

DEPARTMENT OF MANAGEMENT

COURSE TITLE: HUMAN RESOURCE MANAGEMENT

COURSE OUTLINE

HUMAN RESOURCE MANAGEMENT

Contact hours: 42

Pre-requisites: None

Purpose: To introduce learners to the field of human resource management by exposing them to the key areas

Expected Learning Outcomes of the Course:

By the end of the course, students should be able to:-

- i) Describe the organizational human recourse process
- ii) Discuss the methods and process of performance appraisal and compensation
- iii) Discuss the importance of training and development
- iv) Describe the procedures involved in job design and evaluation

Course Content:

Lesson 1: Organizational assessment and human resource planning;

Definition of Human Resource Management

Management functions of Human Resource Management

Operative functions of Human Resource Management

Challenges of Modern Human Resource Management

Lesson 2: Employee recruitment and selection;

Forecasting the supply of inside candidates

Forecasting the supply of outside candidates

Effective recruiting

Internal sources of candidates

Hiring employees- the second time

around Succession planning

Outside sources of candidates

Lesson 3: Job Analysis

Uses of job Analysis Information

Steps in Job Analysis

Methods of Collecting Job Analysis Information

Interview Guidelines

Writing Job Descriptions

Lesson 4: Performance appraisal and compensation;

Performance management

The performance appraisal review

process Performance Appraisal methods

Implementing performance

management The appraisal interview

Improving performance

Lesson 5: Job evaluation;

Purpose of Job Evaluation

Job Evaluation Methods

Non-analytical methods

Analytical methods

Lesson 6: Employee Testing and Selection

Negligent hiring

Basic testing concepts

Types of interviews

Interviewing and the law: Employment Discrimination “

Testers“ Guidelines for Conducting an Interview

Lesson 7: Training and development;

Training

Development

The training process

Training methods

CAT

Lesson 8: Job design;

Approaches to Job Design

Changing Technology in Office Systems

Lesson 9: Labor relation;

The elements of employee relations

Industrial relations as a system of
rules Collective bargaining

The human resource management approach to employee relations

The parties to industrial relations

Role of the human resource function in employee relations

Employee relations policies

Third party dispute resolution

Lesson 10: Diversity and gender issues in the workplace;

The issue of equal pay or comparable worth

Two tier pay

Fair and square

Variable pay

Lesson 11: Government involvement in human resource issues;

Human Resource Development Policy

Role of the government in human resource
development Ministry of Labour
Industrial Court of Kenya

Lesson 12: Job satisfaction and motivation to work

Motivation

Reasons for Pay Performance

Plans Types of Incentive programs

Lesson 13: The Success System: Human Resource Management Strategy

Human Resource Management Strategy

Organizational Strategy

Teaching / Learning Methodologies: Lectures and tutorials; group discussion; demonstration;
Individual assignment; Case studies

Instructional Materials and Equipment: Projector; test books; design catalogues; computer
laboratory; design software; simulators

Course Assessment

Examination - 70%; Continuous Assessment Test (CATS) - 20%; Assignments - 10%; Total -
100%

Recommended Text Books:

- i) Michael Armstrong (2001), *A Handbook of Human Resource Management* (8th Edition),
Millennium Edition
- ii) Wayne F. Cascio (2006), *Managing Human Resources*; Tata Mgraw Hill
- iii) J.Matthewman (2006), *Human Resources Effectiveness*; Jaico Publishing House

Text Books for further Reading:

- i) C.B Mamoria & S.V Gankar (2003), *A text book of Human Resource Management*, Himalayan Publishing House

Module Author: Ann N. Kariuki

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LESSON ONE

ORGANIZATIONAL ASSESSMENT AND HUMAN RESOURCE PLANNING



Lesson Objectives

By the end of this lesson, you should be able to:

- a) Answer the question “What is Human Resource Management?”*
- b) Describe the various management and operative functions of Human Resource Management*
- c) Discuss the components of the changing environment of Human Resource Management.*

1.0 Introduction

At one time in history, “Liking people” appeared to be sufficient for choosing to work in the field of known as “Human Resources (or Personnel) Management. Preferring to work with humans rather than objects is still important; but it is grossly insufficient in these modern times. Human Resource Management one of our most complex and challenging fields of endeavor. Not only the firm’s requirements for an effective work force be met, the human resource manager must be greatly concerned with the expectations of both employees and society in general. Society at large has proclaimed it human resources to have vital needs that move beyond a ‘work force’ status. The employee is simultaneously an instrument of the firm, a human being, and a citizen.

In this first lesson of the course, we discuss the definition of human resource management, and look closely at the major components of the definition. We also discuss the major challenges facing the modern human resource manager.

1.1 Definition of Human Resource Management

It is appropriate to offer at the beginning of the discussion a definition of the subject to be covered.

Gary Dessler (1997) defines human resource management as the policies and practices that you need to carry out the “people” or personnel aspects of your management job. These aspects include:

- Conducting job analyses (determining the nature of each employee’s job)
- Planning labour needs and recruiting job candidates.
- Selecting job candidates
- Orienting and training new employees
- Managing wages and salaries (how to compensate employees)
- Providing incentives and benefits.
- Appraising performance
- Communicating (interviewing, counseling, disciplining) and safety policy.
- Implementing the organizations safety policy
- Training and developing
- Planning and developing
- Planning for the effects of change on staff.
- Building employee commitment and creating conditions for high morale.
- Implementing grievance and disciplinary machinery
- Negotiating with employee representatives.

A more detailed definition of human resource management is presented by Edwin Flippo (1984), and we will use that definition to present an outline of this entire module. In the first place, we are dealing with two categories of functions, managerial and operative.

A manager is one who exercises authority and leadership over other personnel; the president of a firm is certainly a manager, and so also is the department head or supervisor. On the other hand, an operative is one who has no authority over others but has been given a specific task or duty to perform under managerial supervision. Thus, the human resource manager is a manager and as such must perform the basic function. Yet a comprehensive definition of human resource management much include also the operative functions in the field. In outline form, the definition would appear as follow:

1.2: Management and Operative Functions:

1. Management functions

- i) Planning
- ii) Organizing
- iii) Directing
- iv) Controlling

2. Operative functions

- a) Procurement
- b) Development
- c) Integration
- d) Maintenance
- e) Separation

Human resource management therefore can be defined as the planning, organizing, directing and controlling of the procurement, development, compensation, maintenance and separation of human resources to the end that individual, organizational and societal objectives are accomplished. A brief elaboration of the component parts of this definition follows.

Planning: Effective managers realize that a substantial portion of their time should be devoted to planning. For the human resource manager, planning means the determination in advance of a human resource program that will contribute to goals establishment will involve the active and enlightened participation of the human resource manager, with his or her expertise in the area of human resources.

Organizing: After a course of action has been determined, an organization must be established to carry it out. An organization is a means to an end. Once it has been determined that certain human resource functions contribute toward the firm's objectives, the human resource manager must form an organization by designing the structure of relationships among jobs, human resource and physical and physical factors. One must be aware of the complex relationship that exists between the specialized unit and the rest of the organization. Because of increasing expertise in this function, much top management are looking to the human resource manager for advice in the general organization of the enterprise.

Directing: At least in theory, we now have a plan and an organization to execute that plan. It might appear that the next logical function would be that of operation, doing the job. But it has been found that a “starter” function is becoming increasingly necessary. In our above definition this function was labeled “direction”, but it may be called by other names, such as “motivation”, “actuation”, or “command”. At any rate a considerable number of difficulties are involved in getting people to go to work willingly and effectively.

Controlling: Now, at last, the human resource functions are being performed. But what is the management duty at this point? It is logical that its functions should be that of control that is the observation of action and its comparison with plans and the correction of any deviations that may occur, or at times, the realignment of plans and their adjustment to unchangeable deviations. Control is the managerial function concerned with regulating activities in accordance with the personnel plan, which in turn was formulated on the basis of an analysis of fundamental organization goals.

Procurement: This first operative function of human resource management is concerned with obtaining of the proper kind and number of personnel necessary to accomplish organization goals. It deals specifically with such subjects as the determination of human resources requirements and their recruitment, selection and placements. The determination of human resource required must rest upon a prior design of job duties, a decision that is increasingly being affected by the human resource manager’s objective of meeting human society’s requirements often affects procurement programs in the forms of affirmative action and equal opportunity. The actual hiring process entails a multitude of activities designed to screen personnel, such as reviewing application forms, psychological testing, checking references and conducting interviews.

Development: After personnel have been obtained, they must be to some degree developed. Development has to do with the increase of skill, through training, that is necessary for proper job performance. This is an activity of very great importance and will continue to grow because of the changes in technology, the realignment of jobs and the increasing complexity of the managerial task.

Compensation: This function is defined as the adequate and equitable remuneration of personnel for their contributions to organization objectives. Though some recent morale surveys have tended to minimize the importance of monetary income to employees, we nevertheless contend that compensation is one of the most important resource management. In dealing with this subject, we shall only economic compensation. Psychic income is classified elsewhere. The basic elements of a compensation program have emphasis upon such subjects as job evaluation, wage policies, wages systems and come of the recently devised extra compensation plans.

Integration: With the employee procured, developed and reasonably compensated, there follows one of the most difficult and frustrating challenges to management. The definition labels this problem “integration”. It is concerned with the attempt to effect a reasonable reconciliation of individual, societal and organizational interest. It rests upon a foundation of belief that significant overlapping of interests so exist in our society. Consequently, we must deal with the feelings and attitudes of personnel in conjunction with the principles and policies of organizations.

Maintenance: If we have executed the foregoing functions well, we now have a willing and able work force. Maintenance is concerned with the perpetuation of this state. The maintenance of willingness is heavily affected by communications with employees. The physical condition of the employees should also be maintained.

Separation: If the first function of human resource management is to secure the employee, it is logical that the last should be the separation and return of that person to society. Most people do not die on the job. The organization is responsible for meeting certain requirements of due process in separation, as well as assuring that the returned citizen is in good shape as possible. Types of separation are as retirement, layoff, out-placement and discharge.

The purpose of all the activity outlined above, both managerial and operative, is to assist in the accomplishment of basic objectives. Consequently, the starting point of human resource management, as of all management, must be a specification of those objectives and a determination of the sub-objectives of the human resource function. The expenditure of all funds

in the personnel area can be justified only insofar as there is a net contribution toward basic goals. For the most part these are goals of the particular organization concerned. But as suggested earlier, society is tending to impose human goals upon the private business enterprise, goals that may or may not make an immediate contribution to an organization's particular objective.

1.3 The Role of the Human Resource Manager

Every organization has a human resource function, whether or not a specific human resource manager has been so designated. Every organization must hire, train, motivate, maintain and ultimately separate employees. If a specialized human resource manager exists he or she can contribute much to greater organizational effectiveness. In the past assignment to this function often constituted a one-way ticket to oblivion. But today, the increasingly critical nature of problems and challenges in the more effective utilization of human resources has greatly elevated the status of the field.

Most expert agree that there are five basic functions all managers perform: planning, organizing, staffing, leading and controlling. In the total these functions represent the management process.

1.4 Challenges of Modern Human Resource Management

We need not look far to discover challenging problems in the field of human resource management. Managers may ignore or attempt to bury human resource problems, but these will not lie dormant because of the very nature of the problem component. Many problems are caused by constant changes that occur both within and without the firm. Among the many major changes that are occurring, the following will illustrate the nature of the human resource challenges.

- Changing mix of the work force

 - Changing personal values of the work force.

 - Changing expectations of citizen-employees.

 - Changing levels of productivity.

1.4.1 Changing mix of the work force

Through each person is unique and consequently presents a challenge to our general understanding. One can also appreciate broader problems by categorizing personnel to delineate and highlight trends. Among the major changes in the mix of personnel entering the work force are:

- i. Increased numbers of minority members entering occupations requiring greater skills.
- ii. Increasing levels of formal education for the entire work force.
- iii. More female employees.
- iv. More married female employees.
- v. More working mothers
- vi. A steady increasing majority of white-collar employees in place of the blue-collar.

The challenge has had much to do with many of the above-listed changes. Prohibition of discrimination and requirements for positive action to redress imbalances in work force mix have led to greater numbers of minority personnel being hired for all types of jobs.

1.4.2 Changing personal values of the work force

The changing mix of the work force inevitably leads to introduction of new values to organizations. In the past and continuing into the present, the work force has been heavily imbued with a set of values generally characterized by the term “work ethic”. Work is regarded as having spiritual meaning, buttressed by such behavioural norms as punctuality, honesty, diligence and frugality. One’s job is a central life interest and provides the dominant clue I interpersonal assessment. A work force with this set of values is highly adapted to use by business organizations in their pursuit of the values of productivity, efficiency and effectiveness.

