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**Chalimbana University**

**Integrity. Service. Excellence**

**DIRECTORATE OF DISTANCE EDUCATION**

***BHR 2102: HUMAN RESOURCE MANAGEMENT***

**First Edition 2018**

Chalimbana University

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ACKNOWLEDGEMENTS

The Directorate of Distance Education wishes to thank Dr. Muchemwa Victor and Mr Mulenga Chrispin for writing the Human Resource Management module.

# MODULE OVERVIEW

PREREQUISITE: BMO 1100

## INTRODUCTION

This module will introduce you to human resource management; the course has nine units which are expected to be studied in about 18 hours. This includes personal study time and contact hours. This is a course which will enable students to have an in-depth understanding of Human Resource Management. The course will equip students with skills needed in Human Resource management.Human resource management is a new phenomenon and in modern Human Resource Management, it is a term for what had been traditionally referred to as Personnel Management and Administration. The field of human resource management now has a wide scope of operation function, as it articulates and understands the aspiration of customers and this makes it effective Seti (2014).

## RATIONALE

This course is born out of the market demand for fully fledged human resource executive, a tailor made course to meet the demand a step in the right direction in implementing the industry demand for Human Resource. Additionally, the need for competent managers, innovative entrepreneurs, and visionary business leaders in Zambia and the world over is a compelling reason for embarking on such a course.

## AIM

This course provides student with knowledge in human resource planning and management for effective Organisation management..

## OutcomesLEARNING OUTCOMES

By the end of the course, students should be able to:

* demonstrate an understanding of human resource needs for an organization.
* conduct a job analysis and produce a job description
* Demonstrate an understanding of the responsibilities of management and employees in managing the employment relationship in a unionised or a non-unionised environment.
* Discuss Human Resource Management Functions

CONTENT

1. An overview of human resource management
   * Human Resource Management:
   * History of human resources
   * Management: Human Resource Management and
   * Human Resource Development
   * Human Resource Management: Today’s Workplace
2. Human Resource Planning
   * Purpose of planning
   * Matching human resource needs and supply
   * Human resource projections
3. Recruitment of Human Resources

* Identifying the right people
* Formulating appropriate job description
* Reviewing a resume and conducting interviews
* Employee induction
* Legal environment

1. Compensation and benefits

* Define Compensation, Equity and the Compensation System
* Determining pay rates for positions
* Hourly, salary and incentive-based pay
* Incentives and motivation
* Health, dental and life insurance
* Retirement plans

1. Staying within compliance and creating a safe workplace

* Employee policies and records
* Laws, topics and issues
* Ethics
* Occupational safety and health standards
* Creating a safe and healthy work environment
* Alcohol, drugs and Employee Assistance Programmes
* HIV/AIDS in the Workplace
* Sexual Harassment

1. Training, employee recognition and discipline

* The Training Cycle
* Training needs Identification and Analysis
* Employee Orientation
* Personal, Management and Leadership Development
* Training Tools
* Motivating and Recognizing Staff Members
* Performance Management System
* Performance Assessments and Reviews
* Taking Disciplinary Action

1. Professional training and development

* Training and Development Activities
* Individual Career Development Plan
* Management Trainee Programs

1. Termination of employment

* Managing Termination of Employment
* Legal and illegal termination
* Redundancies and layoffs

1. Automation of the HR Function

* Purpose of Automation
* Project Initiation Document

## METHOD OF TEACHING

Teaching strategies that focus on learner centeredness will be used in order to ensure effective transfer of knowledge, skills and positive attitudes to the trainees. Such methodologies will include the following:

* Group and pair work
* Research
* Field trips
* Presentation
* Observation
* Inquiry
* Problem solving
* Role play/ Drama
* Modelling
* Demonstration

## METHOD OF TEACHING

3 lecture hours per week.

1 Tutorial per week

## ASSESSMENT

**Continuous Assessment 50%**

2 Assignments/project 30%

Tests: 20%

**Final Examination 50%**

**Total 100%**

## PRESCRIBED READING

Noe, Raymond A., et al (2007) *Fundamentals of Human Resource Management,* McGraw Hill

Dessler, G., Chhinzer, N., & Cole, N. D. (2015) *Management of Human Resources: The Essentials 4*th ed. Toronto, ON: Pearson Education Canada,.

Torington, D., Hall, L., Taylor, S., and Atkinson, C. (2011) *Human Resource management 8thed*, London; Pearson Education

RECOMMENDED READING

Lussier, R. N. and Hendon, J. R. (2010) *Human Resource Management: Functions, Applications, Skill development*, Sage Publications.

Armstrong, M. (2012) *A Handbook of Human Resource Management Practice* 12thed,

London, Kogan page.

## Study skillsSTUDY SKILLS

As an adult learner, your approach to learning will be different to that of your school days: you will choose when you want to study, you will have professional and/or personal motivation for doing so and you will most likely be fitting your study activities around other professional or domestic responsibilities.

Essentially you will be taking control of your learning environment. As a consequence, you will need to consider performance issues related to time management, goal setting, stress management, etc. Perhaps you will also need to acquaint yourself with areas such as essay planning, searching for information, writing, coping with examinations and using the internet as a learning resource.

Your most significant considerations will be *time* and *space* i.e. the time you dedicate to your learning and the environment in which you engage in that learning.

It is recommended that you take time now —before starting your self-study— to familiarise yourself with these issues. There are a number of excellent resources on the web. A few suggested links are:

<http://www.how-to-study.com/>

The “How to study” website is dedicated to study skills resources. You will find links to study preparation (a list of nine essentials for a good study place), taking notes, strategies for reading text books, using reference sources, test anxiety.

<http://www.ucc.vt.edu/stdysk/stdyhlp.html>

This is the website of the Virginia Tech, Division of Student Affairs. You will find links to time scheduling (including a “where does time go?” link), a study skill checklist, basic concentration techniques, control of the study environment, note taking, how to read essays for analysis, memory skills (“remembering”).

## TimeTIMEFRAME

You are expected to spend at least 18 hours of study time on this module. In addition, there shall be arranged contact sessions with lecturers from the University during residential possibly in April, August and December. You are requested to spend your time judiciously so that you reap maximum benefit from the course.

## HelpNEED HELP?

In case you have difficulties during the duration of the course, please get in touch with your lecturer for routine enquiries during working days **(Monday-Friday)** from 08:00 to 17:00 hours on Cell: +260963804004**; E-mail:** [adsikalumbi@gmail.com](mailto:adsikalumbi@gmail.com)**; website:** [www.chau.ac.zm](http://www.chau.ac.zm)**.**You can also see your lecturer at the office during working hours as stated above.

You are free to utilise the services of the University Library which opens from 07:00 hours to 20:00 hours every working day.

It will be important for you to carry your student identity card for you to access the library and let alone borrow books.

## ASSESSMENT

In this course you will be assessed on the basis of your performance as follows:

**Continuous Assessment 50%**

Assignment 10%

Project 15%

2 Tests of equal weight 25%

**Final Examination 50%**

**Total 100%**

# UNIT 1

## AN OVERVIEW OF HUMAN RESOURCE MANAGEMENT

## INTRODUCTION

A very welcome to this chapter, we are going to focus on the meaning and nature of Human Resource Management (HRM) hopefully you will find it interesting, because it is part of management function which is primarily concerned with the human relations within an organisation. It entails those activities designed to provide and co-ordinate the human resource of any organisation.

## OutcomesLEARNING OUTCOMES

## By the end of the unit, students should be able to:

* Define human resource management.
* Appreciate the history of human resources
* Discuss management human resource management
* Demonstrate an understanding of human resource management: Today’s workplace

## TimeTIME FRAME:3 hours

## HISTORY OF HUMAN RESOURCE MANAGEMENT

The 1990s came to be seen as the *‘***decade of the consumer’** (customer, client, patient or other end-user of goods and service); this situation brought forth a need redefine **‘personnelmanagement***’* so that it better reflected the contemporary focus on (a) customers and their needs, and (b) the need to adapt to changing conditions in the external marketplace; there was now less focus on either the concerns of employees or the need for *formal* communication structures within the organisation. The 1990s was also the decade that saw a major attack on organisational hierarchies, leading to considerable de-layering of structures and a greater delegation of accountability to work-team leaders.

The last decade the twentieth century has sought to change the emphasis of **‘personnelmanagement’**, so as to be more concerned with primary **business** goals, and less with the implications for employees of the consequences of pursuing those goals. The work environment today has changed from confrontational mixture of mid-century employee relations, with its emphasis on highly regulated personnel procedures, to collaborative approaches based on small work-teams dedicated to customer satisfaction, where workplace learning is paramount and the need for centralised procedures less relevant. At the same time the external environment for all of the private sector, and parts of the public sector, has become much more competitive. Not only are customers and their requirements important, but so too are the actions of competitors. It is in this new environment that the term ‘Human Resource Management’ sits more comfortably for many people than ‘Personnel Management’.

### Personnel management or HRM – some of the arguments

There has been debate about whether there are significant differences between these two concepts of interest only to academics. Nevertheless, given that significant number of business and government organisations have taken the step of renaming their personnel function as the HRM function, it is fair to assume that they are making some kind of statement about how they view people management. It could be argued that it has become fashionable to speak of HRM, and that this is why many organisations have adopted the expression. The term is also the preferred way of describing the personnel function in Zambia , and is thus employed by the most influential management ‘gurus’. Use of HRM language also helps to bypass ‘politically incorrect’ terms used in the past, such as manpower planning. However, these are not very convincing answers so far as the United Kingdom is concerned. It is significant that July 2000, when the professional body for personnel management in the UK was awarded chartered status, it decided not to change its title to Human Resource Management but to continue as the Chartered Institute of Personnel andDevelopment.

There has to be some other set of justifications, therefore, for describing ‘personnel’ activities as ‘human resource’ activities. What are the principal distinctions that might underlie these two expressions? There is no part answers to this question, but the following points have been made in recent debates on this topic:

Personnel Managementimplies HRM implies

* Proactive, innovative role
* Reactive, servicing role
* Emphasis on implementation of procedures
* Specialist department
* Focus on employees’ needs in their own right
* Employees seen as cost to be controlled
* Presumption of union-management conflicts
* Preference for collective bargaining of pay and conditions
* Emphasis on settling pay more in terms of organisation’s internal market
* Serving other departments/units
* Supporting change
* Challenging business goals in light of effects on employees
* Less flexible approach to staff deployments
* Emphasis on strategy
* General management activity
* Focus on employee requirements in the light of business needs
* Employees seen as investment to be nurtured as well as cost to be controlled
* Conflicts dealt with by team leaders within their teams
* Management-led planning of people resources and employment conditions
* Emphasis on competitive pay and conditions to stay ahead of competitors
* Contributing ‘added value’ to business
* Stimulating change
* Total commitment to business goals
* Completely flexible approach to staff deployment

The strength of the arguments for or against the two concepts, as indicated in the above lists, depends considerably on whether one takes a *‘hard’* or *‘soft’* view of Personnel Management or HRM. A *‘hard’* view of Personnel Management would see the function as essentially procedural, reactive and, where necessary, protective of employee needs against the harshness of business goals. This viewpoint would place Personnel Management at some distance from any concept of HRM. However, a *‘soft’* view of Personnel Management might see the function as supporting change, even helping define it, supplying and developing relevant employee skills in accordance with the business aims of line units, and providing a framework for pay and conditions that achieved competitive advantage for the organisation. Such a view would come very close to any definition of HRM. It would certainly be close to a *‘soft’* view of HRM, where employee commitment to challenging business goals was fostered by encouraging personal initiative within teams under sensitive leadership. It would be less close to a *‘hard’* view of HRM, where the emphasis on total commitment to business goals and competitive advantage would override individual needs and aspirations, where successful employees where seen as an investment, but poorer performers seen as a liability. The key phrase here is *‘added value’*. Employees are judged primarily on whether they are seen to be adding value to the business. Unlike the mid-twentieth century when over-manning was a chronic British weakness, the emphasis now is on ‘lean’ structures with minimum numbers employed.

## DEFINITION OF HUMAN RESOURCE MANAGEMENT

Human Resource Management is an important function of any organization. It encompasses the management of people in organizations from a macro perspective i.e. managing people in the form of a collective relationship between management and employees. Thus, the HR function is concerned with the notions of people enabling, people development and a focus on making the ‘employment relationship’ fulfilling for both the management and employees.

Let us learn about Human Resource Management in detail.

Human resource management is defined in various ways by various writers but all point to economic and humane use of people employed in the work environment. It should be considered as one aspect of management and treated within the definition of management.

We shall consider two definitions put up separately by Byars and rue on one hand and Michael Armstrong on the other. Byars and Rue define Human Resource Management “as management of activities designed to provide for and coordinate the human resource of an organisation”.

Michael Armstrong defines Human Resource Management as “a strategic and coherent approach to the management of an organisation’s most valued asset: the people working there who individually and collectively contribute to the achievement of its objectives”.

For the purpose of this course we shall define it as “the process of effective and efficient utilization of people working for and in the organisation to meet the objectives of the organisation, that of its employees and the society in which it operates”

The definitions of Human resource management must be understood within the general definition of the concept of Management. The definition that captures this similarity is one put forward by Breach. He defines management as, a social process entailing responsibility for theeffective and economicplanning and regulation of the operations of an enterprise in fulfilment of given purposes or tasks. Such responsibility involves:

* Judgement and decision making in determining plans and using data to control performance and progress against plans.
* Guidance, interpretation, motivation and supervision of personnel composing the organisation and carrying out operations.

In other words, the managerial role is to arrange things and get things done, effectively through the operations of people employed – an explicit responsibility mandated to the manager**.**

Therefore, the most appropriate definition of Human Resource is by Hall and Good ale cited in Nel etal, (2001:19). This is as follows, ‘’ Human Resource might [refers to] the process through which an optimal fit is achieved among the employee, job, organization and the environment so that employees reach their desired level of satisfaction and performance and the organization meets its goals.”

### Traditional Definition:

The first definition of HRM is that it is the process of managing people in organizations in a structured and thorough manner. This covers the fields of staffing (hiring people), retention of people, pay and perks setting and management, performance management, change management and taking care of exits from the company to round off the activities. This is the traditional definition of HRM which leads some experts to define it as a modern version of the Personnel Management function that was used earlier.

### Contemporary Definition:

The second definition of HRM encompasses the management of people in organizations from a macro perspective i.e. managing people in the form of a collective relationship between management and employees. This approach focuses on the objectives and outcomes of the HRM function. What this means is that the HR function in contemporary organizations is concerned with the notions of people enabling, people development and a focus on making the ‘employment relationship’ fulfilling for both the management and employees.

HRM is all about people in organizations. No wonder that some MNC’s (Multinationals) call the HR managers as People Managers, People Enablers and the practice as People Management. In the 21st century organizations, the HR manager or the people manager is no longer seen as someone who takes care of the activities described in the traditional way. In fact, most organizations have different departments dealing with Staffing, Payroll, and Retention etc. Instead, the HR manager is responsible for managing employee expectations vis-à-vis the management objectives and reconciling both to ensure employee fulfilment and realization of management objectives. HR is a science as well because of the precision and rigorous application of theory that is required. Human Resource Management (HRM) is an ‘art and science’. Thus, HRM is both the art of managing people by recourse to creative and innovative approaches.

Other kinds of resources do not have these characteristics. People should therefore not be taken just as a cog in a machine. They have an influence on what goes on at work which may contribute or disturb productivity

### Concerns for human resource management

### There are two main concerns for Human Resource Management. Namely;

(a) People, and

(B) Performance.

**[a] Concern for People**

Concern for people means attracting, retaining, developing and motivating the right sort of employees and helping to develop an appropriate culture and climate. Concern for people implies an ethical approach to their management. Fourethical principles have been suggested:   
**Respects for the individual (integrity)** is giving people a “voice”. The people as discussed above are unique and so are their opinion and right which management must respect.  
**Mutual respect**is aboutestablishing communities of interest in organisations and  
reconciling conflicts arising from poor communication. Respect at work is mutual and is a two way processes. If managers want respect, they must also give it out.  
**Procedural fairness**is covering all aspects of the ways in which people are treated. All employees in the organisation must be given similar procedural and interaction justice.  
**Transparency** is opening up and explaining management’s proposals, decisions and procedures. Hiding of or preventing employees from information to which they are entitled leads to suspicion and breeds mistrust in an organisation.

**[b] Concern forperformance**  
to ensure that people make the difference Supervisors have to be concerned about the contribution individuals and teams make to improve organisational performance. This means ensuring that the right skills are available and developed and that competence frameworks that set out the generic work goals are in place. It also means that performance management processes are adopted by managers and individuals alike as an accepted and rewarding part of managing the business and individual performance.

A lot has been written and said about HRM since 1980s with explanations on what exactly HRM is. What is the relationship of HRM to Personnel Management or People Management, HRM and Industrial Relations, HRM and Human Resource development or training? Is there a relationship between HRM and business strategy? How is HRM positioned in today`s work place? All these questions will be discussed in this module in order to provide probable answers to the questions that have been raised concerning HRM.HR is more holistic and strategic approach to the people unlike personnel management

## MANAGEMENT: HUMAN RESOURCE MANAGEMENT AND RESOURCE DEVELOPMENT

According to Armstrong (1995) Human Resource Management can be defined as a strategic and coherent approach to the management of an organisation`s most valued assets. These assets are the people who individually and collectively contribute to the achievement of the objectives of the business.

A ``soft’’ interpretation of HRM emphasises the human part of the term, stressing collaboration, teamwork, empowerment and facilitative management. The other ``hard’’ interpretation concentrates on the resource management part of the term, stressing competencies, performance appraisal and rewards. The full explanation is that the ``Soft’’ version focuses on the qualitative aspect of HRM while the ``Hard’’ version illustrates the quantitative side (Storey 1989).

Human resources being part of Classical management view has objectives and is indicated below.

### Objectives of Human Resource Management

* To Establish of culture within an organization that recognizes the consequences of the individuals who make meaningful contribution to the organization success,
* To establish how employees and the organization can inter- relate to the advantage of both parties
* To support managers in the execution of their tasks related to the management of people.

### Power of Human Resource Manager

The HR manager exercises power within management structures and this is done through the following sources of:

**Functional Authority** gives the HR Manager the right to issue enforceable HRM- related instructions to individuals and departments throughout the organization.

**Staff Authority** enables HR Manager to issue advice (which is not enforceable) to various entities within the organization.

