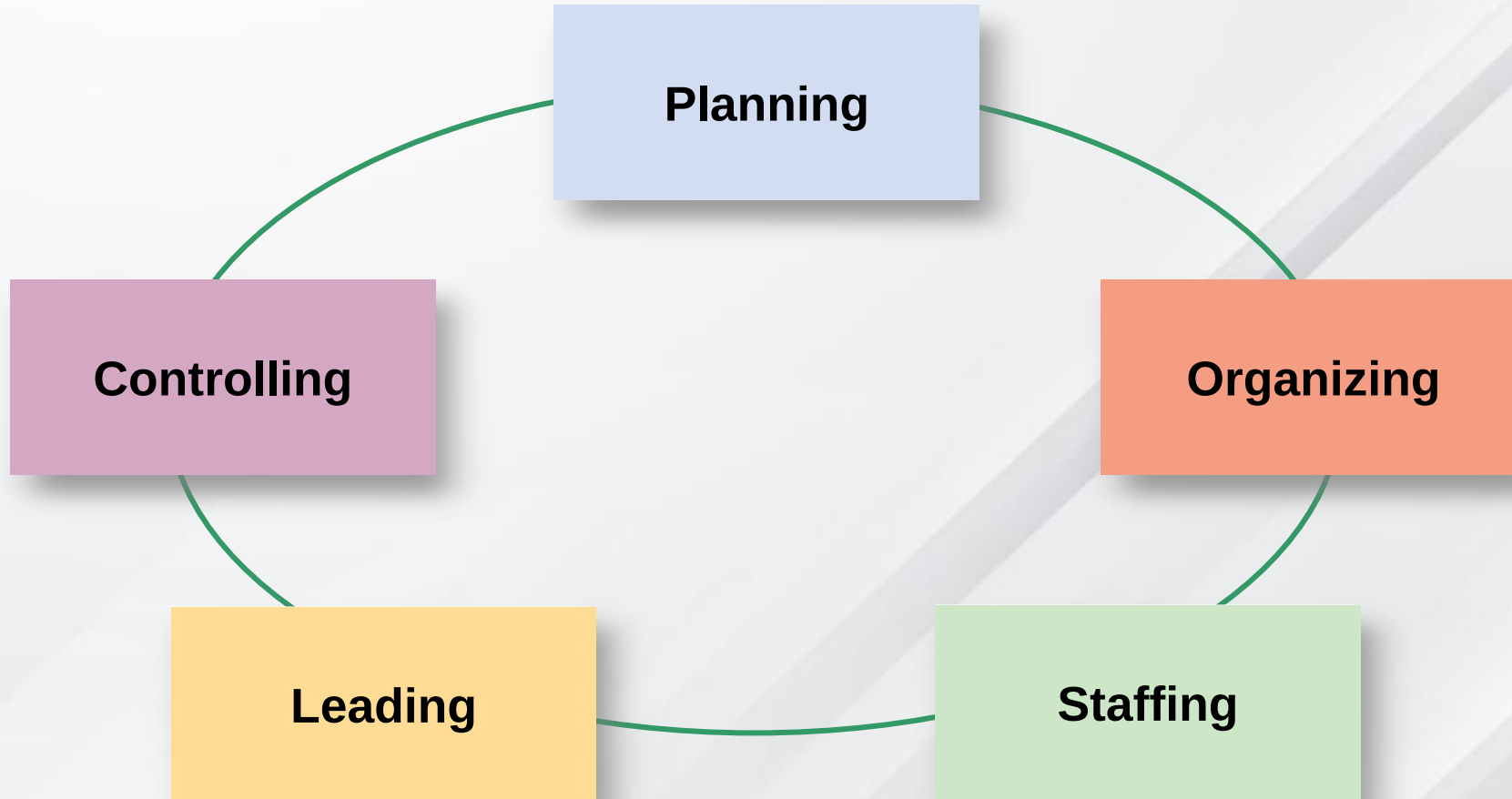


Learning objectives

1. Explain what human resource management is and how it relates to the management process.
2. Give at least eight examples of how all managers can use human resource management concepts and techniques.
3. Illustrate the human resource responsibilities of line and staff (HR) managers.
4. Provide a good example that illustrates HR's role in formulating and executing company strategy.
5. Write a short essay that addresses the topic: *Why metrics and measurement are crucial to today's HR managers.*

Introductory Overview of Human Resource Management

The Management Process



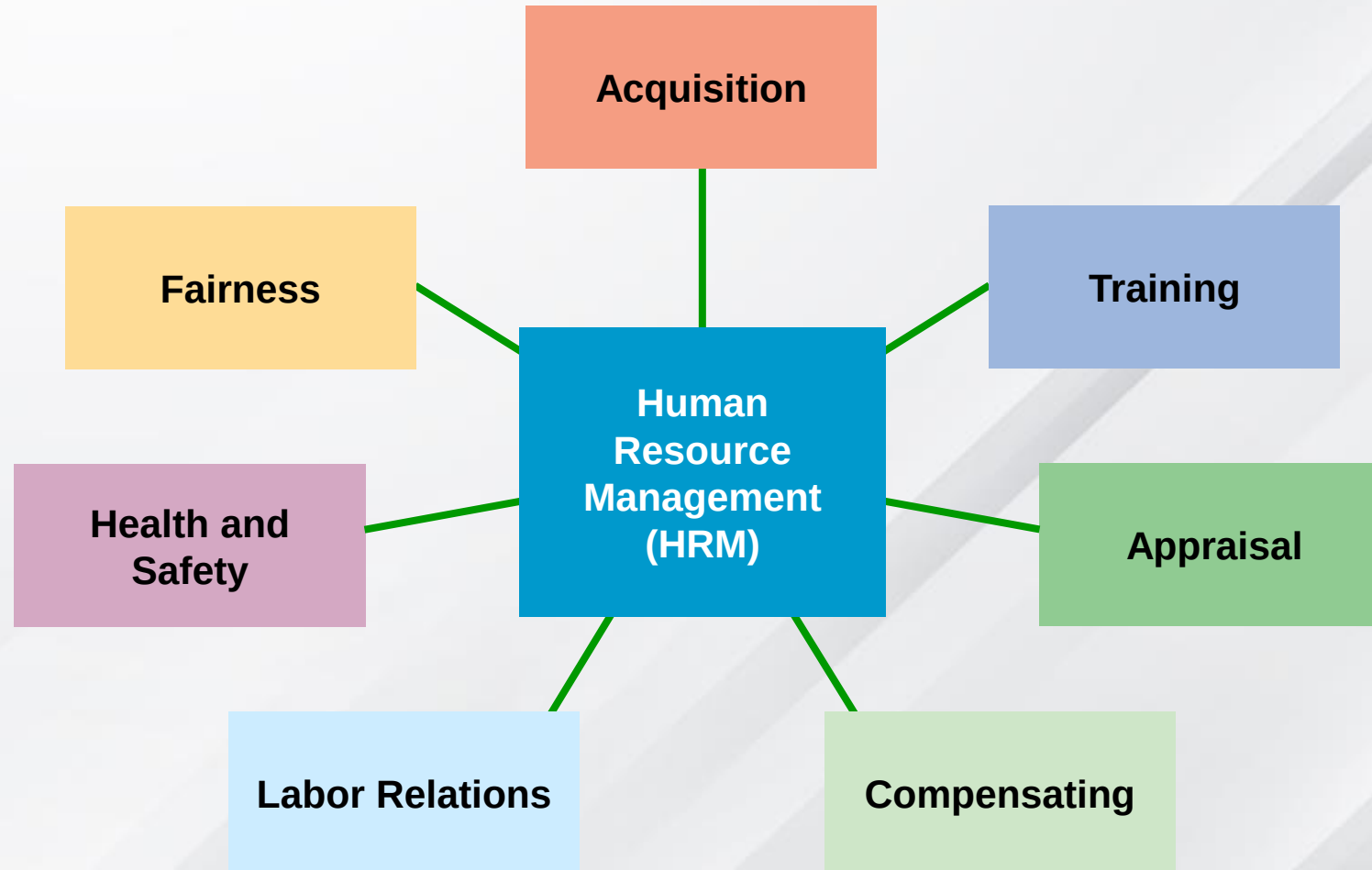
Human Resource Management at Work

What is Human Resource Management (HRM)?

The policies and practices involved in carrying out the 'people' or human resource aspects of a management position, including:

Recruiting, managing, screening, developing, orienting, training, rewarding, and appraising employees at work.

Human Resource Management at Work



Personnel Aspects of a Manager's Job

- Conducting job analyses
- Planning labor needs and recruiting job candidates
- Selecting job candidates
- Orienting and training employees
- Managing wages and salaries
- Providing incentives and benefits
- Appraising performance
- Communicating (interviewing, counseling, disciplining)
- Training and developing managers
- Building employee commitment

Personnel Mistakes

Personnel Mistakes

- Hire the wrong person for the job.
- Experience high turnover.
- Have your people not doing their best.
- Waste time with useless interviews.
- Have your company taken to court because of unfair actions against employees.
- Have your company taken to court for unsafe practices.
- Have some employees think their salaries are unfair relative to others' in the organization.
- Allow a lack of training to undermine your department's effectiveness.
- Commit any unfair labor practices.

Basic HR Concepts

- The bottom line of managing is *getting results*.
- HR creates value by engaging in activities that produce the employee behaviors that the company needs, to achieve its strategic goals.