There is growing evidence that the work is declining in favor of a more existential view of life. Instead of organizations providing the basic guides to living persons are responsible for exploring and determining for themselves what they want to do and become. With this philosophy, work becomes only one alternative among many as a means for becoming a whole person in order to do one’s own thing”. Family activities, leisure, avocations and assignments in government churches and schools are equally viable means through which a person can find meaning and become self-actualized. The absolute worth of the individual is a value which is

merged with the concept that all people are members of the great human family. Concerning specifics, full employment gives way to the full life. Climbing the organization ladder of success for its accompanying materialistic symbols becomes less important than self-expression through a creative accomplishment. Private lives outside the job and firm are relatively autonomous, accompanied by an increasing reluctance to sacrifice oneself or one's family for the good of the organization. Quality of life is preferred to quantity, equity to efficiency, diversity to conformity and the individual to the organization.

With respect to an increasing emphasis upon the individual as compared with the organization, a number of changes in personnel programs have been tried. Attempts have been made to redesign jobs to provide challenging activities that needs of the human ego.

1.4.3: Changing expectations of Citizen-employees.

There are increasing signs that external rights of citizenship are penetrating the boundaries of business enterprises in the interest of improving the quality of work life. Two prominent illustrations are:

- i. Freedom of speech and
- ii. The right to privacy.

Should employees be allowed to speak up and criticize the organization's management and its products without jeopardizing their job security? In public organizations, this right of "whistle blowing" is fairly well protected.

1.4.4: Changing levels of productivity

Perhaps the most serious current problem facing all managers, not just human resource managers, is the declining productivity of the economy. Up until the 1960's the typical annual increase in production was approximately 3 percent. This figure was even placed as a guaranteed base for increasing employee income. In the last two decades, the level of productivity has fallen markedly.



Review Questions

- i) *Identify and distinguish the four managerial functions and the six operative functions of human resource management.*
- ii) *With more females in the workforce, what major changes are introduced into our society?*
- iii) *Explain the challenges of modern human resource management.*

Text Books for further reading

1. Dessler, G. (2002): Human Resource Management (9th Edition).NJ,Prentice Hall
2. Flippo,E.B. (1984): Personnel management (6th edition). Ny, McGraw hill
3. Harriman, A. (1985): Women/ men Management, NY, Praeger

LESSON TWO

JOB ANALYSIS



Lesson Objectives

By the end of this lesson the student should be able to:

- a) Discuss the nature of job analysis, including what it is and how it is used.*
- b) Use at least three methods of collecting job analysis information, including interviews, questionnaires and observation.*
- c) Explain what Job Analysis is.*

2.0 Lesson Introduction

In this lesson, we turn our focus to the process of determining the duties and skill requirements of a job, and the kind of people who should be hired for it – what is referred to as **Job Description**. The purpose of the lesson is to show you how to analyze a job and write job descriptions. We will see that analyzing jobs involves determining in detail what the job entails and what kind of people the firm should hire for the job.

2.1 The Nature of Job Analysis

Organizations consist of positions that have to be staffed. Job analysis is the procedure through which you determine the duties of these positions and the characteristics of the people to hire for them. Job analysis produces information used for writing job descriptions (a list of a job's duties, responsibilities, reporting relationships, working conditions and supervisory responsibilities) and job specification (a list of a job's "human requirements", that is, the requisite education, skills, personality, and so on).

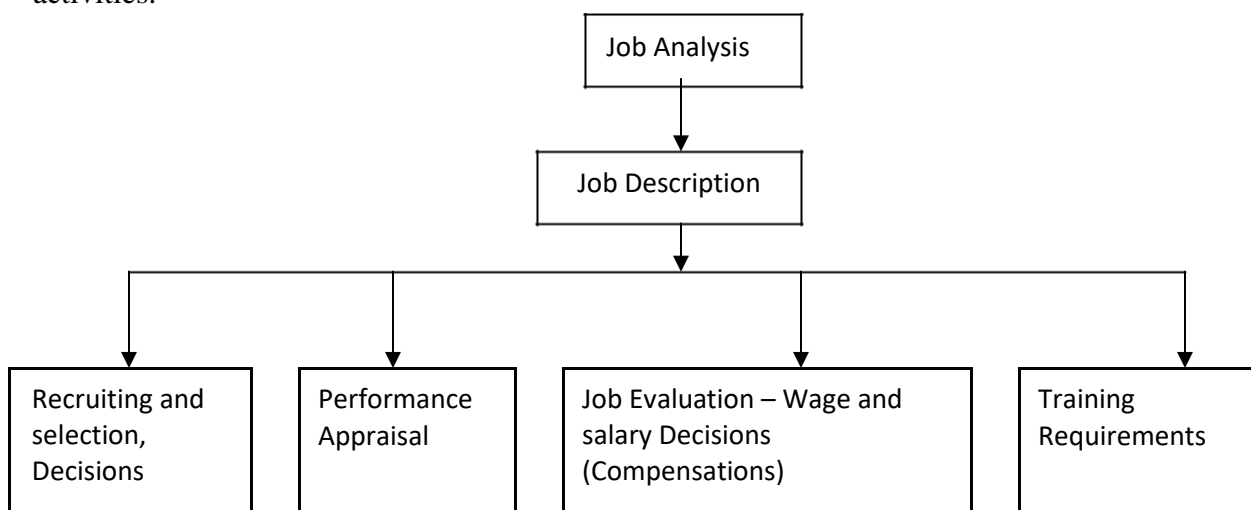
The supervisor or HR specialist normally collects one or more of the following types of information via the job analysis:

- **Work activities:** First, he or she collects information about the job's actual work activities, such as cleaning, selling, teaching or painting. This list may also include how and when the worker performs each activity.

- **Human behaviours:** The specialist may also collect information about human behaviours like sensing; communicating, deciding and writing. Included here would be information regarding job demands such as lifting weights or walking long distances.
- **Machines, tools, equipment and work aids:** This category includes information regarding tools used, materials processed and knowledge dealt with or applied (such as finance or law) and services rendered (such as counseling or repairing).
- **Performance standards:** The employer may also want information about the job's performance standards (in terms of quantity or quality levels for each job duty, for instance). Management will use these standards to appraise employees.
- **Job context:** Included here is information about such matters as physical working conditions, work schedule and the organizational and social context – for instance, the number of people with whom the employee would normally interact. Information regarding incentives might also be included here.
- **Human Requirements:** This includes information regarding the job's human requirements, such as job-related knowledge or skills (education, training, work experience) and required personal attributes (aptitudes, physical characteristics, personality, interests).

2.2 Uses of Job Analysis Information

Job analysis, as summarized in figure 2.1, is the basic for several inter-related HR management activities.



Source: Dessler, G. (2002) Human Resource Management Prentice Hall,

NJ Figure 2.1 Uses of Job Analysis Information

Recruitment and Selection: Job analysis provides information about what the job entails and what human characteristics are required to perform these activities. This information, in the form of job description and specifications, helps management decide what sort of people to recruit and hire.

Compensation; Job analysis information is crucial for estimating the value of each job and is appropriate compensation. Compensation (such as salary and bonus) usually depends on the job's required skill and level, safety hazards, degree of responsibility and so on – all factors you can assess through job analysis. Furthermore, many employers group jobs into classes (say, secretary III and IV). Job analysis provides the information to determine the relative worth of each job and thus appropriate class.

Performance Appraisal: A performance appraisal compares each employee's actual performance with his or her performance standards. Managers use job analysis to determine the job's specific activities and performance standards.

Training: The job description should show the activities and skills – and therefore the training – that the job requires.

Discovery Unassigned Duties; Job analysis can also help reveal unassigned duties. For example, your company's production manager says she's responsible for a dozen or so duties, such as production scheduling and raw material purchasing. Missing, however, is any reference to managing raw material inventories? On further study, you learn that none of the other manufacturing people are responsible for inventory management, either. You know from your review of other jobs like these that someone should be managing inventories. You've uncovered an essential unassigned duty, thanks to job analysis.

EEO Compliance: job analysis also plays a big role in EEO compliance. Job analysis is a crucial in validating all major personnel activities. For example employers must be able to show that their selection criteria and job performance are actually related. Doing this, of course requires knowing what the job entails which in turn requires a job analysis.

2.3 Steps in Job Analysis

There are six steps in doing a job analysis.

Step 1: Decide how you'll use the information since this will determine the data you collect and how you collect them. Some data collection techniques like interviewing the employee and asking what the job entails are good for writing job descriptions and selecting employees for the job. Other techniques like the position analysis questionnaire described later do not provide qualitative information for job descriptions. Instead they provide numerical ratings for each job; these can be used to compare jobs for compensation purposes.

Step 2: Review relevant background information such as organization charts, process charts and job descriptions. Organizational charts show the organization wide division of work how the job in question relates to other jobs and where the job fits in the overall organization. Should also show distribution of work, with whom the job incumbent communicates. A process chart provides a more detailed picture of the workflow. It shows the flow of inputs to and outputs from a particular job being analyzed.

Step 3: Select representative positions. Why? Because there may be too many similar jobs to analyze. For example, it is usually unnecessary to analyze the jobs of 200 assembly workers when a sample of 10 jobs will do.

Step 4: Actually analyze the job – by collecting data on job activities, required employee behaviours, working conditions and human traits and abilities needed to perform the job. For this step use one or more of the job analysis methods explained later in this lesson.

Step 5: Verify the job analysis information with the worker performing the job and with his or her immediate supervisor. This will help confirm that the information is factually correct and complete. This review can help gain the employee's acceptance of the job analysis data and conclusions; by giving that person a chance to review and modify your description of the job activities.

Step 6: Develop a job description and specification. These are two tangible products of the job analysis. The job description is a written statement that describes the activities and responsibilities of the job, as well as its important features, such as working conditions and safety hazards. The job specification summarizes the personal qualities, traits, skills and background required for getting the job done. It may be in a separate document or in the same document as the job description.

2.4 Methods of Collecting Job Analysis Information

There are various ways to collect information on the duties, responsibilities and activities of a job. In practice, you could use any one of them or you could combine the techniques that best fit your purpose. Thus an interview might be appropriate for creating a job description, whereas the position analysis questionnaire may be more appropriate for quantifying the worth of a job for compensation purposes.

Conducting the job analysis usually involves a joint effort by an HR specialist (perhaps an HR manager, job analyst or consultant) might observe and analyze the job and then develop a job description and specification. The supervisor and worker may then review and verify the job analyst's conclusions regarding the job's activities and duties. In practice firms usually collect analysis data from multiple subject matter experts". (Mostly job incumbents) using questionnaires and interviews. They then average data from several employees from different departments to determine how much time a typical employee spend on each of several specific tasks. The problem is that employees who have the same job title but work in different departments may have experience very different pressures. Therefore, simply adding up and averaging the amount of time that, say, HR assistant need to devote to "interviewing candidates" departmental context: The way someone with a particular job title spends his or her time is not necessary the same from department to department. The job analysis process begins when the analyst collects information from the worker and supervisor about the nature of the work and the specific tasks the worker does.

Interviews, questionnaires, observation and diary/logs are the most popular methods for gathering job analysis data. They all provide realistic information about what job incumbents actually do. Managers use them for developing job descriptions and specifications.

1. The Interview

Managers use three types of interviews to collect job analysis data – individual interviews with each employee, group interviews with groups of employees who have the same job and supervisor interviews with one or more supervisors who know the job. They use group interviews when a large number of employees are performing similar or identical work, since it can be a quick and inexpensive way to gather information. As a rule, the workers' immediate supervisor attends the group session; if not, you can interview the supervisor separately to get that person's perspective on the job duties and responsibilities.

Whichever kind of interview you use, you need to be sure the interviewee fully understands the reason for the interview, since there's a tendency for such interviews to be viewed rightly or wrongly as "efficiency evaluations." If so interviewees may hesitate to describe their jobs accurately.

Pros and Cons

The interview is probably the most widely used method for identifying a job's duties and responsibilities and its wide use reflects its advantages. It's a relatively simple and quick way to collect information, including information that might never appear on a written form. A skilled interviewer can unearth important activities that occur only occasionally or informal contacts that wouldn't be obvious from the organization chart. The interview also provides an opportunity to explain the need for and functions of the job analysis. And the employee can vent frustrations that might otherwise go unnoticed by management.

Disadvantages

Distortion of information is the main problem – whether due to outright falsification or honest misunderstanding. Job analysis is often a prelude to a changing of job's pay rate. Employees therefore may legitimately view it as an efficiency evaluation that may affect their pay. They may then tend to exaggerate certain responsibilities while minimizing others. Obtaining valid information can thus be a slow process and prudent analysts get multiple inputs.

Typical Questions

Despite their drawbacks, they are widely used. Some typical interview questions include:

What is the job being performed?

What are the major duties of your position? What exactly do you do?

What physical locations do you work in?

What are the education, experience, skill and (where applicable) certificate and licensing requirements?

In what activities do you participate?

What are the job's responsibilities or performances standards that typify your work?

What are your responsibilities? What are the environmental and working conditions involved?

What are the job's physical demands?

What are the emotional and mental demands?

What are the health and safety conditions?

