CHAPTER 1
THE DIAGNOSTIC APPROACH

HRM is a series of decisions about the employment relationship that influence the effectiveness of employees and organizations (HRM is a management of people)

people are the greatest value of the organization

skills of HR professional
  Business Partner - links HR programs with an organization's business directions, manages programs to achieve overall organization objectives, must fully understand an organization's business and its finances
  Communicator - must facilitate communication among levels of employees within the organization and between the organization and the rest of the society
  Advocate - ensures that all employees are treated fairly
stakeholders in HR decisions employees, management, consumers, stockholders, members of the society
variance of HRM decisions over time, organizations, countries
The Diagnostic Model self-repeating process (4 steps):
  Assess Conditions External, Organizational, Employee
  Set Objectives Planning
  Choose Activities Staffing, Development, Compensation, Employee/Labor Relations
  Evaluate Results leads to new assessment of conditions

CHAPTER 2
EXTERNAL CONDITIONS

the assessment of external pressures
Environmental Scanning systematically surveys, identifies, and interprets relevant events and conditions. Its purpose is to answer the question, "What's coming and what will it mean to us?"
- Monitoring the Environment - newspapers, journals,...
- Screening the Information - put info into patterns
- Researching Issues - integrations of info into further plans
- Communicate Results
- Develop Plans - improve managers' decisions (written reports, abstracts...salary surveys, availability analysis, labor settlement surveys)
Social/Demographic Changes
  Population - Aging, having less children,...
    immigration- changes in labor market
  The feminization of labor force
  Labor Market Conditions
    occupation (qualification, skills required)
    geography (distance to work from home)
    competition
Economic - e.g. unemployment rate affects turnover, inflation
International - recent trends in globalization (EU) of the markets, fluctuations in other currencies, foreign competition
Government Regulations - the legislation system, laws, regulations, policies
Unions - reduce employer's flexibility in designing HR programs
Technological Changes - alters jobs, new skills, revises trainings
Demographic, Social changes - aging, immigration, position of women...
Reducing Uncertainty
  scanning, forecasting, planning
  create flexible workforce able to adjust to new conditions
  help to shape external conditions
Shaping External Conditions - lobbying, working with schools, offer grants, corporate support to community, cultural, charity (to improve image)
Normalization by Lubo ☺

CHAPTER 3
ORGANIZATION CONDITIONS

organizational-level factors:
Financial Conditions - HRM decisions must be made with their affordability in mind
Strategy - setting long-term directions: What business should we be (compete) in? How should we compete?
  Corporate Level Strategy - What businesses should we be in? Diversify business or focus on basic products?
  Unit-Level Strategy - How should the individual units compete in their individual markets?
  Functional-Level Strategy - formulate a strategy that will help each functional level contribute to the achievement of corporate and unit strategies
Strategic HRM - HRM decisions that "fit" the organization conditions will positively affect performance
Miles & Snow Strategies
  Defenders - operating in stable product markets
  Prospectors - search for new products, market opportunities, risk taking
  Analyzers - operating in many product markets, some stable, others changing
Dyer & Holder
  Inducement - price or quality, centralized structure, slow technological change, reliable and dependent employees, HRM-incentive plans, gain-sharing performance bonuses...
  Investment - product differentiation, unique features, overstaffing - flexibility at high cost, excessive training, development, respect and equitable treatment of employees
  Involvement - pushing DM down to lowest possible levels, initiative, creative, flexible, self-managed work teams, HRM- job design, communication, problem solving, group dynamic training
Technology - application of new technology, new techniques...
Culture/Philosophy - social pressures, norms, promotion of strategy (according to norms)
Management Style - leaders:
  authoritarian - DM alone
  democratic - involvement, sharing problems, authority
  laissez-faire - avoiding DM (leaving it to subordinates), little guidance
  contingency approach - (depends on circumstances) - no universally effective approach
the nature of work (skill requirements...)
Work-Level Factors
  content - focus on tasks - purpose, what they accomplish; behaviors - advising, negotiating, writing, lifting, assembling
  qualifications - required skills, abilities, experience, knowledge to successfully perform the job
  rewards and returns
    extrinsic - pays, benefits, promotions, praise, pleasant working conditions
    intrinsic - feeling of accomplishment, freedom, authority
JOB ANALYSIS - systematic process of collecting data and making judgments about a nature of a specific job
  tasks → group of tasks makes up position → identical positions → job → similar job → occupation; job descriptions, job specifications
Assessing Job Content
  Task Data - tasks required for a job, its subparts → task inventory (e.g. communication - read technical publications, consult with workers...)
  Behavioral Data - describing behaviors occurring on job (communication - advising, persuading, negotiating)

Abilities Data - knowledge or skill worker need to perform job satisfactory - psychomotor, physical, cognitive
Conventional Job Analysis - analysis - questionnaire to interview job holders and supervisors
  Functional job analysis - describing jobs by their complexity of their relationships to data, people and things - very subjective
Quantitative Job Analysis - to reduce subjectivity - use of inventories - structured interviews on relevant tasks and behaviors, very costly
Job Description
  Identification - job title, identify the job, distinguish it from similar jobs/duties, number of incumbents, location, time
  Definition - purpose of the job, number of subordinates, budget control, position in organization's hierarchy
  Description - major duties, specific work, training, experience, job specification
Is Job Analysis Useful?
  Reliability - consistency of the results obtained (2 analysts, 1 analyst doing analysis on two different occasions)
  Validity - accuracy - bias, incomplete info
  Purpose of the Analysis - Did the methods provide uniform data? Did it provide documental evidence?
JOB DESIGN integrates work content, qualifications, and rewards for each job in a way that meets the needs of employees and the organization (freedom, authority jobholders enjoy...)
  Scientific Management Philosophy - F. W. Taylor - systematic principles for efficiency and job simplification – dehumanizing
  Human Relations Philosophy - reaction to SMP, oppose SMP, jobs from the perspective of the individual worker, Hawthorne experiment (work conditions less important then social interactions on the workplace among co-workers), work groups, quality circles
  Job Characteristics Approach - psychological interaction between employee and the job, job enrichment
    Skill variety (requirement of diff. skills), *Task Identity* (visible outcome), *Task Significance* (impact on others' life and work), *Autonomy* (degree of freedom, independence), *Feedback* (info on effectiveness of one's performance). First three- individual's feel of the importance of the work
  Socio-technical Perspective (approach) - combination of scientific and human relations; importance of the workplace sociology, productivity gains of optimum technological arrangements
  Work Teams - interdependent people, communication, interaction to reach a common goal, responsibility, freedom, autonomy
employee characteristics - skills, abilities, experiences, needs, motivation, performance level