### Human Resource Management Functions and the role of the HR Manager

In as much as the HR manager has managerial functions, he or she has to combine the roles and functions in order to achieve the intended objectives of the organisation. The functions and roles of the HR manager are as follows:

* Strategic planning
* Employment related activities
* Training and development
* Compensation and benefits
* Employee services (relocation services, assistance programmes).
* Employee and community relations
* Personal records
* Health and safety

In order to carry out all this, the HR Manager and his/her department need to fulfill the following roles:

* **A service Role**which incorporates the everyday functions of the HR department, which includes activities relating to recruitment, selection, training and compensation;
* **A control Role** which is more strategic in nature and could involve for example an analysis of key HR outputs such as labour turnover;
* **An advisory Role** which involves the provision of expert HRM related advice to various parties within the organization.

## HUMAN RESOURCE MANAGEMENT IN TODAY’S WORKPLACE

Throughout many industries, the role of HR has traditionally been considered one of policy development and paperwork, from developing employee handbooks, collecting time cards and drawing up contracts for new employees to managing employee benefits and handling worker complaints.But in today's workforce, the role of HR is changing.Many industries have undergone tremendous change over the last several years due to evolving technology, new employment regulations and younger, more diverse workers.

The role of HR departments has been particularly impacted by the growing availability of technology and self-serve digital tools, experts say. However today`s work place is also guided by various models as indicated by Eisentat 1996 Model below:

* The **hierarchical model** places the HRM function in the role of agent/ advisor where the needs of the top management are addressed.
* The **Professional model** places the HRM function in the role of representative which provides for consultation and communication with external parties.
* The **service business model** places the HRM function in the role of service provider to individual operating division.

Eisenstat (1996) emphasizes that organisations of today should use the fourth model which is the **Partnership Model**, which serves to integrate and supplement the roles particular to the hierarchical, professional and service models with an inclusion of technology.

### Partnership Model involves

HRM function in a strategic role where creation of value for the corporation as a whole provides the focus, and higher levels of team work between the HRM function, Top management, Individual operating divisions and external groups (e.g. unions) are archived.

"In some cases, the change in technology has allowed HR professionals to take on more strategic roles, while in other cases technology has simply allowed the HR professional to more effectively address the administrative tasks associated with their role," said **Jacqueline Smith**, an independent HR consultant with more than 25 years of experience working in human resources.

If you're considering a career in human resource management, it is important to understand how these changes will impact not only your day-to-day responsibilities, but your training and required skills.

### Strategic position of human resource management

Human resources are undoubtedly the key resources in an organization, the easiest and the most difficult to manage. The objectives of the HRM span right from the manpower needs assessment to management and retention of the same. To fulfil this purpose, Human Resource Management is responsible for effective designing and implementation of various policies, procedures and programs. It is all about developing and managing knowledge, skills, creativity, aptitude and talent and using them optimally.

Human Resource Management is not just limited to manage and optimally exploit human intellect. It also focuses on managing physical and emotional capital of employees. Thus, the scope of HRM is widening with every passing day, considering the intricacies involved. Moreover, there is a need to align organizational goals with that of the HR strategy to ensure that there is alignment of the people policies with that of the management objectives. This means that the HR department can no longer be viewed as an appendage of the firm but instead is a vital organ in ensuring organizational success. The aims of strategic management are to provide the organization with a sense of direction and a feeling of purpose. The current HRM practices in many industries are taken as seriously as the marketing and production functions.

The practice of HRM must be applied to the overall strategic goals for the organization instead of a standalone tint that takes a unit based or a micro approach. The idea here is to adopt a holistic perspective towards HRM that ensures that there are no piecemeal strategies and the HRM policy enmeshes itself fully with those of the organizational goals. The practice of HRM needs to be integrated with the overall strategy to ensure effective use of people and provide better returns to the organizations in terms of ROI (Return on Investment) for every rupee or dollar spent on them. Unless the HRM practice is designed in this way, the firms stand to lose from not utilizing people fully and this does not bode well for the success of the organization.

### Human resource strategy and business strategy

Linking HR strategy and business strategy

* Strategy formulation
* Strategy implementation
* Strategy evaluation and control

### Strategic Human Resource competencies:

**Importance of relationship between HR and business strategy**

* Strategic management can be defined as managing the “pattern or plan that integrates an organization’s major goals, policies, and action sequences into cohesive whole.
* Strategic Human Resource Management (SHRM) is defined as the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals.” Thus **HRM** is critical in supporting the formulation and implementation strategy.

Four levels of integration between the **HRM** function and strategic management function which may emerge within the organizations are:

1. **Administrative linkage**: which is of the lowest level of integration and at this stage HR Function is primarily focused on day-to-day activities. The HR function is divorced from the strategic management position.
2. **One-way linkage**: which involves the strategic management function in simply informing the HR function of strategic plan. (this does not constitute strategic HRM)
3. **Two way linkage**: allows for sequential consideration of HR issues during the strategy formulation process in that HR function is informed of various strategies which are being considered and the HR executive provides input as to the HR implications.

Once the strategic plan has been determined, the HR function prepares various programmes to support the implementation of the strategy.

1. **Integrative linkage**: is dynamic and is based on continuing interaction between the strategic management team, and actively participates in the formation and implementation of strategy.

### 

### Issues human resource managers should be familiar with in the business

Managers of Human Resource should become more familiar with their issues on the following issues.

* Know the company strategy and business plan to know the problems facing the organization
* Know the industry in which company is in. Be knowledgeable about present and future trends and issues
* Support business needs (of the company) – so that you promote effective human resource utilization within the organization
* Spend more time with the line people
* Keep your hand on the pulse of the organization to stress the importance of increasing profits through effectively using the

Human resource instead of taking moralist approach

* Work in partnership with the Union and labour office
* Have a good working knowledge of the current labour laws and issues.
* Human Resource Managers should learn to be proactive and seize opportunities to demonstrate how they can positively affect the bottom line.

### Company profits and the human resource managers

Contrary to the view that Human Resources Managers are concerned only with matters that relate directly to the human side of the organization, they can have a direct impact on company profits. There are a number of specific ways:-

1. Reduce unnecessary overtime expense by increasing productivity during a normal day.
2. Stay on top of absenteeism and institute programmes designed to reduce money spent for time not worked.
3. Eliminate wasted time by employees through sound job design
4. Minimise employee turnover and unemployment benefit costs by practicing sound human relations and creating a work atmosphere that promotes job satisfaction.
5. Install and monitor effective safety and health programmes to reduce lost time accidents and to keep medical and workers compensation costs below.
6. Properly train and develop all employees so they can improve their value to the company and do a better job of producing and selling high quality products and services at the lowest possible costs.
7. Decrease costly material waste by eliminating bad work habits and attitudes and poor conditions that lead to carelessness and mistakes
8. Hire the best people available at every level and avoid overstaff.
9. Maintain competitive pay practices and benefit programmes that are important factors in fostering a motivational climate for employees
10. Encourage employees, who probably know more about the bolts and nuts of their jobs than anyone else, to submit ideas on increasing productivity and reducing costs.

## summarySUMMARY

Human Resource Management is an important function of any organization. It encompasses the management of people in organizations from a macro perspective i.e. managing people in the form of a collective relationship between management and employees. The 1990s came to be seen as the *‘decade of the consumer’* (customer, client, patient or other end-user of goods and service); Nevertheless, given that significant number of business and government organisations have taken the step of renaming their personnel function as the HRM function, it is fair to assume that they are making some kind of statement about how they view people management.

## REVIEW ASSESSMENT

## ACTIVITY 1.1

1. Distinguish human resource management and personnel management
2. Summarise the impact that various strategies will have on the organizations HR practices.
3. Argue for or against that Human Resources Managers are concerned only with matters that relate directly to the human side of the organization, they can have no direct impact on company profits.

# UNIT 2

## 2.0 HUMAN RESOURCE PLANNING

## 2.1 INTRODUCTION

In this unit, i will introduce you to human resource planning. Human Resource Planning is defined as a process of having the right people, in the right jobs, at the time and this focuses on the supply and demand of labour and others refer to it as man power planning Seti (2014:10).

## Outcomes2.2 LEARNING OUTCOMES

By the end of this unit, students should be able to:

* Appreciate what is meant by Human resource planning
* Show purpose for the need to stock human resource information as a basis for making informed decisions
* Match human resource needs and supply
* Analyse the human resource projections

## Time2.3 TIME FRAME:1:30 hours

In this section we will investigate the concept of Human Resource planning and in so doing, will examine:

1. The nature of HR planning
2. The process of HR planning
3. Forecasting
4. Goal setting and strategic planning
5. Programme implementation and evaluation

The process of human resource planning is as described above. We will now consider current issues impacting on HR planning and they are as follows:

* Employment equity and skills development
* Strategic management and HR planning

**Human resource planning in detail**

Organizations require engagement in the process of human resource planning to determine future supply of, and for, human resources so as to gain or maintain a competitive advantage.

Huselid (1998) defines as HRP as the process of matching the organization long-term demand for labour with its supply. Human resource planning is an important activity in that it provides for:

1. More effective and efficient use of people at work
2. Greater employee satisfaction
3. Better developed employee’s and
4. More effective employment equity planning (Ivanceutch, 1998)

A study carried out in 1990 of HR practices in maintaining companies reviewed that most companies do not use HRP. The reason which Grobler (1993) provides for the limited HR planning include:

* The assumption amongst companies that an adequate supply of labour will be available when needed.
* The assumption that human resources (employees) a highly flexible resource that can be laid off, trained and recruited at short notice.
* The responsibility of company planning typically resting with financial marketing executives.

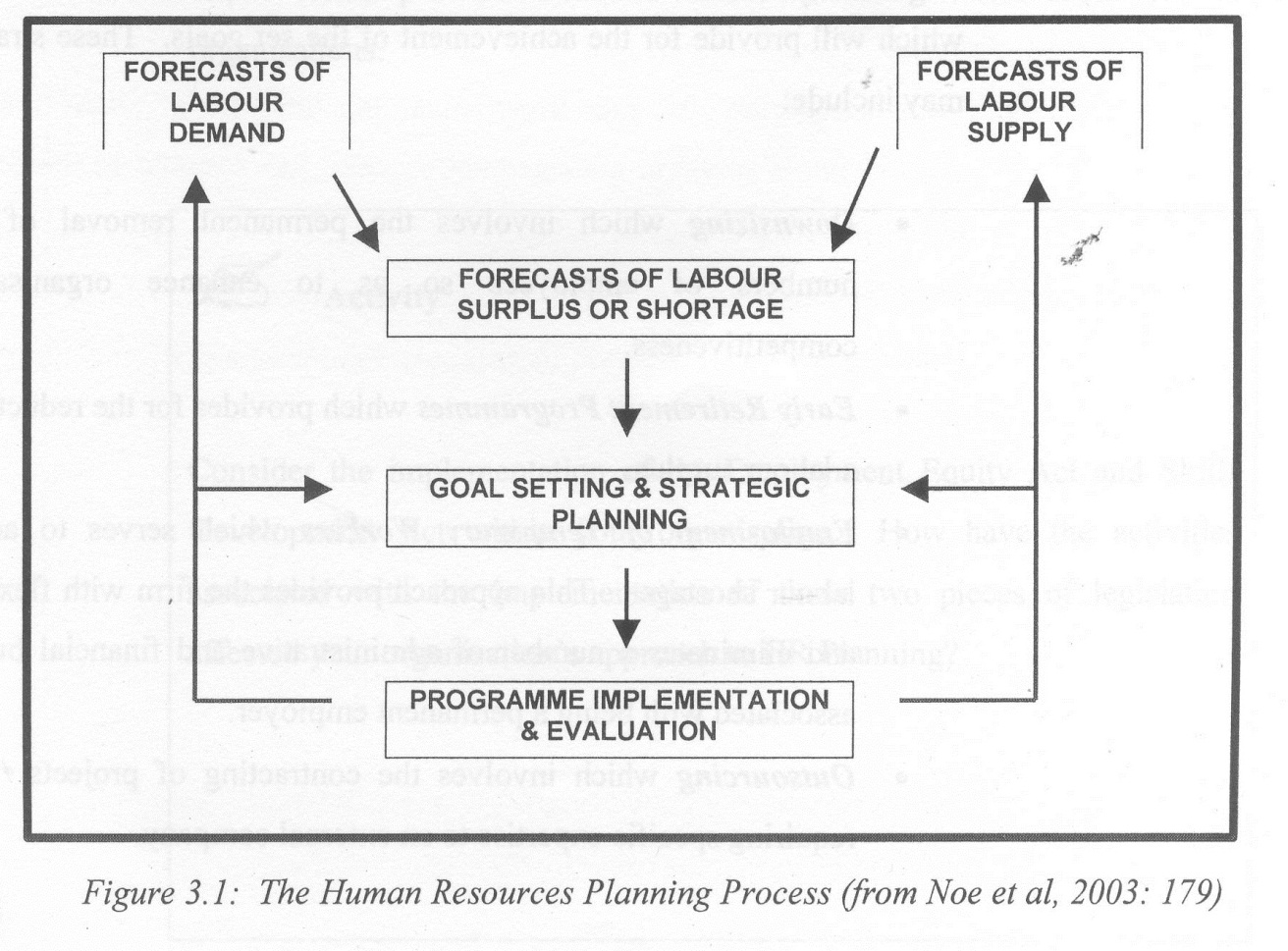
In a study conducted by Huselid (1993) on the impact of work force volatility (which refers to the instability in the firm’s level of employment from year to year) was investigated. It was found that ‘’firms exhibiting moderate levels of workforce violating were much likely to adopt HRP than were firms in highly stable and dynamic environments. Thus it is likely that high levels of workforce violating render HRP ineffective, while low levels of workforce violating make it unnecessary”.

From the above it can be seen that companies retrain from conducting HR planning due to external and internal environment factors.

## THE PROCESS OF HUMAN PLANNING

An overview of human resource planning is depicted in Figure 2.1. The process consists of forecasting, goal setting and strategic planning, and program imple­mentation and evaluation. We discuss each of these stages in the next sections of this unit.

The process of Human resource planning is as follows:



## 2.5HUMAN RESOURCE PROJECTION

## The first step in the planning process is forecasting, as shown in the top portion of Figure 2.1. In personnel forecasting, the HR manager attempts to ascertain the supply of and demand for various types of human resources. The primary goal is to predict ar­eas within the organisation where there will be future labour shortages or surpluses.

Forecasting, on both supply and demand sides, can use either statistical meth­ods or judgment methods. Statistical methods are excellent for capturing historic trends in a company’s demand for labour, and under the right conditions they give pre­dictions that are much more precise than those that could be achieved through sub­jective judgment of a human forecaster. On the other hand, many important events that occur in the labour market have no historical precedent; hence, statistical meth­ods that work from historical trends are of little use in such cases. For example, recall the Story that opened this unit. If the U.S, Congress were to pass legislation that allowed a guest worker program for Mexican workers to flow into the United States, there is no real historical way to estimate how many workers would avail them of this new opportunity. With no historical precedent, one must rely on the pooled subjective judgments of experts, and their "best guesses" might be the only source from which to make inferences about the future. Typically, because of the comple­mentary strengths and weaknesses of the two methods, companies that engage in hu­man resource planning use a balanced approach that includes both statistical and judgmental components.

## DETERMINING LABOUR DEMAND

Typically, demand forecasts are developed around specific job categories or skill areas relevant to the organization's current and future state, Once the job categories or skills are identified, the planner needs to seek information that will help predict whether the need for people with those skills or in that job category will increase or decrease in the future. Organizations differ in the sophistication with which such forecasts are derived.

At the most sophisticated level, an organization might have statistical models that predict labour demand for the next year given relatively objective statistics on leading indicators from the previous year. A leading indicator is an objective that accurately predicts future labour demand. For example, a manufacturer of automobile parts that sells its product primarily to the Big Three automakers would use several objective statistics on the Big Three automakers for one time period to predict how much demand there would be for the company's product at a later time period. Inven­tory levels, sales levels, employment levels, and profits at the Big Three in one year might predict the demand for labour in the production assembler job category in the next year.

For example, using historical records, one might use multiple regression techniques to assess the best predictive model for estimating demand for production assemblers from information on sales levels, inventory levels, employment levels, and profits at the Big Three. This is not a statistics book, so a detailed explanation of regression techniques is beyond our scope. Rather, we simply note here that this technique will convert information of four or more leading indicators into a single predicted value for demand for production assemblers that is optimal-at least according to the his­torical data. For example, the demand for nurses in a community can historically be predicted very well by knowing the average age of the community members. Thus, if the average age of American citizens is going up, which it is, then one can expect an increase in the need for nurses. Studies based on these historical trends suggest that by the year 2014, our economy will need 1.2 million more nurses relative to what is available today.

## DETERMINING LABOUR SUPPLY

Once a company has projected labour demand, it needs to get an indicator of the firm’s labour supply. Determining the internal labour supply calls for a detailed analysis of how many people are currently in various job categories (or who have specific skills) within the company. This analysis is then modified to reflect changes in near future caused by retirements, promotions, transfers, voluntary turnover, and determinations.

As in the case of labour demand, projections for labour supply can be derived either from historical statistical models or through judgmental techniques. One type of statistical procedure that can be employed for this purpose involves transitional matrices. Transitional matrices show the proportion (or number) of employees in different job categories at different times. Typically these matrices show how people move in one year from one state (outside the organization) or job category to another state or job category.

## DETERMINING LABOUR SURPLUS OR SHORTAGE

Once forecasts for labour demand and supply are known, the planner can compare the figures to ascertain whether there will be a labour shortage or labour surplus for the re­spective job categories. When this is determined, the organization can determine what it is going to do about these potential problems. For example, we previously noted that it is relatively easy to predict from historical data that in the future, the United States is likely to experience a shortage of nurses and, perhaps,' a shortage of workers with knowledge of nuclear power.

It is also easy to predict that the current shortage of skilled craftsmen is likely to get worse in the coming years. That is, jobs like ironworker, machinist, sheet metal worker, pipe fitter, plumber, and welder are in huge demand. Part of this is attributable to the fact that the production of heavy machinery is at all-time high levels and shows no sign of abating. In addition, the aging of the nation's infrastructure has created a vast need to repair bridges and tunnels. However, the average age of current workers in these job categories is 55, which, combined with the unwillingness of younger people to be attracted to such difficult and physically demanding work, has resulted in an undersupply of workers with these skills that is only going to get worse.

**Goal setting and strategic planning**

The second step in human resource planning is goal setting and strategic planning, as shown in the middle of Figure 5.1. The purpose of setting specific quantitative goals is to focus attention' on the problem and provide a benchmark for determining the relative success of any programs aimed at redressing a pending labour shortage or surplus. The goals should come directly from the analysis of labour supply and demand and should include a specific figure for what should happen with the job category or skill area and a specific timetable for when results should be achieved.

