

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 infos 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, revise 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)

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 (effective leadership 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, and cognitive

-Conventional Job Analysis- analysis- questionnaire to interview jobholders 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 documentable 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 SM, oppose SM, jobs from the perspective of the individual worker, Hawthorne experiment (work conditions less important than 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

-Sociotechnical 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 reutilization, 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 (zhovievavos*) - too good rankings
 - severity- too bad rankings
 - central tendency- everyone's ranking is around the middle
- training and rewarding PAers
- 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 x no. of work days in month)
- 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 Five - 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

-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

-External Level- planning activity- external scanning

-standards- govt., unions, communities (attitudes + opinions), financial (stock price)

-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?

-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 department 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 ppl., 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, proactivity 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, gov. 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, specificity, 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 Eight - External Employee Selection

- External Selection**- gathers and uses information about externally recruited applicants to choose which of them will receive employment offers; it is 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 characteristic
- 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)
 - Reference 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**- preemployment medical examinations, drug tests, physical abilities tests, genetic screening, Smoking Bans, AIDS screening (discrimination), polygraphy (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) emphasize 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 Nine - Employee Separations, Work Force 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- Preseparation 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

-resignations include: **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 /month) / (avg. no. of employees / 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 nonsupervisory 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 (predavaè, obchodník) -> 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 the employee leaves must not be higher than benefits of these actions

-Equity- bla,bla,bla...

-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- ppl. 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 (ppl. 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

- Plateaued 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**- bla, bla, bla

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; team work
- 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, pre-testing might be helpful
 - 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**- publicity 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, govn. 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 tele conferencing; 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 (Bezpečnos• 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't 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
- Compensation** 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 (naturálne)
- 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 tithing the org.
- The Pay Model-**
 - 1. External Competitiveness-** 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 a organization
 - 3 policies-** lead (pay above market), lag (below), match (same as market price)
 - 2. Internal Consistency (equity)-**
 - 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-
experience, seniority, minority status, gender

-multiskill 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 compensable factors-** skills, effort, responsibility, working conditions; **wages or points a selected set of jobs;**

-a compensable factor is a work-related job attribute that provides a basis for comparing relative worth;

-point method- features: compensable factors; numerically scaled factor degrees; weight reflecting the relative 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 (cummulation 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 preestablished 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**- $\text{Costs} = \text{Employment} * (\text{cash compensation} + \text{benefits})$
 - 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?
 - Cost Comparison-** total benefit costs; costs per employee; percentage of payrolls
 - 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?
 - Employee Purchased Insurance** (contributory / noncontributory); health/life/long-term sickness; disability (due to an accident insurances)
 - Paid Time Away From Work-** holidays, vacation, sick leave
 - 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...
 - 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?
 - Flexible Benefit Plans**
 - Core Cafeteria Plan** (identical min. level of benefits + choose among others)
 - 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-**
 - 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
 - Effects on Employee Behaviors-** absenteeism, early retirements, performance
 - 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 (Flextime), 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 (filing 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) and 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

-The 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-

-the 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 an 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 quasijudge called an **arbitrator**;