Line and Staff Aspects of HRM

- **Line manager**

- A manager who is authorized to direct the work of subordinates and is responsible for accomplishing the organization's tasks

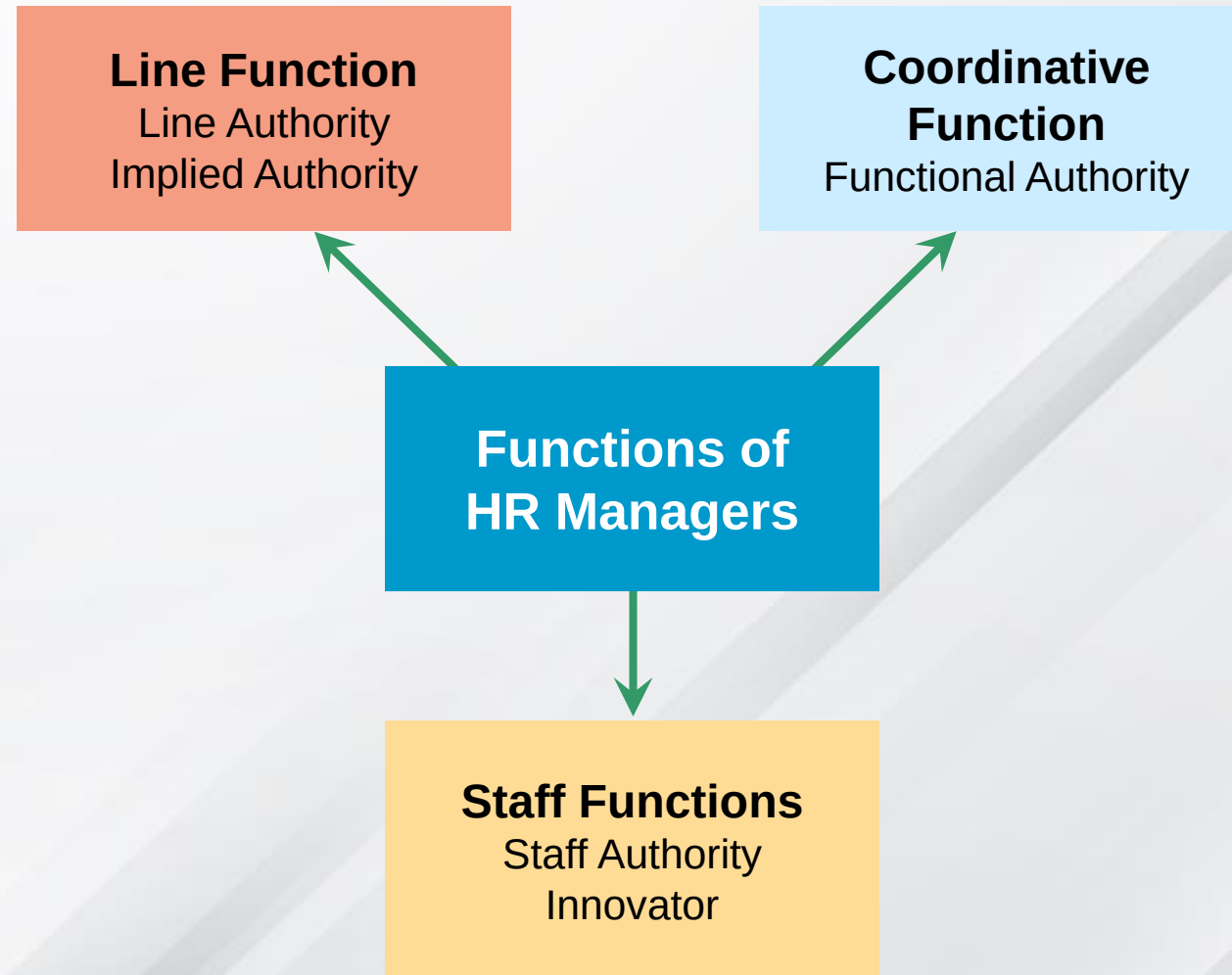
- **Staff manager**

- A manager who assists and advises line managers

Line Managers' Human Resource Duties

1. Placing the right person in the right job
2. Starting new employees in the organization (orientation)
3. Training employees for jobs that are new to them
4. Improving the job performance of each person
5. Gaining creative cooperation and developing smooth working relationships
6. Interpreting the company's policies and procedures
7. Controlling labor costs
8. Developing the abilities of each person
9. Creating and maintaining department morale
10. Protecting employees' health and physical condition

Human Resource Managers' Duties



Human Resource Specialties



The changing Role of the HRM

The Changing Role of Human Resource Management



Technological Applications for HR

Application service providers (ASPs) and technology outsourcing

Portals

PCs and high-speed access

Streaming desktop video

The mobile internet and wireless net access

E-procurement

Internet- and network-monitoring software

Bluetooth

Electronic signatures

Electronic bill presentment and payment

Data warehouses and computerized analytical programs

High-Performance Work System Practices

- Employment security
- Selective hiring
- Extensive training
- Self-managed teams/decentralized decision making
- Reduced status distinctions
- Information sharing
- Pay-for-performance rewards
- Transformational leadership
- Measurement of management practices
- Emphasis on high-quality work

Benefits of a High-Performance Work System (HPWS)

- Reduces *wasta* (use of family and other close networks to obtain work-related favors unrelated to merit)
- Generates more job applicants
- Screens candidates more effectively
- Provides more/better training and lower employee turnover
- Links pay more explicitly to performance and appraisals
- Fosters a safer work environment
- Produces more qualified applicants per position
- Results in higher profits and lower operating costs
- Uses more self-managing work teams

TABLE 1-3

Five Sample HR Metrics

HR Metric	How to Calculate It
Absence rate	$\frac{\text{\# of days absent in month}}{\text{Average \# of employees during month} \times \text{\# of workdays}} \times 100$
Cost per hire	$\frac{\text{Advertising + agency fees + employee referrals + travel cost of applicants and staff + relocation costs + recruiter pay and benefits}}{\text{Number of hires}}$
HR expense factor	$\frac{\text{HR expense}}{\text{Total operating expense}}$
Time to fill	$\frac{\text{Total days elapsed to fill job requisitions}}{\text{Number hired}}$
Turnover rate	$\frac{\text{\# of separations during month}}{\text{Average \# of employees during month}} \times 100$

Key Terms

authority

ethics

functional authority or functional control

globalization

high-performance work system

HR Scorecard

human capital

human resource management
(HRM)

implied authority

line authority

line manager

management process

metrics

outsourcing

staff authority

staff manager

strategic human resource
management (SHRM)

strategic plan

strategy

The Strategic Management Process

Strategy

- A course of action

Strategic Plan

- How an organization intends to match its internal strengths and weaknesses with its external opportunities and threats to maintain a competitive advantage

Strategic Management

- The process of identifying and executing the organization's mission by matching its capabilities with the demands of its environment

Business Vision and Mission

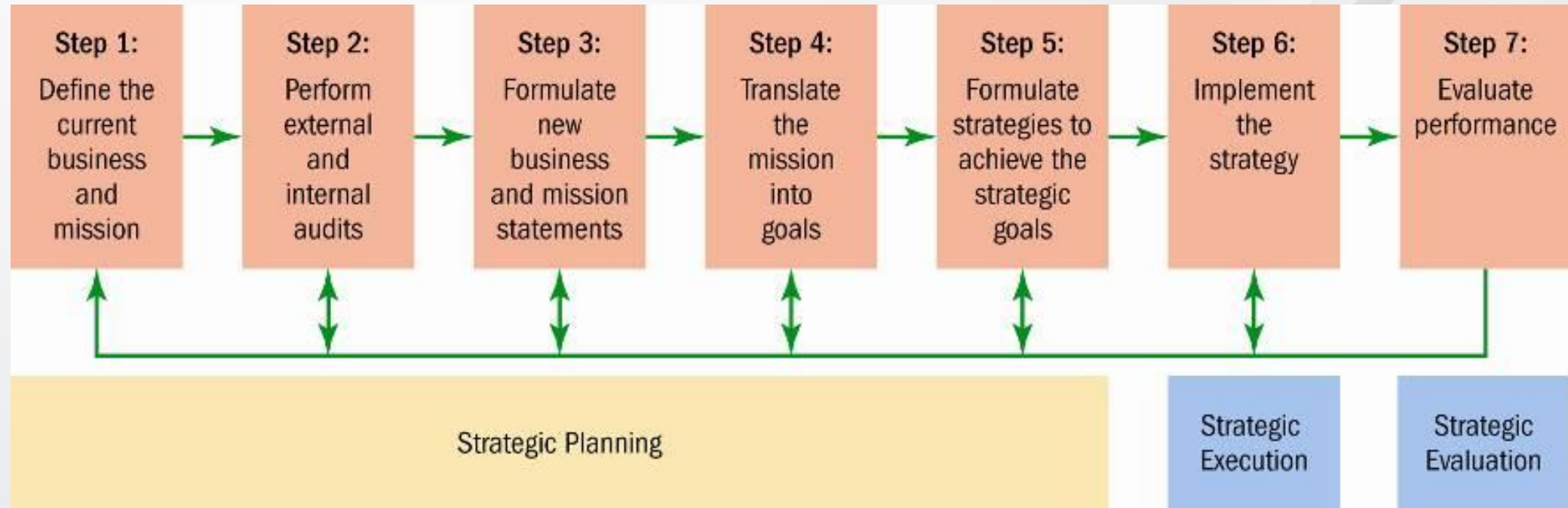
Vision

- A general statement of an organization's intended direction that evokes emotional feelings in its members

Mission

- Spells out who the company is, what it does, and where it is headed

FIGURE 3-1 The Strategic Management Process



The Recruitment and Selection Process

1. Decide what positions to fill through *personnel planning and forecasting*.
2. Build a pool of candidates for these jobs, by *recruiting* internal or external candidates.
3. Have candidates complete *application forms* and perhaps undergo initial screening interviews.
4. Use *selection tools* such as tests, background investigations, and physical exams to identify suitable candidates.
5. Decide who to make an offer to, by having the supervisor and perhaps others *interview* the candidates.