CHAPTER 4
EMPLOYEE CONDITIONS (PERFORMANCE APPRAISAL)

Performance assessment/appraisal - the process that measure employee performance
employee performance - the degree to which employees accomplish work requirements
individual performance assessment/unit or plant level performance
Why assess performance?
  to determine wage, salary, promotion, communication between supervisors and subordinates
  two general purposes

- providing feedback/counseling (pay for performance, promote the most qualified, weed out unsatisfactory workers)
- allocating rewards/opportunities (help employees improve, identify training needs, improve communication)

within individual, within organization, individual organization conflict

What Performance to Assess?
types of performance criteria: skills, abilities, needs, traits; behaviors; results
quality of work, quantity of work, initiative, cooperation, dependability, job knowledge, attendance, need for supervision, smoking, drug use, telephone conversations, theft

How to measure performance?
depends on the type of organization, work and employees involved
Comparison to agreed objectives - MBO - goal setting, results
Comparison to Job Standards - compares employee behaviors, and other characteristics to objective standards describing job performance
physical observation, *checklists* (T/F), *rating scales* (1-5), *critical incidents* (statements describing very effective and ineffective behaviors, critical to each performance dimension), *BARS* (behaviorally anchored rating scales-each performance level on scale (1-5) described by a critical incident), *Essays/diaries* (not easy to measure)
Comparison between Individuals
ranking (+paired-comparison), forced distribution,
How characteristics of work, employees and environment affect PA technique: desire for independence, work routine, volatility of environment

Who Should Assess Performance?
higher-level managers, independent outside observer, immediate supervisor or manager, peers, customers, subordinates
the characteristics of a good appraiser
Opportunity to Observe Performance
Ability to Translate Observation into Useful Assessments - gathering and reporting information in a useful way
Motivation to Provide Useful Performance Assessments - link between the quality of those assessments and outcomes that are important to them

Errors in PA - strive for reliability, consistency, and validity
halo (giving similar ratings on different performance criteria based on an overall impression)
leniency (zhovievavost) - too good rankings
severity - too bad rankings
central tendency - everyone's ranking is around the middle
training and rewarding PA-ers

When to Assess Performance? end of year, deadlines, end of important projects or tasks

How to Communicate PA? specific feedback based on specific performance goals can improve performance

Evaluating PA and Resolving Disputes
the system should be accepted by those being rated; employees should have a sense of being treated fairly; they should believe that the results are fair; feedback- appraisal interview; it should be a useful tool for managing performance and productivity
a method for resolving disputes- involved parties expressing their views

Assessing Absenteeism
absenteeism - a frequency, or duration, or both, of work time lost when employees do not come to work
attendance - (opposite) how often employees come to work

absenteeism = (worker days lost through job absence during a month)/(avg. number of employees * no. of work days in month)

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affected by employee ability and motivation to attend; on-the-job and off-the-job factors
Assessing Separations And Turnover - to determine needs to hire, replace, fill vacancies...
Assessing Employee Attitudes And Opinions - surveys on *satisfaction*, *commitment* (belief in organization's goals and values + desire to remain in the organization), *opinions*
job satisfaction - positive emotional reaction to a person's job experiences
employee opinions - personal evaluations of specific organizational characteristics (policies, procedures, relationships)
Assessing Employee Demographic Characteristics - it is necessary to demonstrate equity

CHAPTER 5
PLANNING, OBJECTIVES AND EVALUATION
source - discrepancies between desired conditions and actual or likely future conditions
efficiency - maximize outputs while minimize inputs - employing work force in the most efficient manner
measures of HR efficiency
organizational - market share, return on investment, quality of public services...
employees - job performance, pay rates, absenteeism, accident costs, quit rates...
equity - perceived fairness of both procedures and decisions - equity of employment decisions
measures of equity
organizational - % of women, minorities, disabled; is it perceived as a good place to work?
employees - attitudes, rates of employee grievances
HR planning - gathering and using info to support decisions about investing resources in HR activities
Where are we now? (assess conditions) *Where do we want to be?* (planning) *How do we get there?* (choosing HR activities) *How did we do? (Where are we now?)* (evaluation)
HR planning supports decisions about how to allocate org. resources to manage its employees and to produce a valuable outcome
HR decisions - choices about how to expend resources on HR activities aimed at meeting objectives
decisions require - objectives, alternatives, attributes (of alternatives), evaluation standards (reflect objectives)
stakeholders - groups/individuals who establish organizational goals; external - customers, communities, regulators, unions, investors; internal - org. members, employees, managers
HR Plan - specifies the alternatives selected through HR decisions and attributes of standards that will be used to evaluate them
reflect the values of stakeholders
The value of info supporting standards depends on:
1. How many decisions will be corrected by having info on objective/standard
2. How much value will each corrected decision produce
good objective/standard - is measurable, timely, accurate, clearly related to DM process, cost<value
planning = link between actions and consequences