The auto parts manufacturer, for instance, might set a goal to reduce the number of individuals in the production assembler job category by 50 percent over the next three years. Similarly, the firm might set a goal to increase the number of individuals in the sales representative job category by 25 percent over the next three years.

Once these goals are established, the firm needs to choose from the many different strategies available for redressing labour shortages and surpluses. Table 5.2 shows some of the options for a human resource planner seeking to reduce a labour surplus. Table 5.3 shows some options available to the same planner intent on avoiding a labour shortage.

## MATCHING HUMAN RESOURCE NEEDS AND SUPPLY

Strategies involved under goal setting and strategic planning are:

1. **Downsizing:** Involves the permanent removal large numbers of employees so as to enhance organization competitiveness. We define downsizing as the planned elimination of large numbers of personnel designed to enhance organizational effectiveness. Many organizations adopted this strategic option in the 1990s, especially in the United States. In fact, over 85 percent of the Fortune 1000 firms downsized between 1987 and 2001, resulting in more than 8 million permanent layoffs-an unprecedented figure in U.S. economic history. The jobs eliminated in these downsizing efforts should not be thought of as temporary losses due to business cycle downturns or a recession but as permanent losses due to the changing competitive pressures faced by businesses today. In fact, in over 80 percent of the cases where downsizing took place, the organizations initiating the cutbacks were making a profit at the time.

Rather than trying to stem current losses, the major reasons for most downsizing efforts dealt with promoting future competitiveness. Surveys indicate four major rea­sons that organizations engaged in downsizing. First, many organizations were looking to reduce costs, and because labour costs represent a big part of a company's total costs, this is an attractive place to start. For example, when the Dow Jones industrial aver­age dropped from over 11,000 points to below 9,000 in the year 2001, many Wall Street firms were faced with high overhead costs that could be eliminated only by re­ducing head counts. Merrill Lynch, Bank of America, Paine Webber, J. P. Morgan Chase, and Deutsche Bank all laid off roughly 10 percent of their workforce in an effort to stay profitable.

* Second, in some organizations, closing outdated plants or introducing technological changes to old plants reduced the need for labour. For example, East­man Machine is a Buffalo, New York-based manufacturer of equipment that is used for cutting fabric. In order to stave off low-priced competition from Chinese rivals, Eastman expanded heavily into the market for highly automated, computer­ driven cutting machines that are not currently available in Asia. This eliminated much of the manual work that was formerly performed at the plant, and now, the same amount of product and revenue that was once generated by a 120-person workforce can be produced with a staff of 80, requiring a downsizing of one-third of the workforce.

1. Early retirement programmes that provide for the reduction of a labour surplus. Another popular means of reducing a labour surplus is to offer an early retirement pro­gram. As shown in Figure 5.2, the average age of the U.S. workforce is increasing. But although many baby boomers are approaching traditional retirement age, early indications are that this group has no intention of retiring any time soon. Several forces fuel the drawing out of older workers' careers. First, the improved health of older people in general, in combination with the decreased physical labour in many jobs, has made working longer a viable option. Second, this option is attractive for many workers because they fear Social Security will be cut, and many have skimpy employer-sponsored pensions that may not be able to cover their expenses. Finally, age discrimination legislation and the outlawing of mandatory retirement ages have created constraints on organizations' ability to unilaterally deal with an aging workforce.

Although an older workforce has some clear advantages for employers in terms of experience and stability, it also poses problems. First, older workers are sometimes more costly than younger workers because of their higher seniority, higher medical costs, and higher pension contributions.

**Employment of temporal workersthat serves to address labour shortages**.

This approach provides the firm with flexibility and eliminates a number of administrative and financial burdens associated with being a permanent employee. Whereas downsizing has been a popular method for reducing a labour surplus, hiring temporary workers and outsourcing has been the most widespread means of eliminat­ing a labour shortage. Temporary employment affords firms the flexibility needed to operate efficiently in the face of swings in the demand for goods and services. In fact, a surge in temporary employment often precedes a jump in permanent hiring, and is often a leading Indicator that the economy is expanding. For example, the number of temporary workers grew from 215 million to 230 million between 2003 and 2004, sig­naling to many the end of the recession. In addition to flexibility, hiring temporary workers offers several other advantages:

* The use of temporary workers frees the firm from many administrative tasks and fi­nancial burdens associated with being the "employer of record."
* Small companies that cannot afford their own testing programs often get employ­ees who have been tested by a temporary agency.
* Many temporary agencies train employees before sending them to employers, which reduces training costs and eases the transition for both the temporary worker and the company.
* Because the temporary worker has little experience in the host firm, she brings an objective perspective to the organization's problems and procedures that are sometimes valuable. Also, since the temporary worker may have a great deal of experi­ence in other firms, she can sometimes identify solutions to the host organization's problems that were confronted at a different firm. Thus temporary employees can sometimes help employers to benchmark and improve their practices.

Certain disadvantages to employing temporary workers need to be overcome to effectively use this source of labour. For example, there is often tension between a firm's temporary employees and its full-time employees. Surveys indicate that 33 percent of full-time employees perceive the temporary help as a threat to their own job security. This can lead to low levels of cooperation and, in some cases, outright sabotage if not managed properly. Firms are more likely to derive the performance benefits from temporary employees when the current set of workers perceives their job security is high relative to when they feel threatened.

There are several keys to managing this problem. First, the organization needs to have bottomed out in terms of any downsizing effort before it starts bringing in temporaries. A downsizing effort is almost like a death in the family for employees who survive, and a decent time interval needs to exist before new temporary workers are introduced into this context. Without this time delay, there will be a perceived association between the downsizing effort (which was a threat) and the new temporary employees (who may be perceived by some as outsiders who have been hired to replace old friends). Any upswing in demand for labour after a down­sizing effort should probably first be met by an expansion of overtime granted to core full-time employees. If this demand persists over time, one can be surer that the upswing is not temporary and that there will be no need for future layoffs. The extended stretches of overtime will eventually tax the full-time employees, who will then be more receptive to the prospect of hiring temporary employees to help lessen their load.

Second, if the organization is concerned about the reactions of full-time workers to the temporaries, it may want to go out of its way to hire "nonthreatening" temporaries. For example, although most temporary workers want their temporary assignments to turn into full-time work (75 percent of those surveyed expressed this hope), not all do. Some prefer the freedom of temporary arrangements. These workers are the ideal temporaries for a firm with fearful full-time workers. In many cases, temporary staffing firms have access to this type of employee, and this explains the massive growth rate for firms in that industry. For example, Manpower Inc., one of the larger temporary employment agencies, has seen an increase in stock price of more than 35 percent between 2005 and 2007.n

Of course, in attempting to convince full-time employees that they are valued and not about to be replaced by temporary workers, the organization must not create the perception that temporary workers are second-class organizational citizens. HR staff can also prevent feelings of a two-tiered society by ensuring that the temporary agency provides benefits to the temporaries that are at least minimally comparable to those enjoyed by the full-time workers with whom they interact. This not only reduces the benefit gap between the full-time and part-time workers but also helps attract the best part-time workers in the first place.

1. Outsourcing: is which involves the contracting of project /tasks requiring specific expertise to an external company.
2. Overtime and expanding worker hours, this is used to address labour shortages, particularly those who are temporary.

**Phase 3**: **Programme implementation and evaluation**

This phase involves implementation of strategies so as to achieve the goals set in phase 2 of HR planning.

**Current issues impacting on HR planning**

* Employment equity and skills development
* Integration of HR Planning with strategic management.

The recognition of HRM into an organization’s strategic management process has resulted in the concept of HR planning being expanded.

## summary SUMMARY

Human resource planning determines the future supply of, and for, human resources so as to gain or maintain a competitive advantage. The process consists of forecasting, goal setting and strategic planning, and program imple­mentation and evaluation. Demand forecasts are developed around specific job categories or skill areas relevant to the organization's current and future state while determining the internal labour supply calls for a detailed analysis of how many people are currently in various job categories.

## REVIEW ASSESSMENT

**ACTIVITY 2.1**

1. Describe the process of Human resource planning
2. Explain labour demand and supply
3. Review what is meant by human resource projections.

# UNIT 3

## RECRUITMENT OF HUMAN RESOURCES

## 3.1 INTRODUCTION

Recruitment: is defined an activity carried out by an organization with the primary purpose of identifying and attaching potential employees. This should have the capability and ability competence to carry out a given task to achieve the set task or organizational goals. Different organisations recruit differently that is others allow departments to recruit and mostly these heads of departments end up recruiting their friends and relatives. This chapter however, will take you through the identification of the right people, formulating appropriate job description. Others are reviewing a resume and conducting interviews, employee induction and legal environment.

## Outcomes3.2 LEARNING OUTCOMES

By the end the unit, students should be able to

1. Explain the identification of the right people
2. Formulate appropriate job description
3. Review a resume and conducting interviews
4. Apply employee induction
5. Establish the legal environment

## Time**3.3 TIME FRAME 1:30 HOURS**

## 3.4 IDENTIFYING THE RIGHT PEOPLE

After Human Resource planning there is need to look at recruitment and selection. Testing is the only part of an employer’s recruitment process. Other tools are: background investigations and reference checks, pre-employment information services, honesty testing, graphology, and substance abuse screening.

Under Recruitment there is need to consider the following.

* The nature of recruitment
* Recruitment policies
* Factors influencing recruitment
* Recruitment sources

**Selection**

Selection may be defined as “the process by which an organization chooses from a list of applicants the person or persons who best meet the selection criteria for the position available, considering environmental conditions”.

* 1. Internal Environment Factors Influencing Selection
* The size of the organization: where the smaller the organization, the more informal the selection decision.
* The nature of the organization: where greater complexity requires more sophisticated selection techniques.
* The nature of social pressure emerging from, for example legislation and trade unions.
* The number of suitable candidates for a certain job, where larger number would require the selection programme to be relatively sophisticated.

External Environment Influencing Selection Decision

* The nature of the labour market for example, in instance that there are few individuals with the skills required, the selection process would be unsophisticated and short.
* Trade Unions: Where employees who belong to a union, can make certain demands in accordance with trade union contract.
* Government regulations where for example, legislation may affect the manner in which the selection process is executed.
* The selection process

It is important is important to know that it is an activity that is related to, and influenced by the human resource planning’s activity.

Ward (1998) emphasizes that such responses are inadequate and identifies the actual reasons for recruitment of people to be.

* Directly or indirectly add to company’s resource
* To directly or indirectly add to the company’s expenditure,
* Through accommodation of the two preceding criteria, enhance the company’s profitability (ward 1998:18).

**Recruitment policy**

An organization recruitment policy outlines the objectives of the recruitment process and provides guidelines as to how the recruitment process should be carried out.

1. Organizational recruitment policies can be influenced by a number of factors including:

* Internal vs. External recruitment: A policy of internal recruitment provides greater opportunities for the advancement of the organizations existing employees.
* Lead-the-market pay strategies: Involves organization providing remuneration which is higher than the market average. Organizations that have adopted this approach have a significant advantage in the market.
* Image advertising involves organization advertising itself as a good work place. This is important for organizations that operate in highly competitive labour markets.

1. Employment Equity and Attractive Action.

While an attractive action policy serves to address past discrimination recruitment practices an employment equity policy serves to prevent future discrimination in recruitment practices.

1. Person organization fit vs. diversity

Certain organization may choose to follow a recruitment policy which provides for optimum fit between the organizations culture and the recruit.

1. Factors Influencing recruitment.

External factors influencing recruitment include:

1. Government and trade unions limitations
2. Labour market conditions

i. Internal Factors

Include:

1. Organizational policy

Refer to policy strategies. Internal vs external recruitment, affirmative action and

1. Image of the organization
2. Recruitment requirements: It is important that the organization, through effective job analysis, job description and job specifications, set out realistic requirements for the potential job, should unrealistic requirements be set, the success of the recruitment programme will be impeded.

**Recruitment Sources**.

1. Internal Recruitment sources.

It has the following advantages:

* The organization is familiar with the performance of the applicant.
* The applicants have a better understanding of the organization and the vacant position if compared to outside applicants, and
* The filling of the vacancies proves to be cheaper and faster.
* Promotion and transfer of present employees.
* Job advertisements circulated to present employees
* Personal records to identify present employees with potential
* Skills inventories which provide information on the qualifications, skills, performance and experience of present employees.

**ii. External Sources**.

They have the following advantages;

* Entry – Level and specialized upper level positions often require that the organization look externally, as the skills required of these positions may not exist within the organization.
* Introducing outsiders into the organization will provide new ideal

**External Recruitment Sources Include**:

* Employment agencies
* Head hunting
* Walk- ins
* Referrals
* Professional associations
* Advertisements (placed in newspapers, trade magazines, the internet, etc.)
* College, technical and university campus recruitment

A Diagrammatic representation of the selection process is provided below:

## 3.5 FORMULATING APPROPRIATE JOB DESCRIPTION

Job descriptions, as a management tool, can greatly simplify an organization's human resource management.

A job description clarifies work functions and reporting relationships, helping employees understand their jobs. Job descriptions aid in maintaining a consistent salary structure. Performance evaluations may be based on job descriptions.

Well written duty statements contain [action words](https://www.hr-guide.com/data/G053.htm) which accurately describe what is being done.

Duty statements should focus on primary, current, normal, daily duties and responsibilities of the position (not incidental duties, an employee’s qualifications or performance, or temporary assignments). Related or similar duties should be combined and written as one statement.

Each duty statement should be a discreet, identifiable aspect of the work assignment, described in one to three sentences, and should be outcome-based, allowing for alternate means of performing the duty, changes in technology, preferences of employees and supervisors, and accommodations of workers with disabilities, without altering the nature of, and/or the duty itself.

## 3.6 REVIEWING A RESUME AND CONDUCTING INTERVIEWS

The work of resume review starts well before the applicant resumes fill your inbox. Reviewing a resume starts with a [job description or role profile](https://www.thebalancecareers.com/job-descriptions-positives-and-negatives-1918556) so that you know broadly what the job entails. Part of the job description, in an effective job description, details the qualifications and experience of the candidate you seek to fill the job. Using the key qualifications and experience you identified for the role, develop your online and offline job postings, post them on your recruiting website, and make them available to contacts and employees for referrals.

Then, determine the [salary range](http://www.thebalancecareers.com/how-does-a-salary-range-work-1918256) by using a market pay study and the additional salary research materials you have on hand. Better candidates will inquire about the pay range before they invest a lot of time in your company. Be prepared with an appropriate response so as not to lose your best candidates.

This issue is a long-term controversy for people who work in Human Resources, but it is a matter of respectful treatment of candidates. Your best potential candidates are not going to waste a lot of time applying for positions without knowing the salary range.

This concept involves officially endorsed business processes; it does not include unofficial and frequently clandestine [initiation](https://en.wikipedia.org/wiki/Initiation) practices such as [hazing](https://en.wikipedia.org/wiki/Hazing).

## 3.7 EMPLOYEE INDUCTION

An induction programme is the process used within many businesses to welcome new [employees](https://en.wikipedia.org/wiki/Employees) to the company and prepare them for their new role. It helps in the effective integration of the employee into the organisation.

Induction training should, according to [TPI-theory](https://en.wikipedia.org/wiki/TPI-theory), include development of theoretical and practical skills, but also meet interaction needs that exist among the new employees.

An Induction Programme can also include the safety training delivered to contractors before they are permitted to enter a site or begin their work. It is usually focused on the particular safety issues of an organisation but will often include much of the general company information delivered to employees.

An induction programme is an important process for bringing staff into an organisation. It provides an introduction to the working environment and the set-up of the employee within the organisation. The process will cover the employer and employee rights and the terms and conditions of employment. As a priority the induction programme must cover any [legal](https://en.wikipedia.org/wiki/Legal)and [compliance](https://en.wikipedia.org/wiki/Compliance_(regulation)) requirements for working at the company and pay attention to the [health and safety](https://en.wikipedia.org/wiki/Health_and_safety) of the new employee.

An induction programme is part of an organisations [knowledge management](https://en.wikipedia.org/wiki/Knowledge_management) process and is intended to enable the new starter to become a useful, integrated member of the team, rather than being "thrown in at the deep end" without understanding how to do their job, or how their role fits in with the rest of the company.

Good induction programmes can increase productivity and reduce short-term [turnover of staff](https://en.wikipedia.org/wiki/Turnover_(employment)). These programs can also play a critical role under the socialization to the organization in terms of performance, attitudes and organizational commitment. In addition well designed induction programmes can significantly increase the speed to competency of new employees thus meaning they are more productive in a shorter period of time.

## 3.8 THE LEGAL ENVIRONMENT

The legal environment of business refers to the code of conduct that defines the legal boundaries for business activity. To understand these boundaries, it is essential to first have a basic understanding of the law and how it affects businesses and business practices. The nature of business spans over a number of legal realms, all of which are continuously influenced by the needs and demands of the business community, consumers, and the government. Each has a distinct stake and voice in this vibrant legal environment.

### Nature of Law

The study of the legal environment of business encompasses numerous approaches and philosophical theories. The exploration of what law is and how it is defined has been examined by numerous legal philosophers.

### Legal Traditionalists

The legal traditionalists view law as a body of principles and rules that courts `utilize when deciding disputes. The traditionalist approach is steeped in the belief that the basic constructs of right and wrong are fixated even though society is continuously changing its beliefs.

### Environmental Approach

The environmental approach views law as an arm of societal control that must continuously reflect the current society's moral constructs through the enforcement of rules, regulations, and laws. This approach is much broader in scope, since the law is an institution that reflects the societal need for social order.

### Sociological Jurisprudence Theorists

Sociological jurisprudence theorists profess that society ultimately shapes and molds the law and the mechanisms for its enforcement. This school of thought views the legal system and the law as a means of providing an orderly, predictable system of social order, change, and legal reform.

These theories lead to similar conclusions; the primary function of law is to maintain social, political, and economic stability, while simultaneously balancing the need and ability to implement change. To accomplish this successfully, laws have been categorically classified.