FIGURE 5-1 Steps in the Recruitment and Selection Process

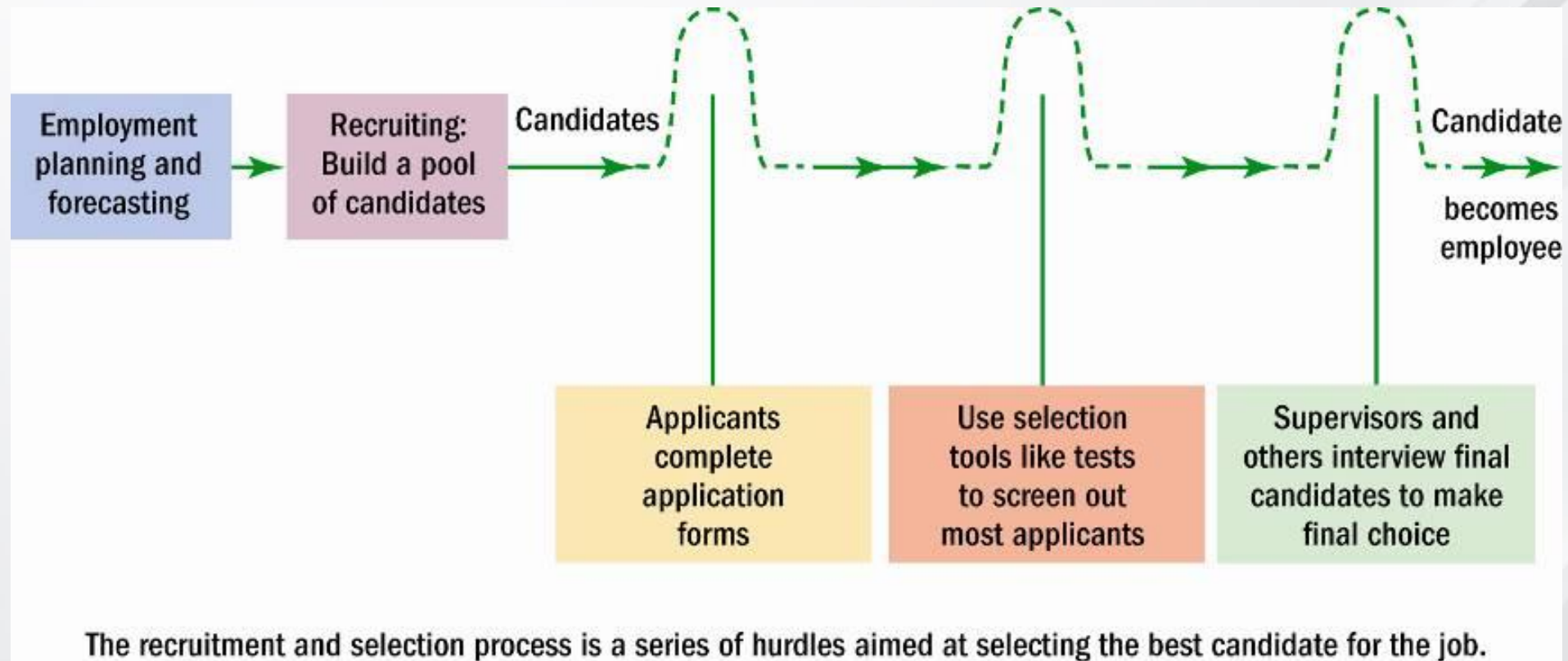
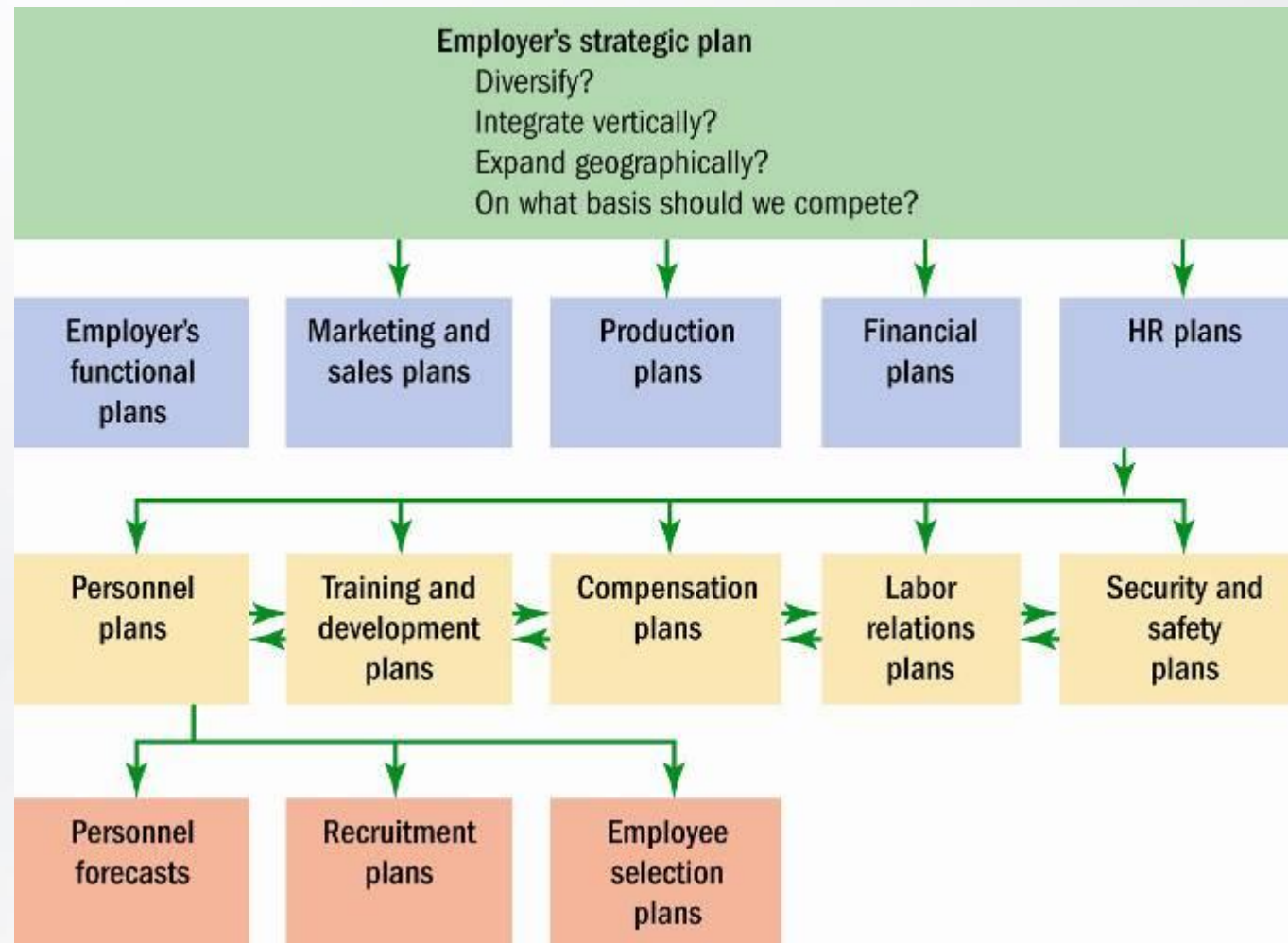


FIGURE 5-2 Linking Employer's Strategy to Plans



Planning and Forecasting

- **Employment or Personnel Planning**

- The process of deciding what positions the firm will have to fill, and how to fill them

- **Succession Planning**

- The process of deciding how to fill the company's most important executive jobs

- **What to Forecast?**

- Overall personnel needs
- The supply of inside candidates
- The supply of outside candidates

The Complexities of Recruiting

1. Recruitment efforts should make sense in terms of the company's strategic plans.
2. Some recruiting methods are superior to others, depending on the type of job recruited for.
3. Recruitment success depends greatly on non-recruitment issues and policies such as higher pay.
4. Good recruiting preferably requires simultaneously prescreening employees – by providing a realistic preview of the job in the ad, and during the initial call or contact.
5. The firm's image affects its recruiting results. For instance, the better the image and reputation of a company, the more it will attract candidates.

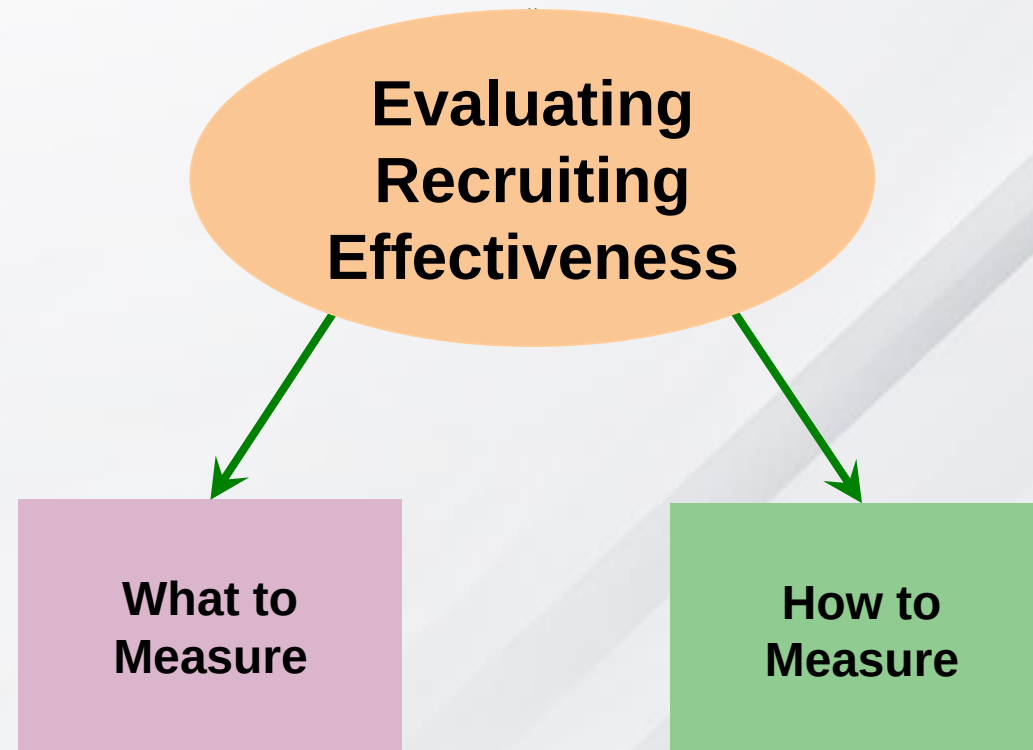
Effective Recruiting

- **Advantages of Centralizing Recruitment**

- Facilitates applying strategic priorities
- Strengthens employment brand
- Reduces duplication of HR activities
- Spreads the cost of new HR technologies
- Builds teams of HR experts
- Provides better measurement of HR performance
- Allows for sharing of applicant pools

- **If the firm's divisions are autonomous, or their recruitment needs are varied, it may be more sensible to decentralize the recruitment function.**

Measuring Recruiting Effectiveness



Internal Candidates: Hiring from Within

Advantages

- Foreknowledge of candidate's strengths and weaknesses
- More accurate view of candidate's skills
- Candidates have a stronger commitment to the company
- Increases employee morale
- Less training and orientation required
- Family business successions promote continuity

Disadvantages

- Failed applicants become discontented
- Time wasted interviewing inside candidates who will not be considered
- In the Arab world, only 50% of the 80% of family businesses have succession plans