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functions of HRM - cost center (focus on cost), group of activities (focus on carrying out activities as planned), integral contributor (link decisions to org. goals)
HR planning is the broader planning process
1.External Level - planning activity - external scanning
standards - government., unions, communities (attitudes + opinions), financial (stock price)
2.The Organization Level - planning activity - business planning
standards - hierarchy structure, profit, market share, product quality, decisions about organization
decisions - what business to do, what market, process, technology, organization design does this imply?
3.HR Department/Function Level - planning activity - HR strategic planning
standards - budget activities, client opinions
decisions - how HRM contributes to the business, how much resources to use, broad directions of HR apartment should be consistent with organization's direction and objectives
Evaluation Techniques - can be useful, if they correct decisions that have important consequences
auditing HR activities - whether HR policies and practices are in place and being followed
HR budgets - money amounts spent on different HR activities - to reevaluate the true nature of HR activities and adjust them to stated goals
Activity, Cost, or Headcount Ratios - comparing costs, staff, training costs, ratio of HR employees / all employees...
HR accounting - estimating the "asset value" of people, their expected economic activity in the organization
Return on Investment in HR - results of HR decisions as return on investments (revenues/employees, profits/investment in employees...)
Client Opinions/Perceptions - clients evaluate our responsiveness, pro-activity and innovativeness, overall effectiveness
HR resource/deployment - planning activity - employment planning
standards - quality of employees, labor costs, assignment to job
decisions - what is future HR demand and supply? What gaps should we try to reconcile?
Quantity and deployment of HRs; aims to get the right number and types of employees *doing the right work at the right time*
analyzing HR demand - Where do we want to be? (how many employees needed in each job, what each employee needs to do, what characteristics should he/she have, what are his/her labor costs; HR demand is derived from organization's business plan and HR strategic plan)
analyzing HR supply
internal supply - examining current inventory of employees and forecasting internal supply; *forecasting techniques:* skill inventories, replacement charts (potential moves, promotions), transitional matrices (pattern on movements around the jobs)
external supply - focuses on the supply of employees projected to join the organization from outside
reconciling important discrepancies - S/D can: match, result in shortages, result in surpluses
shortage - hire more employees (recruiting new sources, more aggressive pursuing job candidates, lowering entrance requirements, use of temporary / older work force)
expand the level of productivity per employee (ability or motivation) or time worked (training, job design, compensation, benefits, employee relations)

surplus - reducing overtime or work hours, early retirements, reducing hiring, relying on less-expensive temporary employees, layoffs
surplus in one unit of the organization can overcome shortage in another unit of the same organization

Planning Specific HRM Activities - planning activity - HR action plans
standards - payoff/utility, activity costs, activity results, quantity of affected employees
decisions - what specific activities will be used to achieve standards (staffing, training, compensation, benefits), how extensive should the activity be
What did this particular activity do? - evaluate their effects on sales, profit, achieving safety levels, quantity, effect on employee characteristics (skills, abilities, attributes, performance, absenteeism)
The HR Investment - quantity, quality, cost, (utility analysis - usefulness) = (quantity*quality) – costs

CHAPTER 7
EXTERNAL RECRUITING

Staffing - process of moving employees into, through, and out of organization, to produce the desired quality and types of employee assignments
External Staffing - focuses on moving employees into the organization from outside, and on the pattern of employee separations from the organization
Diagnostic Approach - *external conditions* (labor markets, government and society), *organizational and work conditions* (financial and market position, reputation, customers, values, nature of the work), *employee characteristics* (skills, experience, abilities, job performance, attitudes, absenteeism, separations, race/gender), *evaluating external staffing results*

LABOR MARKET POPULATION → RECRUITING → APPLICANTS → SELECTION → HIRED EMPLOYEES → RETENTION → LONG-TERM EMPLOYEES

RECRUITING - process of identifying and attracting a pool of candidates, from which some will be later selected to receive employment offer
The Applicant's Job-Search Process
Choosing an Occupation - social influences, abilities, values
Seeking Information about Jobs/Organizations
  - compensatory - economically "rational" approach
  - bounded rationality approach - non-compensatory
  - reservation wage - min. level of pay required to make job offer acceptable
  - approaches to job search
    maximizers - as many interviews as possible
    satisfiers - take the first offer
    validators - getting acceptable offer +1
    dual-career issue - married job-seekers
Choosing Required Applicant Qualifications org. must decide on the nature of employment vacancy and the qualifications required to fill it
Screening - the process of rejecting clearly unqualified candidates (drug tests, honesty tests, licensing requirements)
Attracting - older work force, disabled opportunities, applicants with minimum language requirements, people with transportation problems (accommodation distance, transport)
Recruitment Sources and Communication Channels
Walk-Ins - open-house policy
Employee Referrals
College Recruiting - *choosing school* (reputation in critical skill area, general school reputation, performance of previously hired schools graduates,

location, reputation), *attracting applicants* (maintaining liaison with the school, making donations, cooperative education programs, sponsorships)
Other Educational Institutions
Employment Agencies and Professional Societies - public (private) employment agencies, professional associations
Advertising -newspapers, magazines, TV, radio...
Temporary Employees
Immigrants
Inducement (Attraction) rewards, position requirements, working conditions, opportunities of career advancement, skill training, scholarships, loans, free or reduced-cost services → construct carefully to avoid the feeling of inequity in present employees
Realism vs. Flypaper
Realistic Job Preview (RJP) - accurate picture of the job and the organization
  key elements - accuracy, specifity, breadth (no. of factors covered by RJP), credibility (believe), importance (new info)
Flypaper - future disappointment, disillusion → high turnover
Choosing And Preparing Recruiters
Evaluating Recruitment
Efficiency - costs, productivity
Equity - discrimination, EEO
numbers, ratios, costs, percentages...