Are you exposed to any hazards or unusual working conditions?

The best interviews follows structured or checklist format.

Interview Guidelines

Keep several things in mind when conducting a job analysis interview.

- i. First, the job analyst and supervisor should work together to identify the worker who know the job best – and preferably those who'll be most objective in describing their duties and responsibilities.
- ii. Second, quickly establish rapport with the interviewee. Know the person's name, speak in easily understood language, briefly review the interview's purpose and explain how the person was chosen for the interview.
- iii. Third, follow a structured guide or checklist, one that lists questions and provides space for answers. This ensures you'll identify crucial questions ahead of time and that all interviews (if there's more than one) cover all the required questions. (However, also make sure to give the worker some leeway in answering questions and provide some open-ended questions like, "was there anything we didn't cover with our questions?")
- iv. Fourth, when duties are not performed in a regular manner – for instance, when the worker doesn't perform the same job over and over and over again many times a day – ask the worker to list his or her duties in order of importance and frequency or

occurrence. This will ensure that you don't overlook crucial but infrequently performed activities – like a nurses occasional emergency room duties.

- v. Finally, after completing the interview, review and verify the data. Specifically, review the information with the worker's immediate supervisor and with the interviewee.

2. Questionnaires

Having employees fill out questionnaires to describe their job-related duties and responsibilities is another good way to obtain job analysis information. You have to decide how structured the questionnaire should be and what questions to include. Some questionnaires answers are on a scale e.g. 1 – 5 questionnaires are very structured checklists. Each employee gets an inventory of perhaps hundreds of specific duties or tasks (such as “change and splice wire”). He or she is asked to indicate whether or not he or she performs each task and if so how much time is normally spent on each. At the other extreme the questionnaire can be open-ended and simply ask the employee to “describe the major duties of your job”.

Person has a lee-way to put in his/her own words whether structures or unstructured, questionnaires have both pros and cons. A questionnaire is a quick and efficient way to obtain information from a large number of employees; it's less costly than interviewing hundred of workers for instance. However, developing the questionnaire and testing it (perhaps by making sure the workers understand the questions) can be expensive and time consuming. Disadvantage is that is is difficult to develop a questionnaire.

3. Observation

Direct observation is especially useful when job consist mainly of observable physical activities – assembly-line worker and accounting clerk are examples. On the other hand, observation is usually not appropriate when the job entails a lot of mental activity. (Lawyer design engineer). Nor is it useful if the employee only occasionally engages in important activities, such as a nurse who handles emergencies. And reactivity – the worker's changing what he or she normally does because you are watching – can also be a problem. Managers often use direct observation and interviewing together. One approach is to observe the worker on the job during a complete work cycle. (The cycle is the time it takes to complete the job, it could be a minute for an assembly-line worker or an hour, a day, or longer for complex jobs). Here you take notes of all the job

activities. Then, after accumulating as much information as possible, you interview the worker. Ask the person to clarify points not understood and to explain what other activities he or she performs that you didn't observe. You can also observe and interview simultaneously asking questions while the worker performs his or her job.

4. Participant Diary/Logs

Another approach is to ask workers to keep a diary/log of what they do during the day, for every activity he or she engages in, the employee records the activity (along with the time) in a log. (Daily listings made by workers of every activity in which they engage along with the time each activity takes). This can produce a very complete picture of the job. Especially when supplemented with subsequent interviews with the worker and the supervisor. The employee, of course, might try to exaggerate some activities and underplay others. However, the detailed, chronological nature of the log tends to mediate against this.

Some firms take a high-tech approach to diary/logs. They give employees pocket dictating machines and pagers. Then at random times during the day, they page the workers, who dictate what they are doing at that time. This approach can avoid one pitfall of the traditional diary/log method relying on workers to remember what they did hours earlier when they complete their logs at the end of the day.

5. Position Analysis Questionnaire (PAQ)

Qualitative approaches like interviews and questionnaires are not always suitable. For example, if your aim is to compare jobs for pay purposes, you may want to be able to assign quantitative values to each job. This calls for the use of Quantitative Job Analysis Techniques and the position analysis questionnaire is an example of such.

The position analysis questionnaire is a very structured questionnaire used to collect quantifiable data concerning the duties and responsibilities of various jobs. It contains 194 items, each of which (such as "written materials") represents a basic element that may or may not play an important role in the job. The analyst decides if each item plays a role and if so, what extent.

The advantage of the PAQ is that it provides a quantitative score or profile of any job in terms of how that job rates on five basic activities:

- a) Having decision-making/communication/social responsibilities.

- b) Performing skilled activities.
- c) Being physically active
- d) Operation vehicles/equipment
- e) Processing information

The advantage is that PAQ real strength is thus in classifying jobs. In other words, it lets you assign a quantitative score to each job based on its decision-making, skilled activity, physical activity, and vehicle/equipment, operation and information-processing characteristics. You can therefore use the PAQ results to quantitatively compare jobs to one another and then assign pay levels for each job.

Using Multiple Sources of Information

There are obviously many ways to obtain job analysis information. You can get it from individual workers, groups or supervisors or from the observations of job analyst; for instance, you can use interview, observations or questionnaires. Some firms use just one basic approach like having the job analyst so interviews with current job incumbents. Yet a recent study suggests that using just one source may not be wise.

The problem is the potential inaccuracies in people's judgments. For example in a group interview some group members may feel forced to go along with the consensus of the group; or an employee may be careless about how he or she completes a questionnaire. What this means is that collecting job analysis data from just interviews or just observations, may lead to inaccurate conclusions. It's better to try to avoid such inaccuracies by using several types of respondents – groups, individuals, observers, supervisors and analyst, make sure the questions and surveys are clear and understandable to the respondents. And if possible, observe and question respondents early enough in the job analysis process to catch any problems while there's still time to correct them.

2.5 Writing Job Descriptions

A job description is a written statement of what the worker actually does, how he or she does it and what the job's working conditions are. You use this information to write a job specification; this list the knowledge, abilities and skills required to perform the job satisfactorily. There is no

standard format for writing a job description. However, most descriptions contain sections that cover:

1. Job Identification
2. Job summary
3. Responsibilities and duties
4. Authority of incumbent
5. Standards of performance
6. Working conditions
7. Job specifications

1. Job Identification; Job identification section contains type of information. The job title specifies the name of the job, such as supervisor of data processing operations, marketing manager or inventory control clerk. Date is the date of the job description was actually written and prepared by indicates who wrote it. There is also space to indicate who approved the description and perhaps a space that shows the location of the job in terms of its plant/division and department/section. This section might also include the immediate supervisor's title and information regarding salary and/or pay scale. There might also be space for the grade/level of the job, if there is such a category. For example a firm may classify programmers, programmer III and so on.

2. Job Summary: The job summary should describe the general nature of the job and includes only its major functions or activates. Thus the marketing manager “plans, directs and coordinates the marketing of the organizations products or services.” For the job of materials manager, the summary might state that the “material necessary on the production line.” For the job of mailroom supervisor, the mailroom supervisor receives, sorts and delivers all incoming mail properly and he or she handles all outgoing mail including the accurate and timely posting of such mail. Include general statements like,” perform other assignment as required” with care. Such statements can give supervisors more flexibility in assigning duties. Some experts, however, state unequivocally that one item frequently found that should never be included in a job description is a cop-out clause like other duties, as assigned. Since this leaves open the nature of the job and the people needed to staff it.

3. Relationship; There is occasionally a relationships statement, which shows the jobholders relationships with others inside and outside the organization. For a human resource manger, such a statement might like this:

Reports to: Vice president of employee relationships.

Supervises: Human resource clerk, test administrator, labor relations director and one secretary.

Works with: All department mangers and executive management

Outside the company: Employment agencies, executive recruiting firms, union representatives, state and various vendors.

4. Responsibilities and Duties; This section presents a list of the job’s major responsibilities and duties. You list each of the job’s major duties separately and describe it I a few sentences. This section should also define the lists of the jobholder’s authority, including his or her decision-making authority direct supervision of other personnel and budgetary limitations.

5. Standards of Performance and Working Conditions; Some job descriptions contain a standard of performance section. This lists the standards the employee is expected to achieve under each of job description’s main duties and responsibilities. Setting standards is never an easy matter. However, most managers soon learn that just telling subordinates to “do their best” doesn’t provide enough guidance. One straightforward way of seeing standards is to finish the statement; “I will be completely satisfied with your work when...” This sentence if completed for each duty listed in the job description result in a usable set of performance standards.

6. Job Specifications; The job specification takes the job description and answers the question; human traits and experience are required to do this job well?” It shows what kind of persons to recruit and for what qualities that persons should be tested. The job specification may be a section of the job description or a separate document entirely.



Review Questions

- i) *What is job analysis? How can you make use of the information it provides?*
- ii) *What items are typically included in the job description?*
- iii) *Compare and contrast the methods for collecting job analysis data, explaining what each is useful for and listing the pros and cons of each.*
- iv) *Explain how you would conduct a job analysis for an educational institution.*
- v) *What items are typically included in the job description? Briefly discuss each of these items.*

Text Books for further Reading

1. Dessler, G. (2002): Human Resource Management (9th Edition).NJ, Prentice Hall
2. Flippo, E.B. (1984): Personnel Management (6 th Edition). NY, McGraw-Hill
3. Harriman, A. (1985): Women/ Men Management. NY, Praeger

LESSON THREE

HUMAN RESOURCE PLANNING AND RECRUITMENT



Lesson Objectives

By the end of this lesson you should be able to:

- a) Explain the main techniques used in employment planning and forecasting.*
- b) Name and describe the main internal and outside sources of candidates.*
- c) Effectively recruit job candidates.*
- d) Forecast Personnel Needs in an organization.*

3.0 Lesson Introduction

In the previous lesson, we discussed job analysis and the methods managers use to create job descriptions and job specifications. The main purpose of this lesson is to help you improve your effectiveness in recruiting job candidates. The main topics we will discuss include personnel planning and forecasting, recruiting job candidates and developing and using job application forms.

Personnel planning is the first step in the recruiting and selecting process. We can conveniently view this process as a series of hurdles.

Steps in Recruitment and Selection Process

The recruitment and selection process as is a series of hurdles aimed at selecting the best candidates for the job. The steps employed are summarized below.

1. Decide what position you will have to fill by engaging in personnel planning and forecasting.
2. Build a pool candidates for these jobs by recruiting internal or external candidates.
3. Have applicants complete application forms and perhaps undergo an initial screening interview.
4. Use selection techniques like tests, background investigations and physical exams to identify viable candidates.

5. Finally, decide who to make an offer to, by having the supervisor and (perhaps) others on the team interview the final candidates.

In the sections that follow, we discuss each of these steps in details.

3.1 Employment Planning and Forecasting

Employment or personnel planning is the process of deciding what positions the firm will have to fill and how to fill them. Personnel planning covers all the firm's future positions from maintenance clerk to CEO. However, most firms use succession planning to refer to the process of deciding how to fill the company's most important executive jobs.

Employment planning is an integral part of a firm's strategic and HR planning processes. A firm's plan to expand plans to enter new business, build new plants, or reduce costs all influence the types of positions the firm will need to fill. One big question is whether to fill projected openings from within or from outside the firm. In other words, should you plan to fill them with current employees or by recruiting from outside?

Each option produces its own set of HR plans. Current employee may require training development and coaching before they are ready to fill new jobs. Going outside requires deciding what recruiting sources to use among other things.

Like all good plans, management builds employment plans on premises – basic assumptions about the future. Forecasting generates these premises. If you're planning for employment requirements you'll usually need to forecast three things Personnel needs, the supply of inside candidates and the supply of outside candidates.

Factors to Consider When Forecasting

1. Demand for product/service.
2. Project turnover within the organization.

3.1.1 How to Forecast Personnel Needs

The expected demand for your product or service is paramount when forecasting personnel needs. The usual process is therefore to forecast revenues first. Then estimate the size of the staff required to achieve this volume. In addition to expected demand staffing plans may reflect.

1. Demand for product or service.
2. Projected labor turnover (as a result of resignation or terminations)
3. Quality and skills of your employees (relations to what you see as the changing needs of your organization) – training needs.
4. Strategic decisions to upgrade the quality of products or services or enter into new markets.
5. Technological and other changes resulting in increased productivity.
6. The financial resources available to your department.

Methods to Predict Employment Needs

1. Trend Analysis

This means studying variations in your firm's employment levels over the last few years to predict future needs. Thus you might compute the number of employees in your firm at the end of the last five years or perhaps the number in each subgroup (like sales, production, secretarial and administrative people) at the end of each of those years. The purpose is to identify trends that might continue into the future. Trend analysis can provide an initial estimate, but employment levels rarely depend just on the passage of time. Other factors (like inflation changes in sales volume and productivity) also affect staffing needs.