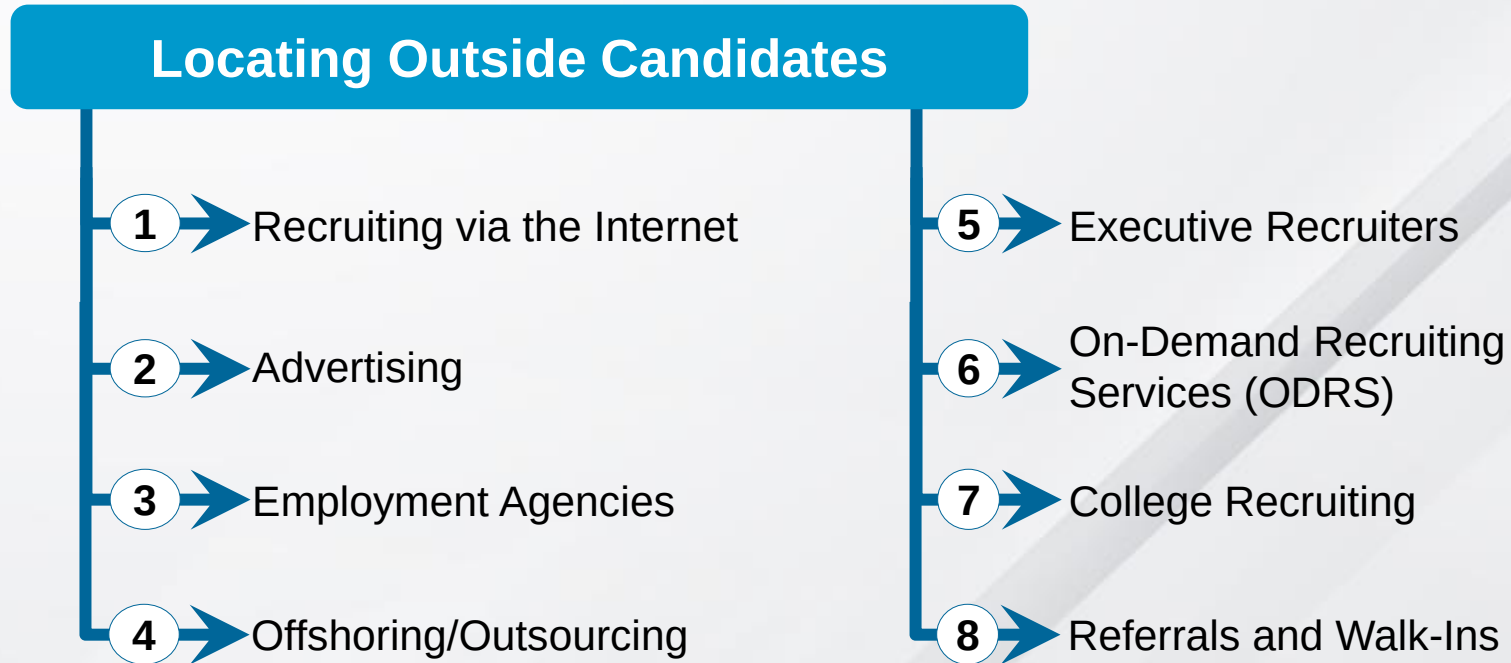
Finding Internal Candidates



Human Resource Information System (HRIS)

- HRIS is a software or online solution for the data management needed by the HR department.
- Such data includes information about employee skills and qualifications, and their personal updates.
- HRIS also includes company-related documents such as safety guidelines, payroll, and other financial information.
- It is useful in facilitating the succession planning which helps companies to understand their available talent and identify who is available for transition into other positions.
- When combined with career development, succession planning allows companies to build a talent pool and employees to stay committed to their career and employer.

Outside Sources of Candidates



Outside Sources of Candidates (cont)

- **Recruiting via the Internet**

- Advantages
 - Cost-effective way to publicize job openings
 - More applicants are attracted over a longer period
 - Immediate applicant responses
 - Online prescreening of applicants
 - Links to other job search sites
 - Automation of applicant tracking and evaluation
- Disadvantages
 - Excessive number of unqualified applicants
 - Personal information privacy concerns of applicants

Advertising for Outside Candidates

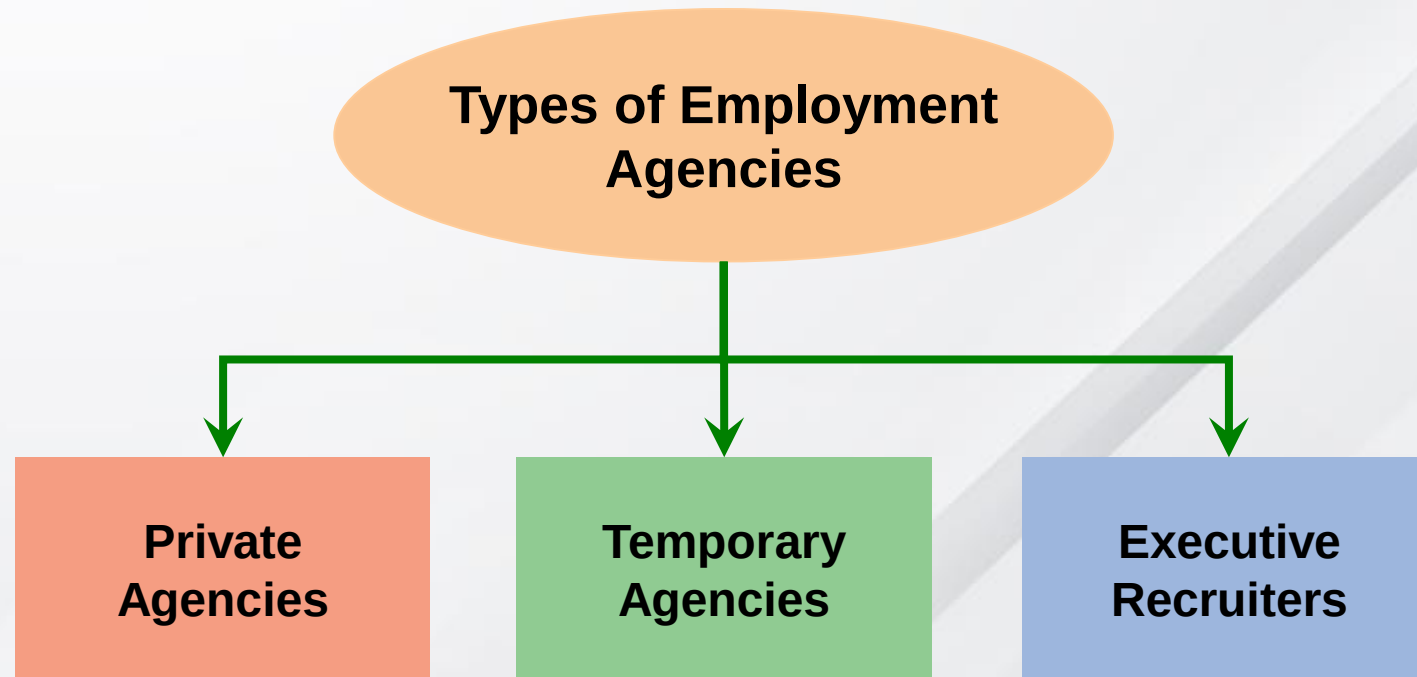
- **The Media Choice**

- Selection of the best medium depends on the positions for which the firm is recruiting.
 - Newspapers: local and specific labor markets
 - Trade and professional journals: specialized employees
 - Internet job sites: global labor markets

- **Effective Ads**

- Create attention, interest, desire, and action (AIDA)
- Create a positive impression of the firm

Employment Agencies



Outside Sources of Candidates (cont)

- **Why Use a Private Employment Agency?**

- No HR department: firm lacks recruiting and screening capabilities
- To attract a pool of qualified applicants
- To fill a particular opening quickly
- To attract a greater number of applicants
- To reach currently employed individuals who are more comfortable dealing with agencies
- To reduce internal time devoted to recruiting

Outside Sources of Candidates (cont)

- **Avoiding Problems with Employment Agencies**

- Provide the agency with accurate and complete job descriptions.
- Make sure tests, application blanks, and interviews are part of the agency's selection process.
- Screen agency for effectiveness in filling positions – check with other managers or HR for the most effective agencies.
- Review the internet and classified ads to discover the agencies that handle the positions wanted.
- Supplement the agency's reference checking by the recruiting company itself checking the final candidate's references.

Temp Agencies

- **Benefits of Temps**

- Increased productivity – paid only when working
- Allows 'trial run' for prospective employees
- No recruitment, screening, and payroll administration costs

- **Costs of Temps**

- Increased labor costs due to fees paid to temp agencies
- Temp employees' lack of commitment to the firm

Concerns of Temp Employees

- Dehumanizing, impersonal, and discouraging treatment by employers
- Insecurity about employment and pessimism about the future
- Worry about the lack of insurance benefits
- Being misled about job assignments and whether temporary assignments are likely to become full-time positions
- Being 'underemployed' while trying to return to the full-time labor market
- Anger toward the corporate world and its values, expressed as alienation and disenchantment

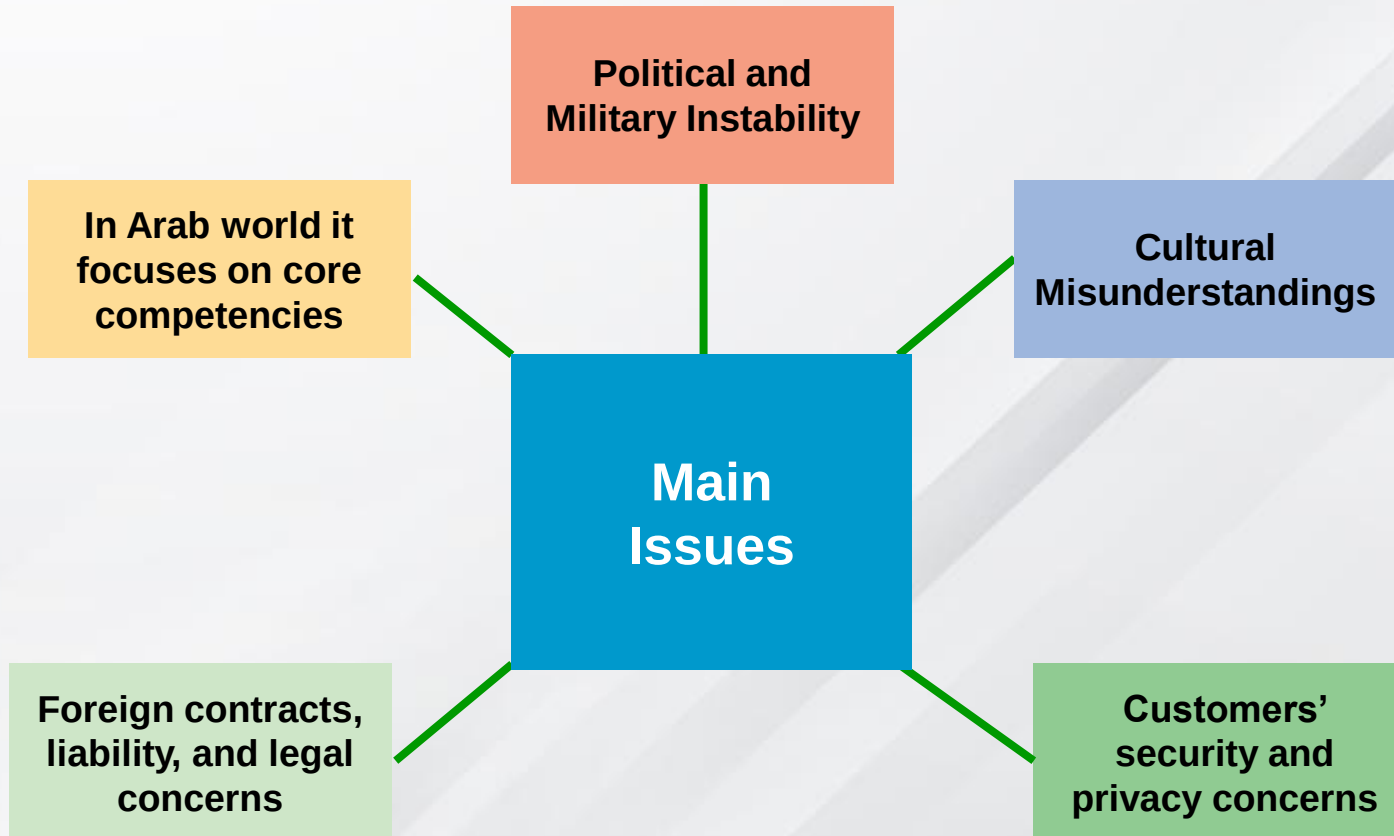
Working with a Temp Agency

- **Invoicing:** Get a sample copy of the agency's invoice. Make sure it fits your company's needs.
- **Time sheets:** With temps, the time sheet is not just a verification of hours worked. Once the worker's supervisor signs it, it's usually an agreement to pay the agency's fees.
- **Temp-to-perm policy:** What is the policy if the client wants to hire one of the agency's temps as a permanent employee?
- **Recruitment of and benefits for temp employees:** Find out how the agency plans to recruit employees and the sorts of benefits it pays.