## summary**3.9 SUMMARY**

Congratulations! You have achieved another academic mileage. In this unit you have learnt that Human Resource Planning is defined as a process of having the right people, in the right jobs, at the time and this focuses on the supply and demand of labour and others refer to it as man power planning. Downsizing is the planned elimination of large numbers of personnel designed to enhance organizational effectiveness. Selection is “the process by which an organization chooses from a list of applicants the person or persons who best meet the selection criteria for the position available, considering environmental conditions”. Factors Influencing recruitment we have the internal and the external. Job descriptions, as a management tool, can greatly simplify an organization's human resource management. An induction programme is the process used within many businesses to welcome new [employees](https://en.wikipedia.org/wiki/Employees) to the company and prepare them for their new role. It helps in the effective integration of the employee into the organisation and the legal environment of business refers to the code of conduct that defines the legal boundaries for business activity

## REVIEW ASSESSMENT ITEMS

**ACTIVITY 3.1**

1. Explain how Internal and External Environments Influence Selection Decision

2. Describe the legal environment

3. Formulate a job description for a teacher

4. Highlight the employee induction

# UNIT 4

## 4.0 COMPENSATION AND BENEFITS

## 4.1 INTRODUCTION

Welcome to this interesting unit. We are now going to look at Reward Management strategies define the intentions of the organisation on the remuneration policies and systems required to ensure that it continues to obtain, motivate and retain the committed and competent people it needs to accomplish its mission (M. Armstrong, 1991:497).

## Outcomes4.2 LEARNING OUTCOMES

By the end of the unit, students should be able to:

1. Define compensation, Equity and the Compensation system

2. Determining pay rates for positions

3. Describe the hourly, salary, and incentive based pay

4. Explain incentives and motivation

5.Narrate the health, dental and life insurance

6. Establish a retirement plan

## TimeTIME FRAME 2 HOURS

## 4.4 DEFINE COMPENSATION, EQUITY AND THE COMPENSATION SYSTEM

According to the Beach D.S. (1980:461), reward management is also known as compensation administration or alternatively wage or salary administration. The term wage is commonly used for those employees whose pay is calculated according to the number of hours worked. The word *salary* applies to compensation that is uniform from one pay period to the next and does not depend upon the number of hours worked. Salary often implies a status distinction, because those on salary generally are white-collar, administrative, professional and executive employees, whereas wage earners are designated as hourly or non-supervisory or blue-collar.

Lloyd, L. Byars and Leslie W. Rue (1994:318) defined an organisational reward system as one which consists of the types of rewards to be offered and their distinction. Organisational rewards include all the types of rewards, both intrinsic and extrinsic, that are received as a result of employment by the organisation. Intrinsic rewards are rewards that are internal for the individual and are normally derived from involvement in certain activities or tasks. Extrinsic rewards are the rewards that are controlled and distributed directly by the organisation and are of a tangible nature. Work is a significant component of most people’s lives. While some of us may be lucky enough to derive satisfaction and self-worth from the nature of our work activities, we are normally unlikely to be fully satisfied if we are not paid enough for the jobs we perform.

The assumption behind most reward systems is that pay is key motivator. Pay is essentially not a motivator. However, it is a major factor in the employment relationship. It is the management’s task to find the package of inducements which prompts maximum employee productivity. To be effective, reward systems must fit particular organisational circumstances and be reviewed regularly.

In discussing the consequences of pay decisions, it is useful to keep in mind that employees often evaluate their pay relative to that of other employees. Equity theory suggests that people evaluate the fairness of their situations by comparing them with those of other people. According to the theory, a person (P) compares her own ratio of perceived outcomes 0 (pay, benefits, working conditions) to perceived inputs I (effort, ability, experience) to the ratio of a comparison other (0).

Op/Ip<, >, or = Oo/Io?

If P's ratio (Op/Ip) is smaller than the comparison other's ratio (Oo/Io), under-reward inequity results. If P's ratio is larger, over-reward inequity results, although evidence suggests that this type of inequity is less likely to occur and less likely to be sustained because P may rationalize the situation by re-evaluating her outcomes less favourably or inputs (self-worth) more favourably.

The consequences of P's comparisons depend on whether equity is perceived. If equity is perceived, no change is expected in P's attitudes or behaviour. In contrast, perceived inequity may cause P to restore equity. Some ways of restoring equity are counterproductive, including (1) reducing one’s own inputs (not working as hard), (2) increasing one's outcomes (such as by theft), (3) leaving the situation that gener­ates perceived inequity (leaving the organization or refusing to work or cooperate with employees who are perceived as over-rewarded).

Equity theory's main implication for managing employee compensation is that to an important extent, employees evaluate their pay by comparing it with what others get paid, and their work attitudes and behaviour are influenced by such comparisons.

Another implication is that employee perceptions are what determine their evalu­ation. The fact that management believes its employees are paid well compared with those of other companies does not necessarily translate into employees' beliefs. Employees may have different information or make different comparisons than man­agement.

Two types of employee social comparisons of pay are especially relevant in making pay level and job structure decisions. First, external equity pay com­parisons focus on what employees in other organizations are paid for doing the same general job

Second, internal equity pay comparisons focus on what employees within the same organization, but in different jobs, are paid. Employees make comparisons with lower-­level jobs, jobs at the same level (but perhaps in different skill areas or product divisions), and jobs at higher levels.

In addition, employees make internal equity pay comparisons with others perform­ing the same job. Such comparisons are most relevant to the following chapter, which focuses on using pay to recognize individual contributions and differences.

We now turn to ways to choose and develop pay levels and pay structures, the consequences of such choices, and the ways two administrative tools-market pay surveys and job evaluation-help in making pay decisions.

**Intrinsic Versus Extrinsic Rewards**

|  |  |
| --- | --- |
| Intrinsic Rewards | Extrinsic rewards |
| * Achievement | * Formal recognition |
| * Feelings of accomplishment | * Fringe benefits |
| * Informal recognition | * Incentive payments |
| * Job satisfaction | * Pay |
| * Personal growth | * Promotion |
| * Status | * Social relationships |
|  | * Work environment |

(Source: Lloyd, L. Byars and Leslie, W. Rue, 1994:319)

**The Basis of Compensation Strategies**

The reward management strategies must:

* Be congruent with and support corporate values and beliefs.
* Emanate from business strategy and goals.
* Be linked to organisation performance
* Drive and support desired behaviour at all levels.
* Fit desired management style.
* Provide the competitive edge needed to attract and retain the high level of skills the organisation needs.

**Factors Affecting Salary and Wage Levels**

These include:

* Importance of the individual or the job to the organisation.
* Productivity of the individual groups.
* Profitability of the organisation.
* Supply of, and demand for, particular skills in the labour market.
* General movement in pay levels

Ideally, pay levels should reflect:

1. the rate for labour in the labour market;
2. internal organisational factors (mainly associated with the establishment and maintenance of pay differentials); and
3. individual factors associated with performance and commitment demonstrated, for instance, by length of service.

The level of pay can be seen as a result of interaction between management’s desire to obtain maximum employee productivity at minimum cost and employees’ for the highest possible reward for the least effort. It is a wage-effort bargain. Management’s perception of the wage-effort bargain will vary according to the type of organisation, its management style and the sorts of people employed. Wage and salary administration policies therefor differ widely.

## 4.5 DETERMINING PAY RATES FOR POSITIONS

Reward management strategy covers the following areas:

* Reward policies.
* Pay levels and relativities – the analysis of the market rates and the use of job evaluation to develop pay structures.
* Reward structures – the development and design of pay structures.
* Paying for performance – the design and management of systems of performance – related pay, relating to corporate achievements.
* Employee benefits and total remuneration – the development of the employee benefits package and the use of a total remuneration approach to reward management.

**Principles of Wage and Salary Administration**

According to beach (ibid), the following are the key principles of wage and salary administration.

* + 1. There should be a definite norm in which differences in pay for jobs are based upon variation in job requirements, such as skill, effort, responsibility, and job conditions.
    2. The general level of wages and salaries should be reasonably in line with that prevailing in the labour market.
    3. The organisation should carefully distinguish between jobs and employees. A job carries a certain wage rate and a person is assigned to fill it at that rate.
    4. Equal pay for equal work. If two jobs are equal the pay should be the same regardless of who fills them. The principle of “equal remuneration” for work of “equal value” is enshrined under sections of the Labour Act (Chapter 28:01)
    5. An equitable means should be adopted for recognizing individual differences in ability and contributions.
    6. The employees and the union, if there is one, should be adequately informed about the procedures used to establish wage rates.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| |  | | --- | | Style and quality of supervision  Job design (scope, depth, interest,  perceived value)  Compensation(external and  internal consistency)  Social relationship  Working conditions  Perceived long-range opportunities  Perceived opportunities elsewhere. |  |  | | --- | | Job Satisfaction |  |  | | --- | | Job dissatisfaction |  |  | | --- | | Commitment to the organisation |  |  | | --- | | Staff turnover, absenteeism, tardiness, accidents, strikes, grievances, sabotage. |   Or |

(**Source**: Lloyd L.S and Leslie W. Rue, 1994:323)

**Components of Employee Compensation**

|  |
| --- |
| Joining a union |

|  |
| --- |
| Increased performance |

|  |
| --- |
| Strikes |
| Desire for more pay |

|  |
| --- |
| Grievances |
| Pay dissatisfaction |

|  |
| --- |
| Absenteeism |

|  |
| --- |
| Staff turnover |
| Search for higher-paying |
| Job dissatisfaction | |
| Visit to doctor |

|  |
| --- |
| Psychological withdrawal |

|  |
| --- |
| Lower attractiveness |
| Poor mental health |

|  |
| --- |
| Absenteeism |

|  |
| --- |
| Tardiness |

(**Source**: Adapted from Edward E. Lawler III, Pay and Organisational Effectiveness: A Psychological View (New York: McGraw-Hill, 1971), p. 233)

## 4.6 THE HOURLY, SALARY AND INCENTIVE-BASED PAY

There is always possible conflict between the organisation’s and the employees’ view of pay. Organisations regard pay as a cost which is directly related to operating profit. This implies that when profits are low, wages should be low also vice-versa. On the other hand, employees regard pay as income. No matter how low profits are, they will want both job stability and a stable income.

When an individual joins an organisation, the employer expects a particular quantity and quality of performance and the individual on the other hand expects to be fairly rewarded accordingly, say in terms of money, status, and sense of achievement, etc. The complexity of the bargaining relationship lies in the fact that not all employees expect similar rewards. Also, management is normally not too specific about the effort required from the employee. This arises from the desire to use labour flexibility so that new requirements can be placed on employees as working processes or organisational structure changes.

**Wage and Salary Administration Policies**

There are many and broad objectives in devising remuneration policies. These include:

* Attract sufficient suitable employees.
* Encourage employees to improve their performance.
* Encourage effective employees to remain in the organisation.
* Create sufficient flexibility to reward high performance and deal with poor performance.
* Operate at optimal cost.
* Ensure that jobs of equivalent value to the organisation are rewarded equally.
* Ensure that employees are well rewarded for the jobs they do.

The conversion of these broad objectives into practice will depend on the relative priorities accorded to them in light of organisational circumstances. For example, a company struggling for survival will place greater emphasis on operating at minimum cost and paying the lowest possible wages, rather than on the attraction and retentionof employees.

According to their policy objectives, managers are likely to be concerned with three issues in the establishment of fair pay:

1. Wage and salary relatives – to ensure that what is paid is fair by comparison with payments received by other employees within the organisation.
2. To ensure that pay is fair in comparison with other employees outside the organisation but within the same sector.
3. Designing methods of payment which encourage effective performance.

**Job Evaluation and design of Pay Structures**

Job evaluation attempts to establish the relative value of jobs to the employing organisation in which they are situated. Job evaluation, however, is not an exact science. It relies on a systematic judgement based on applicable criteria in identifying and assessing differences between jobs. Also job evaluation is not a method of determining rates of pay. It precedes pay determination. After the relative value of jobs to the organisation has been established, they are grouped into grades or categories. Pay is then attached to these.

Whether the individual carries out the job adequately is a different thing altogether. Good performance may be rewarded by merit payments but job evaluation is concerned with the value of the employee as compared with other employees.

In summary, job evaluation attempts to answer three questions critical to managing people:

(e) What is the relative value of a job to the organisation?

(ii) How can this value be determined?

(iv)How can this be done in a way which is accepted as fair by employees?

Job evaluation can only answer these questions if it is part of the “total system of remuneration and motivation”.

**External Pay Comparisons**

After the relative values of jobs to the organisation have been determined, managers must find out what effect market rates are likely to have on the pay structure as a whole.

**Market Rate Survey**

It is often necessary to use market rates to develop and maintain competitive salary and wage structures. Four sources of such information are:

* Company surveys;
* General published surveys;
* Specialised surveys – carried out by professional parties, trade unions and employers’ or trade associations; and
* Analysis of job advertisements.

**Establishing a Pay System**

Final pay level will be established either by managerial judgement or by negotiation with recognized trade unions. So far as manual jobs are concerned, this may be the end of the story, since there is likely to be a rate for the job regardless of length of service or performance. For non-manual workers it is more likely that, for each grade or job, there will be an associated salary range with a minimum and maximum rate of pay. It is assumed that all jobs within one grade are of equivalent value to the organisation but that the salary of individuals may vary.

Progression through grades may be entirely on the basis of managerial judgement of merit or automatically with length of service. Very often there is an overlap between the salary range associated with one grade and that of adjacent grades. The rationale is that an employee with much experience in a job at one level is worth more to the organisation than a new recruit to a job in the grade above.

Broad pay scales emphasize the performance of the individual within the grade whereas narrow scales place more importance on the level of the job and on promotion from one category to another. Narrow scales are mostly common in junior grades, recognising that there are limited variations in performance at this level.

For more senior staff, broad scales are needed for recognition of individual responsibilities. Sometimes there is provision to pay exceptional staff more than the top of the salary scale of the grade in which their job falls.

**Incentive-based pay**

Job evaluation is used frequently to give a structure for basic pay. Other pay elements are then added to this. One of the most common, for production employees in particular, has tended to be incentive payments directly related to the effort expended by the individual or the work.

**A ‘Felt-fair’ System**

With this system, such employee has his/her salary decided individually at a rate which is felt fair-for-the-job. The pay is usually altered according to:

* How well a person performs on the job;
* How much extra responsibility is needed;
* Qualifications obtained;
* Promotion; and
* Economic factors such as company profits, inflation, etc.

This system is mostly used in small organisations. Trade unions tend to be hostile to such a system.

**Length of Service Pay System**

This is mostly used in the Civil Service, Government owned businesses and many big private companies. Employees receive annual increments each year. The system assumes that individuals become for efficient the longer they are in a job. The system does not recognize differing levels of efficiency between people of the same length of service in the same grade.

The problem is that when employees get automatic annual increments and regular upward annual reviews of salaries, they will not be motivated to work harder. And indeed if the annual increase is not high enough, it may be a source of dissatisfaction. This approach to compensation creates a counter-productive culture of entitlement.

**Piece Work**

The other name for this system is piece rate. Heller, R. (1987:172-173) states that: “each piece of work carries a price…the more pieces, the more money …straight piece work has gone out of the window…because the workers have no guarantee of a livelihood...piece work deprives management of control over production and is totally unsuited to the age of automation”.

**Payment by Results Systems**

Payments by results (PBR) systems are based on work study. They are systematic rather than scientific techniques. They are designed on the assumption that the “carrot” of more pay will encourage workers to increase output.

Payment by results systems, rest on the concept of a “standard time”- i.e. the time necessary for an appropriately qualified operator to complete a clearly defined task at an acceptable level of quality. Time standards are established through systematic application techniques.

Payment by results systems are used in production situations where:

* Work cycles are generally short and repetitive;
* Output can be measured in terms of units produced; and
* Work has a high labour content; and jobs are relatively stable.

Other conditions for the successful introduction of payment by systems results are:

* Co-operation must be forthcoming from employees who are not able to participate in the bonus scheme;
* High bonus earnings of individuals or groups will not stimulate pressure for parity in the bonus scheme; and
* Work study specialists are available.

**Measured Daywork System**

Often these are introduced to overcome the disadvantage of both payments by results and payment on the basis of time. Here pay is fixed at a higher level than management would normally pay for a time-rate worker on the understanding that performance is maintained at a specific level. Bonus is paid for achieving this level of performance but the level will not fluctuate in the short term with actual performance. If an employee fails consistently to achieve the required standard even after further help and training, a wide range of sanctions are applied – withdrawal or reduction of bonus ultimately dismissal.

Reasons that may lead managers to prefer day-work to PBR could be:

* The employee relations problems of PBR system are likely to be avoided.
* There is a strong sanction against poor performance.
* There should be less resistance to changes in working methods since earnings will not be affected.
* Employee co-operation and flexibility is expected to be greater because bonus paid is the same on any job.
* The system is cheaper to administer since bonus is standard.

However, measured day-work requires closer and better supervision than PBR systems and a steady workflow and monitoring of the system.

**Profit Sharing and Share Ownership Systems**

These systems involve the distribution of either cash after profit or shares from the company. But it has been proved through experience that many companies with profit sharing and share ownership schemes do not always improve productivity. However, a rationale for these schemes is that they promote employee loyalty by increasing employee identification with company objectives and the economic activities of the organisation. In any case, productivity improvement is a complex issue dependant on more than a single variable.

## 4.7 HEALTH, DENTAL AND LIFE INSURANCE

Your employees are the key to running a successful business. To stay competitive in today's marketplace, it's important to offer a benefit package that will attract and retain the most sought after professionals. Insurance Solutions Corporation works with our clients to ensure that they are able to offer what employees are really looking for.

**Health Insurance**

Health Insurance is typically viewed as the most important of all benefits an employer can offer to its employees. When an individual tries to access health insurance outside of their employer group, they often times find that the benefits are not as comprehensive and the premiums are not affordable. Keeping your employees healthy is an important part of keeping your employees happy and productive.

**Dental Insurance**

Dental Insurance is a relatively low cost benefits that employee’s value. There are many options for you and your employees. Let us help you select the best plan for your business.

**Disability Insurance**

Disability Insurance is an extremely important part of an employees benefit package. Disability coverage is beneficial to the employer and the employee in that it offers income protection for accidents and illnesses that force your employee to be out of work. There is nothing more important than protecting your income and disability insurance will aid your employees when doing so.

**Group Life Insurance**

Group Life Insurance can offer death benefit coverage to employees who may otherwise not be able to obtain life insurance coverage. Many employers also opt to offer their employees buy-up options, in which they can purchase additional amounts of coverage at group rates.

## 4.8 RETIREMENT PLANS

A retirement savings plan that is funded by employee contributions and (often) matching contributions from the employer; contributions are made from your salary before taxes and the funds grow tax-free until they are withdrawn, at which point they can be converted into an IRA; funds can be transferred if you change employers and you can (to some extent) manage the investments yourself

[**Individual retirement account**](https://www.vocabulary.com/dictionary/individual%20retirement%20account)

A retirement plan that allows you to contribute a limited yearly sum toward your retirement; taxes on the interest earned in the account are deferred

[**Keogh plan**](https://www.vocabulary.com/dictionary/Keogh%20plan)

A tax-deferred pension plan is for employees of unincorporated businesses or for self-employed persons.

