

Chapter 11 Human resource management

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1.1. Human resources management and organization effectiveness

- Successful organization share human resources management attributes:
 - Participative style of management
 - Communication with all levels of employees
 - Promotion from within
 - Training of employees
 - Rewarding of good work
- Contribution of human resources or organization effectiveness:
 - Assisting everybody in organization to reach stated goals
 - Making efficient use of skills and abilities of workforce
 - Providing organization with well trained motivated employees
 - Assisting in attainment of employee job satisfaction + self actualization
 - Dev a quality of work life that makes employment in organization desirable
 - Assisting with maintenance of ethical policies and socially responsible behaviour
 - Managing change to mutual advantage of indiv, groups, organization and public
 - Executing human resources functional activities in proff manner

2. Human resources planning

- Process of using organization goals and strategy to forecast organization human resources needs in terms of finding, dev and keeping qualified workforce
 - Identify work being done in business at present (job analysis + job description)
 - Identify type of employee needed to do work (job specification)
 - Identify number of employees needed in future (human resources planning and forecasting)

2.1. Job analysis

- Process describing and recording info about job behaviours and activities
- One method is observation by qualified job analyst
- Can be done for manual labor
- For administrative work – do interviewing

2.2. Job description

- Data collected put in writing = job description
- Must be easy readable

2.3. Job specification

- Is personal qualifications an employee must posses to perform duties and responsibilities depicted in job description
- Details the knowledge, skill, abilities, education and experience

- Can also include physical demand of job eg walking and standing

2.4. Human resources forecasting

- Purpose is to balance human resources supply and human resources demand
- Take into consideration:
 - Economic growth
 - New dev in business
 - Labor market

2.5. Human resources plan

- To provide concrete guidelines and steps that indicate how business short, medium and long term human resources requirements can be provided for.

3. Finding qualified workers

3.1. Recruiting

- To ensure that sufficient number of applicants apply for various jobs

3.1.1. Recruiting from inside

- Internal recruiting
- To fill vacant position with existing staff
- Advantages:
 - Career planning becomes possible
 - Assessment of applicants is easier
 - Cos of recruitment is low
- Disadvantages:
 - Business tends to stagnate
 - Staff at lower levels do not necessarily have abilities to fill senior positions
 - Can be a lot of personal competition

3.1.2. Recruitment from outside

- External recruitment
- Advantages:
 - Active effort is made to get right person
 - App created to bring new ideas
- Disadvantages:
 - Recruiting costs are higher
 - It is risky – assessment of applicant can be wrong
 - Morale of existing personnel can be influenced

3.1.3. Recruitment procedure

- If internal recruitment ensure that relevant documentation is available
- External recruitment – right people must apply
- If too many apply – time consuming
- External recruitment – analysis of labor market NB!
- Labor market = social of demographical area where a organization draws its employees

3.1.4. Recruitment techniques

- Advertising
- Consultants and labor agencies
- Existing employees
- Personal approach
- Radio, TV, internet
- Recruiting agencies

3.2. Selection

- Can vary from short interview to intensive assessment
- Preliminary screening
- Intensive assessment
 - Psychological testing
 - Diagnostic interviewing
- Final selection
- Placement and induction
- Induction process will achieve:
 - Introduce to colleagues
 - Explain business policy, procedures and rules
 - Inform about business history, products and services
 - Inform about practical arrangements eg payment
 - Inform about organization structure

4. Developing qualified workers

4.1. Human resources development

- Human resources manager:
 - Ensure comp employs sufficient staff
 - Creating opportunities for empl to make themselves more valuable
- Distinguish between:
 - Training
 - Technical
 - Management
 - Development
- Training = provide employee with knowledge and skill needed to do particular job

- Development = long term focus on preparing for future work responsibilities
- Human resources development = systematic and planned activities designed by organization to provide its members with opportunities to learn necessary skills to meet current and future jobs

4.2. Development methods

- Within work situation
 - Formally
 - Informally
- Outside work situation
 - Formally
 - Informally

4.3. Performance appraisal

- to determine in which aspect the employee has:
 - performed exceptionally well
 - complied with requirements for the job
 - not complied with requirements of job
- also called:
 - employee rating
 - employee evaluation
 - performance review
 - performance evaluation
 - results appraisal
- performance appraisal must be objective
- some provide methods to assess characteristics of employee
- least effective way – to compare employees
- new method 360° multisource rating
- feedback from various colleagues and constituencies received
- results of performance appraisal be used for:
 - provide basis for financial rewards
 - to determine promotion to higher level
 - to provide employee feedback on how well they are doing

5. Keeping qualified workers

5.1. Compensation of employees

- Refers to all forms of financial returns, tangible services and benefits they receive as part of employment relationship
- Important when drawing up policy:
 - How compensation should compare in general with labor market
 - Must be determined on cost-of-living adjustment
 - What form reward will take