CHAPTER 8
EXTERNAL EMPLOYEE SELECTION

External Selection - gathers and uses information about externally recruited applicants to choose which of them will receive employment offers; it if often preceded by screening, which identifies obviously unqualified applicants before gathering additional selection information
Setting Objectives for External Selection Activities - efficiency, equity
Validity - how well does the info predict the future (signals=predictors, desired info elements=criteria)
  degree to which predictions from selection information are supported by evidence
Reliability - accuracy and consistency with which a measure reflects an individual characteristics
Validity Coefficient - correlation coefficient - degree of relationships in sample of scores (r=<-1,1>)
  scatter plots
Choosing Selection Techniques
Application Forms and Résumés - Weighted Application Blank (scoring responses + weights)
References and Background Checks
Life-History Information - CV: education, Biographical Information Blanks (BIB: background, experiences, attitudes, interests), Training, Experience, Accomplishments
Interview - *behavior description interview* (how did he/she solve past events), *situational interview* (how would certain situations be solved), *comprehensive structured interview* (more strict structure)
  effects of interview, interview validity
Ability Tests (Aptitude Tests) - spatial, motor, intellectual abilities
Job Knowledge Tests, Work Samples, Job Tryout – reality
Physical and Physiological Requirements - pre-employment medical examinations, drug tests, physical abilities tests, genetic screening, Smoking Bans, AIDS screening (discrimination), polygraph (lie detector) tests - illegal
Personality, Honesty, and Graphology Tests
  watch out for invasion of privacy

Constructing the External Selection Process
Single-Job Selection versus Classification - classification decisions (many candidates, many openings) emphasizes the most important job, current shortage, qualifications, aspirations; will the future employee face changes in job?
Gathering and Scoring Predictor Information - translate the results of selection into reports and schemes
Combining Multiple Selection Procedures
  Compensatory Process - compensation of poor performance in one selection technique (application blank) can be compensated by a good performance in another (interview)
  Multiple Hurdles - Rejections upon failure in any predictor (passing the hurdles)
  Hybrid Process - combination of the two above
Validating the Selection Process to Determine What Works - which and how many predictors are valid
selection techniques = predictors
criteria = performance measures
Criterion-Related Validation Approaches - choosing predictor, criteria: predictors vs. performance
  predictive validation - scores applicants on predictor, hires them, and then measures their criterion scores
  vs. concurrent validation - scores current employees on the predictor and measures the criterion at the same time
  synthetic validation - relating predictor scores to same job dimension but across several different jobs and employees
  validity generalization - (meta-analysis); combines the results of many validation studies
  content-based validation - choosing and constructing selection techniques so they measure the knowledge, skills and abilities used on the job
Evaluating External Selection Activities
Efficiency - selection cost, number of decisions corrected (scatter plots on p. 305 - satisfactory, unsatisfactory, hire, reject)
Equity - discrimination, favoritism...

CHAPTER 9
EMPLOYEE SEPARATIONS, WF REDUCTION, AND RETENTION

Employee Separation occurs when employment relationship is ended and employees leave the organization
  affects work force reduction - a decrease of employees
  affects employee retention - the characteristics of employees who are retained
A Diagnostic Approach to Work Force Reduction and Retention
efficiency - employee separations and resulting retentions can enhance work force value when firm retains the best employees; organizations must base their management of employee separations, work force reductions, and employee retentions on efficiency-related objectives and information
equity - fairness is examined not only for racial and gender groups but for age as well; employees and job applicants will make judgments about an organization's attractiveness based on its approach to employee separations
The Role of Employee Separations in the Staffing Process
Employee separation/retention - pre-separation Work Force → Separations/Retentions → Retained work force
Employee Selection - pool of applicants → Employee selection → Selected Employees
Separations Initiated by Employees versus Employers

Resignations - separation decisions initiated by an employee
includes: *quits* (employee decisions to leave an organization when retirement is not a major factor) and *retirements* (employee decisions to leave organization affected by retirement-related considerations)

Dismissals - separation decisions initiated by the employer
discharges occur for individual-specific reasons (incompetence, violation of rules, dishonesty, absenteeism,...); *layoffs* occur because of the need to reduce the size of the work force

Separation Rate = (no. of total separation per month) / (avg. no. of employees per month) * 100 %

Validity of Dismissals and Resignations
Managing Resignations
Quits
affected by *individual characteristics, labor market, organizational factors*
interaction of satisfaction, attractiveness of the current job and alternative jobs produces incentives to search for another job → possible quit
affected by *age, biographical and demographical characteristics, presence of the union, pay, role clarity, satisfaction, organizational commitment*
to reduce quits: raise wage, improve orientation, improve exit interview process, modify benefits, train supervisors, change selection methods, improve upward communication, train non-supervisory employees
Retirements - early retirements (early retirement package = +5 years age for pension computation) vs. retaining older employees (experienced)

Managing Employee Dismissals
Discharges - discipline problems, drugs, attendance,...
is higher during economic prosperity (because increased hire demands lead to selection errors)
oral or written warnings, reprimands and suspension without pay, discharge (1 step process in extreme infractions)
Layoffs - because of economic reasons (poor business performance, products, marketing, unanticipated declines in the market)
permanent or *temporary*
overtime → large independent vendors → small independent vendors → supplemental employees → regular part-time → full-time (example of layoff hierarchy)
example of defense strategies - hire-freeze → voluntary layoff / performance-related terminations → work force sharing → layoffs
HR activities for managing layoffs
income notice of the layoff or plant closing
order of layoff (circles) and bumping (giving more senior employees the right to transfer into jobs of less senior workers)
income maintenance and extension of employee benefits - improving morale and possibly the productivity of employees (they feel the company cares about them enough to protect them)
job search (outplacement) assistance
impact on retained work force! (cause layoffs usually affects much larger number of employees than any other form of employee separations)

Evaluation
Efficiency (savings on salary and benefits when smaller work force)
Costs (exit interviews, outplacement assistance, counseling, severance pay, administration)
Productivity - do separations improve the retained work force or not (and hence the productivity)
Equity - fairness and equity, favoritism, discrimination