II. Ratio Analysis

This means making forecasts based on the ratios between some usual factor (like sales volume) and the number of employees required (for instance, number of salesperson). For example, suppose a salesperson traditionally generates Kshs. 500,000 in sales. If the sales revenue to salespeople ratio remains the same you would require six new salespeople next year (each of whom produces an extra Kshs.500, 000) to produce a hoped-for extra Kshs 3 million in sales Like trend analysis, ratio analysis assumes that productivity remains about the same- for instance, that each sales person can't be motivated t produce much more than Kshs 500,000 in sales. If sales productivity were to increase or decrease, the ratio of sales to salespeople would change. A forecast based on historical rations would then no longer be accurate.

iii. The Scatter plot

A scatter plot shows graphically how two variables- such a measure of business activity and your firm's staffing levels- are related. If they are, then if you can forecast the level of business activity, you should be able to estimate your personnel requirements.

Iv. Managerial Judgment

Whichever forecasting method you use, managerial judgment will play a big role. It's rare that any historical trend, ratio or relationship will simply continue unchanged into the future.

You'll therefore have to modify markets - your belief will be important. In practice, making personnel forecasts usually isn't mechanical, even for major firms. It is sometimes difficult to take a long-term perspective, particularly when market conditions change dramatically. One may need to modify managerial judgment due to ;(will affect forecasting)

- Upgrade quality of products or services or enter into new on market. This will have implications on quality of employees that you require.
- Are employees going to fit the new products you make
- Technological and administrative changes resulting in increased productivity which may lead to reduced no. of employees.
- Financial resources available- pay more wages

3.1.2 Forecasting the supply of inside candidates

Knowing your staffing needs only satisfies half the staffing equation. Next, you have to estimate the likely supply of both inside and outside candidates. Most firms start with the inside candidates. Here the main task is determining which current employees might be qualified for the projected openings. For this you need to know your current employees' skills sets- their current qualifications. Sometimes it's obvious and managers to qualifications inventories. These are manual or computerized records listing systematic listing of employees education, career and development interests, languages, special skills and so on, to be used on selecting inside candidates for promotion. The following devices are of importance when forecasting the supply of inside candidates.

Manual systems and personnel replacement charts: Managers use several manual devices to keep track of candidates for most important positions. A personnel inventory and development record compiles qualifications information on each employee. Personal replacement charts are

another option, particularly for the firm's top positions. They show the present performance and promotability for each position's potential replacement. As an alternative, you create a card for each position, showing possible replacements as well as their present performance, promotion potential and training.

Computerized information systems: Companies don't generally track the qualifications of hundreds or thousands of employees manually. Most firms computerize this information, using various packaged software systems. In many of these systems, the employees and the HR department enter information about the employee's backgrounds, experience and skills often using the company intranet. When a manager needs a person for a position, he/she describes the position (for instance, in terms of education and skills). After scanning its database of possible candidates, the system produces a list of qualified candidates. Such computerized skill inventory might include:

Work experience codes: A list of work experience titles or codes describing the person's job within the company.

Product knowledge: The employee's level of familiarity with the employer's product line or services

Industry experience: The person's industry experiences, since for some positions work in related industries is very useful.

Formal education: Each postsecondary educational institution attended, field of study, degree granted and year granted

Training courses: Those taken or conducted by the employee, including courses taught by outside firms

Foreign languages: Which languages; degree of proficiency, spoken and written.

Relocation limitations: The employee's willingness to relocate and the locales he/ she would prefer

Career interest: Work experience codes to indicate what the employee would like to be doing for the employer in the future

Performance appraisals: Updated periodically, along with a summary of the employee's strengths and deficiencies.

Skills: Skills such as “graphic designs inter face” (number of times performed, date last performed, time, spent), as well as skill level, perhaps ranging from level 1 (can lead or instruct others) to level 3 (has some experience: can assist experienced workers).

In practice the, the data elements could number 100 or more. For example, one vendor of a package reportedly used by over 2,000 companies suggests 140 elements, ranging from home address to driver’s license number, weight, salary, sick leave used, skills and veteran status.

3.1.3 Forecasting the supply of outside candidates

If you wont have enough inside candidates to fill the anticipated openings (or you want to go outside for another reason), you need to focus on trying to anticipate the availability of outside candidates. This may involve several activities. For example, you may want to consider general economic conditions and the expected unemployment rate, usually, the lower the rate of unemployment, the more difficult it will be recruit personnel. Information like this is easy to find. Local labor market conditions are also important high tech.

Your plans may also require that you forecast the availability of potential job candidates in specific occupations such as nurses, computer programmers for teachers. Some occupations are in demand that they seem it remain in demand even when the economy slows. The jobs in high demand aren’t necessarily always high tech.

To forecast for external candidates one will be guided by;

- General economic conditions- expected prevailing rate of unemployment. The lower the rate of unemployment, the lower the labor hence the more difficult it will be recruits personnel.
- Local market conditions
- Occupational market conditions- availability of potential job candidates in specific occupations e.g. engines, computers experts for which u will be recruiting

3.2 Effective recruiting

Assuming the company authorizes you to fill a position, the next step is to develop an applicant pool, using one or more of the recruitment sources described below. It is hard to over emphasize the importance the importance of effective recruiting. The more applicants you have, the more

selective you can be in your hiring. If only two candidates apply for two openings, you may have little choice but to hire them. But if 10 or 20 applicants appear, you can use techniques like interviews and test to screen out all about all the best.

Effective recruiting is increasingly today, for several reasons. First the ease of recruiting tends to ebb and flow with economic and unemployment levels. High average turnover rates for some occupations are another problem; the increased emphasis on technology and therefore on skilled human capital also demands more selective hiring and thus a bigger applicant pool

Finding the right inducements for attracting and hiring employees can be a problem. Aggressive recruiting is therefore often the name of the game. "Poaching workers is fair game". Some recruiters even have their own jargon. They call luring workers away from other high- tech firms "nerd rustling".

The Recruiting Yield Pyramid

This is historical relationship leads and invitees, and interviews, interviews and offers made, and accepted. Some employers use a recruiting yield pyramid number of new employees.

In the figure below (figure 3.1) the company knows the ratio of offers made to actual new hires is 2 to 1; about the people to whom it makes offers accept them. Similarly, the firm knows that the ratio of candidates interviewed to offers is made is 3 to 2, while the ratio candidates invited for interviews to candidates actually interviewed is about 4 to 3. Finally, the firm knows that of six leads that come in from all its recruiting efforts, only one applicant typically gets an interview- a 6 to 1 ratio.

Given these ratios, the firm knows it must generate 1,200 leads to be able to invite 200 viable candidates to its offices for interviews. The firm will then get to interview about 150 of those invited and from these it will make 100 offers. Of those 1000 offers, about 50 will accept.

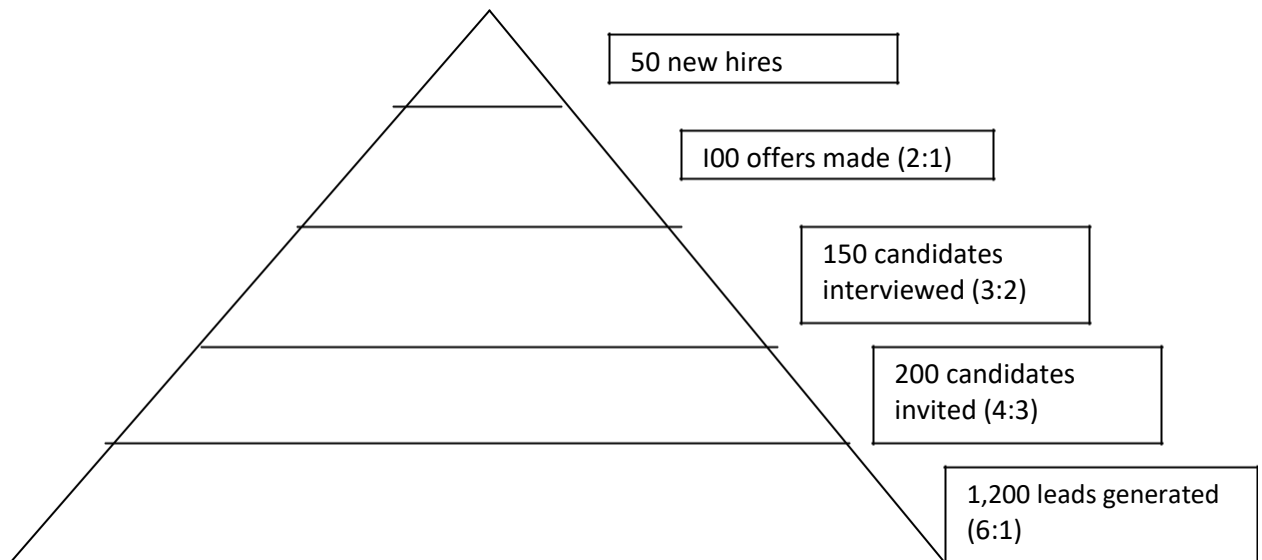


Figure 3.1: Recruiting Yield Pyramid

Recruiting may bring to mind employment agencies and classified ads, but current employees are the best source candidates.

Filling open positions with inside candidates has many benefits. First, there's really no substitute for knowing a candidate's strengths and weakness. It is often therefore safer to promote employees from within, since you're likely to have a more accurate view of the person's skills than you would an outsiders. Inside candidates may also be more committed to the company. Morale may rise, to the extent that employees see promotions as rewards for loyalty and competence. Inside candidates may also require less orientation and training than outsiders.

However hiring from within can also backfire. Employees who apply for jobs and don't get them may become disconnected telling unsuccessful applicants why they were rejected and what remedial actions they might take to be more successful in the future is thus crucial.

Similarly, many employers require managers to post job openings and interview all inside candidates. Yet the manager often knows ahead of time exactly whom he or she wants to hire. Requiring the persons to interview a stream of unsuspecting inside candidates can be a waste of

time for all concerned. Groups are sometimes not as satisfied when their new boss is appointed from within their own ranks as when he or she is newcomer: it may be difficult for the insider to shake off the reputation of being “one of the gang”

Inbreeding is another potential drawback. When all managers come up through the ranks, they may have a tendency to maintain the status quo, when a new direction is required. Many “promote from within”. Balancing the benefits to morale and loyalty with the possible inbreeding problem can be a challenge.

3.3 Finding internal candidates

To be effective promotion from within requires using job position, personnel records and skills banks. Job posting means publicizing the open job to employees (often by literally posting it on bulletin boards or intranets) and listing the job’s attributes, like qualifications, supervisor, work schedule and pay rate. Some union contracts require job posting to ensure union members get first choice of new and better positions. Yet job posting can be a good practice even in non union firms, it facilitates the transfer and promotion of qualified inside candidates. (However firms often don’t post supervisory jobs; management often prefers to select supervisory candidates based on things like supervisor’s recommendations and appraisals and testing results).

Personnel record share also important. An examination of personnel records (including application forms) may reveal employees who are working in jobs below their educational or skill levels. It may reveal persons who have potential for further training or who already have the right background for the open job: Computerized records systems (like those discussed above) can help ensure you consider qualified inside candidates for the opening. Some firms also develop “skill banks” that lists current employees with specific skills. For example, if you need an aero scope engineer in unit A and the skill bank show as person with those skills in unit B, that person may be approached about transferring.

3.3.1 Hiring employees- the second time around

Until recently, many managers consider it unwise to hire former employees, such as those who’d left voluntarily for better jobs. Quitting was often seen as a form of betrayal. Managers often assumed that those they’d dismissed might exhibit disloyalty or a bad attitude if hired back.

Today- thanks partly to high turnover in some high-tech occupations rehiring former employees is back in style.

Rehiring back employees has its pros and cons. On the plus side, former employees are known quantities (more or less) and are already familiar with the company's culture, style and ways of doing things. On the other hand employees who left for greener pastures back into better positions may signal your current employees that the best way to get ahead is to leave the firm.

In any event, there are several ways to reduce the chance of adverse reactions. For example, once rehired employees have been back on the job for a certain period, credit them with the benefits such as vacation time and thereby on morale. In addition, inquire (before rehiring them) about what they did during the layoff and how they feel about returning to the firm; you don't want someone coming back who feels they've been mistreated," said one manager.

3.3.2 Succession planning

Forecasting the availability of inside executive candidates is particularly important in succession planning- "the process of ensuring a suitable supply of successors for current and future senior or key jobs", arising from business strategy so that careers of individuals can be planned and managed to optimize the organizations needs and the individual's aspirations. To fill its most important executive positions. Succession planning often involves a complicated series of steps. Succession planning typically includes activities like these:

- i. Determining the projected need for managers and professionals by company level, function and skill
- ii. Auditing current executive talent to project the likely future supply from internal sources
- iii. Planning individual career paths based on objective estimates of future needs and assessments of potential
- iv. Career counseling in the context of the future needs of the firm, as well as those of the individual
- v. Accelerated promotions, with development targeted against the future need sof the business
- vi. Performance related training and development to prepare individuals for future roles as well as currents responsibilities

- vii. Planned strategic recruitment to fill short-term needs and to provide people to meet future needs.
- viii. Actually filling the positions- via recruiters, promotion from within and so on.