Working with a Temp Agency (cont)

- **Dress code:** Specify appropriate attire for all offices or plants.
- **Job description information:** Have a procedure whereby you can ensure the agency understands the job to be filled and the sort of person, skills, and so forth, needed to fill it.

Offshoring/Outsourcing White-Collar and Other Jobs



Outside Sources of Candidates (cont)

- **Executive Recruiters (Headhunters)**

- Internet technology and specialization trends

- **Guidelines for Choosing a Recruiter**

- Make sure the firm is capable of conducting a thorough search.
- Meet the individual who will handle the assignment.
- Ask how much the search firm charges.
- Never rely solely on the recruiter to do all the reference checking.

Outside Sources of Candidates (cont)

- **On-Demand Recruiting Services (ODRS)**
 - Short-term specialized recruiting:
 - Is paid by the hour/project
 - Handles recruiting, analysis, and prescreening
- **College Recruiting**
 - On-campus recruiting goals:
 - To determine if the candidate is worthy of further consideration
 - To attract good candidates

Outside Sources of Candidates (cont)

- **On-site visits**
 - Invitation letters
 - Assigned hosts
 - Information packages
 - Planned interviews
 - Timely employment offer
 - Follow-up
- **Internships**
 - Win-win situation for student and employer

Outside Sources of Candidates (cont)

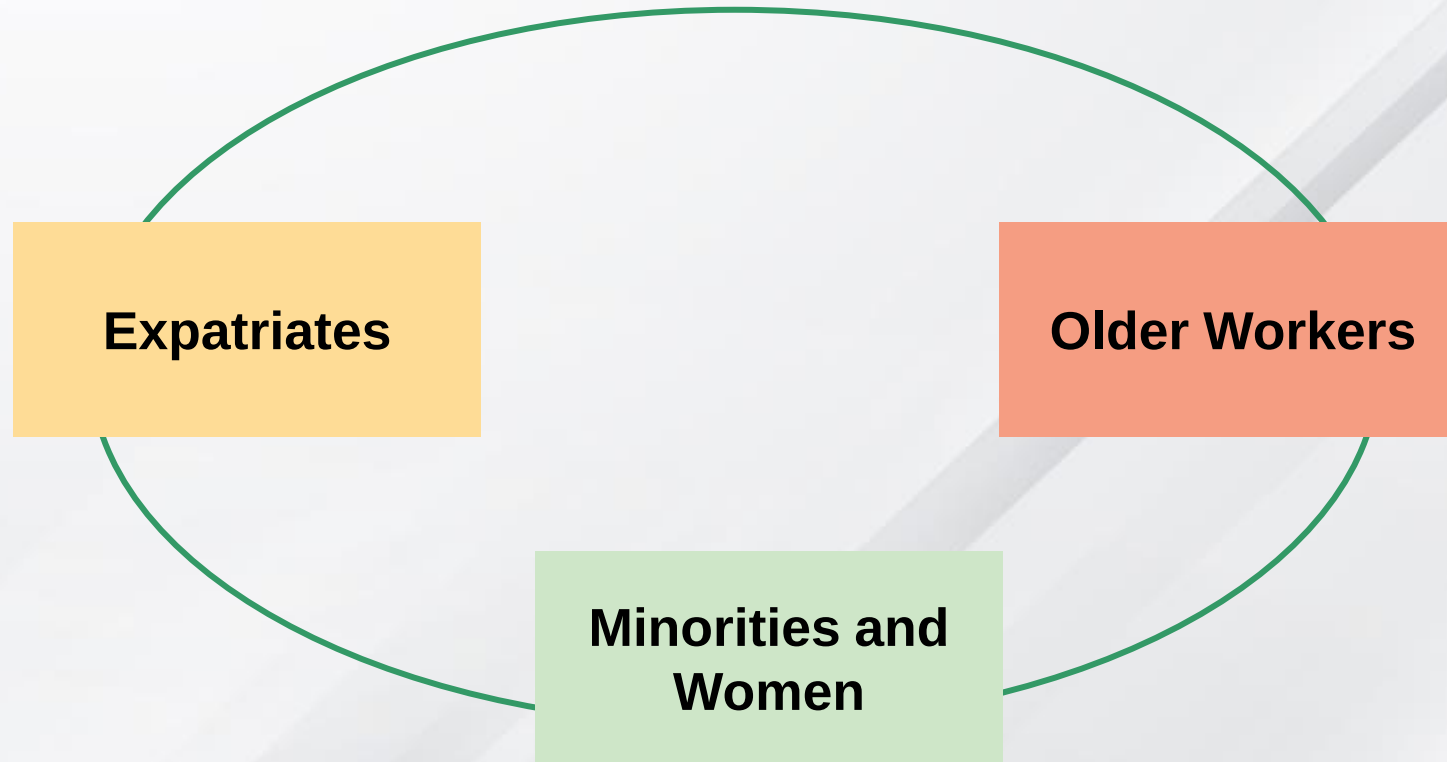
- **Employee Referrals**

- Referring employees become stakeholders.
- Referral is a cost-effective recruitment program.
- Referral can speed up diversifying the workforce.

- **Walk-ins**

- Seek employment through a personal, direct approach to the employer
- Courteous treatment of any applicant is a good business practice

Recruiting a More Diverse Workforce



Developing and Using Application Forms

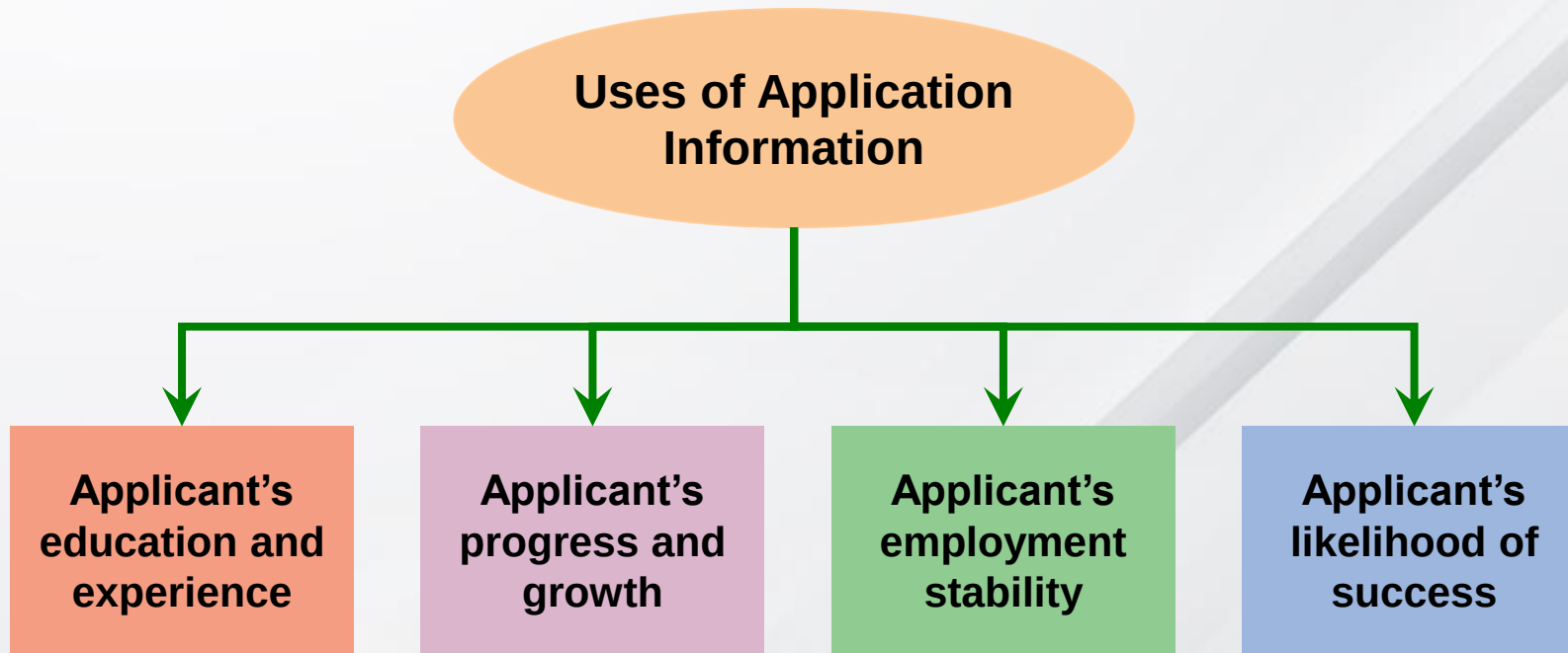


FIGURE 5-9
Employment
Application

EMPLOYMENT APPLICATION FORM

To be filled in by the applicant in his/her own handwriting

Post Applied For Date

Salary Expected Date Available For Work

Please attach
a recent photograph

PERSONAL DETAILS

Name (First) (Middle) (Last/Family Name)

Date of Birth Place of Birth

Nationality Number of Children Female Male

Marital Status: Single Married Other

Passport/ID No Iqama No. (if applicable)

Brief Medical History Major Illness: Disabilities:

Contact Address: P.O. Box No. City

Telephone Number: Home Office

Mobile Pager

Languages	Reading			Writing			Speaking		
	Spoken			Written			Listening		
	Good	Fair	Poor	Good	Fair	Poor	Good	Fair	Poor
Arabic									
English									
Others (please specify)									

Computer Skills	Good	Fair	Poor
Word			
Excel			
PowerPoint			
Others (please specify)			

EDUCATION/QUALIFICATIONS

Year		Name of School/University/Institution	Degree/Diploma/Certificates Obtained
From	To		

FIGURE 5-9
Employment
Application
(cont)

EMPLOYMENT HISTORY (Please list your current or most recent position first) * If insufficient space, please attach an additional sheet)

Name of Company/Employer	Date		Last Position Held	Salary on Leaving	Reason for Leaving
	From	To			

PROFESSIONAL AFFILIATIONS OR MEMBERSHIP

Name of Organization	Field of Profession	Date Joined

HOBBIES and INTERESTS

COMPETENCIES QUESTIONS

Describe a time when you took action to provide quick and thorough service in response to an internal/external customer's request or problem.