5.1.1. Types of compensation

- Compensation is output an employee receives for input (work) he provides
- Direct compensation:
 - Monthly paid = salary
 - Daily / weekly = wage
 - Piece wage = compensated for amount of work her performs regardless of time it took
- Indirect compensation:
 - Benefits employees receive from membership to organization = fringe benefits
 - Leave
 - Insurance
 - Housing
 - Car
 - Linked to hierarchical level of employee
- Reward
 - Salary increase
 - Financial bonuses
 - Paid holiday

5.2. Amount of compensation

- Make external comparisons eg salary survey
- Make internal comparisons = job evaluation
- Value of jobs must be compared in terms of demand it makes on employee
- Job evaluation – 2 methods:
 - Ranking all jobs in company
 - Factor comparison method – jobs are compared in terms of demands it makes on employee in terms of factors eg knowledge
 - Points are awarded for each factor = compensate factors
 - Total points determine job grade
- Job description – purpose 2 fold:
 - Form basis of job specification
 - Provide basis for job comparison

6. Motivating employees

6.1.1. Motivation in workplace

- Determined by 3 things:
 - Desire to do job (motivation)
 - Capability to do job (ability)
 - Resources to do job (work environment)
- Motivation = forces within a person that affect his direction, intensity and persistence of behaviour that is within control of a person
- Motivated employee is prepared to:
 - Exert a particular level of effort – intensity
 - For a certain amount of time – persistence
 - Toward a particular goal – direction

- Different approaches to motivation:
 - Content approach
 - Process approach
- Content = what actually motivates people (need theories)
- Process = actual process of “how” of motivation

6.1.2. Content approach to motivation

- **Abraham Maslow – hierarchy of needs**
 - Physiological needs
 - Security needs
 - Social – belonging needs
 - Esteem needs
 - Self actualization needs
- **Clayton Alderfers – ERG theory**
 - Existence needs
 - Relatedness needs
 - Growth needs
- **Frederick Herzberg – 2 factor theory**
 - Maintenance (hygiene) factor
 - Motivational factor – growth factor
 - Internal motivation – based on motivators
 - External motivation – based on maintenance factors
- **David McClelland – learnt theory**
 - Needs are learnt and reinforced
 - Need for achievement
 - Need for power
 - Need for affiliation
- **Implications of content theories:**
 - Theories suggest that needs change
 - Management need to balance power need with affiliation need
 - Needs may be unconscious

6.1.3. Process approach to motivation

- **Expectancy theory - Victor Vroom**
 - How much we want something
 - How likely we think we are to get it
 - 4 assumptions:
 - Behaviour is combination of forces controlled by indiv and environment
 - People make decisions about own behaviour in organization
 - Diff people diff goals
 - People will act in a certain way
 - 3 key concepts:
 - Expectancy
 - Instrumentality
 - Valence (desireability)
- **Equity theory and organization justice – Stacey Adams**
 - Employee compare efforts with those of other employees

- People are motivated by desire to be treated equitably
- Organizational justice
 - Distributive justice
 - Procedural justice
 - Interactional justice
- Practical implications of equity theory:
 - Employee is motivated to correct situation when perception of fairness is offended
 - Emphasize to pay attention to what employee think is fair
 - Management must explain rationale behind decisions
 - Employee are treated fair if they appeal to certain decisions
 - Employee more likely to accept change if they think it is fair
 - Teamwork promoted when employee are treated fair
 - Management need to entrench values such as honesty etc
- **Goal setting theory and feedback**
 - Built on assumption, all things being equal, performance of employee will improve if they strive toward a definite goal
 - Thrust is that more difficult the goal is the higher the level of performance is if employee are committed to goals
 - Goals – inform employee about performance and expectations
 - Feedback – provides info to adjust effort
 - Effective feedback:
 - Give feedback immediately
 - Evaluations should be descriptive
 - Focus on behaviour not personality
 - Should be specific not general
 - Should be directed at behaviour that can be changed
 - Dev activities should be agreed upon
 - Self efficacy – Albert Bandura
 - Refers to belief in one's capacity to perform a task or to adhere to goal
 - Cycle:
 - Setting challenging goals
 - Monitoring success
 - Taking action to lower discrepancies
 - Setting new goals
 - Can be increased by following approaches:
 - Provide guidance and support to employee
 - Provide successful role models
 - Be a targeted cheer leader
 - Reduce stress en environment
- **Implication of process approaches**
 - Intention plays a key role in motivated behaviour
 - Feedback vital importance
 - All have a rational element
 - Can induce self assessment
 - Non-rational component also important

6.2. Employee motivational strategies

- Job design:

- Job rotation
 - Job enrichment
- Employee involvement in prog as participative management and quality circles
- Management by objectives
- Intrepreneurial incentives
- Training and education
- Employee recognition programs
- Empowerment programs
- Reward systems
- Career management
-