Introduction to Human Resource Management

- Human Resource Management (HRM)
  - Developing, organizing, and administering the people systems of an organization.
  - Principal activities
    1. Identify what people need to do (Job analysis and planning).
    2. Get the right people on board (Staffing).
    3. Provide sufficient feedback and rewards for people (Performance management).
    4. Prepare and develop the people (Training and development).
Mainstream Human Resource Management

• Mainstream Perspective
  – Materialist-individualist values guide HRM practices.
  – Focus:
    • Individual capability and performance, and on objective contributions to productivity, profitability and competitiveness.
    • Immediate and narrow exchanges between the employee and the organization.

Mainstream HRM (cont'd)

• Old Employment Contract
  – Employers offered a secure career and consistent raises.

• New Employment Contract
  – Employers offer challenging jobs, a pay-for performance compensation package, and opportunities to learn skills that will increase employee marketability.
Mainstream HRM (cont’d)

• Step 1: Job analysis and planning
  – The main objective is to create defensible, verifiable specifications and descriptions that are independent of any particular person.
    • Job analysis
      – Involves identifying the knowledge, skills, abilities, and other characteristics (KSAOs) that are necessary for a specific job.
    • Job description
      – Specifies what is done as well as the knowledge, skills, education and training, credentials, prior experience, physical abilities and other characteristics that are required.

Mainstream HRM (cont’d)

• Step 1: Job analysis and planning (cont’d)
  – The HRM planning process
    • Develops a human resource requirements forecast (“labor demand” plan) that is then compared to the external supply of KSAOs among people in local and sometimes global labor markets.
    • Uses Human Resource Information Systems (HRIS) to track demand against a database of the current supply of talent within the organization.

Mainstream HRM (cont’d)

• Step 1: Job analysis and planning (cont’d)
  – Strategic approach to HRM planning
    • Emphasizes the organization’s overall strategy in determining job tasks and the priorities for filling positions.
    • Jobs can be designed to have the greatest impact on profitability through alignment and efficiency and positions can be easily prioritized.
Mainstream HRM (cont’d)

• Step 2: Staffing
  – Staffing
    • Identifying, attracting, hiring, and retaining people with the necessary KSAOs to fulfill responsibilities of current and future jobs in the organization.
  – Recruitment
    • Identifying and attracting the people with the essential KSAOs.
  – Selection
    • Choosing who to hire among job applicants or recruits.

Mainstream HRM (cont’d)

• Step 2: Staffing (cont’d)
  – Recruitment channels
    • Universities and colleges
    • Newspaper ads
    • Company, job-search, and social networking websites
    • Employee referrals
    • Internal recruiting
  – Evaluating recruitment channels
    • Speed
    • Cost

Mainstream HRM (cont’d)

• Step 2: Staffing (cont’d)
  – Selection criteria
    • Must be based on job-relevant KSAOs.
  – Selection validity
    • The relationship between applicant assessment scores and their subsequent job performance.
      – Predictive validation
      – Content validation
  – Selection reliability
    • The ability of a selection method or tool to consistently provide accurate assessments.
Mainstream HRM (cont’d)

• Step 2: Staffing (cont’d)
  – Selection screening tools
    • Application form
    • Verification of qualifications and references
    • Weighted application blank (WAB)
  – Selection tests
    • Work sample tests
    • Cognitive ability tests
    • Interviews (structured and unstructured)
    • Integrity tests
    • Personality tests

Digging Deeper: Legal Issues in Staffing

• Civil Rights Act Title VII (1964)
  – Prohibits employment discrimination on basis of race, religion, color, sex or national origin.
• Bona fide Occupational Qualifications (BFOQs)
  – Discrimination is not prohibited if decisions are based on BFOQs that are reasonably necessary to fulfill job requirements.
### Digging Deeper: Legal Issues in Staffing (cont'd)

- **Important Employment Laws**
  - **Age Discrimination in Employment Act (1967)**
    - Prohibits age discrimination against persons over 40 years of age.
  - **Vocational Rehabilitation Act (1973)**
    - Prohibits discrimination based on physical or mental disability.
  - **Americans with Disabilities Act (1990)**
    - Prohibits discrimination based on disabilities.

### Mainstream HRM (cont'd)

- **Step 3: Performance Management**
  - **Performance management**
    - Processes used to ensure that employees’ activities and outputs are aligned with the organization’s goals
  - **Components of performance management**
    - Performance appraisal
    - Compensation

### Mainstream HRM (cont’d)

- **Step 3: Performance Management (cont’d)**
  - **Performance appraisal**
    - Specifying what performance is expected and then providing feedback on the assessment of performance
  - **Types of performance appraisals**
    - Administrative appraisal—used to justify pay and promotion decisions
    - Developmental appraisal—used to provide feedback on progress toward expectations and to identify areas for improvement.
Mainstream HRM (cont’d)

• Step 3: Performance Management (cont’d)
  – Performance appraisal system
    • Design a system with a clear purpose, defined roles, and agreed upon criteria.
    • Equip managers with the skills and tools to be successful.
    • Reinforce and review the appraisal process.
  – 360 degree feedback
    • Relies on self-report ratings and input from a full circle of people who work directly with the member whose performance is being appraised.

