

## Chapter 16: People

- People are the most important resource that will ever be managed
  - But complex challenge
- How do you effectively manage people?
  - Department of functions: people work in different sectors of the business
- Evaluate People:
  - Establish performance criteria
  - Gather information to determine if employee is meeting criteria
  - Analyze the information
  - Communicate findings to employee
  - Establish future plans
- Evaluate all the aspects of an employee not biasedly!
  - 360 evaluation
- How do you motivate employees to perform
  - Expectancy theory: cant change expectations out of the blue
  - Equity theory: have to be fair to all employees
  - Maslow's Hierarch of Needs
  - Herzberg's two factor theory
  - McGregor's Theory X and Y:
- Compensation
  - Salary
    - Fixed: risk element that employers take on
    - Hourly
    - Commission
    - Piece-good work
  - Fringe benefits
    - Health care
    - Retirement
      - Employer plans
        - defined benefits
        - defined contribution
      - Government plans
        - Social security
      - Personal plans
        - Personal savings
    - Unemployment
  - Work-life arrangement
    - Job sharing, flex time, dependent care, educational benefits, telecommuting, vacation pay, etc
  - Non-cash compensation
    - Employee stock options

- golden parachutes: grant between employee and company to buy out contract if they want to let employee go; they've done nothing wrong
- Designing a compensation package
  - You have to know your employees and what they value
  - Adds value to stakeholders as well
  - Costs vs, benefits
  - Cafeteria plans
  - Excess compensation
- The Nature of Unions:
  - Creating and operating a union
    - National labor relations board
    - Shop stewards
    - Negotiating with employers- collective bargaining
  - Grievance procedures
  - Union tactics
  - Employer tactics
- Union Laws
- Employment laws
  - The Role of the US Department of Labor
  - Minimum wage: keeps on increasing
- Discrimination
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