3.4 Outside sources of candidates

Firms can't get all the employees they need from their current staff, and sometimes they just don't want to. We will look at the sources firms use to find outside candidates next I .Advertising

Everyone is familiar with employment ads and most of us have probably responded to one or more. To use help wanted ads successfully, employers have to address two issues; the advertising media and the ad's construction

2. The media

The selection of the best medium- be it the local paper, TV or the internet- depends on the positions for which you're recruiting. For example the local newspaper is usually the best source for blue-collar help, clerical employees and lower level administrative employees. On the other hand, if you are recruiting for blue-collar workers with special skills you would probably want to advertise in the heart of the industry. The point is to target your ads where they'll do the most good. Most employers are also tapping the internet. For specialized employees you can advertise in trade and professional journals.

3. Advertisements in professional publications like journals

4. Use of professional recruitment agencies e.g. manpower, Hawkins etc

5. Referrals and walk-ins/ word of mouth

6. Computerized employee databases

Constructing the ad

Construction of the ad is important. Experienced advertisers use a four point guide called AIDA(attention, interest, desire, action) to construct ads. You must of course, attract attention to the ad or readers may just miss or ignore it.

Develop interest in the job. You can create interest by the nature of the job itself, with lines such as "you'll thrive on challenging work" you can also use other aspects of the job, such as its location to create interest.

Create desire by spotting the job's interest factors with words such as travel or challenge Keep your target audience in mind

Finally make sure the prompts action with a at statement like "call today" or "write today for more information"

Application forms

The filled application form provides information on education,

- i. You can make judgments on substantive matters such as level of education experience
- ii. Draw conclusions about the applicants previous progress and growth especially for management candidates
- iii. Draw tentative conclusions regarding the applicant's stability based on previous work records.
- iv. Use the data in the application to predict which candidate will succeed on the job and which will not

Using application forms to predict job performance

Some organizations use application forms to predict which candidate will be much useful in much the same way that might use test for screening. They do this by conducting statistical studies to find relationship between

- i) Responses on the application form
- ii) Measure s of success on the job



Review Questions

- i) *Make a collection of several classified and display ads from any local newspaper and analyze the effectiveness of these ads using the guidelines discussed in this lesson.*
- ii) *What are the main things you would do to recruit and retain a more diverse workforce?*
- iii) *You have been contracted by the Board of Directors of a newly established private secondary school as a human resource consultant. Your first task is to come up with a human resource plan detailing the human resource needs and the process of meeting those needs. Explain the process you would use up with this plan detailing how you would go about employment planning and forecasting, and recruiting of candidates. Show how you would make use of the recruiting yield pyramid.*

Text Books for Further Reading

1. Flippo, E.B. (1984): Personnel Management (6 th Edition). NY, McGraw-Hill
2. Harriman, A. (1985): Women/ Men Management. NY, Praeger
3. Pell, A (1969): recruiting and selecting personnel. Ny, regents

LESSON FOUR

EMPLOYEE TESTING AND SELECTION



Lesson objectives

At the end of this lesson, you should be able to:

- a) Describe the overall selection process*
- b) Explain what is meant by validity and reliability*
- c) List the main types of selection interviews*
- d) Explain and illustrates at least six factors that affect the usefulness of interviews*

4.0: Introduction

One of the biggest challenges facing firms lies in the process of testing and selection of employees. A firm that fails to lay emphasis on this process will find itself experiencing a high employee turnover. The purpose of this lesson is to show you how to use various tools and techniques to select the best candidates for the job.

4.1 Why careful selection is important

With a pool of applicants, the next step is to select the best candidates for the job. This usually means whittling down the applicant pool by using the screening tools: tests assessment centers and background and reference checks. Then the prospective supervisor can interview likely candidates and decide who to hire.

Selecting the right employees is important for three main reasons. First, your own performance always depends in part on your subordinates. Employees with the right skills and attributes will do a better job for you and the company, employees without these skills or who are abrasive or obstructionist wont perform effectively, and your own performance and the firm's will suffer, the time to screen out undesirables is before they are in the door not after.

Second, it is important because it's costly to recruit and hire employees. Third its important because of the legal implications of incompetent hiring.

Negligent hiring

This is hiring workers with questionable backgrounds without proper safeguards. Negligent hiring underscores the need to think through what the job's human requirements really are.

Employers protect against negligent hiring claims by;

- Carefully scrutinizing all information supplied by the applicant on his or her employment application. For example, look for unexplained gaps in employment
- getting the applicant's written authorization for reference checks and carefully checking references
- saving all records and information you obtain about the applicant
- rejecting applicants who make false statements of material facts or who have conviction records for offences directly related and important to the job in question
- keeping in mind the need to balance the applicant's privacy rights with others "need to know", especially when you discover damaging information
- Taking immediate disciplinary action if problems develop.

4.2 Basic Testing Concepts

Effective selection is therefore important and depends, to large degree on the basic testing concepts of validity and reliability.

I .validity

A test is a sample of a person's behavior, but some tests are more clearly representative of the behavior being sampled than others. A typing test for example, clearly corresponds to an on-the-job behavior. At the other extreme, there may be no apparent relationship between the items on the test and the behavior. This is the case with projective tests. Test validity

The accuracy with which a test, interview and so on measures what it purports to measure or fulfills the function it was designed to fill. It answers the question, "does this test measure what it's supposed to measure?" with respect to employee selection tests, validity often refers to evidence that the test is job related- in other words, that performance on the test is a valid

predictor of subsequent performance on their job. A selection test must be valid since, without proof of validity, there is no logical or legally permissible reason to continue using it to screen job applicants. In employment testing, there are two main ways to demonstrate a test's validity: criterion validity and content validity.

1. Criterion validity

Demonstrating criterion validity means that those who do well on the test also do well on the job and that those who do poorly on the test do poorly on the job, thus the test has validity to extent that the people with higher test scores perform better on the job. In psychological measurement, predictor is the measurement (in this case, the test score) that you are trying to relate to a criterion, like performance on the job. The term criterion validity reflects that terminology.

2. Content validity

A test that contains a fair sample of the tasks and skills actually needed for the job in question. Employers demonstrate the content validity of a test by showing that the test constitutes a fair sample of the content of the job. The basic procedure here is to identify job tasks and behaviors that are critical to performance and then randomly select a sample of those tasks and behaviors to be tested.

Demonstrating content validity sounds easier than it is in practice. Demonstrating that;

- i) The tasks the person performs on the test are really a comprehensive and random sample of the tasks performed on the job.
- ii) The conditions under which the person takes the test resemble the work situation, is not always easy.

For many jobs, employers must demonstrate other evidence of a test's validity- such as its criterion validity.

11. Reliability

Is a test's second important characteristic and refers to its consistency. It is "the consistency of scores obtained by the same person when retested with the identical tests or with an equivalent form of a test." A test's reliability is very important; if a person scored 90 on an intelligence test on Monday and 130 when retested on Tuesday, you probably wouldn't have much faith in the test.

There are several ways to estimate consistency or reliability. You could administer the same test to the same people at two different points in time, comparing their test scores at time 2 with their scores at time 1; this would be a retest estimate. Or you could administer a test and then administer what experts believe to be an equivalent test later; this would be an equivalent form estimate.

A test's internal consistency is another measure of its reliability. For example, suppose you have 10 items on a test of vocational interest; you believe this measure in various ways, the person's interest in working outdoors. You administer the test and then statistically analyze the degree to which responses to these 10 items vary together. This would provide a measure of the internal consistency is one reason you find apparently repetitive questions on some test questionnaires.

A number of things could cause a test to be unreliable. For example the questions may do a poor job of sampling the material; or there might be errors due to changes in the testing conditions

4.3 Interviewing Candidates

An interview is a procedure designed to solicit information from a person's oral responses to oral inquiries; a selection interview, is a selection procedure designed to predict the future job performance on the basis of applicants oral responses to oral inquiries. Interview is by far the most widely used personnel selection procedure

4.3.1 Types of Interviews

Interviews can be classified in four ways according to;

1. Degree of structure
2. Purpose
3. Content
4. The way the interview is administered

Inn turn the seven main types of interviews used at work- structured, non-structured, situational, sequential, panel, stress and appraisal can each be classified in one or more of these four ways.

I. The structure of the interview

Interviews can be classified according to the degree to which they are structured. In an unstructured or nondirective type of interview you ask questions as they come to mind the interviewer pursues points of interest as they come up in response to questions. There is generally no set format to follow and the interview can take various directions. While questions can be specified in advance, they usually are not and there is seldom a formalized guide for scoring the quality each answer. Interviewees for the same job thus may or may not be asked the same or similar questions based on the candidate's last statement and to pursue points of interest as they develop.

The interview can also be structured. In the classical structured interview, the questions and acceptable responses are specified in advance and the responses are rated for appropriateness of content. It is an interview following a set sequence of questions. In practice, however not all structured interviews go so as to specify acceptable answers.

Structured and no structured interviews each have their pros and cons. With structured interviews all applicants are generally asked all questions by all interviewers that meet and structured interviews are generally more valid. Structured interviews can also help interviewers who may be less comfortable interviewing to ask questions and conduct useful interviews. On the hand, structured interviews don't always leave the flexibility to pursue points of interest as they develop.

II .The Purpose of the Interview

Employee- related interviews can also be classified according to their purpose. Thus as noted earlier, a selection interview is a type of interview designed to predict future job performance on the basis of applicants oral responses to oral inquiries. A stress interview is a special type of selection interview in which the applicant is made uncomfortable by a series of sometimes-rude questions. The aim of the stress interview is supposedly to help identify sensitive applicants and those with low or high stress tolerance.

In the typical stress interview, the applicant is made uncomfortable by being put on the defensive by a series of frank and often-discourteous questions from the interviewer. The interviewer might first probe for weaknesses in the applicant's background, such as job that the applicant left under

questionable circumstances. Having identified these, the interviewer can yet focus on them hoping to get the candidate to lose his or her composure. Thus a candidate for customer relations' manager who obligingly mentions having had four jobs in the past two years might be told that frequent irresponsible and immature behavior. If the applicant then responds with a reasonable explanation of why the job changes were necessary, another topic might be pursued. On the other hand, if the formerly tranquil applicant reacts explosively with anger and disbelief, this might be taken as a symptom of low tolerance for stress

The stress approach can be a good way to identify hypersensitive applicants who might be expected to overreact to mild criticism with anger and abuse. On the other hand, the stress interview's invasive and ethically questionable nature demands that the interviewers be skilled on the requirements for the job. This is definitely not an approach for amateur interrogations or for those without skill to keep the interview under control.

Interviews serve two more purposes in the employment context. An appraisal interview is a discussion following a performance appraisal in which supervisor and employee discuss the employee's rating and possible remedial actions. When an employee leaves a firm for any reason, exit interview is often conducted. An exit interview usually conducted by the HR department, aims at eliciting information about the job or related matters that might give the employer a better insight into what is right or wrong about the company.

III. The content of the interview

Interviews can also be classified according to the content of their questions.

A situational type of interview is one in which the questions focus on the individual's ability to project what his or her behavior would be in a given situation. For example, a candidate for a supervisor's position may be asked how he or she would respond to a subordinate coming to work late three days in a row. The interview can be both structured and situational with predetermined questions requiring the candidate to project what his or her behavior would be: in a structured situational interview the applicant could be evaluated, say on his or her choice between letting the subordinate off with a warning versus suspending the subordinate for one week.

Job-related interviews are those in which the interviewer attempts to assess the applicant's past behaviors for job-related information, but most questions are not considered situational. In other words questions don't revolve around hypothetical situations or scenarios. Instead supposedly job-related questions (such as „which courses did you like best in business school?“) are asked in order to draw conclusions about say, the candidate's ability to handle the financial aspects of the job to be filled.

The behavioral interview is gaining in popularity. In a behavioral interview a situation is described and interviewees are asked how they have behaved in the past in such a situation. Thus while situational interviews ask interviewees to describe how they would react to a situation today or tomorrow, the behavioral interview asks interviewees to describe how they did react to situations in the past.

Finally, psychological interviews are interviews conducted by a psychologist in which questions or panels are intended to assess personal traits such as dependability. The interview may use situational job-related or behavioral questions and be either structured or unstructured.

Psychological interviews generally have a significantly unstructured element.

4.3.2 Administering the interview

Interviews can also be classified based on how they are administered: one-on-one or by a panel of interviewers; sequentially or all at once; and computerized or personally. For example, most interviews are administered one-on-one. As the name implies, two people meet alone and one interviews the other by seeking oral responses to oral inquiries. Most selection processes are sequential. In a sequential interview the applicant is interviewed by several persons in sequence before a selection decision is made. In an unstructured sequential interview an interviewer may look at the applicant from his or her own point of view, ask different questions and form an independent opinion of the candidate.