Mainstream HRM (cont’d)

• Step 3: Performance Management (cont’d)
  – Equip managers
    • Use frame-of-reference training to increase accuracy and reliability of ratings.
  – Common rater biases:
    • Leniency
    • Halo/horn
    • Representativeness
    • Availability
    • Anchoring and adjustment effects
Mainstream HRM (cont’d)

• Step 3: Performance Management (cont’d)
  – Graphic rating scales
    • Behaviorally anchored rating scales (BARs)
  – Management-by-objective approach
  – Summary rating
  – Reinforce and review the process
    • Model a thoughtful, thorough, and timely approach to appraisals.
    • Subject appraisal process to regular review.

Figure 12.4: Two Ways to Rate a Manager’s Legal Knowledge Of HRM

<table>
<thead>
<tr>
<th>KIAO – Simple Graphex Rating</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demonstrates a high level of HRM law</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>Strongly disagree</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BARS</th>
<th>1</th>
<th>2</th>
<th>3</th>
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<th>5</th>
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<tbody>
<tr>
<td>Demonstrates a lack of understanding of HRM law, frequently requires assistance of legal counsel.</td>
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<td>Demands a general understanding of HRM law, occasionally requires assistance of legal counsel.</td>
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<tr>
<td>Demonstrates a mastery of HRM law, rarely requires assistance of legal counsel.</td>
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Mainstream HRM (cont’d)

• Step 3: Performance Management (cont’d)
  – Compensation
    • Is monetary payment used to reward organizational members for performance.
  – Benefits
    • Are a subset of compensation that is typically not directly contingent on performance.
    – Mandated: Family Medical Leave Act (1993)
    – Voluntary: retirement plans and education reimbursement
Mainstream HRM (cont’d)

• Step 3: Performance Management (cont’d)
  – Training methods
    • On-the-job (OJT)
    • Off-the-job
    • Classroom
  – Training effectiveness
    • Trainee interest and aptitude
    • Training content
    • Transfer of training to work environment
  – Evaluation of training

Mainstream HRM (cont’d)

• Step 3: Performance Management (cont’d)
  – Career development
    • Succession planning
      – Identifying talented employees that have potential of succeeding in jobs of increased responsibility within the organization.
    • Mentoring
      – Involves senior managers providing junior managers with clear directions, accurate feedback, expert advice, and support within their own organization.

Table 12.1: Managers’ Beliefs About the Most Important Development Practices

<table>
<thead>
<tr>
<th>Development Practice</th>
<th>Percentage of Managers Who Identified It as Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Clarifying roles, goals, and performance expectations</td>
<td>90%</td>
</tr>
<tr>
<td>2. Developing performance measurement, feedback, and coaching</td>
<td>70%</td>
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<tr>
<td>3. Monitor mid-level supervisor’s performance</td>
<td>70%</td>
</tr>
<tr>
<td>4. Effective performance appraisals and reviews</td>
<td>62%</td>
</tr>
<tr>
<td>5. Challenging and difficult job assignments</td>
<td>61%</td>
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<tr>
<td>6. Formal versus informal performance reviews</td>
<td>60%</td>
</tr>
<tr>
<td>7. Increased contacts with external customers</td>
<td>58%</td>
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<tr>
<td>8. Put more time in meeting top executives</td>
<td>54%</td>
</tr>
<tr>
<td>9. Finding other departmental organization facilities</td>
<td>51%</td>
</tr>
<tr>
<td>10. Mid-level feedback updates</td>
<td>48%</td>
</tr>
</tbody>
</table>

(Management of, 2013. Managing for Change: The management development and career management needs of the new Developing)
Multistream HRM

• Step 1: Job Analysis and Planning
  – Job analysis
    • Focus: role of a job in greater system or work flow of the department or business unit.
    • Approach: involve stakeholders from other departments and outsiders in job analysis.
  – HRM planning
    • Objective: to be transparent and inclusive.
    • Approach: make information broadly available.
    • Result: full and stable employment for all members.
    • Result: alignment with the organization’s mission.

Multistream HRM (cont’d)

• Step 2: Staffing (cont’d)
  – Recruiting
    • Focus: increasing diversity within the organization.
    • Approach: Develop recruiting channels to non-traditional applicant pools.
  – Selection
    • Focus: person-organization culture fit.
    • Approach: use organizational members to select individuals who will contribute to organizational learning.

Multistream HRM (cont’d)

• Step 3: Performance Management (cont’d)
  – Performance management
    • Focus: stimulate growth and development
    • Approach: provide frequent, informal, accurate, timely, and relevant feedback
    • Result: increase receptivity to feedback from developmental appraisals
Multistream HRM (cont’d)

• Step 3: Performance Management (cont’d)
  – Compensation
    • Focus: team and organization performance
    • Approach: emphasize team-oriented KSAOs in rating individual performance, or forgo rating individual performance altogether and rate the team, not its members.
    • Result: increases in information sharing and in cooperative problem solving

Multistream HRM (cont’d)

• Step 4: Training and Development
  – Training
    • Focus: personal development and dignity.
    • Approach: creating an environment for learning in which members are encouraged to explore areas of interest and learn from others.
  – Career development
    • Focus: long-term development even if the payoff to the organization is unclear.
    • Approach: pay for activities that members engage in for their own development.