Tell us about a situation when you gave information to a coworker that was misunderstood. What did you do?

Describe a time when your supervisor assigned a task that involved a group of your coworkers and yourself. What was the assignment? What was your role? What was the output?

FIGURE 5-9
Employment
Application
(cont)

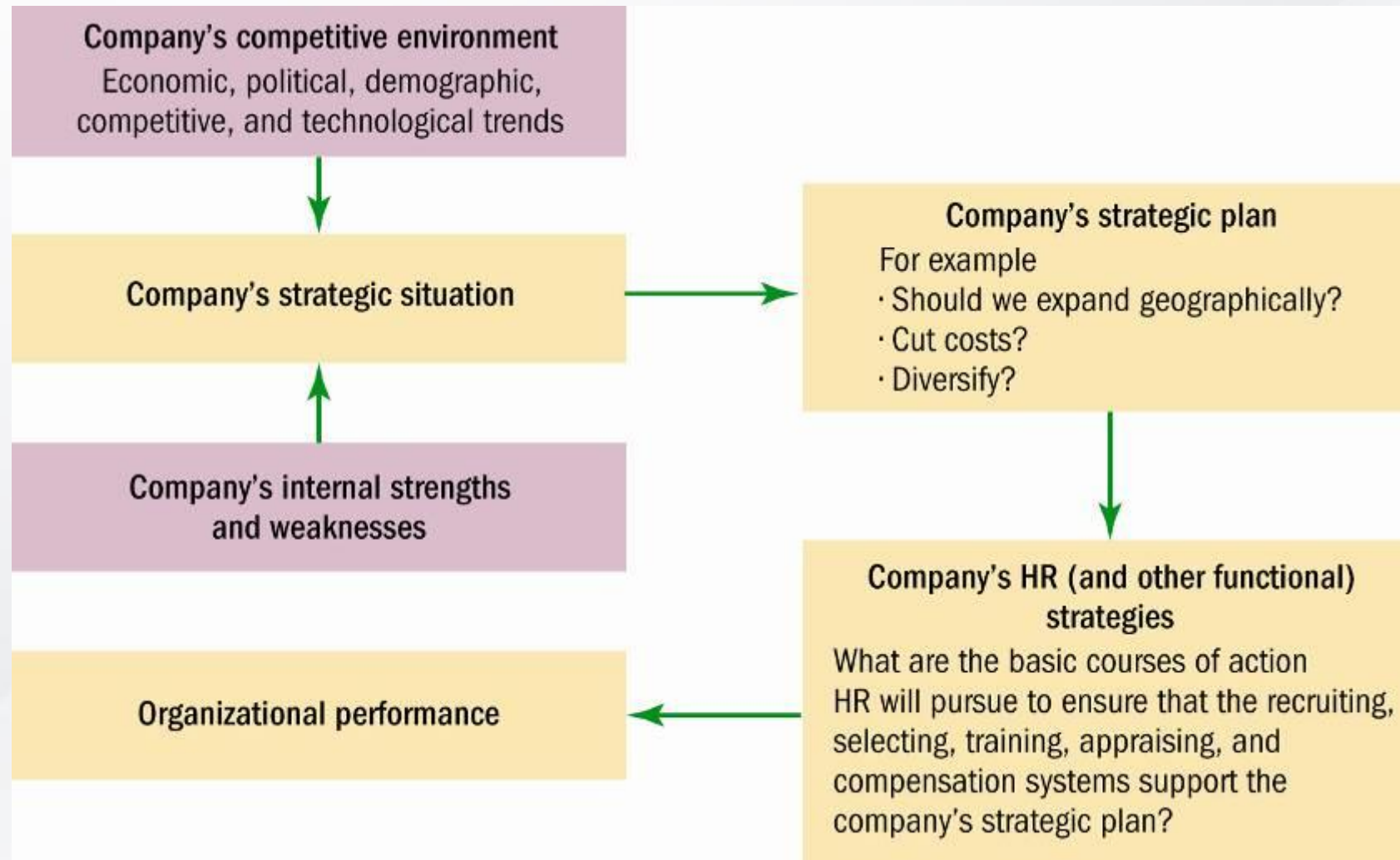
Describe a time when you handled a project/campaign. How did you set your priorities? How did you provide quality of work? What was the result of the project/campaign?			
Tell us about a time when you had to work closely with a coworker who you disliked or with whom you had trouble working. What did you do to make the relationship work so you could succeed for your company?			
How did you hear about the vacancies in Emaar the Economic City ?	☐ Newspaper Ad. ☐ Emaar Employee ☐ Online (Please specify site): ☐ Employment Agency ☐ Other (Please specify):		
Do you currently have or have you previously had any relative or family member working for Emaar the Economic City ?	☐ Yes, Name: ☐ No.		
In brief, why did you choose Emaar the Economic City to be your next employer?			
REFERENCES			
Name		Name	
Profession		Profession	
Address		Address	
Contact No.		Contact No.	
Name		Name	
Profession		Profession	
Address		Address	
Contact No.		Contact No.	
DECLARATION			
I declare that the particulars in this form are to the best of my knowledge complete and true. I give Emaar the Economic City permission to check details as required.			
I understand that Emaar E.C. reserves the right to keep all documents attached and accept or reject my application without giving reasons.			
SIGNATURE		DATE	
* Please attach passport-size picture and copies of CV, passport/ID, education, and experience certificates.			

Strategic Human Resource Management

The linking of HRM with strategic goals and objectives in order to improve business performance and develop organizational cultures that foster innovation and flexibility

- Involves formulating and executing HR systems – HR policies and activities – that produce the employee competencies and behaviors that the company needs to achieve its strategic aims

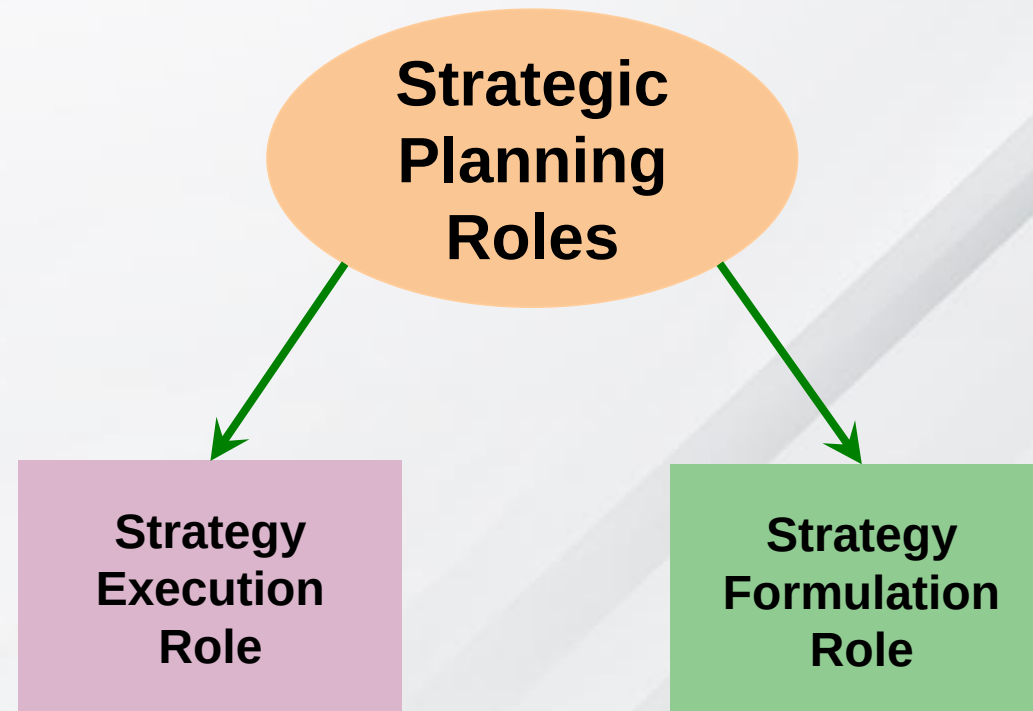
FIGURE 3-5 Linking Company-Wide and HR Strategies