On the other hand, in a structured sequential or serialized interview each interviewer rates the candidate on a standard evaluation form and the ratings are compared before the hiring decision is made. The panel interview means the candidate is interviewed simultaneously by a group (or panel) of interviewers (rather than sequentially). The group structure has several advantages. A sequential interview often has candidates cover basically the same ground over and over again with each interviewer. The panel interview, on the other hand, allows each interviewer to pick

up on the candidate's answers, much as reporters do in press conferences than are normally produced by a series of one-on-one interviews. On the other hand, some candidates find panel interviews more stressful and they may actually inhibit responses. An even more stressful variant is the mass interview. In a mass interview several candidates are interviewed simultaneously by a panel. Here the panel poses a problem to be solved and then sits back and watches which candidate takes the lead in formulating an answer.

Increasingly, interviews aren't administered by people at all but are computerized. A computerized selection interview is one in which a job candidate's oral and/or computerized responses are obtained in response to computerized oral, visual or written questions and/or situations. The basic idea is generally to present the applicant with a series of questions regarding his or her background, experience education, skills, knowledge and work attitudes-specific questions that relate to the job for which the person has applied. In a typical computerized interview the questions are presented in multi-choice format, one at a time and the applicant is expected to respond to the questions on the computer screen by pressing a key corresponding to his or her desired response. For example a sample interview question for a person applying for a job as a store clerk might be:

How would your supervisor rate your customer service skills?

- a. Outstanding
- b. Above average
- c. Average
- d. Below average
- e. Poor

Questions on a computerized interview like this come in rapid sequence and require concentration on the applicant's part. The typical computerized interview then measures the response time to each question. A delay in answering certain such as "can you be trusted?" can flag a potential problem.

Computer-aided interviews are generally used to reject totally unacceptable candidates and to select those who will move on to a face-to-face interview.

Computer-aided interviews can be very advantageous. Systems like those on-line substantially reduce the amount of time managers devote to interviewing what often turn out to be unacceptable candidates. Applicants are reportedly more honest with computers than they would

be with people, presumably because computers are not judgemental. The computer can also be sneaky: if an applicant takes longer than average to answer a question like, 'Have you ever been caught stealing?' he or she may be summarily screened out or at least questioned more deeply in that area by a human interviewer. On the other hand, mechanical nature of computer-aided interviews can leave applicants with the impression that the prospective employer is rather impersonal.

How useful are interviews?

The ironic about interviews is that while they're used by virtually all employers, the statistical evidence regarding their validity is actually very mixed. Much of the earlier research gave selection interviews low marks in terms of reliability and validity. However recent studies indicate that key to an interview's usefulness is the manner in which it is administered. Specifically, the following conclusions are warranted based on one recent study of interview validity:

With respect to predicting job performance, situational interviews yield a higher mean validity than do job-related (or behavioral) interviews, which in turn yield a higher mean validity than do psychological interviews. Structured interviews, regardless of content are more valid than unstructured interviews are more valid than are panel interviews, in which multiple interviewers provide ratings in one setting.

In summary, structured situational interviews conducted one-to-one individually seem to be the most useful for predicting job performance. Unstructured interview in general, psychological interviews and panel interviews are somewhat less useful for predicting job performance.

4.3.3 Interviewing and the law: employment Discrimination “ Testers“

an interview is a selection procedure; interviewers must therefore avoid asking questions concerning, for instance, candidates marital status, childcare arrangements, ethnic background and worker's compensation history. The increasing use of unemployment discrimination testers has made such care even more important. Testers are individuals who apply for employment, which they do not intend to accept for the sole purpose of uncovering unlawful discriminatory hiring practices.

4.3.4 Common Interviewing Mistakes

I. Snap Judgements

One of the most consistent findings in the interviewing literature is that interviewers tend to jump to conclusions- make snap judgments about candidates during the few minutes of the interview, or even before the interview begins based on test scores or resume data. For example, one study showed that interviewers' access to candidates' test scores biased the interviewer's assessment of the candidate. In another study the interviewer's evaluation of a candidate was only related to his or her decision about hiring candidate for candidates with low passing scores on a selection test. A great percentage of interviews make up their minds about candidates before the interview begins on the basis of applicants' application forms and personal appearance. Findings like this underscore that it's important for a candidate to start off on the right foot with the interviewer. Interviewers usually make up their minds about candidates during the first few minutes of the interview and prolonging the interview past this point usually adds little to change their decisions.

II. Negative emphasis

Jumping to conclusion is especially troublesome when the information the interview has about the candidate is negative. For example in one study the researchers found that interviewers who previously received unfavorable reference letters about applicants gave the applicants less credit for past successes and held them more personally responsible for past failures after the interview. Furthermore the interviewer's final decisions to accept or reject applicants based on the references, quite aside from their interview performance. In other words impressions are much more likely to change from favorable to unfavorable than from unfavorable to favorable. A common interviewing mistake is to make the interview itself mostly a search for negative information. In a sense, therefore, most interviews are probably loaded against the applicant. An applicant who initially rated high could easily end up with a low rating, given an applicant who is initially rated high could easily end up with a low rating, given the fact that unfavorable information tends to carry more weight in an interview. An interviewee who starts out with a poor rating will find it hard to overcome that first bad impression during the interview.

III. Poor knowledge of the job

Interviewers who don't know precisely what the sort of candidate is best suited for it usually make their decision based on incorrect stereotypes about what a good applicant is. They then erroneously match interviewees with their incorrect stereotypes. On the other hand, interviewees who have a clear understanding of what the job entails hold interviews that are more useful.

IV. Pressure to hire

Pressure to hire also undermines an interview's usefulness. For example, a group of managers was told to assume that they were behind in their recruiting quota. A second group was told that they were ahead of their quota. Those "behind" evaluate recruits much more highly than did those "ahead".

V. Candidate –Order [contrast] Error

It is an error of judgment on the part of the interviewer due to one or more very good or very bad candidates just before the interviewer in question. It means that the order in which you see applicants affects how you rate them.

VI. Influence of nonverbal behavior

Interviewers are also influenced by the applicant's nonverbal behavior. For example, several studies have shown that applicants who demonstrate a greater amount of eye contact, head moving, smiling, and other similar nonverbal behaviors are rated higher. In fact, these nonverbal behaviors often account for more than 80% of the applicant's rating.

An applicant's attractiveness and gender also play a role. Researchers found out that whether attractiveness was a help or a hindrance to a job applicant depended on the sex of the applicant and the nature of the job. Attractiveness was advantageous for male interviewees only when the job was non-managerial.

VII. Telegraphing

Some interviewers are so anxious to fill a job that they help the applicant respond correctly to their questions by telegraphing the expected answer. An example might be a question like

.“This job calls for Handling a lot of stress .You can do that ,can’t you?” the telegraphing isn’t always so obvious .For example interviewer ‘ first impression of candidates [from exa ining application blank and test scores] tend to positively linked to use of a more positive interview style and vocal on the part of the interviewer .This can translate into sending subtle cues [like a smile]regarding what answer is being sought .

VIII. Too much /Little Talking

Too much or little guidance on the interviewer’s part is another common mistake. Some interviewers let the applicant dominate the interview to the point where too few substantive questions are pursued .At the other extreme some interviewers stifle the applicant by not giving the person sufficient time to answer questions.

4.3.5 Designing and Conducting the Effective Interview

Designing and an effective interview can avoid problems like those addressed.

The Structured Interview

Since structure situation interviews are usually the most valid interviews for predicting job performance , conducting an effective interview ideally starts with designing a structured situation interview, a series of hypothetical job-oriental questions with predetermined answers that are consistently asked of all applicant for a particular job .Usually a committee of person familiar with the job develops situation and job-knowledge questions based on the actual job duties .They then reach consensus on what are not acceptable answers to these question .The actual procedure consist of five step as follows:

Step.1: Job Analysis: First, write a description of the job in the form of a list of a job duties, require knowledge, skill, abilities and worker qualification. **Step 2:** Evaluate the Job Duty Information.

Next, rate each duty no its importance to job success and on amount of time required to perform it compared to other task .The aim here is to identify the main duties of the job.

Step .3: Develop Interview Questions. The employees, who list and evaluate the job duties, then develop interview questions. The interview questions are based on the listing of job duties with more questions generated for the more important duties.

A situational interview may actually contain situation; job –knowledge and ``willingness ‘questions [although the situation questions pose a hypothetical job situation tend to be the most valid]. Situation question pose a hypothetical job situation ; such as ``job knowledge the job .These often deal with technical aspects of a job .Willingness questions gauge the applicant ‘s willingness and motivation to do repetitive physical work to travel , to relocate and so forth .

Step 4: Develop Benchmark Answer. Next develop answer and a five-point rating scale for each question , with specific answer develop for good [a 5 rating] ,marginal [a 3rating] ,and poor [a 1rating] .

STEP 5: Appoint Interview Panel and Implement .These types interviews are generally conduct by panel, rather than sequentially. The panel should consist of three to six members, preferable the same employees who participated in writing the interviews and answer. Panel member may also be supervisors of the job to be filled, the job incumbent, peers and HR representatives .The same interview member should be used to interview all candidates for the job.

Before the interview, the job duties, question and benchmark answer are distributed to the panel members and reviewed Next the panel and to ask all questions of all applicants in this and succeeding interviews to ensure consistency. However, all panel members record and rate the applicant’s answer to each question falls relative to the ideal poor, marginal or good answers. At the end of the interview, each applicant is directed to someone who will explain the follow-up procedure and answer any question applicant has.

4.3.6 Guidelines for Conducting an Interview.

1. Plan the Interview

Being by reviewing the candidate’s application and not any areas that vague or that may indicate strengths or weakness .Review the job specification and plan to start the interview with a clear picture of the traits of an ideal candidate . If possible use a structure form. Interviews based on structured guides, usually result in the best interviews .At a minimum, you should write out your question prior to the interview. The interview should take place in a private room where telephone calls are not accepted and interruptions can be minimized. Also plant to delay your decisions. Interviewers often make snap judgment even before they see the candidate on the basic of his or applicant form, for instance- or during the first few minutes of the interview. Make your decision them.

2. Establish Rapport

The main reason for the interview is to find out about the applicant: To do this start by putting the person at ease. Greet the candidates and start the interview by asking a non-controversial question –perhaps about the weather or traffic condition that day. As a rule, all applicant, even unsolicited drop-ins-should receive friendly courteous treatment, not only on humanitarian grounds but also because your reputation is on the line. Be aware of the applicant's status .For example, if you are interviewing someone who is unemployed he or she may be exceptionally nervous and you may want to take additional step to relax the person.

3. Ask Questions

Try to follow your structure interview guide or the question you wrote out ahead of time .A menu of question to choose from. Avoid questions that can be answered ``yes'' or ``no'' , don't put word in the applicant's mouth or telegraph the desire answer ,for instance , by nodding or smiling when the right answer is given ,don't interrogate the applicant as if the person is a criminal and don't be patronizing , sarcastic or inattentive , don't monopolize the interview by rambling nor lat the applicant's opinions and feelings by repeating the person's last comment as a question .

When you ask for general statements of a candidate's accomplishment, also ask for examples. Thus if at the end candidate lists specific strengths or weakness, follow up with ``what are the specific examples that demonstrate each of your strengths?''

4. Close the interview

Toward the close of the interview, leave time to answer any questions the candidate may have and if appropriate, to advocate your firm to the candidate. Try to end all inetrvews on a positive note. The applicnat should be told whether there is an interest and if so, what the next step will be. Similarly, rejections should be made diplomatically for instance, with a statement like, "although your baackground is impressive, there are other candidates whose experience is closer top our requirements." If the applicant is still being considered but a decision cant be reached at once, say this. If oyeur policy is to inform candidates of theri staus in writing, do so within a few days of the interview.

5. Review the interview

After the candidates leaves, review your interview notes, fill in the structured interview guide and review the interviewwhile it's fresh in your mind.

Remember that snap judgments and negative emphasis are two common interviewing mistakes; reviewing the interview shortly after the candidate has left can help you minimize these two problems.



Review Questions

- i) *Explain reliability and validity. What is the difference between them?*
- ii) *In what respect are they similar?*
- iii) *Explain and illustrate the basic ways in which you can classify selection interviews.*
- iv) *Briefly describe each of the following possible types of interviews: unstructured panel interviews; structured sequential interviews; job related structured interviews*
- v) *Briefly discuss and give examples of at least five common interviewing mistakes.*
- vi) *What recommendations would you give for avoiding these mistakes?*

Text Books for Further reading

1. Dessler, G. (2002): Human Resource Management (9th Edition).NJ,Prentice Hall
2. Flippo,E.B. (1984): Personnel management (6th edition). Ny, McGraw hill
3. Harriman, A. (1985): Women/ men Management, NY, Praeger
4. Dessler, G. (2002): Human Resource Management (9th Edition).NJ, Prentice Hall

LESSON FIVE

PERFORMANCE APPRAISAL AND MANAGEMENT



Lesson objectives

Upon completing this lesson, the student should be able to:

- a) Define the concepts of performance management and appraisal and recognize how this can be applied in an organization.*
- b) Describe the steps in developing a performance management program and understand its impact on the behavior of individuals in an organization.*
- c) Understand the process and skills involved in an effective performance appraisal interview.*
- d) Identify and describe the major types of rating errors likely to be encountered in the appraisal process.*

5.0 Introduction

One of the most important activities of an HR is maintaining and enhancing the workforce. After all the effort and cost involved in the recruiting and selection process, it is important to develop employees so that they are using their fullest capabilities, thus improving the effectiveness of the organization. Performance management is the ongoing process of evaluating and improving employee performance. Therefore, it is important that the organization develop procedures and policies, which comply with process.