CHAPTER 10
INTERNAL STAFFING AND CAREER DEVELOPMENT
Development
refers to the HR activities to enhance the value of employees after they have joined the organization
Career
evolving sequence (upward, lateral, downward) of a person's work experiences over time
Internal Staffing
decisions determining how employees move between jobs within organization
Objectives for Internal Staffing
EFFICIENCY costs of attracting applicants for internal opportunities, assessing their characteristics and interests to determine their fitness for internal employment opportunities, moving employees from one assignment to another, and filling the vacancy created in the work role the employee leaves must not be higher than benefits of these actions
EQUITY
Role of Internal Movement in the Staffing Process
highly open vs. low openness; low competition vs. high competition
Career Management and Career Planning
CAREER DEVELOPMENT
encompasses **career management** and **career planning**
Career Planning the process through which individual employees identify and implement steps to attain career goals
Career Management the process through which organizations select, assess, assign, and develop employees to provide a pool of qualified people to meet future needs
Career Planning
CAREER ORIENTATION
toward certain kinds of competencies and experiences
Career Anchor- a self-concept based on differing work motives and abilities. This self-concept guides, stabilizes, and integrates a person's work experiences
technical/functional competence people whose primary orientation is actual work they do and do not wish to continue to use and develop their existing skills
managerial competence people whose primary orientation is to develop managerial abilities of interpersonal competence, and emotional competence required at high levels of management
security orientation toward working for a particular organization in a specific geographic area
creativity orientation toward creating something that is entirely their own- whether it be a product, a company, a work of art, a personal fortune
autonomy/independence an orientation to avoid working under the constraints of organization life (people leave to become consultants or start their own business)
Career Stages phases of development that reflect the length of a person's work experience, as well as his or her stage of development as an adult.
Four stages: **Exploration** (16-25), **establishment** (20-35), **maintenance** (35-55), **decline** (50-75)
Recruitment in Career Management
Job Posting organization notifies its present employees of openings, using bulletin board and company publications

Skill Inventories lists of employees and their characteristics relevant to internal employment opportunities (+/- about the employees, where he/she could move)
Replacement and Succession Planning senior executives periodically review their top executives and those in the next-lower echelon to determine two or three backups for each senior slot
Nominations by Supervisors and Mentors one or more senior of an employee plays a role in identifying and nominating the employee for internal job opportunities
Mentor- senior member of the profession or organization who provides support, coaching, feedback, acceptance, and friendship; who also creates opportunities for exposure, provides challenging and educational assignments, and serves as a role model and counselor
Nomination by the Employees Themselves
"I'd like to do the following job" letters to management
Selection in Career Management
information about candidates must be used to determine who should receive the offer, and the value of this information depends on its validity
Past Performance, Experience, and Seniority
Selection Procedures Used for Internal Staffing reference/background checks, unstructured interviews
Assessment Centers a set of selection tasks
-good measure of traits, simulation; employees observed by a team of assessors (professionals, academics), are then evaluated; who is capable moving is determined
Separation/Retention in Career Management
changes in the employees who are retained in the source job - effect on productivity (and other characteristics) of organization's work force
Plateau Careers such employees need some more motivation (important to inform them of no progress, must have feeling of being important for organ)
Dual-Ladder Career Progressions allowing both specialization and managerial progress
The Mommy-Track arrangements that allow greater flexibility in work hours and career progression for working mothers; flexible work-time, two persons sharing one function; both are allowed progression
CEO Succession older CEO's give up their post (difficulties: denial of death, loss control, fear of reprisal, romancing the past)
Japan life-time employment
Evaluating Internal Staffing and Careers
Efficiency costs (training, administration, material), productivity (returns on investment to people)
Equity

CHAPTER 11
TRAINING, ORIENTATION, AND DEVELOPMENT
Training a systematic process of changing the behavior, knowledge, and motivation of present employees to improve match between employee characteristics and employment requirements
involves giving employees experiences designed to foster learning
Employment planning can identify skill shortages, which can be filled through staffing or by strengthening the skills of the current work force
A Diagnostic Approach the needs assessment (examining goals at the levels of the organization, job/task/KSA, person-individual), identifying gaps, training, evaluation
Assessing Training Needs
Organization Analysis needs at the organization level
Maintenance to ensure supply of skills

Efficiency profits, labor costs, quality of output
   Culture value system, philosophy; teamwork
Job, Task and KSA Analysis job description and specification (skills needed...)
Person Analysis whether individual characteristics match the organizational and individual objectives
Comparison and Use of Needs Assessment Methods time required, cost, are data quantifiable?
Identifying Training Objectives
must be important, addressable for training; measurable, specific
   -must reflect information that will correct future decisions
   -must correct important decisions
   -cost of gathering < benefits provided by training
Selection and Design of Training Programs
Who, Whom, What, Where, Why, When to train?
   Establishing Supportive Conditions for Learning effective training causes learning to occur
      Learning is a relatively permanent change in knowledge, skills, attitude, or behaviors
      Trainee Ability to Learn very difficult or very easy training is non-effective (try pre-testing)
         Trainee Motivation to Learn goal setting, reinforcement, expectancy theory (motivation by choosing behavior that will most likely have desired consequences)
         Active Practice less trainees, difficult (complex) practice sessions to be divided into segments
         Knowledge of Results feedback about the mistakes and successes
         Retention how well was the task learnt; relation of training to trainee's work; interference of training and previous knowledge; motivation and perceptions causing avoiding remembering unpleasant topics
         Transfer Between Training and The Job is training environment similar to the working environment?
         Instructional Environment and Instruction
            Instructional Environment gaining attention, informing of objectives, recall of prerequisites, stimulus material, providing guidance (hints), asking for problem solution, providing feedback, assessing performance, enhancing retention (various examples, problem types)
            Instructor Preparation publicly about, inform where, when, arrange facilities, equipment, ESTABLISH TRAINING OBJECTIVES, plan the lesson, develop enthusiasm
            Accelerated Learning approach of training environment: be positive, comfortable, natural, be supportive, different styles of learning, making fun, group-based learning
   Choosing the Content of Training higher in hierarchy, higher the attention from the training department
      Orientation before employees join the organization
         objectives: learning job procedures, relationships with people in org., sense of belonging to org.
      Non-Management Skills Training computer skills, customer relations, clerical wellness, sales education --> skills learning
      Management Development skills for executives and managers (DM, planning (for leaders at the bottom),...)
      Basic Skills reading, math

