

Chapter 9

HUMAN RESOURCES MANAGEMENT: AN OVERVIEW

- **Human Resources Management (HRM)** – all the activities involved in acquiring, maintaining, and developing an organization's human resources
- **HRM Activities: Acquiring**
 1. **Human Resources Planning** – determining the firm's future human resources needs
 2. **Job Analysis** – determining the exact nature of the positions
 3. **Recruiting** – attracting people to apply for positions
 4. **Selection** – choosing and hiring the most qualified applicants
 5. **Orientation** – acquainting new employees with the firm
- **HRM Activities: Maintaining**
 1. **Employee Relations** – increasing employee job satisfaction through satisfaction surveys, employee communication programs, exit interviews, and fair treatment
 2. **Compensation** – rewarding employee effort through monetary benefits
 3. **Benefits** – providing rewards to ensure employee well-being
- **HRM Activities: Development**
 1. **Training and Development** - teaching employees new skills and new jobs, and more effective ways of performing their jobs
 2. **Performance Appraisal** – assessing employee's current and potential performance levels

HUMAN RESOURCES PLANNING

- **Human Resources Planning** – the development of strategies to meet a firm's future human resources needs
 - o Forecasting HR Demand
 - o Forecasting HR Supply
 - o Matching Supply with Demand
 - Laid off – dismissed until needed again
 - Attrition - reducing by not replacing jobs when employees retire
 - Early retirement – people within a few years of retirement are allowed to retire early with full benefits
 - Firing employees
- **Replacement Chart** – a list of key personnel and their possible replacements within a firm
- **Skills Inventory** – a computerized data bank containing information on the skills and experience of all present employees

CULTURAL DIVERSITY IN HUMAN RESOURCES

- **Cultural (or workplace) Diversity** – differences among people in a workforce owing to race, ethnicity, and gender

JOB ANALYSIS

- **Job Analysis** – a systematic procedure for studying jobs to determine their various elements and requirements
- **Job Description** – a list of the elements that make up a particular job
- **Job Specification** – a list of the qualifications required to perform a particular job

RECRUITING, SELECTION, AND ORIENTATION

- **Recruiting** – the process of attracting qualified job applicants
- **External Recruiting** – the attempt to attract job applicants from outside an organization
- **Internal Recruiting** – considering present employees as applicants for available positions
 - Promotion
 - Job Posting – informing current employees of upcoming openings
- **Selection** – the process of gathering information about applicants for a position and then using that information to choose the most appropriate applicant
 - Employment Applications
 - Employment Tests
 - Interviews
 - References
 - Assessment Centers
- **Orientation** – the process of acquainting new employees with an organization

COMPENSATION AND BENEFITS

Compensation Decisions:

- **Compensation** – the payment employees receive in return for their labor
- **Compensation System** – the policies and strategies that determine employee compensation
- **Wage Survey** – a collection of data on prevailing wage rates within an industry or a geographic area
- **Job Evaluation** – the process of determining the relative worth of the various jobs within a firm
- **Comparable Worth** – a concept that seeks equal compensation for jobs requiring about the same level of education, training, and skills

Types of Compensation:

- **Hourly Wage** – a specific amount of money paid for each hour of work
- **Salary** – a specific amount of money paid for an employee's work during a set calendar period, regardless of the actual number of hours worked
- **Commission** – a payment that is a percentage of sales revenue
- **Incentive Payment** – a payment in addition to wages, salary, or commissions
 - o **Gain Sharing** – incentives for employees who exceed specific sales or production goals
 - o **Merit Pay** – pay-for-performance approach that allows management to control labor costs while encouraging employees to work more efficiently
- **Lump-sum Salary Increase** – an entire pay raise taken in one lump sum
- **Profit-Sharing** – the distribution of a percentage of a firm's profit among its employees

Employee Benefits

- **Employee Benefit** – a reward in addition to regular compensation that is provided indirectly to employees
 - o **Pay for time not worked** – vacations, holidays, sick leave
 - o **Insurance Packages** – may include health, life, and dental insurance for employees and family
 - o **Pension and retirement programs**
 - o **Workers' compensation insurance** – pays medical bills for injuries that occur on the job and provides income for those disabled by on-the-job injuries
 - o **Unemployment insurance**
- **Flexible Benefit Plan** – compensation plan whereby an employee receives a predetermined amount of benefit dollars to spend on a package of benefits he or she has selected to meet individual needs

TRAINING AND DEVELOPMENT

- **Employee Training** – the process of teaching operations and technical employees how to do their present jobs more effectively and efficiently
- **Management Development** – the process of preparing managers and other professionals to assume increased responsibility in both present and future positions
- **Training Methods:**
 - o **On-the-job**
 - o **Simulations**
 - o **Classroom teaching and lectures**
 - o **Conferences and seminars**
 - o **Role-playing**