## summary**4.9 SUMMARY**

In this unit I have given you a walkthrough of the compensation and the determination of pay rates for positions hourly, salary and incentive-based pay. When you become managers you will be expected to build up a salary and wages structure which must be attractive enough to ensure the recruitment and retention of a labour force of the right size and quality to meet the circumstances in which their organisations operate. There is no one best pay system capable of universal application.

## REVIEW ASSESSMENT ITEMS

**Activity 4.1**

1. Explain in details what compensation, Equity and the compensation system
2. Describe the pay rates for positions
3. Discuss incentives and motivation

# UNIT 5

## 5.0 STAYING WITHIN COMPLIANCE AND CREATING A SAFE WORKPLACE

## 5.1 INTRODUCTION

In this unit, you will learn about employee policies and records, laws, topics and issues and ethics. Further you will learn the occupational safety and health standards and creating a safe and healthy work environment. Others are alcohol, drugs and employee assistance programme, HIV/AIDS in the workplace and sexual harassment.

## Outcomes5.2 LEARNING OUTCOMES

By the end of this unit, students should be able to:

* Demonstrate employee policies and records
* Discuss laws, topics and issues
* Explain ethics and sexual harassment
* List occupational safety and health standards
* Create a safe and healthy work environment

## Time**TIME FRAME 2 HOURS**

## EMPLOYEE RECORDS AND POLICIES

One of the primary responsibilities of the HR department is to maintain employee records and regularly keep them updated. It is not just a good practice but it is also made mandatory by the law. These records help companies gather and analyse comprehensive information about their workforce at a micro as well as macro level.

 Apart from the legal implications, maintaining accurate and updated employee records helps employers save time while performing administrative duties. These details can also come in handy during the recruitment process, identifying gaps in skills, availability of resources or at the time of separation. It is important to have acute understanding of available human resources to efficiently administer their business and maintain productivity.

 Ideally the most sought for information should be available easily. While the attributes for this section may vary for each company, the most common ones are listed below. Designation of employees in the workplace. Who do they report to? Or do they have anyone reporting to them? Which teams are they associated with? At times, an individual can be associated with multiple teams, if need be.

This information is not only relevant to the HR team but also executives, project management teams & peers. It can help in making quick decisions about escalation hierarchy, information flow etc.

#### Payroll records:

Different regions have different compliance laws when it comes to maintaining payroll records. In some areas it may be made mandatory by law to store these details, while the rest may not have such strict requirements.

**Training and development:**

Employees need to be properly trained and developed to ensure they are performing to their maximum potential and have the right skills to perform their responsibilities efficiently. They should be capable of functioning with minimal guidance while also having a clear picture of what is the outcome expected of their actions.

Keeping an accurate record of what training has been provided and what are the current skill sets of the employee helps the company in many ways. They can decide whether the employee can be given more responsibilities to match their skills or should they be further trained to take on more managerial roles. These records help to ensure employees become competent in other areas apart from their basic duties.

**Who should have access to employee records:**

Much of the information, such as employment details, is generic and can be made available to all other team members, managers in addition to the HR team. Although certain details, such as medical records should only be accessed by the HR team as it can possibly contain confidential information. Individuals will not appreciate personal details about their illnesses being shared across the entire organization. Medical records thus are liable to receive the highest degree of confidentiality.

 In certain regions, information such as religion or ethnicity is not required to be shared. Yet if any company still demands it, the individual can sue them according to that region’s laws.

 To summarize, define a structure and limit access to information depending on the type of information and the level of authority of the individual. Companies that promote transparency in their culture would do well to understand the difference between information that can be shared and information that categorically can’t be shared.

## LAWS, TOPICS AND ISSUES

The field of human resources management is greatly influenced and shaped by the state and federal laws governing employment issues. Indeed, regulations and laws govern all aspects of human resource management—recruitment, placement, development, and compensation.

One of the most important pieces of HRM legislation, which affects all of the functional areas, is Title VII of the Civil Rights Act of 1964 and subsequent amendments, including the Civil Rights Act of 1991. These acts made illegal the discrimination against employees or potential recruits for reasons of race, color, religion, sex, and national origin. It forces employers to follow—and often document—fairness practices related to hiring, training, pay, benefits, and virtually all other activities and responsibilities related to HRM. The 1964 act established the Equal Employment Opportunity Commission to enforce the act, and provides for civil penalties in the event of discrimination. The net result of the all-encompassing civil rights acts is that businesses must carefully design and document numerous procedures to ensure compliance, or face potentially significant penalties. Another important piece of legislation that complements the civil rights laws discussed above is the Equal Pay Act of 1963. This act forbids wage or salary discrimination based on sex, and mandates equal pay for equal work with few exceptions. Subsequent court rulings augmented the act by promoting the concept of comparable worth, or equal pay for unequal jobs of equal value or worth.

Other important laws that govern significant aspects of labor relations and human resource management include the following:

* Davis-Bacon Act of 1931, this law requires the payment of minimum wages to nonfederal employees.
* The Norris-Laguardia Act of 1932, this law protects the rights of unions to organize, and prohibits employers from forcing job applicants to promise not to join a union in exchange for employment.
* The Wagner Act of 1935, this law, also known as the National Labor Relations Act, is the main piece of legislation governing union/management relations, and is a chief source of regulation for HRM departments.
* Social Security Act of 1935, this law was enacted in order to protect the general welfare by establishing a variety of systems to assist the aging, the disabled, and children.
* The Walsh-Healy Public Contracts Act of 1936, this law was designed to ensure that employees working as contractors for the federal government would be compensated fairly.
* Fair Labor Standards Act of 1938, this important law mandated employer compliance with restrictions related to minimum wages, overtime provisions, child labor, and workplace safety.
* Taft-Hartley Act of 1947, this law created provisions that severely restrict the activities and power of labor unions in the United States.
* Landrum-Griffin Act of 1959, also known as the Labor-Management Reporting and Disclosure Act (LMRDA), the Landrum-Griffin Act deals primarily with the relationship between a union and its members. This law grants certain rights to union members and protects their interests by promoting democratic procedures within labor organizations.
* Age Discrimination in Employment Act of 1967, this legislation, which was strengthened by amendments in the early 1990s, essentially protects workers 40 years of age and older from discrimination.
* Occupational Safety and Health Act of 1970, this act, which established the Occupational Safety and Health Administration, was designed to force employers to provide safe and healthy work environments and to make organizations liable for workers' safety. Today, thousands of regulations, backed by civil and criminal penalties, have been implemented in various industries to help ensure that employees are not subjected to unnecessarily hazardous working conditions.
* Family and Medical Leave Act of 1993, this law was passed to provide employees who qualify with up to 12 work weeks of unpaid, job-protected leave in a 12-month period for specified family and medical reasons. It also requires group health benefits to be maintained during the leave as if employees continued to work instead of taking leave. The Act became effective on August 5, 1993 and applies to companies who employ 50 or more people.

## ETHICS

Ethics refers to the principles of conduct governing an individual or a group; specifically, the standards you use to decide what your conduct should be.   
  
Making ethical decisions always requires normative judgments. A normative judgment means that something is good or bad, right or wrong, better or worse.  
  
Ethical decisions also always involve morality. Morality is society s highest accepted standards of behavior. Moral standards guide behaviors regarding serious matters such as murder, lying, and slander. Authoritative bodies like legislatures can’t change what morality means. You can’t make something that s immoral (such as murder) legal

## OCCUPATIONAL SAFETY AND HEALTH STANDARDS

At their highest level, OSHA standards are requirements for employers that make safety and health policies for their workers necessary. These standards also encourage workers to be active in the formation of these policies.

As for specific standards, there could be many OSHA safety regulations that employers are responsible for in their workplace, depending on the industry. These standards may vary but are all common in that they are set to protect workers.

If there is a workplace hazard or policy that an employer needs to address to staff as part of a safety program, the employer would need to check for specific OSHA standards regarding the potential hazard or policy.

The use of [OSHA compliant safety signs](https://www.safetysign.com/safety-signs) can be an effective reminder of hazards and a way to remove workers from hazardous situations. Safety signs, along with any required equipment and training, help to create a comprehensive safety plan.

Of the standards that are cited most often for violations, fall protection in construction, lockout/tag out, and respiratory protection are often found as top violations each year.

## WAYS TO CREATE A SAFE WORK ENVIRONMENT

1. Use Safety Gear. Proper safety gear is imperative if you hope to foster a safe and healthy environment for your workers. ...
2. Maintain the Premises. Get your building inspected regularly to make sure that no new hazards emerge to threaten your workers. ...
3. Obey Health Codes. ...
4. Perform Emergency Drills. ...
5. Get Everyone Involved.

## ALCOHOL, DRUGS AND EMPLOYEE ASSISTANCE PROGRAMMES

The workplace provides a unique opportunity to address the entire spectrum of substance use problems, both diagnosable abuse or dependence and other problematic use. Most adults with substance use problems are employed, and an estimated 29% of full-time workers engage in binge drinking and 8% engage in heavy drinking; 8% have used illicit drugs in the past month. Substance use problems contribute to reduced productivity, absenteeism, occupational injuries, increased health care costs, worksite disruption, and potential liability as well as other personal and societal harms.

Employee assistance programs (EAPs), which grew out of occupational alcohol programs, have dramatically evolved into a more comprehensive behavioural health resource that is widely available. EAPs are workplace-based programs designed to address substance use and other problems that negatively affect employees’ well-being or job performance. About 66% of worksites with 100 or more employees and 90% of Fortune 500 firms have an EAP. Most contemporary EAPs are “broad-brush” programs that address a wide spectrum of substance use, mental health, work-life balance, and other issues. EAPs typically offer three to eight visits for assessment or short-term counselling or both, with no co-payment.

Employees may be referred by supervisors for poor job performance related to substance use or other problems, or—more commonly—they may self-refer. Services are often extended to family members. In some cases, short-term counselling is sufficient to address a client’s needs. In others, the client is assessed, referred to behavioural health treatment outside the EAP, and provided follow-up support as needed.

## HIV/AIDS IN THE WORKPLACE

Where ever there is the possibility of contact with blood in the workplace, workers should take precautions to prevent contact with the skin, eyes or mucous membranes (e.g. mouth).

[Routine Practices](http://www.ccohs.ca/oshanswers/prevention/universa.html) are recommended to prevent the spread of HIV in the workplace. Routine practices are based on the principle that all blood, body fluids, secretions, and excretions except sweat, non-intact skin, and mucous membranes, unless they contain visible blood, may contain transmissible infectious agents. Steps involve using protective clothing such as gloves, gowns or aprons, masks and protective eye wear when dealing with people's blood and other blood-contaminated body fluids such as semen and vaginal secretions. They also do not apply to saliva except in dentistry where saliva is likely to be contaminated with blood.

Hand washing after contact with blood, blood-contaminated body fluids and soiled items is also recommended to reduce the risk of infection.

The best approach to most diseases is to prevent their occurrence - occupationally-related diseases are no exception. In the case of HIV, prevention is the only cure.

## SEXUAL HARASSMENT

Sexual harassment is [bullying](https://en.wikipedia.org/wiki/Bullying) or [coercion](https://en.wikipedia.org/wiki/Coercion) of a sexual nature and the unwelcome or inappropriate promise of rewards in exchange for sexual favors. Sexual harassment includes a range of actions from mild transgressions to [sexual abuse](https://en.wikipedia.org/wiki/Sexual_abuse) or [assault](https://en.wikipedia.org/wiki/Sexual_assault). A harasser may be the victim's supervisor, a supervisor in another area, a co-worker, or a client or customer. Harassers or victims may be of any [gender](https://en.wikipedia.org/wiki/Gender).

In most modern legal contexts, sexual harassment is illegal. Laws surrounding sexual harassment generally do not prohibit simple teasing, offhand comments, or minor isolated incidents—that is due to the fact that they do not impose a "general civility code". In the workplace, harassment may be considered illegal when it is frequent or severe thereby creating a hostile or offensive work environment or when it results in an adverse employment decision (such as the victim's demotion, firing or quitting). The legal and social understanding of sexual harassment, however, varies by culture.

Sexual harassment by an employer is a form of illegal [employment discrimination](https://en.wikipedia.org/wiki/Employment_discrimination). For many businesses or organizations, preventing sexual harassment and defending employees from sexual harassment charges have become key goals of legal decision-making

## **REVIEW ASSESSMENT ITEMS**

**Activity 5.1**

* Discuss what constitutes sexual harassment
* Advice if the action by workers to withdraw EAP was in order, and if not, gives reasons.
* Briefly discuss how HIV/AIDS policy in the workplace
* Describe HASAWA 1974

# UNIT 6

## TRAINING, EMPLOYEE RECOGNITION AND DISCIPLINE

**6.1 INTRODUCTION**

A very warm welcome to this unit, this will explore the HR practices of employee training and development. In so doing, the following will be examined the concepts, training and development, training, the training process, training needs analysis design and development, delivery of training and Evaluation of training development

## OutcomesLEARNING OUTCOMES

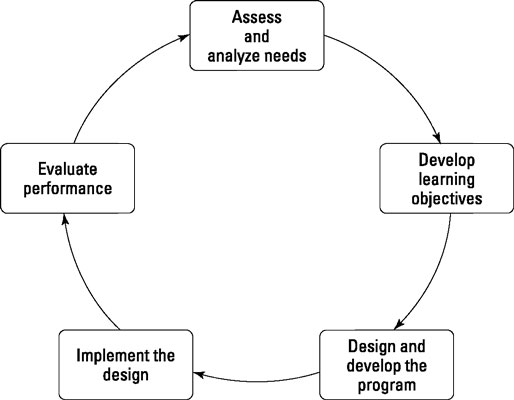
By the end of the unit, students should be able to:

* Describe the training cycle.
* Appreciate the training needs identification and analysis.
* Demonstrate employee orientation
* Analyse personal management and leadership Development
* Establish training tools

## TimeTIME FRAME 2 HOURS

## THE TRAINING CYCLE

The Training Cycle begins long before the training program is conducted and continues after the program has been completed. The figure is an illustration of the five stages of The Training Cycle.



## Assess and analyze needs

This stage of The Training Cycle is called *analysis* in the ADDIE acronym. Generally, you need to conduct an assessment and analyze the data, to identify specific needs. There are two main reasons for completing an assessment and analysis.

* First, you want to make sure there is a reason to conduct training. You may discover that after conducting the analysis the relevant issue can be addressed by something other than training. For example, you may be able to do on-the-job coaching, online content may exist that could be delivered either asynchronously or synchronously, or you may feel that an article in the company newsletter alerts employees to the information needed.
* Second, if you do determine that training is necessary, the analysis should tell you exactly what (content) should be taught and how (by what methodology) it should be taught in the training session. It will also help determine your training objectives.

Your goal in collecting this data is to determine the gap between a job requirement and an individual’s actual skill or knowledge. Bottom line is to determine what is preventing the desired performance. You use this information in the next stage of The Training Cycle.

## Develop objectives

After you have determined that there is a legitimate training need, your next step is to state exactly what you want the training to accomplish. You do this by writing objectives. There are two kinds of objectives from two perspectives used in training:

**The learning/performance objective:**

* This is a statement of the performance (knowledge or skill) that is desired after the training has been conducted. Whether you call them learning or performance objectives doesn’t matter, as long as you realize that the purpose is to demonstrate what your participants have learned and can perform. What behavior changes did they make?

**The training objective:**

* This is a statement of what the instructor hopes to accomplish during the training session. This may be an outcome, or it may be a description of what the instructor plans to do in order to accomplish the learning objectives. For example, “This session will create a positive learning climate that encourages participants to get involved and to ask questions.”

Some trainers include both learning and training objectives in their design. Learning objectives are a required step in every good training design. Training objectives help the trainer to focus on designing and delivering a first-class training program by setting targets for the trainer to achieve.

Learners are told what the learning objectives are at the beginning of a training session. And preferably at the same time they are told about the training.

## Design and develop the program

After you determine the objectives, you can begin the program design. You decide exactly what you’re going to do to accomplish the objectives you set. There are many things to consider in designing a training program.

If you haven’t already, you will decide the type of delivery that will be the focus to achieve the best results: onsite classroom, virtual classroom, self-paced e-learning, performance support tools, self-study, or a combination of these and others in a blended learning solution. What questions will help determine the location of the training?

* How many participants need new knowledge and/or skills?
* Where are participants located?
* How much time is required?
* How much consistency is needed?
* When is training required?
* How many participants will be in each class?
* What level of trainer expertise will be required?

You may also decide whether to design the content at all. Given thousands of products available, you may decide instead to purchase pre-designed off-­the-shelf content and customize it. You also build in methods to ensure that the learning is applied back on the job, and a process to evaluate the program’s effectiveness.

If you design it, a big task ahead of you is developing the materials. What participant materials do the learners need? What audiovisual materials and equipment will you use? If it is an online course, what technical support will you require? Will your learners require job aids — either paper or online? While this stage can be exciting, it can also be exhausting.

## Implement the design

This is The Training Cycle stage where you actually conduct the program. A trainer completes a huge amount of preparation before the program. Even after an excellent job of preparing, there is no guarantee that the program will go off without a hitch. That’s why some trainers pilot a program with a group of pseudo-learners who provide feedback before the session is ready for prime time.

You use both presentation and facilitation skills in both a traditional and virtual classroom. As a trainer, you’re a presenter and a facilitator:

* Presenters provide more information. If much of the information is new or technical, you may need to present. The preferred role, however, is as a facilitator.
* Facilitators play more of a catalyst role and ensure learners’ participation. A good trainer is often synonymous with the term “facilitator.”

Excellent delivery skills are required whether you are facilitating a virtual or traditional classroom. While you’re conducting the training, you want to constantly read your learners to see whether you’re meeting their needs. If you see that an approach isn’t working, stop and try another. Don’t be afraid to stray from the agenda if that seems to be the audience’s need. This is the stage where platform experience and good facilitation skills are required.

## Evaluate performance

When it’s over, it’s not over. The evaluation stage is an important part of The Training Cycle for three reasons.

* First, the evaluation tells you whether or not the objectives were accomplished.
* Second, information from the evaluation stage should be fed into the assess-and-analyse stage. It is used to improve the training program should it be conducted again. This is why this model is circular.
* Finally, evaluation information serves as the basis for determining needs for future programs or other changes an organization may need to make.