Choosing Training Delivery Methods
   on-the-job Training non-managerial jobs, occur in the company (in the house), role playing, learning-by-doing (mentor); union may oppose (case no extra pay for extra work)
      -real work situation
   apprenticeships on-the-job + off-the-job; formal classroom learning + practical work; cooperation of employer, school, gov. agencies, unions
   off-the-job Training-
      lectures (one-way communication, inexpensive; improved by one-on-one instruction)
      audio-visual techniques (films, slides, videos, recording, video and teleconferencing; expensive, but information for many people on many places)
      programmed instructions (self-paced instruction; books, machines, computers), **computer-assisted Instruction (CAI)** (interactive videodisks)
      simulations (physical simulation (pilots), business games (case studies, role playing), behavior-modeling)
      University, College, Vocational School Education
   Induction Training the first training on the first day on the job (bezpe nos práce...)
International Stuff multinational corporations: culture empathy, motivation, family, language --> different approaches to training in different countries
Let the Training Begin! (pre-planning, planning, implementation, evaluation -> monitor & review!)
Barriers to Learning emotional, perceptual (don's see the problem), situational, motivational (no incentive), intellectual (myslím, že na to nemám), cultural, physical (training takes place in Iraq), cognitive...
Evaluation tests (successful?)
   Criteria internal (associated with the content of the program, participant reaction)
      external (related to ultimate purpose of the training, performance evaluation ratings, changes in sales volume, costs)
   Evaluation Levels trainee reactions, learning and behavioral changes, results
   Evaluation of Trainers happy sheets, evaluation sheets
   Efficiency costs (one-time + ongoing costs of implementation), benefits (training + operational)
   Break-even Analysis total program returns = (quantity * quality [leverage]) – costs
   Equity- access to training - for everyone - a reward for good performance and loyalty
      increase skills of (chronically) unemployed or disadvantaged groups members → enhancing community goodwill

COMPENSATION
CHAPTER 12
EXTERNAL AND INTERNAL COMPARISONS
Compensation
   return for our efforts or our investment in education and training or a reward for satisfaction or outstanding work
   includes financial returns and tangible services and benefits employees receive as part of an employment relationship
   50% of total operational expenses (USA)
Managers whether the pay system helps achieve objectives
Employees equity

Stockholders whether the pay system reflects the increased or decreased value of their investments
Compensation legislation wage controls, guidelines, wage and hour regulations (min. wages, overtime pay, child labor prohibition)
Influenced by
   External Conditions economic conditions, unions, government regulations (see legislation)
   Organizational Conditions strategy, culture and values
   Employee Characteristics
Forms of Compensation
   Direct base pay, merit pay, incentives, cost of living, promotions, recognition for outstanding work, feeling of accomplishment, choice of office locations
   Indirect (benefits) protection programs, pay for time not worked (vacations), employee services, perquisites (naturálie)
Cash Compensation
   Compensation Objectives efficiency, equity, compliance (vyhovenie vládnym nariadeniam)
   Basic Policy Decisions Compression: wages for job filled from outside the org. are increasing faster than wages for jobs within the org.
The Pay Model
   <u>**1. External Competitiveness**</u> refers how an employer positions its pay relative to what competitors are paying
      techniques: market definitions, market surveys (data collection, key jobs, judging results), policy lines, pay structure
      pay level the avg. of the array of rates paid by ab organization
      3 policies lead (pay above market), lag (below), match (same as market price)
   <u>**2. Internal Consistency (equity)**</u>
      compares jobs or skill levels inside a single organization
      techniques: job analysis, job description, job evaluation, job structure
      pay structure the pay relationships among different jobs within a single organization
      consequences of equitable pay structures reduce pay-related complaints, easier career/job progression, reduce turnover, facilitate performance, undertake training, reduce pay-related work stoppages, increase experience
      Criteria for pay structure
         Structures Based on Employee Attributes knowledge-based-skill, knowledge, experience, seniority, minority status, gender
         multi-skill system (no. of different jobs an employee is qualified to do determine pay)
         employee focus- skill acquisition
         pluses/minuses: flexibility, reduced work force, cost (compensation and training)
         Job-based Structures- employee focus - job promotion
            pay based on value of work performed; employees better knowledge of the job; inflexibility
            Job evaluation- the systematic process of the job description (summarizing info for job analysis); it compares similarities and differences in the content and value of jobs
         Job Evaluation Decisions
            purpose job evaluation emphasizes a systematic, rational assessment of jobs as a basis for deciding pay
            who to involve? managers, employees, unions
            methods ranking, classification, job comparison, point method: whether evaluation based upon the whole job or specific factors evaluation of jobs against some standard / against each other

whether the process is qualitative or quantitative
ranking according to relative value; fast but biased and subjective
classification slots job descriptions into classes (grades) covering the range of jobs in an org.
factor comparison criteria: **set of compensation factors-** skills, effort, responsibility, working conditions
wages or points a selected set of jobs;
  a compensation factor is a work-related job attribute that provides a basis for comparing relative worth
point method features: compensation factors; numerically scaled factor degrees; weight reflecting the elative importance of each factor

Results of Job Evaluation
market prices - match a large percentage of their jobs with market data; opting for market pricing emphasizes external competitiveness and de-emphasizes internal job relationships
building fences- job evaluation is limiting; includes too much bureaucracy

3. Employee Contributions
refers to relative emphasis placed on the performance and/or seniority of people doing the same job or possessing the same job skills
  seniority-based, performance-based pays