Strategic Human Resource Challenges



Human Resource Management's Strategic Roles



Creating the Strategic Human Resource Management System

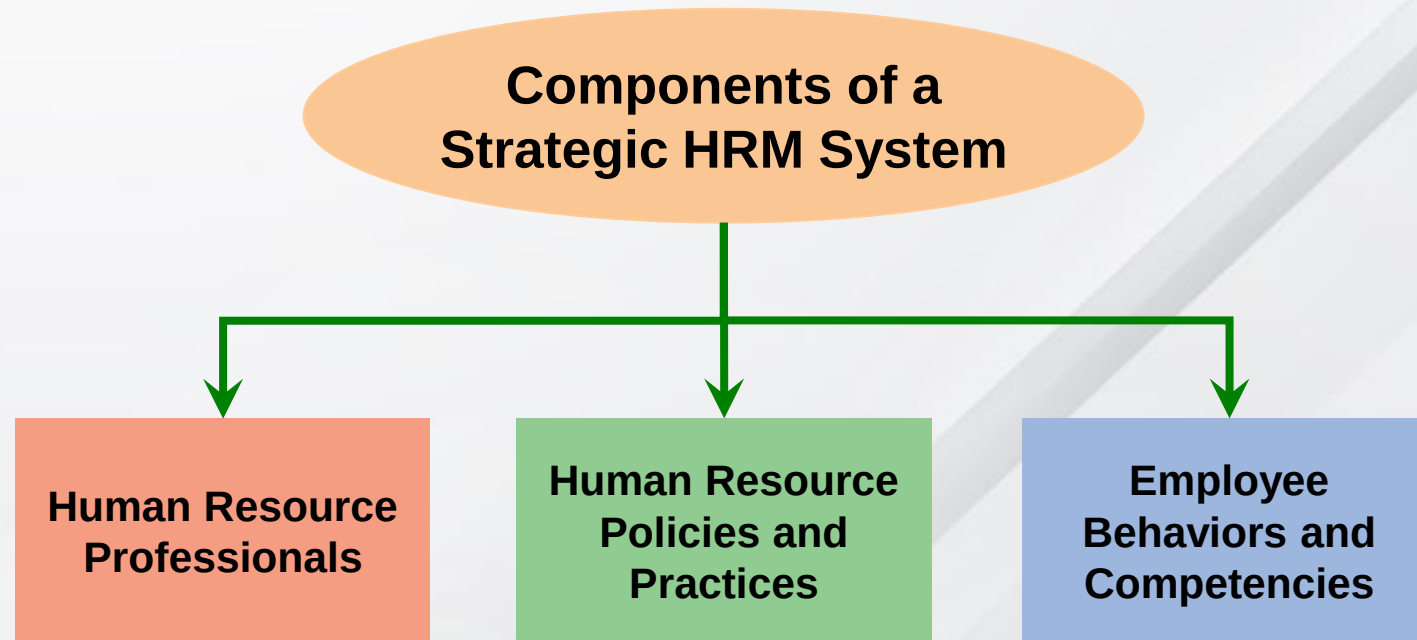
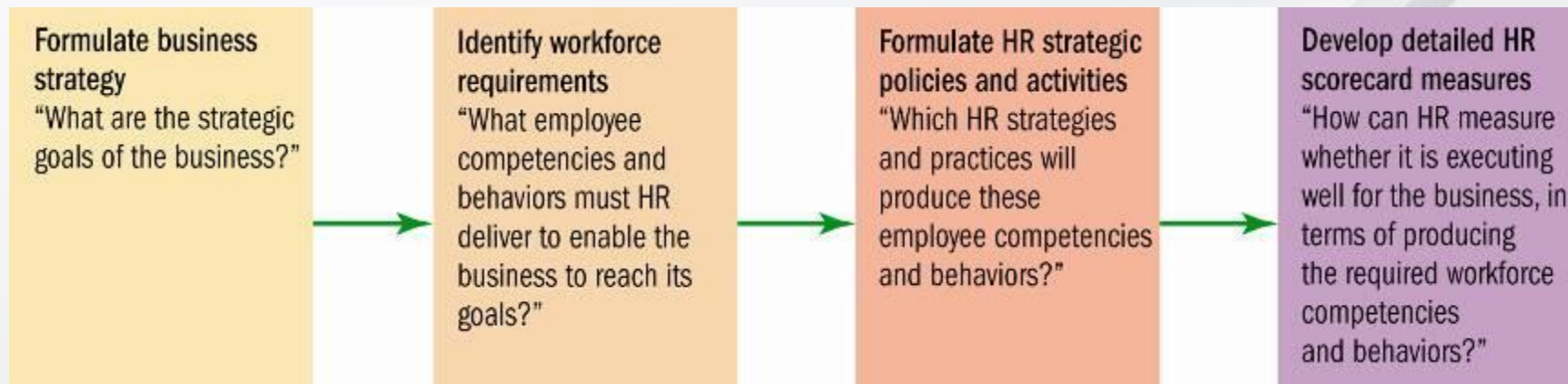


FIGURE 3-7 Basic Model of How to Align HR Strategy and Actions with Business Strategy



After studying this chapter, you should be able to:

1. Discuss the nature of job analysis, including what it is and how it's used.
2. Use at least three methods of collecting job analysis information, including interviews, questionnaires, and observation.
3. Write job descriptions, including summaries and job functions, using the internet and traditional methods.
4. Write job specifications using the internet as well as your judgment.
5. Explain job analysis in a 'jobless' world, including what it means and how it's done in practice.

Types of Information Collected

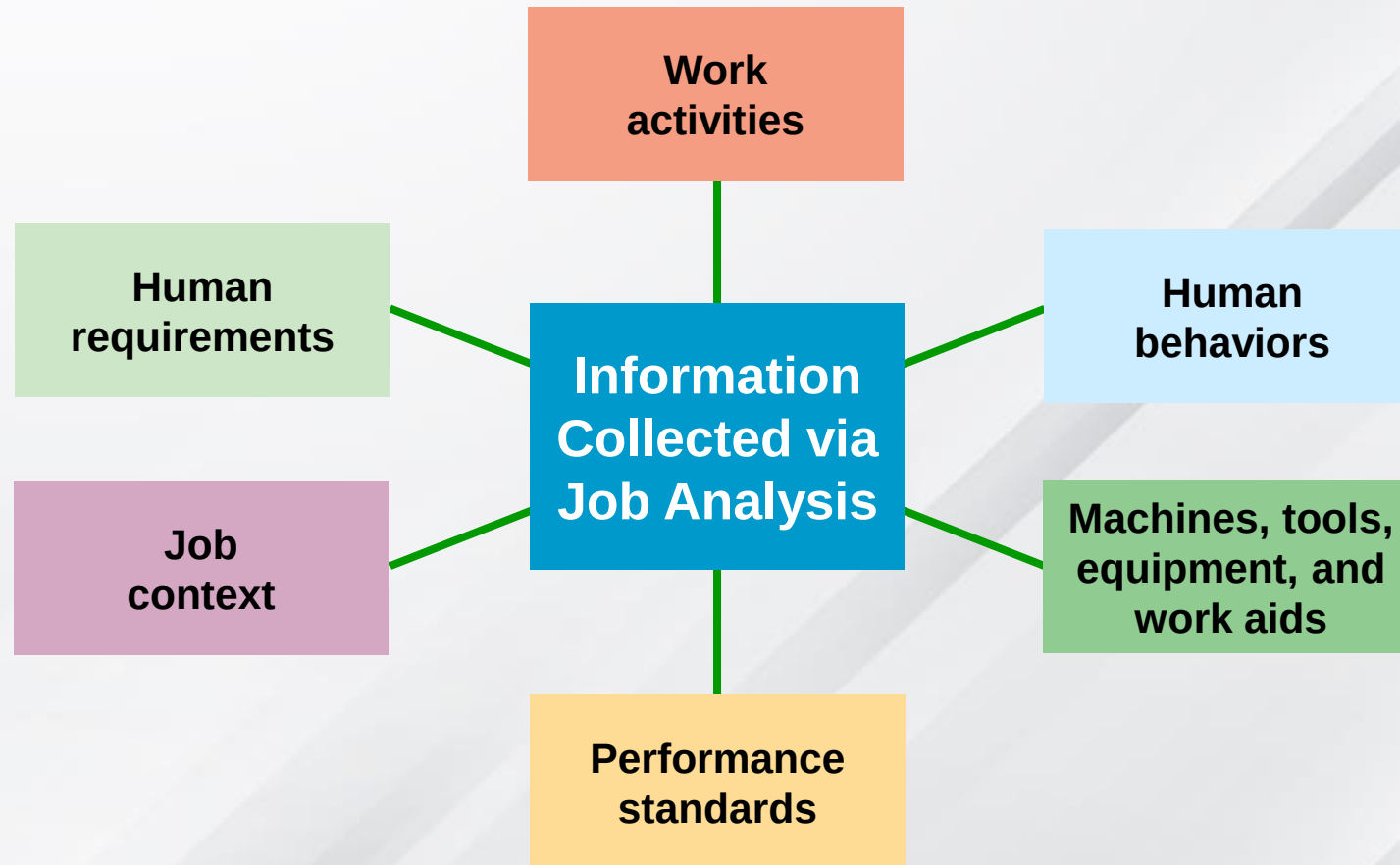
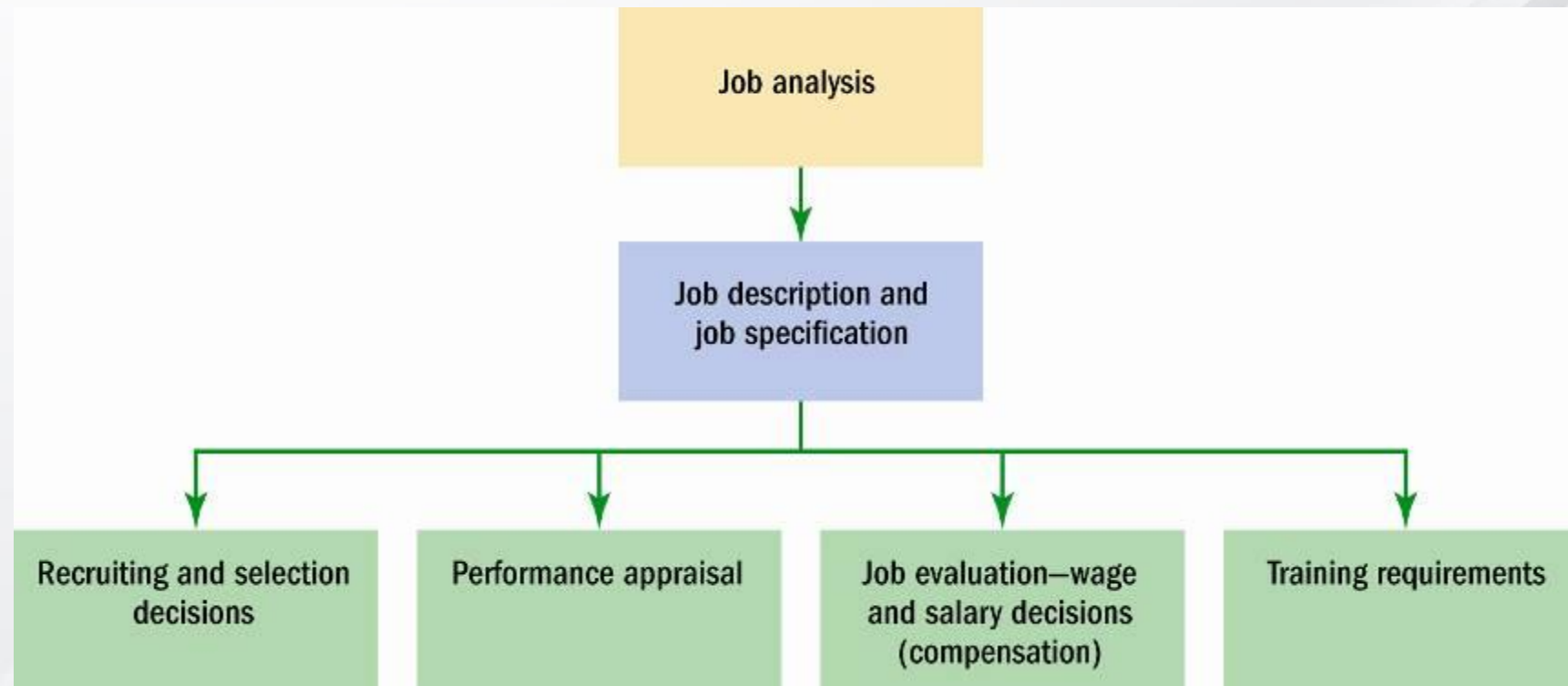


FIGURE 4-1 Uses of Job Analysis Information



Steps in Job Analysis

Steps in doing a job analysis:

- 1 → Decide how to use the information.
- 2 → Review relevant background information.
- 3 → Select representative positions.
- 4 → Analyze the job.
- 5 → Verify the job analysis information.
- 6 → Develop a job description and job specification.

