

Human Resource Management chapter 10

What are the purpose and legal context of human resource management?

Human resource management attracts, develops, and maintains a talented workforce

Human resource management (HRM): process of building and maintaining a high quality workforce

SHRM: society for human resource management

Looking for 1) cost to reduce 2) an asset to develop

1. Attracting a quality workforce: focus on employee recruitment and selection
2. Developing a quality workforce: focus on employee orientation, training and development, and performance
3. Keeping (maintaining) quality workforce: focus career development, work-life balance compensations and benefits, retention and turnover, and labor-management relations

Human resource mgmt. → attract talented employees → develop talented employee → keep talented employee

Strategic human resource management aligns human capital with org.

Human capital: is the economic value (asset) of people with job relevant abilities, knowledge, ideas, energies and commitment

Strategic human resource management: mobilizes human capital to implement organizational strategies.

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What are the essential human resource management practices

Employee value proposition aligns people and organizations

Employee value proposition (EVP): is the exchange of value between what the individual and the employer offer in the employment relationship → come together with balance is the key issue for an employee value proposition

Person job fit: is the match of individual skills, interests and personal characteristics with the jobs

Person organization fit: is the match of individual values, attitudes, and behavior with the org. culture

1. Attracting Talent

1) Assess needs and define job

How companies recruit: 35% external / 65% internal

Ex) J&J → assess talent need and define job requirement

Recruitment: is a set of activities designed to attract a qualified pool of job applicants → advertising, screening

Realistic job previews: provide job candidates with all pertinent information about a job and org.

Almost 50% of new hires end up not being sure they made the right choice → unrealistic expectations

2) Recruiting strategy and implementation

Job and organizational fit → screening, cultural fit/ organizational fit

3) Candidate selection & offer process

Selection makes decisions to hire qualified job applicants

Selection: is choosing whom to hire from a pool of qualified job applicants → exercise in prediction

1) in-depth interviewing (Screening)

2) technical & personal testing

3) real time or simulation actual work

4) background check / drug testing

5) assessments centers / team

interviewing

Reliability: means that a selection device gives consistent results over repeated measures

Validity: scores on a selection device have demonstrated links with future job performance

2. Developing

1) orientation/socialization (coming on board)

Orientation: introduce of company, how we get paid etc. On boarding

Socializing: engaging / cultural fit

2) training & experiences & desire

right experiences is needed → many company does 2 year rotation program

American Society for Training & development

- ASTD 2010 state of industry report
- US training spending = 171.5 billion
- average/employee = 1228,00
- average/hour= 32 hours/ 4 full days

Top ten training subjects

1. Managerial	6. Information tech
2. industry specific	7. customer service
3. business practices	8. orientation
4. compliance	9. interpersonal skill
5. other product, quality	10. sales

3) coaching / mentoring

Coaching: working with a manager to develop personal and business competencies in a holistic manner

Mentoring: assigns early career employee to a senior manager for career guidance

Reverse mentoring: younger, new employees mentor senior executives often on tech.

- they are both informal and formal

4) performance management

Performance Appraisal

Two-Fold purpose:

(1) measures and documents work performance

(2) used a developmental tool to enhance work performance

Feedback: balanced & specific → explain why it is

- Performance review or appraisal: process of formally evaluating performance and providing feedback

Graphic rating scale: uses a checklist of traits or characteristics to evaluate performance

Behaviorally anchored rating scale (BARS): uses specific descriptions of actual behaviors to rate various levels of performance

(diagram)

critical incident technique: keeps a log of someone's effective and ineffective job behaviors

→ can be positive or negative → keeps records of one's behavior

360 feedback: includes superiors, subordinates, peers, and even customers in the appraisal process

militiaperson comparison: compares one person's performance with that of others

→ rank ordering from top to bottom in order of performance achievement

→ paired comparisons: first evaluate each person against every other and then create a summary raking based on score

→ forced distribution: places each person into a frequency distribution with fixed performance classifications

Assessment center: examines how job candidates handle simulated work situations.

Work sampling: evaluates applicants as they perform actual work tasks

3. Keeping

1) compensation & benefits in line with market

- vench marketing: health care, aging work force

Compensation plans influence employee recruitment and retention

Merit pay: awards pay increases in proportion to performance contributions

(-) measure performance: only few understand company's system.

Bonus pay: plans provide one time payments based on performance accomplishment

Profit sharing: distributes to employees a proportion of net profits earned by the organization

Gain sharing: allows employees to share in cost savings or productivity gains realized by their efforts

Stock options: give the right to purchase shares at a foxed price in the future

2) clear career path identified

Career path: provide, structure, flexibility and direction for a person to achieve greater work responsibility

Career development: managing how a person progress in a career
 Career planning: matching individual career goals, capabilities to opportunity

3) work-life balance focus

- Work-life balance: involves balancing career demands with personal and family needs
- individual → greater job satisfaction / employer → less intention to leave

Organizations are using more independent contractors and part time workers
 Independent contractors: are hired on temporary contracts and are not part of the organization's permanent workforce
 Contingency workers: work as needed and part-time often on a longer term basis

Fringe benefits are an important part of employee compensation packages
 Fringe benefits: nonmonetary forms of compensation such as health insurance and retirement plans → cost expens.
 Family friendly benefits: help employees achieve better work-life balance
 Flexible benefits: programs allow choice to personalize benefits within a set dollar allowance
 Employee assistance programs: help employees cope with personal stresses and problems

Labor relations and collective bargaining are closely governed by law
 Labor union: an org that deals with employers on the workers' collective behalf
 Labor contracts: is a formal agreement between a union and an employer about the terms of work for union members
 Collective bargaining: is the process of negotiating, administering, and interpreting a labor contract
 Two-tier wage systems: pay new hires less than workers already doing the same jobs with more seniority

What union can do to make things difficult
Strike - refuse to come to work
Boycott- refuse to buy employer's product or ask others to do same
Picket- post and carry signs complaining about employer's treatment of workers

difficult
Lockout- refuse to let employees come to work
Strike breakers- hire nonunion workers, called "scabs" to do strikers' jobs
Injunction- get a court order requiring that strikers come back to work

What managers can do to make things

Finland: 92% flexible Japan: 18% not flexible
 99 work schedule: work 9 hours for 5 and 4 days and get one Friday off
 4,10 schedule: work 10 hours a week and get every Friday off

Big HRM issue in Age
 Baby boomer retires → problem is who will replace that position?
 Olders are getting bigger and youngers are getting smaller

Government legislation protects against employment discrimination
 Job discrimination: occurs when someone is denied a job or job assignment for non job relevant reasons
 Equal employment opportunity (EEO): the right to employment and advancement without regard to race, sex, religion, color, or national origin
 Affirmative action: effort to give preference in employment to women and minority group members (protected group)
 → supported by affirmative action plans: designed to ensure that org's workforce availability to minorities
 (-) reverse discrimination: toward members of majority populations
 Bona fide occupational qualifications: are employment criteria justified by capacity to perform a job
 Law against employment discrimination (pay, age, pregnancy, disabilities, family matters)
 Law can't guarantee that employment discrimination will never happen
 Controversy