4. Administration
includes planning the elements of pay that should be included in the pay system (base pay, short-term & long-term incentives), communicating with employees, and evaluating whether the system is achieving its objectives
  no system can work efficiently without proper administration

CHAPTER 13
PAYING INDIVIDUAL EMPLOYEES
seniority-based
performance-based pays: yes or no?
Recognizing the Employee Differences With Pay
Individual Pay Techniques
Flat Rates individual differences do not affect the pay; gain sharing systems can be used (bonuses, incentives)
Pay Ranges develop classes/grades; set min/max & midpoints in each grade; progression through ranges (seniority pay increases; merit pay increases (link to job performance / productivity))
Pay Increase Guidelines general increase (year by year); cost-of-living adjustments; according to changes in CPI (inflation); automatic or seniority; merit increase
Merit Awards pay increases that are not part of the base salary (mgt. is more flexible; performance reflected more accurately; avoidance of one year's outstanding performance being part of salary for an entire career; labor costs are more variable (base pay is not increased each year); merit awards do not increase benefits (pensions and the like))
Lump-Sum Payments variation on merit awards (accumulation of awards according to an employee) -> employees treated more as individuals by an org. -> improves the quality of the work life
Incentives technique of basing pay increases upon improvement in performance (level of performance)
Individual Incentives pay according to quality or quantity produced
  Piecework and Production Bonuses guaranteed hourly rate + per piece pay produced over standard; motivation
  Commissions small salary + commission or bonus when exceeding the sales goal

Results employee's interest may be only on quantity, not quality; lower absenteeism and turnover; encourage early retirements of older workers
Group Incentives when unionized, output is a group collaborative effort; the performance of a team
Gain Sharing gain sharing bonus = productivity (labor costs) +/- quality (scrap savings) +/- shop supplies (cost savings)
Profit Sharing employees are paid a portion of profits after they exceed some pre-established level
Evaluating the Results of Pay For Performance Systems
money capable of satisfying psychological, security, and esteem needs
efficiency pay for performance (employee relation to money, does tying pay increase to performance affect employee/organization performance)
equity pay satisfaction - attitudes toward work; dissatisfaction- turnover;
Pay Administration planning the elements of pay that should be included in the pay system; communication with employees; evaluation
techniques planning, budgeting, communicating, evaluating
Cost Controls Costs=Employment*(cash compensation + benefits)
Communication And Appeals should pay be communicated?; underestimating pay of higher-level jobs; over-estimating pay of lower-level jobs;
Participation of Employees all-salaried work force (strategy to increase employee involvement and commitment) - equal approach to pay practices (+ equal benefits)
Special Groups - groups of employees (scientists, executives) have one pay system
  tied to performance of the whole organization
  short-term cash bonuses or long-term capital accumulation (stock options - opcie)
  problems - executives overpaid; even if organization's performance declines, executive's pay rises
International Differentials distribution of skills is different in different societies -> different pay models
Comparable Worth jobs that require comparable (not identical) skill, responsibility and effort- suggested to reduce earnings gap
Earning Gaps between men and women; dissimilar jobs having "some sense of comparable value" should be paid the same (e.g. nurses = plumbers)
Critics, Politics, Costs comparable worth is a political and emotional issue (what is fair, equitable?)

CHAPTER 14
BENEFITS
- Employee **benefits** are the indirect form of the total compensation; they include paid time away from work, insurance and health protection, employee services, and retirement income
- usually nontaxable income; 39% of total payroll in the USA; more suitable for larger firms
Benefits Objectives integrate with HR Objectives
  1. **External Competitiveness**
  2. **Cost effectiveness**
  3. **Insofar flexible, tailored to individual employee needs and preferences**
  4. **Comply with Legal Regulation**
Short-term attraction of new employees; **Long-term** job security; stable, committed work force

Entitlement (get benefits for simply holding a job; belonging to the organization (family)) **vs. Contributions** (príspevky) (proportions allocated to increase unit productivity, superior performance, innovation, risk-taking)
Benefit Decisions
  1. **Competitiveness** How should our benefits compare to those of our competitors?
      a. **Cost Comparison** total benefit costs; costs per employee; percentage of payrolls
      b. **Actuarial Valuation** comparing values of plans rather than their costs (likelihood of death of disability; need for medical care)
  2. **Compliance** what are the legal requirements, and how can we meet them? (laws against racial, gender, pregnancy discrimination) Social Security, Unemployment Compensation, Worker's Compensation Insurance...
  3. **Coverage and Forms-** What types of benefits should we offer? What employee should be eligible for each type?
      a. **Employee Purchased Insurance** (contributory / noncontributory); health/life/long-term sickness; disability (due to an accident insurances
      b. **Paid Time Away From Work-** holidays, vacation, sick leave
      c. **Employee Services** educational programs, social and recreational programs, child care, parental leave, cafeterias, saunas, gyms, free parking lots, commuter vans, infirmaries, discount on company products, financial counseling...
      d. **Retirement Income** asset income, private pensions, employee stock-ownership plans
  4. **Communication** how are employees best informed about their benefits (**feedback**)? How can employee interests and concerns be accommodated?
  5. **Choice** what degree of choice or flexibility can be included? How can employee interests and concerns be accommodated?
      a. **Flexible Benefit Plans**
          i. **Core Cafeteria Plan** (identical min. level of benefits + choose among others)
          ii. **Flexible Spending Account** (employees specify the amount of money they want deducted from each paycheck for their flexible account)
Evaluating the Results of Benefit Decisions
  1. **Effect on Costs** changing consumption patterns; changing financial methods (funds to cover better health care claims instead of insurance companies, own hospitals and doctors); improving coordination
  2. **Effects on Employee Behaviors** absenteeism, early retirements, performance
  3. **Effects on Equity** to positively affect employee attitudes about the fairness and adequacy of benefits