**Training needs identification and Analysis**

HR Anexi’s Training Needs Identification (TNI) study gives you rich, detailed insights on the learning and development needs of your employees across the board. It helps you identify specific development gaps at each career stage, as they align with your departmental or organizational objectives.

In a typical TNI study, we:

* Identify training needs in the context of your organization’s goals
* Validate and/or augment the project sponsor’s ideas about the need for training
* Ensure that the training design responds to your actual learning and development needs
* Identify non-training issues influencing employee performance
* Establish the foundation for post-training evaluation
* Create Individual Development Plans (MyDP) for each employee, providing focused development intervention

**Analysis**

The role of training analysis is to build a formal bridge between the available design data and the training media and training objectives, in order to facilitate the [transfer of training](https://en.wikipedia.org/wiki/Transfer_of_training)elements into the operational environment. For complex multi-user system a user-to-task map is often constructed to present the relationship between the tasks and the identified team structure and also to identify new groups of users that would need to have an understanding of the system. The training gap is assessed by a comparison between the goals and tasks undertaken by the individuals and the existing training.

There is a wide variety of training media that can be used, ranging from traditional lecture-based teaching to sophisticated simulators. Different media will be more or less appropriate for different activities. It is necessary to determine the most suitable and cost-effective training media for the different areas.

There have been many different approaches defined, however, the system approach to training has been the most successful.

Training Needs Analysis (TNA) is defined as the “Identification of training requirements and the most cost effective means of meeting those requirements”.

A TNA should always be performed where a major new development in policy, equipment acquisition or procedures is deemed to have potential impact upon the current training regime.

TST has considerable experience of successfully employing the accepted techniques applied to the development of training systems, including the [Systems Approach to Training](https://en.wikipedia.org/w/index.php?title=Systems_Approach_to_Training&action=edit&redlink=1)(SAT) in both the defense and civilian domains using customer specific standards such as JSP 822 where required.

Carrying out all TNA activates in accordance with SAT principles ensures rigorous visibility in each design stage with clear audit trails from the initial Scoping Study through to the recommended solution.

## EMPLOYEE ORIENTATION

Employee orientation is the process of introducing employees to their new jobs and work environments. Orientation provides an opportunity for new employees to become acclimated to their new company, department, colleagues and work expectations. Effective orientations provide many benefits for employers and employees, and can ensure a smooth transition into the new workplace for all involved.

## Covering Basics

Employee orientation benefits the organization by providing an opportunity to introduce employees to the fundamentals of the company and their jobs from an administrative standpoint. Employees benefit from learning the important rules and details of the job and position. During orientation employers will verify any licenses or certifications required for the job--driver's license, teaching credential, broker's license. Employees will complete necessary paperwork, receive and review the employee handbook, learn about and sign up for benefits and learn about some very fundamental elements of the new position--parking arrangements, where the cafeteria and restrooms are.

## Fewer Mistakes, Faster Productivity

The benefits of orientation are clear and visible to both the new employee and the organization, says Jean Barbazette of The Training Clinic. The organization benefits from such factors as reduced turnover or improved productivity as a few of the benefits of a systematic orientation. Employees benefit from feeling valued and "fitting in" to the new job more easily and quickly. And, she says, fewer mistakes are made by the new employees who are more relaxed.

## MANAGEMENT AND LEADERSHIP DEVELOPMENT

**Management**

Management is the process of working with and through others to achieve organisational objectives in a changing environment. Central to this process is the effective and efficient use of limited resources. This definition has five components (1) working with and through people (2) achieving organisational objectives (3) balancing effectiveness and efficiency (4) making the most of the limited resources and coping with a changing environment.

**What Do Managers Do?**

In the field of management, various models are used as aids in understanding the manager’s job. One approach known as Functional Approach by Henri Fayol focuses on managerial functions. The functions of management are those elements of the management process that give management its distinctive quality as a productive activity. Fayol, writing in 1916, enumerated these functions as planning, organising, commanding, co-coordinating and controlling. Over the years Fayol’s list of managerial functions has been identified as planning, decision making, organising, staffing, communicating, motivating, leading and controlling.

Planning organisations exist to achieve goals. Planning is the function of determine organisation’s goals, establishing an overall strategy for achieving goals, and developing a comprehensive set of plans to integrate and coordinate activities. Behavioural processes and characteristics pervade each of these activities. Perceptions influence how managers set goals, strategies, and tactics for their organisations.

Organising includes determining what tasks are to be done, who is to do them, how tasks are grouped, who reports to whom, and where decisions are to be made. It is the process of designing jobs, grouping jobs into managerial units, and establishing patterns of authority between jobs and units and establishing patterns of authority between jobs and units.

Leadingevery organisation contains people who need to be directed and coordinated. Leading is the process of motivating members of the organisation to work together towards the organisation’s goals. Major components of leading include motivating employees, managing group dynamics, and the actual process leadership. These are all closely related to major areas of organisation behaviour.

Controlling is the process of monitoring and correcting the action of the organisation and its people to keep them headed towards their goals. Controlling ensures that things are going as they should. Actual performance is compared with previously set goals. For instance a manager has to control costs, inventory and so on. Again, behavioural processes and characteristics are a key part to this function. Performance evaluation, reward system, and motivation, for example all apply in control.

Decision making managers choose among alternative courses of action when they make decisions.

Motivating this involves satisfying the needs of individuals and meeting their expectations with meaningful work and valued rewards.

Communicating managers are responsible for communicating to their employees the technical knowledge, instructions, rules and information required getting the job done. Recognising that communication is a two way process, managers should be responsive to feedback and upward communication.

**Important Managerial Roles**

**Interpersonal Roles**

The interpersonal roles are primarily social in nature. They are the roles in which the manager’s task is to relate to people in certain ways. The manager may sometimes serve as a figurehead for the organisation, taking visitors to the dinner. In the leader the manager works to hire, train and motivate employees. Finally, the liaison role consists of relating to people outside the group or organisation. For example, a manager may be responsible for handling all negotiations with customers. Each of these roles involves behavioural processes.

**Informational roles**

The three informational roles involve some aspect of information processing. The monitor actively seeks information that might be of value to the organisation in general or specific to the manager. The manager who transmits this information to others is carrying out the role of disseminator. The spokesperson speaks for the organisation to outsiders. Again, behavioural processes are part of each of these roles, because information is almost always exchanged between people.

**Decision-Making Roles**

There are four decision making roles. The entrepreneur voluntarily initiates change, such as innovation or new strategies, in the organisation. The disturbance handler helps settle disputes between various parties, such as other managers and their subordinates. The resource allocator decides who will get what – how resources in the organisation will be distributed among various individuals and groups. The negotiator represents the organisation in reaching agreements with other organisations, such as contracts between management and labour unions. Again, behavioural processes are crucial in each of these decisional roles.

**Leadership**

Leadership is the power of one individual to guide the actions of another. Leadership is the ability to influence a group towards the achievement of a vision or a set of goals. A leader is someone who exercise influence over other people. They are individuals: (i) who establish direction for a group, (ii) who gain group member’s commitment; and (iii) who motivate group members to achieve goals and move in that direction. The source of leadership influence may be formal, such as that provided by the possession of managerial rank in an organisation. Not all leaders are managers, nor, are all managers’ leaders.

**Differences between managers and leaders**

Leadership and management are two terms often confused. Management is motivational, organisational, ordered, planned, budgeted and consistent. Kotter, at Harvard Business School argues that management is about coping with complexity. Good management brings about order and consistence by drawing up formal plans, designing rigid organisation structures, and monitoring results against the plans. Leadership, in contrast, is about strategic, influential, visionary, transformational and inspirational. It is about coping with change. Leaders establish direction by developing a vision of the future; then align people by communication this vision and inspiring them to overcome hurdles.

A manager is a person who performs the specific functions of the manager and holds a formal title or fills a formal role in the organisation. The manager is responsible for the performance and productivity of one or more subordinates in a particular organisational subunit. We often think of managers as advocates for the status quo and for the stability. Leaders resist the status quo and propose changes. Thus, study of leadership is much broader than the study of management.

## TRAINING TOOLS

### Instructor-Led Training

Instructor-led training remains one of the most popular training techniques for trainers. There are many types including:

* Blackboard or whiteboard. This may be the most “old-fashioned” method, but it can still be effective, especially if you invite trainees to write on the board or ask for feedback that you write on the board.
* Overhead projector. This method is increasingly being replaced with PowerPoint presentations, which are less manually demanding, but overheads do allow you to write on them and customize presentations easily on the spot.
* Video portion. Lectures can be broken up with video portions that explain sections of the training topic or that present case studies for discussion.
* PowerPoint® presentation. Presentation software is used to create customized group training sessions that are led by an instructor. Training materials are provided on CDROM and displayed on a large screen for any number of trainees. Employees can also use the programs individually, which allows for easy make-up sessions for employees who miss the group session. This method is one of the most popular lecture methods and can be combined with handouts and other interactive methods.
* Storytelling. Stories can be used as examples of right and wrong ways to perform skills with the outcome of each way described. This method is most effective with debriefing questions, such as:
  + How does this story relate to training?
  + How did the main character’s choices make you feel?
  + What assumptions did you make throughout the story? Were they correct?
  + What would you have done differently?

This technique makes communication easier since it is nonthreatening with no one right answer. It is cost effective, especially if trainers have their own stories to tell. Stories can also make sessions more personal if they involve people trainees know. You can also find many training stories online.

## MOTIVATING AND RECOGNISING STAFF MEMBERS

Motivation is one of the most important concepts in HRD. In most organizations, it is common to hear the refrain that a particular employee is not motivated and hence his or her performance has taken a backseat. This is the reason companies spend humungous amounts of money in arranging for training sessions and recreational events to motivate the employees. Motivation can be understood as the desire or drive that an individual has to get the work done. For instance, when faced with a task, it is the motivation to accomplish it that determines whether a particular individual would complete the task according to the requirements or not. Further, the absence of motivation leads to underperformance and loss of competitiveness resulting in loss of productive resources for the organization. It is for this reason that the HR managers stress on the employees having high levels of motivation to get the job done.

There are many theories of motivation and the ones being discussed here are the [Herzberg’s hygiene theory](https://www.managementstudyguide.com/herzbergs-theory-motivation.htm), [Maslow’s need hierarchy theory](https://www.managementstudyguide.com/maslows-hierarchy-needs-theory.htm), and [McGregor Theory X and Theory Y](https://www.managementstudyguide.com/theory-x-y-motivation.htm).

Herzberg’s Hygiene theory states that for employees to be motivated, certain conditions need to exist and the absence of these conditions or the hygiene factors demotivate the employees. The point that is being made in this theory is that the presence of hygiene factors is a precondition for performance and is not a determinant of performance. On the other hand, the absence of these factors actually demotivates the employee. Hence, the bottom line is that companies should have the basic conditions under which employees work fulfilled so that there is no drag on the performance.

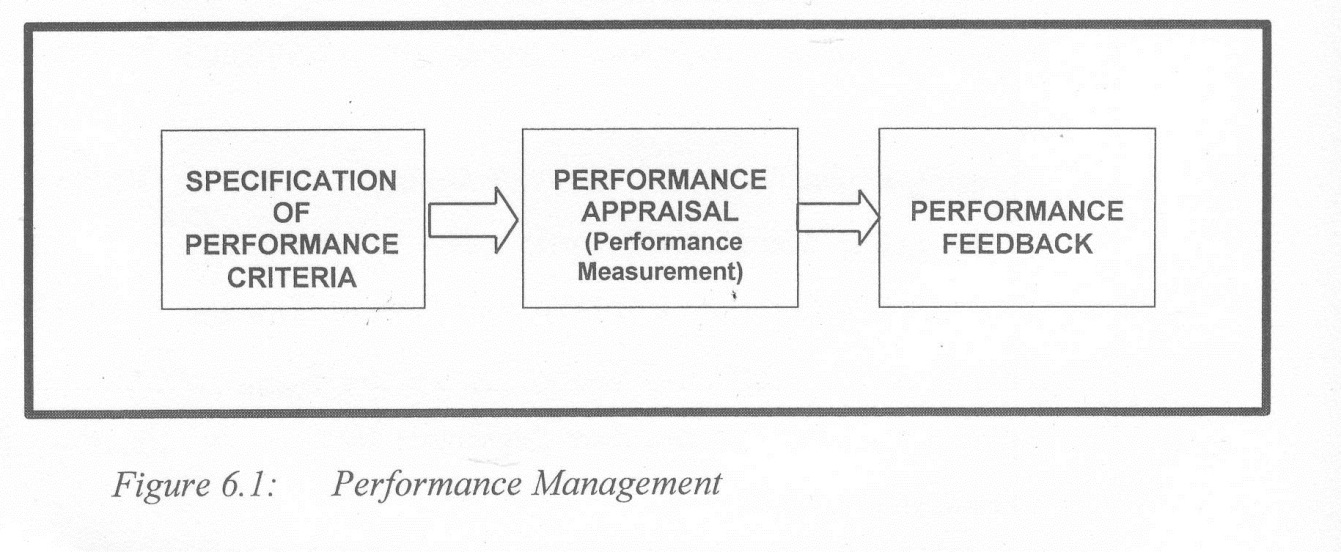
Maslow’s need hierarchy theory postulates that individuals are motivated according to a hierarchy of needs which start from satiation of basic needs and then go on to need for recognition and finally, the need to actualize one’s vision and reach the highest stage of personality. The point that is being made in the theory is that individuals progress from one stage to the other depending on how well the needs at each stage are met. So, organizations have to ensure that employees’ needs are taken care of at each level so that by the time the employee reaches the top of the ladder, he or she is in a position to actualize them. Finally, McGregor’s theory of motivation alludes to the carrot and stick approach that is favored by many managers. This theory states that employees can be motivated by a dual pronged strategy of rewarding them for good work and punishing them for bad work. The opposites of these reactions mean that employees have a strong incentive to do well as opposed to doing badly.

Motivation of employees is indeed important for the health of the companies. Only when employees are motivated sufficiently can they give their best. Typically, companies focus on compensation and perks and benefits as a strategy to motivate employees. However, as we have seen in this article, employees are motivated by factors other than pay and hence, the HRD function must take cognizance of this fact and proceed accordingly. This means that the need for job satisfaction and fulfillment have to be taken care of as well for the employees to reach their potential.

[Recognition is one of the most powerful performance enhancers](https://upraise.io/blog/recognition-performance-enhancer/)**.** Whenever employees perform exceptionally well and achieve greater milestones, they are bound to be recognized for their performance. Employers need to keep track of these awards and achievements and acknowledge them during performance evaluations. They may even be awarded for their efforts. It is necessary to note here that often employees get disgruntled when their achievements are not considered during their review process. This mostly happens due to not keeping a record of achievements throughout the year. Thus, inadvertently managers tend to forget to take these into account while appraising the performance and employees miss out on reaping the benefits of their efforts. It is one of the primary reasons employees leave organization.

## PERFORMANCE MANAGEMENT

Definition: Noe et al (2003) defines performance management as the process through which managers ensure that ‘’activities and outputs are congruent with the organization’s goal’’.This definition emphasizes the need for performance management to be aligned to the strategy of the organization.



## What Is Performance Management?

Performance management is the continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning their performance with the organisation’s goals.

Three main things distin­guish performance management from performance appraisal.

First, performance management never means just meeting with a subordinate once or twice a year to “review your performance.” It means continuous, daily or weekly interactions and feedback to ensure continuous improvement.

Second, performance management is always goal-directed. The continuing performance reviews always involve comparing the employee’s or team’s performance against goals that specifically stem from and link to the company’s strategic goals.

Third, performance management means continuously re-evaluating and (if need be) modifying how the employee and team get their work done. Depending on the issue, this may mean additional training, changing work procedure, or instituting new incentive plans, for instance.

## Why Performance Management*?*

Employers are moving to performance management for three main reasons – total quality, appraisal issues, and strategic planning.

Total Quality more managers are adopting the total quality management (TQM) philosophy advocated by management gurus like W. Edwards Deming. Deming argued that an employee’s performance is more a function of things like training, communication, and supervision than of his or her own motivation. Performance appraisals tend to focus more on problems what’s the employee doing wrong? Deming said that is the wrong approach. Consistent with Deming’s philosophy, performance management puts the focus on continuous collegial feedback, necessary) on changing things like training, incentives, and procedures.

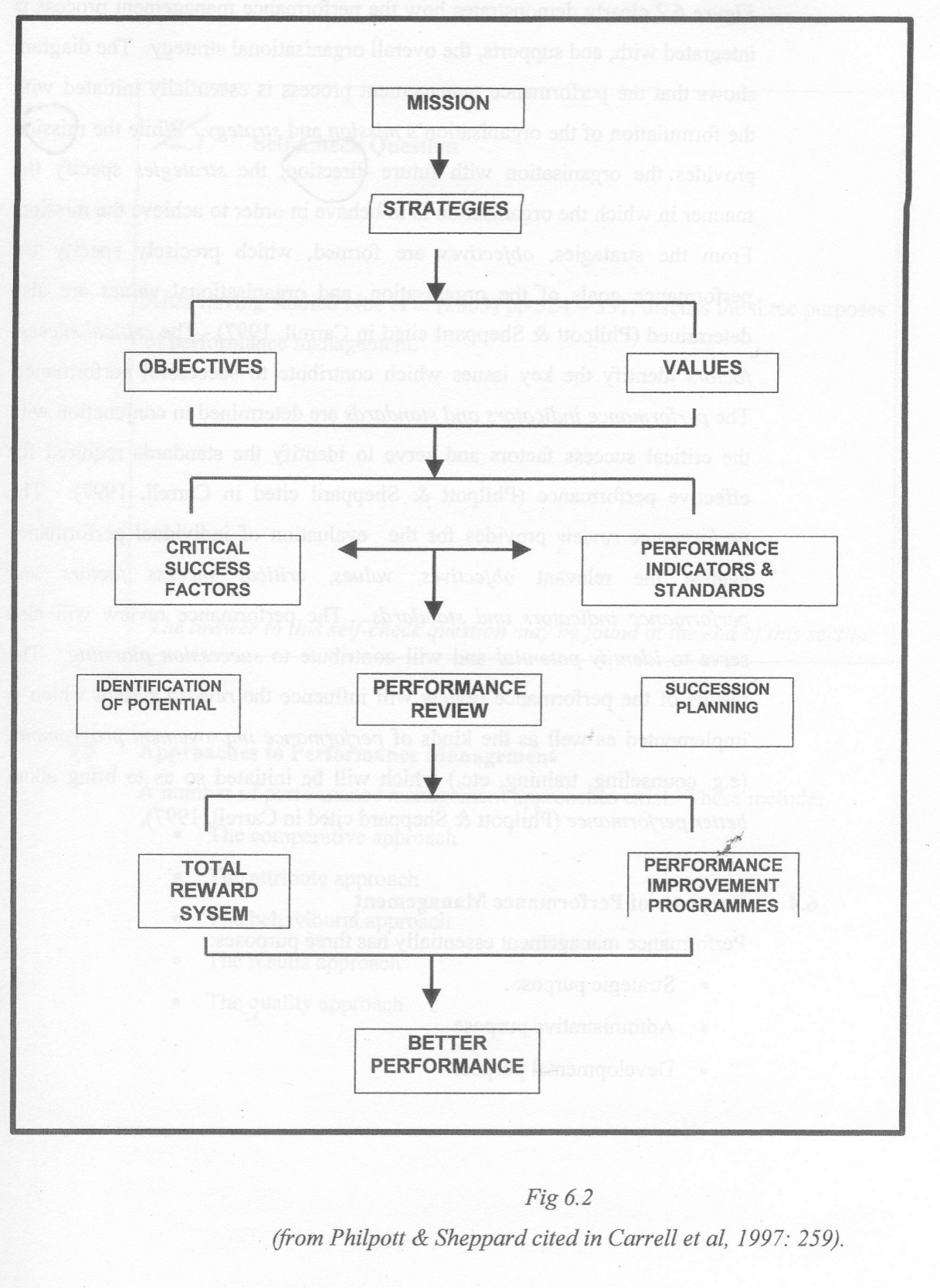
Appraisal Issues is traditional performance appraisals are often tense and counterproductive. Indeed, there is an obvious flaw in appraising employees once or twice per year: if things need improving, why wait 6 months to do something about it?

