

CHAPTER 12 – MANAGING HUMAN RESOURCE –

- HRM important because:
 - Become a significant source of competitive advantage.
 - An important part of organizational strategies.
 - The way organization treat their people has been found to significantly affect organizational performance.
- **High performance work practices**: work practices that lead to both high individual performance and high organizational performance. The points are:
 - Self managed teams
 - Decentralized decision making
 - Training programs to develop knowledge, skills and abilities
 - Flexible job assignments
 - Open communication
 - Performance-based compensation
 - Staffing based on person-job and person-organization fit
- HRM process:
 - Human resource planning
 - Recruitment/recruitment
 - Selection
 - Identify and select competent employees
 - Orientation
 - Training
 - Provide employees with up-to-date skills and knowledge
 - Performance management
 - Compensation and benefits
 - Career development
 - Retain competent and high performance employees
- External factors that affect HRM process:
 - **Employee labor union**: an organization that represents workers and seeks to protect their interests through collective bargaining.
 - **Government laws**. Sometimes laws fall over affirmative action → organizational programs that enhance the status of members of protected groups.
 - **Demographic trends**. Focusing on workers age that can affect HRM practices.
- **Human resource planning**: a method of planning to ensure that an organization has the right number and kinds of capable people in the right places and at the right times. HRP entails 2 steps:
 - **Assessing current human resources**. An important part of current assessment is job analysis that leads to job description and job specification.
 - **Job analysis**: an assessment that defines job and the behaviors necessary to perform them

- **Job description:** a written statement that describes a job
 - **Job specification:** a written statement of the minimum qualification that a person must possess to perform a given job successfully
- Meeting future HR needs, that determined by the organization's mission, goals and strategies.
- **Recruitment:** locating, identifying, and attracting capable applicants

Source	Advantages	Disadvantages
Internet	Reaches large numbers of people, can get immediate feedback	Generates many unqualified candidates
Employee referrals	Knowledge about the organization provided by current employee, can generate strong candidates because a good referral reflects on the recommender	May not increase the diversity and mix of employees
Company websites	Wide distribution, can be targeted to specific groups	Generates many unqualified candidates
College recruiting	Large centralized body of candidates	Limited to entry-level position
Professional recruiting organizations	Good knowledge of industry challenges and requirements	Little commitment to specific organization

- **Decruitment:** reducing an organization's workplace

Option	Description
Firing	Permanent involuntary termination
Layoffs	Temporary involuntary termination; may last only a few days or extend to years
Attrition	Not filling opening created by voluntary resignations or normal retirements
Transfers	Moving employees either literally or downward, usually does not reduce costs but can reduce intraorganizational supply-demand imbalances
Reduced workweeks	Having employees work fewer hours per week, share jobs, or perform their job on a part-time basis
Early retirements	Providing incentives to older and more senior employees for retiring before their normal retirement date
Job sharing	Having employees share one full-time position

- **Selection:** screening job applicants to ensure that the most appropriate candidates are hired.

- Predicting which applicants will be successful if hired. If accept successful employee or reject unsuccessful employee, that is correct decision. Problems arise when errors are made by rejecting successful employee (reject errors) or accepting unsuccessful employee (accept errors)
- Validity and reliability. Selection become valid when selection meets relevant criteria. Reliability is applying the same method consistently on constant scale.
- Type of selection tools such as:
 - **Application forms**: almost universally used, most useful for gathering information, can predict job performance but not easy to create one that does.
 - **Written test**: must be job related; include intelligence, aptitude, ability, personality, and interest tests; popular and relatively good predictor for supervisory positions.
 - **Performance simulation test**: use actual job behaviors, work sampling (test applicants on tasks associated with that job, appropriate for routine or standardized work), assessment center (simulate jobs, appropriate for evaluating managerial potential).
 - **Interviews**: almost universally used, must know what can/can't be asked, can be useful for managerial positions.
 - **Background investigations**: used for verifying application data (valuable source of information) and verifying reference checks (not a valuable source of information).
 - **Physical examination**: are for jobs that have certain physical requirements, mostly used for insurance purposes.
- Realistic job previews. To increase employee job satisfaction and reduce turnover, manager should consider realistic job previews (RJP) which a preview of a job that provides both positive and negative information about the job or the company.
- **Orientation**: education that introduces a new employee to his or her job and the organization (employee training)
 - There are 2 types of employee training:
 - **General type**: include communication skills, computer system application and programming, customer service, executive development, management skills and development, personal growth, sales, supervisory skills and technological skills and knowledge.
 - **Specific type**: include basic life/work skills, creativity, customer education, diversity/cultural awareness, remedial writing, managing change, leadership, product knowledge, public speaking/presentation skills, safety, ethics, sexual harassment, team building, wellness and others.
 - There are some training methods such as:

Type	Methods	Description
Traditional	On the job	Employees learn how to do tasks simply by performing them, usually after an initial introduction to the task
	Job rotation	Employees work at different jobs in a particular area, getting exposure to a variety of tasks
	Mentoring and coaching	Employees work with an experienced worker who provides information, support and encouragement, also called apprenticeship in certain industries
	Experiential exercises	Employees participate in role playing, simulations or other face-to-face types of training
	Workbook / manuals	Employees refer to training workbooks and manuals for information
Technology	Classroom lectures	Employees attend lectures designed to convey specific information
	CD-ROM, DVD, etc	Employees use selected media to listen and watch selected information that demonstrate certain techniques
	Videoconferencing / teleconf. / satellite TV	Employees listen/participate as information is conveyed or techniques demonstrated
	E-learning	Internet based learning where employees participate in multimedia simulations or other interactive modules

- **Performance management system:** a system that establishes performance standards that are used to evaluate employee performance. Some of these methods are:
 - **Written essay:** a description is written about employee's strength and weaknesses, past performance/potential, provides suggestion for improvement.
 - + simple to use
 - may be better measure of evaluator's writing ability than of employee's actual performance
 - **Critical incidents:** focuses on critical behaviors that separate effective and ineffective performance.
 - + rich examples, behaviorally based
 - time-consuming, lacks quantification
 - **Graphic rating scale:** popular method that lists a set of performance factors and an incremental scale, evaluator goes down the list and rates employees on each factors
 - + provides quantitative data; not time-consuming
 - doesn't provide in-depth information on job behavior
 - **BARS (Behaviorally Anchored Rating Scale):** popular approach that combines elements of from critical incidents and graphic rating scale;

evaluator uses rating scale but items are examples of actual job behaviors.

- + focuses on specific and measurable job behaviors
 - time-consuming, difficult to develop
 - **Multiperson Comparison**: employees are rated in comparison to others in work group
 - + compare employees with one another
 - difficult with large number of employees, legal concerns
 - **MBO**: employees are evaluated on how well they accomplish specific goals
 - + focuses on goals, result oriented
 - time-consuming
 - **360 Degrees Appraisal**: utilizes feedback from supervisor, employees, and coworkers
 - + thorough
 - time-consuming
- Factors that determines pay and benefits:
 - Size of company
 - Company profitability
 - Geographical location
 - Management philosophy
 - Labor of capital intensive
 - Unionization
 - Kind of business
 - Kind of job performed
 - Employee's tenure and performance
 - **Skill-based pay**: a pay system that rewards employees for the job skill they demonstrate.
 - **Variable pay**: a pay system in which an individual's compensation is contingent on performance
 - Contemporary issues in managing human resources:
 - **Managing downsizing** (the planned elimination of jobs in an organization)
 - Managing workforce diversity:
 - **Recruitment**: rganization have to widened their recruiting net.
 - **Selection**: selection process does'nt discriminate.
 - **Orientation and training**
 - **Managingsexual harassment** (any unwanted action or activity of a sexual nature that explicitly or implicitly affects an individual's employment, performance, or work environment)
 - **Managing work-life balance** by giving **family-friendly benefits**: benefits that accomodae employees' needs for work-life balance such as child care, summer day camps, etc
 - **Controlling HR costs**, such as employee health care costs, and employee pension plan costs.