CHAPTER 15
EMPLOYEE RELATIONS
Employee Relation Activities are those which seek greater organizational effectiveness by removing the barriers that inhibit full employee participation and compliance with organization policies
  barriers arise from organizational or personal factors
Employee Relations Activities job sharing, retraining programs, career management

Set Employee Relations Objectives and Strategies
    objective all employees can perform their jobs to the best of their abilities and creatively contribute to the organization
Decisions Communication, Protection, Assistance, Cooperation, Discipline and Conflict
    communication how best can we convey our philosophy to employees and solicit their opinions/suggestions in work issues?
    protection are there aspects of the workplace that threaten the well-being of employees?; strive for health and safety work environment
    safety and health hazards safety hazards (injuries, harm to employee, broken skull), health hazards (often irreversible (cumulative) deterioration of employee's health)
        causes of work accidents and illness x-ray, fire fighters; dangerous occupations
    co-worker-relations AIDS, smoking in the workplace, sexual harassment, substance abuse (drugs, alcohol)
Employee Assistance how shall we respond to social needs of our employees?; **a written policy** (official managerial support, procedure); **a program coordinator** (ensures that procedures and policies are carried out throughout the workplace)
    Approaches to Employee Assistance
        constructive cooperation- confrontation part a progressive discipline strategy; **construction part** express support, if employment improves than the employment is maintained, suggestions for alternative solutions to perform better
        counseling focuses on the cause of the problem; the individual and social relationships surrounding the individual
    Family/Job Conflict a problem not lying in the individual nor on the workplace; conflict in playing two roles (employer + spouse) - time, behavior pressures
        Solutions: Work Schedule Adaptations, Flexible Hours (Flexi time), Part Time, Compressed Workweek (usually 4 days), Home Work, Day-Care assistance (small children)
    Stress the lack of ability to make one's own decisions or to use a range of skills;
        high/low psychological demand vs. high/low decision control
    Helping employees to identify areas in which they feel a lack of control should be a major objective of employee assistance programs
Cooperation To what extent should DM and control be shared?
    Quality of Work Life (QWL) training and quality control; supervisors oppose it (because the programs removes an entire level of supervision)
Conflict and Discipline How shall we deal with it?
    Prevention should be **an Objective** of all organizations
        Establish Rules
        Communicate the Rules to ALL employees
        Assess Behavior
        Assistance in Changing Behavior (a Disciplinary Process)
    Disciplinary Process
        first violation: counseling; **second violation:** counseling + noting that incident will be reported in personal file;
        if ineffective productivity - request transfer
        next incident - disciplinary layoff (few days up to a week); damage leads to deductions from pay over a period of time; **quit**
    Conflict Resolution in a way that protects employee's rights; if employees in union - collective bargaining of disputes
        Types of Systems degree of formality, degree of independence from management

Hierarchical Systems employees complain to supervisors
    Peer Systems relies on independent or related peers to assess situation and recommend action
    Ombudsmen a third side "judge" will help parties arrive at a solution they can all live with (fairness of the settlement (fair), timeliness of the settlement (reducing time uncertainty), ease of utilization (minimal time and effort to go through an appeal), protection from recrimination (filling a grievance must not be perceived to threaten future raises and promotions))
Evaluating Results
    Efficiency improved product quality, enhanced productivity, performance
    These measures could change as a result of other factors besides employee relation >> evaluation is difficult
    Equity employee relations reflects an overall philosophy, more (employee-management) cooperation ... management must be willing to concede something of value to employees to obtain trust or credibility

CHAPTER 16
COLLECTIVE BARGAINING

Labor Relations is a continuous relationship between a defined group of employees (represented by a union or association) en an employer
Collective Bargaining is the process by which union representatives for employees in a bargaining unit negotiate employment conditions for the entire bargaining unit
the process includes the **initial recognition** of the rights and responsibilities of union and management, the negotiation of a written contract concerning wages, hours, and other conditions of employment, and the interpretation and administration of this contract over its period of coverage
Organizing Campaign: authorization cards, hearings, holding of elections
Success of Campaign Tactics issues emphasized: grievance procedures, job security, better compensations (pay and benefits)
    amount of company communication affects election results (unions winning when light mgt. opposition and vice-versa)
    the longer the initial petition-election delay, the lower the union success
    mgt. opposition to organizing campaign reduces union election success
Negotiating a Contract
    Preparation
    Negotiating Issues
        union security (closed shop, agency shop)
        contract administration- duration (us. 2-3 years)
        compensation and working conditions
        employee security and seniority
        management rights
    Refusal to Bargain
    Bargaining Structures
    Formalizing the Contract
Impasses in Collective Bargaining conciliation or mediation, a strike or lockout, or arbitration
    Conciliation or **Mediation** is the process by which a professional neutral third party is invited in by both parties to help remove an impasse to the contract negotiations
    Strike is a refusal by employees to work; **Lockout** is a refusal by management to allow employees to work
        strikes - contract (most common; when mgt. and unions cannot agree on contract); **grievance** (unions disagree on mgt. interpretation of the contract); **jurisdictional** (two or more unions disagree on which jobs

should be organized by each union); **recognition** (strategy to force an employer to accept union); **political** (to influence government policy)
    total strikes when all unionized workers walk out; partial strikes (some strike some work); semi-strikes
    slowdown- employees come to work but do little work
Contract Administration
    grievance process is a mechanism for employees to voice their disagreement with the way the contract is administered
    Grievance a formal dispute between an employee and management on the conditions of the contract;
    Grievances arise because different interpretations of contract by employees and management; violation of a contract provision; violation of law; violation of work procedures or other precedents; perceived unfair treatment of en employee by management
    grievance process is an effective communication channel from employees to management
    steps in grievance process initiation of the formal grievance (supervisor); department head or unit manager (when supervisor, steward, and employee could not solve the dispute); arbitration (if not settled by unit manager/department head)

arbitration is the process by which two parties to a dispute agree in advance of the hearing to abide by the decision of an independent quasi-judge called an **arbitrator**