Strategic Planningis researchers studied 1,800 large companies. About 90% had strategic plans with strategic goals. However, only about one in eight achieved their strategic goals. Briefly, many managers formulate strategic plans, and then drop the ball. They do so by not communicating their strategies to employees, by not assigning each employee clear goals and responsibilities, and by not actual progress.

Performance management aims to avoid that. Employees get goals that stem from the company’s strategy. Then, performance management’s continuous performance reviews align the employee’s or team’s performance with those strategic goals.

Performance management, Noe et al (2003) asserts that performance management is central to gaining competitive advantage.

Below is the diagram representation of performance management process as aligned to the organizational strategy



**Purposes of performance management**

* Strategic purpose
* Administrative purpose
* Developmental purpose

**Approaches to performance management**

A number of performance management approaches exist. These include:

* The comparative approach
* The attribute approach
* The behavioral approach
* The results approach
* The quality approach.

1. **Comparative approach:** this measures an individual’s performance by comparing his/her performance with the performance of others. Three techniques adopt the comparative approach;
2. Ranking: where the superior ranks his subordinates from best performer to worst performer.
3. Forced distribution: where employees are ranked in groups;
4. Paired comparison: where the supervisor compares every employee with other employee in the work group, giving an employee a score of every time he/she is considered to be the higher performer.

The main strength of the comparative approach is that it is useful when employee’s performance need to be differentiated. This approach also eliminates the problems of leniency, strictness and central tendency, which is valuable in making administration decisions.

However, the weakness of comparative approach includes;

* The techniques are not linked to the overall strategy of the organization.
* The ratings are subjective and therefore validity and reliability of assessment is dependent or the rater himself.
* The techniques do not provide the specific information necessary for feedback purposes.
* The techniques do not measure performance against absolute standards performance.
* The attribute approach**:** It focuses on the identification of employee attributes necessary for the organization’s success. The employee is measured according to these attributes:

It includes the following techniques:

1. Graphic rating scales: where the supervisor rates the subordinates or particular traits and characteristics, and
2. Mix standard scales: where the supervisor rates the subordinates against relevant performance dimension.

The strengths of attribute-based techniques include:

1. They are commonly used by organizations as they are easy to develop and can be generalized across a range of jobs
2. If designed properly, they can be reliable and valid

The weakness of the attribute approach to performance management includes:

* The techniques provide for little strategic congruence;
* Performance standards are usually vague and may be interpreted differently by different rates (providing for low validity and reliability);
* Techniques do not provide specific and relevant performance feedback information: and
* The techniques may bring about defensiveness in employees.

The behavioral approach: this approach defines behaviors necessary for effective performance in a particular job.

Behavioral- based techniques include;

* Critical incidents
* Behavioral anchored rating scales
* Behavioral observation scales
* Organizational behavioral modification
* Assessment centers

**The strength of behavioral approach includes**:

* It provides for the linking of the organizational strategy and goals to the behavior required of the employee necessary for strategy implementation.
* It provides employees with specific feedback about their performance;
* The techniques used rely on through job analysis which in turn ensures reliability and validity; and
* Acceptability of this approach by employees and managers is usually high.

The weakness of the behavioral approach includes:

* It assumes there is a best way to do the job; and
* It is least suited to complex jobs.

The result approach: this approach is based on the premise that results are the one of the best indicator of how a subordinate’s performance has contributed to organizational success. Results based techniques include;

* Management by objectives (MBO) where goal setting is cascaded down throughout the organization and the goals become the standard against which an employee’s performance is measured ; and
* Productivity measurement and evaluation systems (PROMES) which involve a process of motivating employees to higher productivity.

The strengths of the results approach include:

* Subjectivity is minimized as objective and quantifiable indicators of performance are used.
* Usually acceptable to both supervisors and subordinates; and
* An employee’s results (performance) are linked to organizational strategy.

The weaknesses of result based techniques include:

* Objective measurements may be defined in that they may be influenced by factors beyond the employee’s control such as economic recession); and
* Employees may only focus on the performance criteria against which they are to be measured.

## TAKING DISCIPLINARY ACTION

Discipline is important for the survival of any organisation and can only be achieved if management and employees of the company understand and know the obligations and strive to live up to the expectations. Discipline is therefore, one of the means to which human resources and management at large nominate some officials to correct behavioural deficit.

## summarySUMMARY

In this unit I have given you a walkthrough of the training cycle, needs, identification and analysis, employee orientation, management and leadership development. Others are training tools, motivating and recognising staff and performance management system. Furthermore we have gone through performance Assessment and reviews and taking disciplinary action.

## REVIEW ASSESSMENT ITEMS

**Activity 6.1**

1. Describe the procedure for taking a disciplinary action.
2. Explain employee orientation details
3. Distinguish management from leadership

# UNIT 7

## PROFESSIONAL TRAINING AND DEVELOPMENT

## INTRODUCTION

I would like to commend you for the progress you have made this far. In this unit I now discuss what training and development activities are, individual career development plan and management trainee programmes. Employers and employees tend to view performance reviews from different points of view. Employers of course are often preoccupied with getting the employee’s performance aligned with the company’s standards and needs. Employees will want to know what the review means in terms of their careers.

## OutcomesLEARNING OUTCOMES

By the end of the unit, should be able:

* Analyse training and development Activities
* Appreciate individual career development plan
* Manage management trainee programmes

## TRAINING AND DEVELOPMENT ACTIVITIES

## Career Terminology

We may define career as the “occupational position a person has had over many-years.” Many people look back on their careers, knowing that what they might have achieved they did achieve, and that their career goals were satisfied. Others are less fortunate and feel that, at least in their careers, their lives and their potential went unfulfilled.

Knowing this, many employers work hard to support their employees’ career needs. Some institute formal career management processes, while others do little. We can define career management as a process for enabling employees to better understand and develop their career skills and interests and to use these skills and interests most effectively within the company and after they leave the firm. Specific career management activities might include providing realistic career-oriented appraisals, posting open jobs, and offering formal career development activities. Career development is the lifelong series of activities (such as work­shops) that contribute to a person’s career exploration, establishment, success, and fulfillment.

## INDIVIDUAL CAREER DEVELOPMENT PLAN

Career planning is the formal process through which someone becomes aware of his or her personal skills, interests, knowledge, motivations, and other characteristics; acquires information about opportunities and choices; identifies career-related goals; and establishes action plans to attain specific goals.

### Creating a Career Development Plan

You can create [career development plans](https://www.thebalancecareers.com/improving-career-development-4058289) with your employees by taking a few simple steps. For career development planning to be effective, expand your view of development and that of your employees. An outside training class is not the only way to develop employees. The development that is provided in-house is often more effective. Here are some ways to create a plan:

* Tell the employee that you want to meet with him or her to discuss career development plans and hopes. Ask the employee to think in advance about his or her options for growth and development and how they see their career unfolding in your company. Encourage the employee to think about how they’d like to see their careers progress.
* Suggest that the employee think about and come prepared to discuss these questions: What professional job or career growth goals does the employee hope to achieve within three years? What would the employee like to accomplish this year? Offer opportunities for the employee to consider as options to accomplish these goals.
* Prepare recommendations on what the employee can do to ensure that he or she is making progress on his career path. Determine and discuss resources and support the organization can provide so that the employee can accomplish his or her professional job or career growth goals.
* Determine what professional and personal goals will help the employee improve or develop great performance in their current job. What additional support can this organization provide so that the employee can accomplish these goals?
* Hold a meeting with the employee to discuss these questions and formulate a plan with the employee's involvement. Be flexible because the employee may have other avenues that he or she wants to discuss. As a manager, your job is to know all of the options available to the employee such as [job shadowing](https://www.thebalancecareers.com/job-shadowing-is-effective-on-the-job-training-1919285), [mentoring](https://www.thebalancecareers.com/use-mentoring-to-develop-employees-1918189), and [coaching on particular skills](https://www.thebalancecareers.com/coaching-for-improved-performance-1918713).
* Make sure that you're up to speed and can talk knowledgeably about all of the training and development options that exist for your reporting staff members. Many employees don’t consider development in any other sense beyond taking a class, and it helps to share with them all of the additional available options for training.
* Create and fill out a form that details the employee's career development plan and turn it into [Human Resources](https://www.thebalancecareers.com/what-is-a-human-resource-1918144) for review, additional input, and filing.

### Carrying Out the Plan

Employee development is a great concept but is not without issues. The best plans keep the responsibility for follow-through squarely on the shoulders of employees. Otherwise, if an employee does not complete his development opportunities, he may choose to place blame on management, which is counter-productive for all of the involved parties.

* Steer the employee in certain directions, but don't do the work for him. Make it the employee's responsibility to find a great class in listening if he's a poor communicator. If it turns out to be a poor choice, the employee’s responsible and if it doesn’t produce the desired results, cannot place blame on anyone else. Both the Human Resources department and a manager can help the employee explore his or her options, but the employee is ultimately responsible for the choice and follow-through.
* If the employee finds what he thinks is a great development opportunity, he is responsible for selling the company on the idea. Working with the experience of the HR staff to select excellent vendors and avoid low-qualitydevelopment opportunities is the responsibility of the employee. HR has the experience the employee needs.

### 

### Things to Avoid in Career Development Planning

There are certain issues and statements that you would want to avoid as you and the employees who report to you create career development plans. A few types of issues can get in the way of an effective plan, such as:

* Guaranteeing or forming a contract with the employee by promising that the company will provide training or any other promised benefit. The best that you can do is to say that you will help however you can, but that the company growth, economic circumstances, [priorities, and goals](https://www.thebalancecareers.com/how-to-set-and-achieve-goals-1918137) will have an impact on the employee’s desired developmental path, [promotions](https://www.thebalancecareers.com/a-promotion-rewards-an-employee-for-work-contributions-1918231), and [career goals](https://www.thebalancecareers.com/career-pathing-1918080). Nothing is guaranteed.
* In states such as Michigan where laws are interpreted literally, you want to avoid statements that over-commit the employer. For example, at a small manufacturing company, HR put up a career opportunity bulletin board in the lunchroom. The company attorney advised them that the board implied that employees were promised careers and asked HR to call the board job opportunities board instead.
* The manager owning or having responsibility for carrying out the plan. The career development plan belongs to the employee. You can facilitate its pursuit, explore options with the employees, provide opportunities for the employee when possible, encourage the employee to have goals for growth and expansion of his or her career and skills, but you cannot do it for them. The employees must own their plan.
* Overcommitting your time or resources. As much as you are devoted to helping the employees who report to you grow, you have a limited amount of time available to help, in addition to the rest of your job. For example, unless you are already aware of a great class or resource, researching options for the employee to develop skills is not your job.

## The Employee’s Role

Although the employer and manager have roles in guiding employees’ careers, no employee should ever abandon this task to others. For the employee, career planning means matching individual strengths and weaknesses with occupational opportunities and threats. In other words, the person wants to pursue occupa­tions, jobs, and a career that capitalize on his or her interests, aptitudes, values, and skills. He or she also wants to choose occupations, jobs, and a career that make sense in terms of projected future demand for various types of occupations. The consequences of a bad choice (or of no choice) are too severe to leave to others.

## Roles in Career Development

**Individual**

* Accept responsibility for your own career.
* Assess your interests, skills, and values.
* Seek out career information and resources.
* Establish goals and career plans.
* Utilize development opportunities.
* Talk with your manager about your career.
* Follow through on realistic career plans.

**Manager**

* Provide timely and accurate performance feedback.
* Provide developmental assignments and support.
* Participate in career development discussions with subordinates.
* Support employee development plans.

**Employer**

* Communicate mission, policies, and procedures.
* Provide training and development opportunities, including workshops.
* Provide career information and career programmes.
* Offer a variety of career paths.
* Provide career-oriented performance feedback.
* Provide mentoring opportunities to support growth and self-direction.
* Provide employees with individual development plans.
* Provide academic learning assistance programmes.

## 

## Career Management Methods

At work, as we have said both the employer and the employee’s supervisor play important roles in the employee’s career development. We’ll look at what exactly employers and managers can do next.

## The Employer’s Role

Employers’ career development efforts range from simple to comprehensive. For example, job postings and tuition reimbursement plans are simple ways to support employees’ career development needs. At the other extreme, many firms, like Sun Microsystems, have comprehensive formal programmes. Sun (now part of Oracle) maintains a career development Centre staffed by counsellors. It helps employees fill development gaps and choose appropriate Sun career opportunities. Sun believes its programme helps explain why its average employee tenure of 4 years is more than twice that estimated at other Silicon Valley firms.

Career Planning Workshops a career planning workshop is “a planned learn­ing event in which participants are expected to be actively involved, completing career planning exercises and inventories and participating in career skills prac­tice sessions.” A typical workshop includes a self-assessment, an environmental assessment, and goal-setting and action-planning segments.

A survey illustrates the popularity of various employer career practices. The researchers studied 524 organisations in the United Kingdom to determine how they used 17 career management practices. “Posting job openings” was the most widespread practice. The other top career practices, in descending order, were for­mal education; career-oriented performance appraisals; counselling by managers; lateral, developmental moves; counselling by HR; retirement preparation; and suc­cession planning.

## EMPLOYER LIFE-CYCLE CAREER MANAGEMENT

An employee’s tenure with a firm tends to follow a familiar life cycle, from employ­ment interview to first job, promotion, transfer, and perhaps retirement. The employer’s career development responsibilities change as the employee moves through this cycle. For example, before hiring, realistic job previews can help can­didates gauge whether the job is for them, and particularly whether its demands are a good fit with a candidate’s skills and interests. Once on board, one’s first job can be crucial for building confidence and a more realistic picture of what the employee can and cannot do. Therefore, providing challenging first jobs and pro­viding an experienced mentor who can help the person learn the ropes are impor­tant. Tactics like these can help prevent reality shock**,** a phenomenon that occurs when a new employee’s expectations and enthusiasm confront the reality of a boring or otherwise unattractive work situation. Next, career-oriented appraisals are important, as are activities such as job rotation, job postings, promotion-from-within policies, development, and career management. We’ve discussed these.

Promotions and transfers are particularly important aspects of most people’s careers. Promotions traditionally refer to advancements to positions of increased responsibility; transfersare reassignments to similar positions in other parts of the firm. We’ll look at each.

## Making Promotion Decisions

Most people hope for promotions, which usually mean more pay, responsibility, and (often) job satisfaction. For employers, promotions can provide opportunities to reward exceptional performance, and to fill open positions with tested and loyal employees. Yet the promotion process isn’t always a positive experience. Unfairness, arbitrariness, or secrecy can diminish the effectiveness of the process. Several decisions, therefore, loom large in any firm’s promotion process.

Decision 1**:** Is Seniority or Competence the Rule? Probably the most important decision is whether to base promotion on seniority or competence, combination of the two. Today’s focus on competitiveness favours competence. However, a company’s ability to use competence as the criterion depends on several things. Union agreements sometimes contain clauses that emphasize seniority, such as, “In the advancement of employees, employees with the highest seniority will be given preference, where skills and performance are approximately equal.” And civil service regulations that stress seniority rather than competence often govern promotions in many put organisations.

Decision 2: How Should We Measure Competence? If the firm opts for competence, how should it define and measure competence? The question highlights an important managerial adage called the “Peter Principle,” founder. In brief, the Peter Principle says that companies often promote competent employees up to their “level of incompetence,” where they then sit, sometimes underperforming for years. The point is that defining and measuring past performance is relatively straightforward: Define the job, set standards, and use one or more appraisal tools to record performance. But promotion should require something more. You also need a valid procedure for predicting the candidate’s future performance.

Decision 3: Is the Process Formal or Informal? Many firms have informal promotion processes. They may or may not post open positions, and key managers may use their own “unpublished” criteria to make decisions. Here employees may (reasonably) conclude that factors like “who you know” are more important than performance, and that working hard to get ahead—at least in this firm-is futile.

Other employers set formal, published promotion policies and proce­dures. Employees receive a formal promotion policy describing the criteria by which the firm awards promotions. A job posting policy states the firm will post open positions and their requirements, and circulate these to all employees. As explained in Unit 5, many employers also maintain employee qualification databanks and use replacement charts and computerized employee informa­tion systems.

Decision 4: Vertical, Horizontal, or Other? Promotions aren’t necessarily straightforward. For example, how do you motivate employees with the prospect of promotion when your firm is downsizing? And how do you provide promotional opportunities for those, like engineers, who may have little or no interest in manage­rial roles?

Several options are available. Some firms, such as the exploration division of British Petroleum (BP), create two parallel career paths, one for managers and another for “individual contributors” such as high-performing engineers. At BP, individual contributors can move up to nonsupervisory but senior positions, such as “senior engineer.” These jobs have most of the financial rewards attached to man­agement-track positions at that level.

Another option is to move the person horizontally. For instance, move a pro­duction employee to human resources, to develop his or her skills and to test and challenge his or her aptitudes. And, in a sense, “promotions” are possible even when leaving the person in the same job. For example, you can usually enrich the job and provide training to enhance the opportunity for assuming more responsibility.