Methods of Collecting Job Analysis Information: The Interview

- **Information Sources**

- Individual employees
- Groups of employees
- Supervisors with knowledge of the job

- **Interview Formats**

- Structured (checklist)
- Unstructured (open-ended)

- **Advantages**

- Quick, direct way to find overlooked information

- **Disadvantages**

- Distorted information

Job Analysis: Interviewing Guidelines

1. The job analyst and supervisor should work together to identify the workers who know the job best.
2. Quickly establish rapport with the interviewee.
3. Follow a structured guide or checklist: one that lists open-ended questions and provides space for answers.
4. Ask the worker to list his or her duties in order of importance and frequency of occurrence.
5. Review and verify the data after completing the interview.

Methods of Collecting Job Analysis Information: Questionnaires

- **Information Source**

- Have employees fill out questionnaires to describe their job-related duties and responsibilities

- **Questionnaire Formats**

- Structured checklists
- Open-ended questions

- **Advantages**

- Quick and efficient way to gather information from large numbers of employees

- **Disadvantages**

- Expensive and time-consuming to prepare and test the questionnaire

Methods of Collecting Job Analysis Information: Observation

- **Information Source**

- Observing and noting the physical activities of employees as they go about their jobs

- **Advantages**

- Provides first-hand information
- Reduces distortion of information

- **Disadvantages**

- Time-consuming
- Difficult to capture entire job cycle
- Of little use if job involves a high level of mental activity

Methods of Collecting Job Analysis Information: Participant Diary/Log

- **Information Source**

- Workers keep a chronological diary/ log of what they do and the time spent on each activity

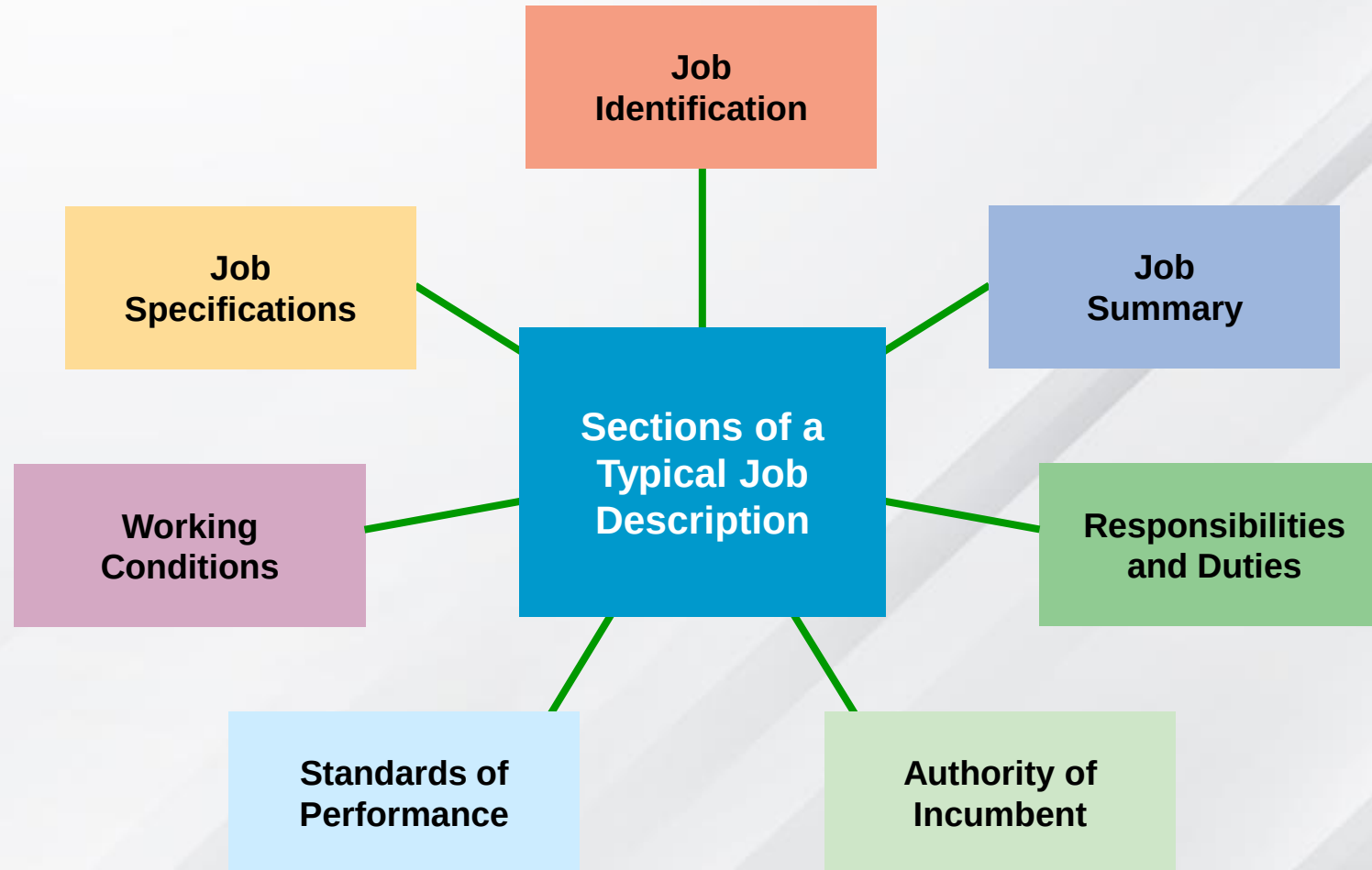
- **Advantages**

- Produces a more complete picture of the job
- Employee participation

- **Disadvantages**

- Distortion of information
- Depends on employees accurately recalling earlier activities (without dictating machines/pagers)

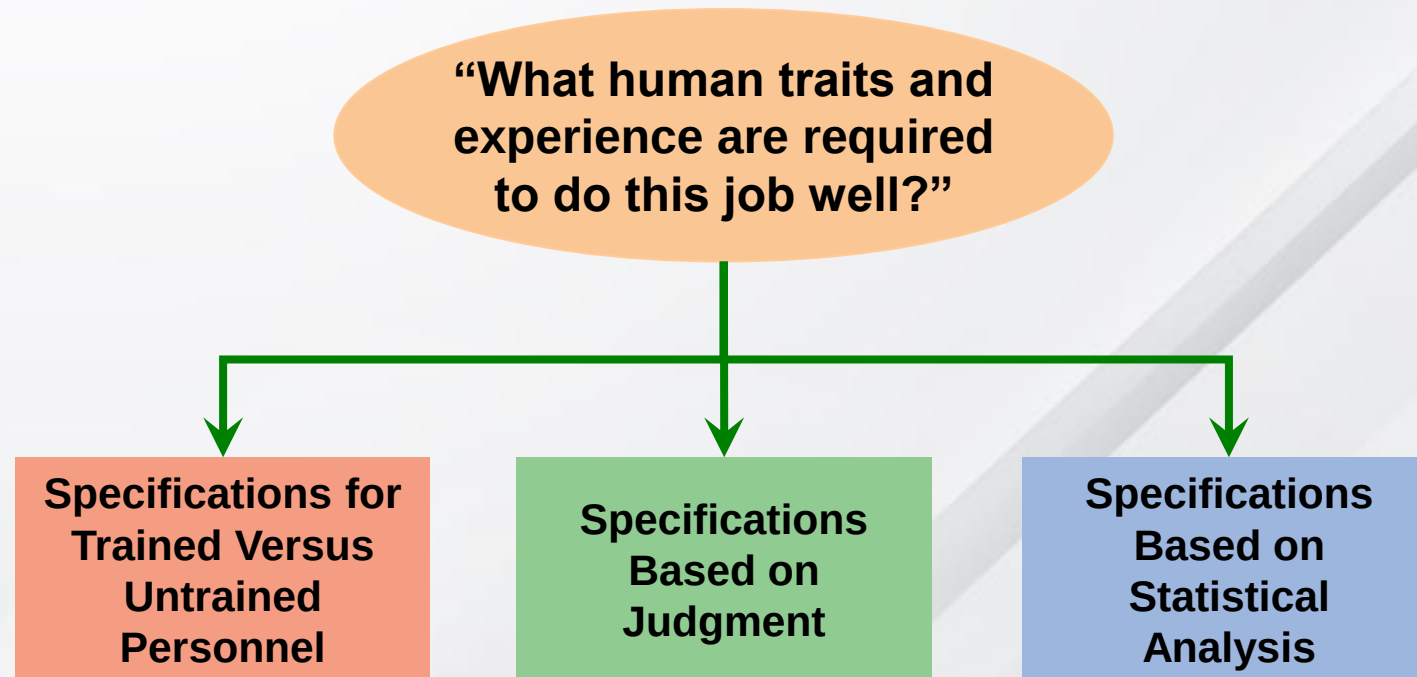
Writing Job Descriptions



The Job Description

- **Job Identification**
 - Job title
 - Preparation date
 - Preparer
- **Job Summary**
 - General nature of the job
 - Major functions/activities
- **Relationships**
 - Reports to:
 - Supervises:
 - Works with:
 - Outside the company:
- **Responsibilities and Duties**
 - Major responsibilities and duties (essential functions)
 - Decision-making authority
 - Direct supervision
 - Budgetary limitations
- **Standards of Performance and Working Conditions**
 - What it takes to do the job successfully

Writing Job Specifications



Competency-Based Job Analysis

- **Competencies**

- Demonstrable characteristics of a person that enable the performance of a job

- **Reasons for Competency-Based Job Analysis**

- To support a high-performance work system
- To create strategically-focused job descriptions
- To support the performance management process in fostering, measuring, and rewarding:
 - General competencies
 - Leadership competencies
 - Technical competencies

Competency-Based Job Analysis (cont)

- **How to Write Job Competencies-based Job Descriptions:**

- Interview job incumbents and their supervisors.
- Ask open-ended questions about job responsibilities and activities.
- Identify critical incidents that pinpoint success on the job.

Key Terms

competencies

competency-based job analysis

dejobbing

diary/log

job analysis

job description

job enlargement

job enrichment

job rotation

job specifications

organization chart

performance management

position analysis questionnaire
(PAQ)

process chart

reengineering

The human resource responsibilities of line and staff (HR) managers is very crucial.

HR's role in formulating and executing company strategy.

Chapter
10



Conclusion:



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Thank You