The development of standard performance appraisal process will help companies to improve their bottom-line performance, uplift motivational efforts, and resolve most moral problems.

The purpose of this lesson is to provide an understanding of this stage of the success system model: a description of the performance management and appraisal process. This includes the major appraisal techniques, discussing various rating methods, and identifying several performance evaluation problems. Performance management is key factor in enhancing the development of the organization's employees.

5.1 Performance management

The performance management system should provide benefits to both the employee and to the organization. For the individual, the appraisal should provide a management information system for making management decision as well as a tool for improving performance. Today's organization can no longer afford to live with an ineffective appraisal system.

Practically all managers and many employees dislike the experience of performance appraisals. However, the pluses far outnumber the minuses with many good reasons for formally appraising performance. The appraisal is a more factual presentation to demonstrate an employee is failing within the functioning of a group or department. On the positive side, appraisals will also provide valuable insights as to the future direction the department or work group will take.

Performance may be defined as the accomplishment of an employee or manager's assigned duties and the outcomes produced on a specific job function or activity during a specified time period. Performance appraisal, review or evaluation refers to a systematic description and review of an individual's job performance. Performance management refers to the total system of gathering information, the review and feedback to the individual, and storing information to improve organization effectiveness. The primary goal of performance management appraisals is to improve organization performance. The appraisals are used for a variety of purposes, including the following:

1. compensation one of the most common uses of performance management concerns compensation determining pay increases, bonuses and other pay related issues
2. performance improvement an example of this is where companies use appraisal systems which link performance improvement with pay. An effective appraisal system performance is necessary for these incentive systems to work.
3. Interrelated appraisal Performance appraisal information is also used in performance decisions, to determine promotions, transfers, or in the case of downsizing, to identify possible layoffs. Most organizations rely on performance appraisal information in deciding which employees to promote to fill openings and which employees to retain in a downsizing situation.

One problem with relying too heavily on performance appraisal information in making decisions about promotions is that the employee's performance concerns only his or her

current job if the promotion involves different skills from the employee's current job, it is often impossible to predict how the individual will perform at the new level.

4. Evaluation performance appraisal information may also be used to evaluate the effectiveness of the recruitment process, to validate selection criteria or other predictors of job performance. In these cases, the HR manger on-the- job performance appraisal so that the test scores or selection ratings can be correlated to job performance
5. Internet feedback This is a feedback system where employees send feedback to assist managers in assessing their leadreship skills. The system is user friendly and is seen by employees as worthwhile. The system feedback not only assesses manager's team leadership skills, but also helps them develop those skills. The advantagaes of the system include the reduction of paperwork, reducing employee's times, and maintaining employees anonymity while providing prompt feedback. The result is informative feedback that promotes leadership development.
6. Development tool Performance apparaisal may also be used as a development tool for the individual employee, providing an opprtunity for feedback, recognition, and reinforce ment.

This performance reveiw also provides employees with career goals and direction for future performance

The appraisal allows the organizationto select those best qualified for promotion suggest areas where training may be effective, and help improve individual performance, resulting in improved bottom-line productivity. From the individual's viewpoint, performance appraisals should provide recognition of one's contributions; a feeling of support from one's immediate supervisor and the feeling of security from knowing one is performing satisfactory.

When giving feedback to an employee in an appraisal, the interview should have the necessary information to make the evaluation of job performance and present a summation of that information. At this point the feedback session should trun to a discussion of developing strengths, thus shifting into a counsellling session. It is suggested that supervisors keep a file on each worker, noting significance accomplishments or setbacks and appraisals as an ongoing process.

5.2 The performance appraisal review process

the performance appraisal review process provides a critical element in the development of organization's most valuable resource: its employees

1. identifying performance standards The appraisal attempts to identify the key skills, behaviours, results and output to be reviewed, usually from job analysis data. Performance standards specify what is to be accomplished, and some measure of how well it is being accomplished, and some measure of how well it is being accomplished. The more the performance standards are communicated to employees, the more accurate and fair the review process. In general, the greater the specificity of the standards, the more effective the systems
2. the appraisers The appraisal is usually performed by one's immediate supervisor. The rationale is that this individual has the most opportunity to observe the employee, should have a better understanding of the job being performed and is motivated to optimize the employee's performance appraisal because the supervisor's future is directly linked to the organizational unit's profitability.

The immediate supervisors should utilize to minimize any appearance of giving criticism. This can be accomplished by focusing on results rather than individual personality. One should be aware how voice tone can change a person's interpretation of what is being said. The supervisor should regard the employee as a teammate and involve the person in the process. The future should be stressed rather than the past. The emphasis should be on the positive benefits to be attained by adapting the suggested adjustments. At the same time, it should be pointed out if the adjustments are not made, there will be consequences.

3. Self appraisal Other performance sources include subordinate self-appraisals that are completed prior to the review session and then used as the agenda for the session. The effectiveness of self-appraisals depends upon a trusting relationship between superior and subordinate. Also, not to be overlooked is the subordinate's expectation of one's peer group as to their honesty and accuracy in their own self-appraisal
4. Peer appraisal/multiple appraisal Many organizations are finding that multiple raters add to the effectiveness of appraisal system. Ratings collected from several sources tend to be more accurate and have fewer biases. Still another form is peer appraisal, where one's fellow workers rate each other. Again, trust must prevail, along with accurate and

frequent observation of each other's work behavior. Often peers (or customers) have better knowledge of certain aspects of the employee's work performance.

This method often places greater emphasis on team performance and team rewards

5. Subordinate rating Yet another form is the reverse procedure of subordinate evaluating superiors. This may be placing an unfair burden upon the subordinates who, on top of being expected to perform their jobs satisfactorily, now are placed under the additional stress of evaluating the person who will soon be evaluating them. Also, this assumes the subordinates' criteria is similar to the goals and objectives of the organization. Many organizations use self, subordinate, peer and supervisor ratings as a comprehensive appraisal. Although these sources of evaluation are innovative and thought provoking, they are not generally accepted in most organizations

5.3 Performance Appraisal methods

the appraisal methods that appear to be in more general use include rating scales, ranking, checklists, forced distribution, paired comparison, essay, critical incidents, and management by objectives. The number of performance appraisal methods listed is an indication of the importance placed on the process by the management. Another factor is test validity.

5.3.1 Types of validity

A test is said to be valid for selection purpose if there is a significant relationship between performance on the test and performance on the job. The better a test can distinguish between performance on the test and performance on the job, and the better a test can distinguish between satisfactory and unsatisfactory performance of the job, the greater its validity. Applicants' scores on valid tests can be used to predict their probable job performance. The four basic types of validity are

- 1) Predictive validity
- 2) Concurrent validity
- 3) Content validity
- 4) Construct validity

Each type is discussed as it relates to appraisal

- 1) **Predictive validity:** This method of validating employment practices is calculated by giving a test and comparing the test results with the job performance of those tested.

There are several problems with using predictive validity, even though it is considered sound in a statistical sense. For example, a relatively large number of number of people have to be hired at once, and the test score cannot be considered. Obviously, the firm may initially hire both good and bad employees. Because of these and other problems, another type of validity is often used- concurrent validity.

- 2) **Concurrent validity:** Concurrent essentially means "at the same time". Using concurrent validity, current employees (instead of those newly hired) are used to validate the test.

The test is given to current employees, and then the scores are correlated with their performance ratings. A high correlation suggests that the test is able to differentiate between the better and the poorer employees.

- 3) **Content validity:** This type of validity uses a logical and less statistical approach. In content validity a person would perform a test which is an actual sample of the work done on the job. thus, an arithmetic test for a cashier would contain some of the calculations that a cashier would have on job. content validity is especially useful if the workforce is not large enough to accommodate better statistical designs.

- 4) **Construct validity:** This type of validity is more difficult to deal with than the others. In practice, construct validity describes some measure (such as a scale or index) of a variable that correlates with measures of other variables. These variables should agree with a theory as to how they related.

5.3.2 Rating Scales

Rating scales usually include graphic, weighted, and behaviorally anchored criteria. The graphic rating scale is the simplest and most commonly used. A list of performance variables is determined for the particular job such as attendance, production, and cooperation. For each performance variable, there is a listing of levels of performance ranging from exceptional to below normal. The individual merely circles the performance level that is believed to have been achieved. Scoring is done by simply adding the number values assigned to each performance level, from exceptional to below normal.

i. The graphic rating

The graphic rating scale is the same as the graphic rating scale, with the exception that the performance variables receive different weights depending upon their importance in performing the job. The rating procedure is the same except that each variable has a box in which the rate indicates with a 1,2,3 and so on, the relevant importance of that variable. Scoring is achieved by multiplying these numbers times the value of the performance levels ranging from exceptional to below normal. However, the weighted graphic rating scale, although emphasizing the more important performance variables, suffers the same problems as the graphic rating scale. Rater subjectivity is still present, as is the tendency to overrate present behaviour and group people within a narrow range.

ii. Behavioral anchored rating scale BARS

A more sophisticated form of rating is the Behavioral Anchored Rating Scales, commonly referred to as BARS. BARS are graphic scales with the performance variables anchored in description of actual job behavior. For instance, BARS for a wage and salary administrator might range from "maintains a current database" to "fails to coordinate with appropriate committees." BARS are constructed for each individual job category, and not for individual positions within these categories. The results are BARS that are broadly descriptive to cover the positions within job categories. The reasons for this are that constructing BARS is very time-consuming, very costly and very often needs to be updated. It is often not practical to do this first for each individual position. BARS appear to provide a workable system. It also has the advantage of using job categories which are closely reviewed from performance content. The anchors are job descriptive and should promote rate accuracy.

iii. 360 Degree or Multirater

This process allows employees to receive constructive and accurate rating feedback. The rating information is gathered from a questionnaire with approximately 100 items to obtain ratings. The questionnaire is usually completed by a work group of around ten people. This work group includes the person being rated, their boss, several peers, and subordinates.

iv. Ranking

Another appraisal method is ranking. Individuals are evaluated from best to worst on some single performance criteria. This procedure may be changed by alternative ranking the best and worst, followed by the second best and second worst, until all individuals have been ranked. The result is rather simplistic evaluation that may be difficult to defend especially to defend as one reaches the middle of the group, when the best and worst designation differences may be extremely difficult to decide.

v. Paired Comparison

Paired comparisons require the rater to compare pairs of rates on performances which two individuals are compared at a time to determine which one is the better employee. Then, another two names are compared until every individual has been paired with every other individual. The final winning score would be the better individual having been chosen over the others.

The paired comparison method is simple, but cumbersome to use. However when the number of employees to be ranked reaches 20, there would be 190 comparisons the result of which would dilute one's ability to make distinctions yet, This method does seem to reduce the central tendency, leniency strictness and halo errors.

vi. Behavioral Checklist

Checklist appraisals are another appraisal method and are either basic, weighted or forced choice. The basic checklist development follows a procedure similar to BARS, in that a job analysis must be performed to come up with a job description. Then, several performance categories are indicated from which a wide range of favourable and unfavourable behaviours are created. These are then randomly assigned to the checklist representing an accurate statement of favourable and unfavourable job performance. Randomness keeps the evaluator alert, because each behaviour must be carefully read and helps control tendency.

Although checklists are easy to use and score, they are time-consuming and costly to construct. Such checklists tend to be broad and to make them more job specific increases the cost. Also, basic checklists assign equal weight to each item, ignoring any contribution differences of performance variables. However, the weighted checklist overcomes this problem.

The procedure to determine weighting of the checklist is quite simple. A list of performance variables is drawn up, and knowledgeable persons assign varying weights depending upon their judgements as to the relative value of each variable for job performance. At times, organization policies, such as concern for safety, will be reflected in higher weights.

vii. Forced choice

The forced choice appraisal techniques are a rating method that requires the rater to make choices among descriptive sentences. The forced choice checklist is a time-consuming method because it requires the development of a set of sentences ranging from the high level of performance for variables such as effort, to the lowest level of acceptable performance. If an accurate set of sentences is developed, then the result may be a reduction of rater error, particularly central tendency. One technique often used to keep the raters alert is using a combination of positive and negative sentences for each job variable. Raters are not given the screening format, so they are unable to intentionally give high or low ratings.

viii. Forced Distribution

Another method of appraisal is forced distribution, which presents the rater with a limited number of categories and requires a designate portion of ratees for each category. This technique is relatively simple and inexpensive. Employees are divided into set categories, such as the highest rated individuals for a particular variable quality, attendance, etc. This highest category must include 5 percent of all the employees being rated, the above average category must include the next 15 percent, the average category must include next 60 percent, and so on.