## MANAGEMENT TRAINEE PROGRAMME

The Management Trainee program is an in house initiative aimed at developing the Company-specific competences by identifying highly talented recent graduates at either Bachelors or Masters Level from reputable institutions, with a view to developing them for future responsible positions. The trainees will be under an experienced mentor and follow through a structured development program. The Graduates provide raw talent which can be shaped into the desired skill set.

## summarySUMMARY

Congratulations! You have achieved another milestone. In this unit you have learnt how to identify training needs and analyse, conduct employee orientation, the training tools, motivation and recognising staff members and performance management. Others are performance review and assessment and taking disciplinary action.

## **REVIEW ASSESSMENT ITEMS**

**Activity 7.1**

* 1. Define training and development
  2. Describe the training cycle
  3. Explain training needs identification and analysis
  4. Discuss performance assessment and reviews

# UNIT 8

## TERMINATION OF EMPLOYMENT

## INTRODUCTION

Welcome to this interesting topic. We are now going to join the pieces together by looking at termination of employment**.** Dismissal is said to have occurred when an employer terminates the employment contract, where a fixed term contract expires without renewal, or when the employee terminates the contract in circumstances in which they are allowed to do so.

## OutcomesLEARNING OUTCOMES

By the end of the unit, student should be able to:

* Administer redundancies and layoffs.
* Differentiate between legal and illegal terminations
* Appreciate managing termination of employment

## TimeTIME FRAME: 2 HOURS

## MANAGING TERMINATION OF EMPLOYMENT

Dismissing an employee is one of the most difficult things any employer ever has to face. The experience is never comfortable, and it carries a degree of legal risk. Dismissal should not be regarded as a ruthless way to keep employees in check. Difficult and destructive employees can damage the business. Good employees can become unhappy if one person seems to be able to ride roughshod over the rules. The responsible employer must take action in the interests of all concerned. Employment legislation is constantly being reformed and renewed. It is difficult to keep track of the many changes which affect employee rights. It is important to understand when you can dismiss an employee, and how you should do it.

**Defining dismissal**

Dismissal is said to have occurred when an employer terminates the employment contract, where a fixed term contract expires without renewal, or when the employee terminates the contract in circumstances in which they are allowed to do so. ‘Constructive dismissal’ occurs when the actions of an employer entitle the employee to terminate the contract. Contracts terminated by mutual consent are not viewed as dismissal, but there must be clear evidence that consent was mutual and that is not a case of an employee accepting a redundancy offer. Voluntary resignation is not classified as dismissal but if an employee is forced to resign because of an ultimatum given by the employer this is dismissal.

**Constructive dismissal**

Constructive dismissal occurs where an employee has dismissal rights, even though they may not have been dismissed by their employer. For constructive dismissal to be valid, certain criteria might be met. The employee must prove that the employer was in breach of the contract of service, that it was reasonable that the employee should feel it necessary to resign, that the contact was terminated because of the breach and that the contract was terminated within a reasonable length of time. If the employee delays the decision to terminate employment, they may be found to have reaffirmed it.

Besides breach of written conditions of employment, certain actions of an employer may be seen as breach of the mutual trust and confidence which also form part of the contract. These include offensive language, sexual harassment, unreasonable accusations of dishonesty and failure to provide reasonable working conditions. If a breach of contract does occur, it is up to the employee to terminate the contract. They must no longer work for the employer, and they must make it clear (by words or conduct0 that they do not intend to continue working for them. Notice must be communicated within a reasonable time.

## LEGAL TERMINATION

When an employer dismisses an employee and the dismissal is contested, the employer may have to show that the reason was one allowed by law. These include:

**Capability or qualifications**

If an employee is not able to fulfill their contract of employment you should be able to dismiss them. Poor performance is not easy to prove. It is important to document when an employee has been asked to do something, and when they have failed to meet reasonable requirements. It is particularly important to use disciplinary procedures. If health is affecting performance, you may need to show that you tried to find an alternative position for the employee before you dismissed them.

**Conduct**

Bad behaviour (e.g. offensive or dangerous) needs to be serious and repeated. Summary dismissal occurs when there is a serious misconduct, most commonly fighting in the workplace or theft. Good evidence and information of what constitutes a serious offence should be available (e.g. in the disciplinary procedure). If an employee is dismissed because of gross misconduct, the dismissal must be communicated within a reasonable length of time.

**Redundancy**

When making people redundant, you need to show that you have abided by any collective agreements on redundancy selection, and that it is not just a pretext of getting rid of someone. Adequate warning must be given and you should consider alternative employment in the business for the person.

Any other reason for dismissal needs to be substantial, e.g. you may be forced to dismiss a person because continuing to employ them would breach the law. You should always follow procedures and investigate an alternative to dismissal. If a reason for dismissal exists, the employer would have to show that he acted reasonably in dismissing the employee for that reason.

## ILLEGAL TERMINATION

If you breach your contact (e.g. unilaterally changing the terms and conditions of employment leading to dismissal) with the employee, they may seek damages for ‘wrongful’ dismissal in the County or High Courts. Additionally, the Employment Protection (Consolidation) Act 1978 established that employees could also claim ‘unfair’ dismissal at an industrial tribunal. Unfair dismissal can occur on a number of grounds. It is up to the employer to prove that their action was fair.

**Period of employment**

In general, persons need to have been in continuous employment for two years or more in order to claim unfair dismissal. This includes part time workers, regardless of number of hours worked per week. There are exceptions (see below). Employees who have passed the retirement age of 65 years may not make a claim for unfair dismissal unless it is associated with a trade union.

**Statutory rights**

Following the Trade Union Reform and Employment Rights Act (TURER) 1993, it is automatically classed as unfair if you dismiss (or select for redundancy when others in similar circumstances are not selected) an employee for having tried (in good faith) to assert one of their statutory employment protection rights (e.g. by bringing proceedings against you) even if they did not actually infringed.

**Pregnancy**

Following TURER all women are protected against dismissal on maternity related grounds in that dismissals due to pregnancy are automatically unfair irrespective of length of service or hours of work. A woman should be offered alternative work (where there is a suitable vacancy) or suspended on full pay if she cannot return.

**Health and Safety**

All employees, regardless of length of service or hours of work, have the right to complain to an industrial tribunal if they are dismissed for carrying out designated health and safety duties or acting as an official health and safety representative. They can also complain if dismissed for bringing a reasonable health and safety concern to the employer’s attention (in the absence of a representative), or for leaving the work area or taking action to protect themselves and others when faced with serious or imminent danger.

**Trade unions**

Dismissal for trade union membership, activities or for refusal to join a trade union may be unfair. No qualifying period is required before claims can be made. The employee must prove the relationship between the dismissal and trade union membership.

For valid claims an industrial tribunal can order reinstatement into the position the employee was dismissed from, re-engagement into a comparable position or monetary compensation for the loss of employment. There are limits on the amount of compensation which the tribunal can award, which may be exceeded in certain cases where reinstatement or re-engagement orders have not been fully complied with.

**Communicating dismissal**

The general rule is that once a dismissal has been communicated, it cannot be withdrawn without the consent of the other party. If there is any ambiguity in the words used certain rules must be applied to assess the validity of the comments. If the words are said in the heat of the moment, then they may not always be taken at face value and withdrawal should be communicated within a reasonable length of time. Employers must also give due consideration to mentally unstable employees. If dismissal is communicated in writing, you must ensure that the letter is unambiguous and clearly indicates the date of termination.

If an employee requests a written statement of reasons for dismissal, the employer is required by law to give that statement within 14 days. Only employees who are in continuous employment for a minimum of two years have the right to demand this statement. If the statement is not provided, or is inaccurate, the employee could present a complaint to an industrial tribunal (details given should be exactly the same as those given to a tribunal if you are to stand a chance in a hearing).

**Statutory minimum notice period**

Periods of notice are normally given on the written particulars of employment, but there are statutory minimum periods. If someone has been employed for longer than one month then according to the Employment Protection Consolidation Act (EPCA) 1978, they are entitled to be given the following:

1. One weeks’ notice for less than two years continuous employment.
2. An additional weeks’ notice for every continuous years employment between two and 12 years.
3. No less than 12 weeks’ notice if the employee has been continuous employment for more than 12 years.

**Statutory minimum pay during notice**

Employees have the right to statutory minimum pay throughout their notice period unless: they are validly dismissed during the notice period; they go on strike after giving notice; or they are granted leave of absence during the notice period. The employee is entitled to payment for the number of hours worked. If the hours are not actually worked they are still entitled to be paid if they are taking due holidays, they cannot work due to injury or if they are prepared to work but no work is given.

**Disciplinary procedures**

Following disciplinary procedures is very important to ensure that dismissal is fair. In most cases, employees are made aware of any procedures when they receive their conditions of employment. Procedures help you to stay within the law, treat the employee fairly and compile any evidence that you might need to use in the event of a dispute. Procedures should ensure that employees are aware of the complaint being brought against them. They should have the opportunity to put their case forward and the employer should act in good faith.

The first breach of contract is not normally serious enough to warrant a direct dismissal. There is normally an oral warning, followed by a formal written warning before any dismissal. It is important that formal records are kept of all warnings and correspondence (you may choose to ask the employee to sign for letters). The final written warning should state that the next disciplinary procedure will come in the form of a dismissal action. The duration of a warning will normally depend on the seriousness of the offence. Alternatives to warnings include suspension, transfer, demotion or loss of privileges.

## summary**SUMMARY**

Well done, you are almost completing the module and you are just from looking at managing termination of employment, the legal and illegal termination and redundancies and layoffs.

## REVIEW ASSESSMENT ITEMS

**Activity 8.1**

* 1. Define and explain dismissal
  2. Differentiate legal from legal termination
  3. Describe redundancies and layoffs.

# UNIT 9

## AUTOMATION OF THE HR FUNCTION

## INTRODUCTION

In this unit, you will learn about automation, the purpose of automation and project initiation document. Business functions are the operations and processes such as production and human resources management that businesses use to accomplish their aims. Automation is the use of special techniques and technologies to eliminate the human element in business functions. It is often desirable because it can make business functions both more effective and more efficient. For organisations, the automation of human resource functions such as employee training and payroll reporting can make them run smoothly and help the business avoid costly errors

## OutcomesLEARNING OUTCOMES

By the end of this unit, students should be able to:

* Define automation of HR function
* Identify the purpose of automation

Appreciate project initiation Document

## TimeTIME FRAME: 2HOURS

## AUTOMATION OF THE HUMAN RESOURCE FUNCTIONS

Human resource functions help human resource management recruit and cultivate the right personnel, place them in the positions that match their capabilities, monitor their performances, use that information to correct errors and keep the records related to the personnel. Put into the context of hospital, this means that human resource managers are responsible for functions such as hiring and training personnel, scheduling their shifts and keeping both payroll and other important record-keeping such as tips reporting to the IRS.

## 

## Employee Hiring and Training

Some of the most important human resource functions are hiring the right personnel and then training them to fulfill the duties of their positions. Human resource managers can choose to read and come to a decision on each application but it is both easier and more efficient to use workflow software. For example, the manager may require applicants to fill out the application forms and upload their documents online and then set the workflow software's standards to winnow the prospects. Furthermore, using online applications and workflow software also lets the applicants' information be entered into databases with minimal effort and lets managers keep the same applicants notified of their application status with similar ease. Employee training can be automated using both techniques and technologies. While on-the job training under the direction of a more senior employee is a common training method in the restaurant business, technologies that reduce the need for human presence in training such as training videos and training manuals help automate employee training.

## 

## Staff Scheduling and Monitoring

## Hospitals must master the process of assigning the right number of nurses and other staff to perform the tasks that need to be performed on each workday and during each ward round service. Scheduling software can help automate this process and cut down on the most laborious portions by using information such as employees' times available and their desired number of hours to create schedules to accommodate them. Once the software creates these schedules, the ward manager can then adjust them to satisfaction if problems with the staff on certain shifts remain. Web-based scheduling software is even more useful because nurses can input their times available online; submit requests for night off and check work schedules online. Staff monitoring is the process of keeping an eye on what employees do at work to catch and correct errors. Technologies such as punch clocks can help both record-keeping and the monitoring of employee attendance, while technologies such as inventory software can help managers notice discrepancies in inventory caused by nurses and maids theft and thus catch such actions more easily.

## 

## Payroll and Tips Reporting

All businesses have payroll, the collection of information about the wages and salaries to pay employees, deductions to make and the net compensation to pay out to those employees. Automating both of these functions helps managers both by reducing the time spent on them and by helping managers avoid mistakes that can lead to legal repercussions. Specialized software exists for both payroll calculation and reporting. Such software can help managers by automatically calculating payroll while remaining in compliance with the relevant legislation, make it easier for managers to enter payroll data into databases where it can be searched and save time that would've been wasted on manual calculation. It is still important that managers ensure the right inputs are entered into such software since incorrect inputs will lead to incorrect payroll calculations. Payroll software can also help with other measures such as directly depositing paychecks into employees' bank accounts.

## PURPOSE OF AUTOMATION

The Human Resources (HR) department plays a fundamental role in attracting and retaining relevant skilled labour in any organized institution. As a core mandate, HR is responsible for hiring, training, appraising, and all matters regarding employee welfare. For a long time, Human Resources functions have been performed manually. However, advancement in technology has brought about a paradigm shift on how HR business is conducted. To most firms, the idea of adopting technology seems a pricey venture; however, a cost-benefit analysis proves otherwise. Therefore, the purpose of [automating Human Resources](http://www.goclockwise.com/p/hr-management-software/) functions are as follows:

**Creates a positive image of an organization**

An organization with automated Human Resources functions is viewed more positively by employees and stakeholders. They are sending out a message that says that they are progressive. For example, when a company hires employees, it is mandatory for them to capture their bio-data. Therefore, an automated company will find it easy conducting this activity. Loads of work will be cleared within a short period. The system makes it easy for the HR department to derive any reports they desire. As a consequence, new employees will find it easy interacting with the company and their perception will be better. On the contrary, manual systems make the data capture process tiresome and may introduce errors in the process.

**Improved efficiency**

In organizations using manual systems, Human Resources practitioners spend much time sifting through loads of papers in search of information. With automation tools in use, processes are hastened. For example, an online leave management system is far more efficient compared to the manual leave application system (paper-based).  
With the online system, users are expected to log into the system and perform his/her leave application. The immediate supervisor will, therefore, approve the application before (s)he proceeds on leave. From this system, it is possible to generate individual reports. These reports may include, days entitled to, days carried forward, days pending and other reports. The manual system is less efficient and often exhibits numerous challenges. One of the greatest challenges is the long-time leave application approval takes.

**Employees are empowered**

Human resource systems have various inbuilt functions which may be used differently by employees depending on their specific need in time. Employees may express a desire to update personal records, track leave applications status, and surrender outstanding cash imprest among others. However, for an organization using a manual system, it may not be possible to perform a similar request with the same precision. Therefore, with the integration of ICT, Human Resources personnel have a lighter load on them, and the other staffs are empowered.

**Data sharing across different system platforms**

In most cases, organizations run more than one system. For example, if an organization has two distinct systems that may share some data, it is possible to perform data sharing. Output data from one system may be used as input information in the other system. This reduces instances where the data will have to be physically keyed into the system; error rates are reduced.

## PROJECT INITIATION DOCUMENT

The Project Initiation Document bundles documentation into a logical reference work that collects all important information needed to start and run a project from a good foundation. After that, Project Initiation Document must be transferred to all stakeholders, including business sponsors. This forms the basis for the project management. The documentation from which the Project Initiation Document is composed includes the [business case](https://www.toolshero.com/project-management/business-case/) in which the project’s justification can be found, the communication plan and the project plan. The Project Initiation Document also represents a detailed version of a start-up document, also called a Project Brief. Primarily, the Project Initiation Document is used for two purposes:

* Based on the information in the PID, the project management gives its commitment. When the green light is given, this means that the PID correctly describes which people, resources and budget are required for the project.
* Based on the information in the PID, the project management and project manager can monitor the progress of a project.

**Composition**

The Project Initiation Document is composed out of collected information and includes, among others, the following components:

* Project goal(s); what do you want to achieve with the project?
* Project size; how large is the project, how long does it take and how many people are involved?
* Project organisation; who are involved in the project, what are their tasks, responsibilities and authority?
* Limits and risks; what can cause a project to stagnate and are there risks related to the project?
* Stakeholders; who has a stake in the success of the project?
* Project checks and frame reporting; by carefully taking into account evaluation moments, it is clear to everyone what sample tests can be carried out during the process.

In addition, it is important that the Project Initiation Document also contains the following information:

* The background and occasion of the project, which together provide information about the context.
* The project organisational structure, which describes who has which management responsibility in the project.
* The project quality plan, describing who controls the quality of the products to be delivered and how it will take place.
* The total project planning, including the duration of all activities.
* The exception process, which describes how exceptions are dealt with and the steps of the escalation procedure.
* The risk log, including the measures that will be taken when there are unforeseen risks.
* The documentation structure of the project, in which the encoding and storage of all documents and products to be provided by the project has been recorded in advance.

## Goal

The primary purpose of the Project Initiation Document is to capture and record information needed to properly define and plan a project; thus forming the basis for managing and evaluating the overall success of the project. Once the PID has been approved by the project management, all information contained therein will no longer be modified.

In addition, the Project Initiation Document also includes the list of people who participate in project development from the start of the project. Their role and responsibilities are also found in it. However, the Project Initiation Document is not regularly updated during the project phases. Any revisions and updates that may prove necessary must be done at the end of each phase to include detailed milestones for the following steps. All members of the project team should contribute to the development of project components that are relevant to their role within the project. In addition, they need to all be kept updated on the entire scope of the project.

## Approval

## The last phase of writing the Project Initiation Document is approval, which does not only concern the project management. The Project Initiation Document also needs approval from other stakeholders, such as the Operations and Human Resources departments. It is therefore wise to involve all the other parties and/or departments in the information that is related to the Project Initiation Document, and give them the opportunity to give comments and make requests. The team leader of the PID has the task of gathering all the comments and then discussing them in a final meeting with the stakeholders and interested parties. Only then is the Project Initiation Document a fully-fledged document and ready to be presented to the project management, in the hope that the Project Initiation Document will be approved and that the financing for the project is granted.



**9.6 REVIEW ASSESSMENT**

**Activity 9.1**

1. **What do you think?** Is a Project Initiation Document or PID applicable in your daily work?
2. Do you recognize the practical explanation or do you have more suggestions?
3. What are your success factors for building a good project management reference point?
4. Describe the purpose of automation

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