One problem with forced distribution is that the group being evaluated may exceed or not meet the designated percentage category, thereby diluting the validity of the category.

As with other forced techniques, rater errors such as central tendency can be reduced; however, the forced distribution may cause ill feelings among raters and ratees because the method is so objective.

Implementing performance management

A business may have the latest performance management systems, but it will fail unless it is implemented or put into action correctly. Front line supervisors may not understand the goal of the system and are confused by the objectives. Is the aim of the system to help employees meet the company's expectations which will further their job security, Or is the system designed to have a record that will inhibit employees from suing the company

Actually, performance management is a mixture of both. It is not one or the other. The following suggests some aspects of implementing a performance management system.

Setting Expectations. Employers must provide employees with clear instructions of what the company expects of them. It would be unfair not to do this and then terminate employees. Not only is it unfair, in adversarial proceedings (courts, arbitrators, or commissions) one of the first questions asked is "..... did the employees fail to meet in terms of conduct, performance, or behaviour" Employers who reply the employee should have known will usually receive the reply "You should have told them." Big trouble!

Notification of Not Making the Grade. An employee discharged is unfair if the employee has not been told previously that one's job is on the line. This notifies employees they are not making the grades so they can make the suggested changes to preserve their job.

When employees know their records reflect their shortcomings, they are less likely to sue, which would place their personal records into the public record.

Nonpunitive discipline. Many supervisors are reluctant to punish their children, let alone adult employees. Most will not use discipline, even if the employer requires it. Nonpunitive discipline can be used and many believe it generates more effective results. Employers have the right to be treated like adults and should and should be counseled on their job shortcomings in a direct and nonpunitive manner.

Deficiencies, Not causes. When employers try to address the real cause of a workplace problem such as emotional, medical, or personal, there is a real risk of lawsuits. The reason is when you do so you are actually considering the employee as having a disabling condition which is against the law. Focus only on what takes place at the workplace. Do not inquire nor speculate as to what may be the "real"

Avoid Intent. When employees do not meet the company expectations, it does not mean they are bad and do not care. Stay out of the trap of analyzing the employees thoughts. you cannot prove an employee doesn't care, but you can prove missed deadlines and defective work. If you focus on subjective intent, you allow the employee to divert attention away from the real issue of objectives deficient work behaviour.

Avoid Delay. If one must discipline employees, do not delay. The longer time elapses, the more rigid our view of the employee becomes. Employees should have a chance to improve, not be judged prematurely. By acting quickly, you reduce the possibility the employee will raise a protected complaint such as harassment or disability.

Other aspects of implementing performance management, which requires attention, is providing employees the opportunity to defend themselves. There are usually two sides to every work incident. Employees should have a reasonable opportunity to improve. Any discipline should be progressive with reasonable time between each step. The business should make good use of the introductory periods of 30 to 90 days at the beginning of employment to document employees work problems. If the new employees will not work out, now is the time for discharge. It is only fair to the particular employees so they can invest their time and effort in a more suitable job. All discharges should be the same for similar situations. Double standards and favoritism will cause legal problems later as comparisons are made. Always provide an appeals procedure such as per review because although companies try to be fair, errors will occur.

5.4 Performance Appraisal Problems

Performance appraisals and merit rating plans sometimes fail. When this does occur, there are several possible explanations or problem areas. Sometimes these plans not only attempt to motivate individuals to increase effectiveness, but also directly link pay raises and promotions. When this takes place during the evaluation feedback session, employees are more interested in the final result: that is, will they receive increased pay or a promotion. The result is the rater often pays little attention to the feedback portion of the session.

The feedback session should not include any pay rise or promotion decisions if future employee motivation is one of the expected outcomes. Pay raises and promotion should be discussed at later sessions.

In a feedback session using employee self ratings of their performance, there may be problems with the supervisors rating differing. Such issues go beyond just the differences in overall ratings and require additional discussion. One cause of appraisal may be the lack of top management support. The result is that both the rater and ratee will realize little will result from the evaluation process so they merely go through the motions, often wasting valuable time and energy. It is only when management supports appraisal and makes it known to the ratee that their future with the company depends upon their effectiveness in evaluating ratees, will there be appropriate results. This also applies to the ratees because they must be convinced their evaluations will eventually decide future career opportunities, pay raises, and possible promotions.

When the company is unionized, the major cause of evaluation problems is using seniority as the basis for pay increases, promotions, and other work related issues such as vacations, shift preferences, and overtime. Although this is a contractual procedure, subject to negotiations, the company often does have other choices.

For instance, the company would prefer to keep the seniority unit as small as possible, permitting the seniority restriction to apply to the smallest number of people and thus allowing greater company discretion in appraisal. Of course, the union desires larger seniority units, because it hopes to maximize the number of people to whom the seniority rule applies. For example, in a layoff situation, the seniority person would bump the least senior person. When units are small the effects of seniority are often minimized. Other approaches to the seniority issues would split merit and seniority system, with extra performance points given for years of service. Also, when merit measures favor a non-seniority person over a seniority person, a joint management union committee could resolve the issue. The seniority issue aside performance management appraisal plans will continue to be a major factor in determining pay increase, promotions, and retention in business organizations.

5.5 The appraisal interview

The appraisal interview gives a manager the opportunity to discuss a subordinate's performance record and to explore areas of possible improvement and growth. It also provides an opportunity to identify the subordinate's attitudes and feelings more thoroughly and thus to improve communication. Usually the appraisals are conducted once or twice per year. In smaller organizations, appraisals may be few and far between, but they are important.

The format for the appraisal interview will be determined in large part by the purpose of the interview, the type of appraisal system used, and the organization of the interview form. Most appraisal interviews attempt to give feedback to employees on how well they are performing their jobs, and to make plans for their future development. Interviews should be scheduled far enough in advance to allow the interviewee, as well as the interviewer, to prepare for the discussion.

Areas of emphasis

A major purpose of the appraisal interview is to make plans for improvement; however, it is important to focus the interview's attention on the future rather than the past. The interviewer should observe the following points:

- i) Emphasize strengths on which the employee can build rather than weaknesses to overcome
- ii) Avoid suggestions about the personal traits to change; instead suggest more acceptable ways of performing.
- iii) Concentrate on opportunities for growth that exist within the framework of the employee's present position.
- iv) Limit plans for growth to a few important items that can be accomplished within a reasonable period of time.

Although fairness issue is a major concern in all the working areas of HRM, it is very important in the appraisal interview. The principles of justice form the basis for HRM practices in hiring, performance appraisal and rewards. There is ample evidence that fairness increases the company's employee loyalty. The result is satisfied, committed employees who are willing to demonstrate extra job effort. This leads to positive employee job behaviors even if they are related only to job description, performance appraisals, or reward programs.

The appraisal interview is perhaps the most important part of the entire performance appraisal process. Unfortunately, the interviewer can become overburdened by attempting to discuss too much as the employee's past performance and future development goals. Dividing the appraisal interview into sessions, one for the time pressures. Moreover, by separating the interview into two sessions, the interviewer can give each session also may improve communication between the parties, thereby reducing stress. A good, supporting feedback interview can result in greater employee satisfaction with the appraisal interview.

Another source of ineffective performance is the normally happy employer who suddenly demonstrates negative behavior. Over a period of several weeks their behavior becomes aggressive and threatening. It could be caused by a medical condition, such as depression, or because the employee has stopped taking prescribed medication. Whatever is causing the behavior change must be unique to that person, although some people are naturally antagonistic or withdrawn. An important consideration is the disturbed employee may cause valuable employees to transfer or leave the company.

Ineffective behavior may be caused by the work environment. The competitive world of work with its budget cuts, restructuring and high tech advances are extending the reach of the workplace, overloading many employees. Employees begin to burn out when the negative pressure, conflicts and demands increasingly outweigh the positive of personal acknowledgment, and successes. Exhausted workers report lower job satisfaction, lower commitment and higher job turnover.

Because highly motivated and committed employees are apt to burn out the company is losing its best people. Companies must increase their acknowledgment and show appreciation to employees doing a good job. These rewards should be distributed fairly to employees because an unfair allocation increases negativism.

5.6 Improving performance

In many instances, the appraisal interview will provide the basis for noting deficiencies in employee performance and for making plans for improvement. Unless these deficiencies are brought to the employee's attention, they are likely to continue until they become quite serious. Sometimes, under performers may not understand exactly what is expected of them. However, once their responsibilities are clarified, they are in a position to make the corrective action needed to improve their performance.

Source of ineffective performance

There are many reasons why an employee's performance might not meet standards. First each individual has a unique pattern of strengths and weakness that play a part in addition, other factors such as the work environment the external environment including home and community and personal problems have an impact on a job performance.

It is recommended that the appraisal of ineffective performance focus on three interactive elements; skill effort and external conditions for example if an employee performance is not up

to standards, the cause could be skill problem (knowledge, abilities technical competencies,) an effort problem (motivation to get the job), or some problems in the external conditions of work (poor working conditions, supply shortages, difficult sales territories). If any one of these three elements are unfavourable, performance will usually suffer

5.7 Improving ineffective performance

The first step in improving ineffective performance is to determine its cause once the cause is known, a course of action can be planned. This action may include providing training or improving the skills needed for effective member of the organization. In other situations, greater attention may have to be focussed on incentives to motivate the employees.

If effective performance persists, it may be necessary to demote the employee take disciplinary action, or discharge the person from the organization. Whatever action is taken, it should be done within legal limits, with fairness and with recognition of the feelings of individual involved.

This requires a formal approach to a progressive discipline program. The most appropriate match of discipline to a specific offense should be governed by the severity of offense, employee's past performance record, length of time employed, and past penalties for similar offense. Appropriateness of discipline usually begins with the first step being a verbal warning, the second a written warning and third a final written indicating the disciplinary action

Optimal performance

The performance management process is designed to assist employees to develop their full potential; that is to obtain their successful performance in the work environment. With the flattening of the company structure and the emphasis on quick response, more work is being done in task force and project teams. Employees are placed in teams with members of varying skills and must move quickly to complete their assignments before moving on to a new team and new project. The management consultant believes this recruiting redeployment of employees is not being accomplished in an efficient manner. They may be misassigned or mismatched. The situation may also be inappropriate for the employee to achieve optimal performance

What is optimal performance? This occurs when employees produce outstanding or optimal results for this take place, the employee must be selected to perform in a particular work environment requiring that persons unique talents, which lead to their high performance pattern. Outstanding personall sucess is not random, accidental, or lucky. An employee does certain things when sucessful which are different when not sucessful; the person is in their high performance pattern. Each person has high performance pattern which is unique to the person. No two people have the smae high performance pattern for succesful performances to achiev performace, there must be a cerful people match between the job assignments and adjustments in how work is assnged to capitalize on the unique sucess patterns of the team mebers. Some companies have treid this approach and were highly sucessful. From the perspective of performance management, very performance review would become an original appraisal. This would appear to require a rethinking of performance management process



Review Questions

- i) *Contrast and compare the difference between performance appraisal technique .*
- ii) *Which technique would you prefer for an educational institution e.g school.*
- iii) *How would you define ‘performance management’.*
- iv) *Present and discuss examples of how performance appraisal techniques are used in educational settings.*
- v) *Do you feel school administrators should receive training in concluding performances evaluations? Why or why not?*
- vi) *Discuss and explain the basic problems that can arise in performance appraisal*
- vii) *How frequently should performance appraisal take place?*

Text Books for Further reading

1. Dessler, G. (2002): Human Resource Management (9th Edition).NJ,Prentice Hall
2. Flippo,E.B. (1984): Personnel management (6th edition). Ny, McGraw hill
3. Harriman, A. (1985): Women/ Men Management. NY, Praeger
4. Pell, A (1969): recruiting and selecting personnel. Ny, regents

LESSON SIX

TRAINING AND DEVELOPING HUMAN POTENTIAL



Lesson Objectives

At the end of this lesson, the student should be able to:

- a) Define the concept and major purpose of training in an organization.*
- b) Describe the steps in developing and implementing an effective orientation and training program.*
- c) Understand the uses of a systems approach to training in an organization.*
- d) Identify and describe the major types of training methods and techniques.*

6.0 Introduction

After the employee has been recruited, selected and inducted, he or she must next be developed to better fit the job and the organization. No one is perfect fit at the time of hiring, and some training and education must take place. No organization has a choice of whether to develop employees or not; the only choice is that of method. If no organized program exists, then development will largely be self- development while learning on the job.

Development would include both the training to increase skill in performing a specific job and education to increase general knowledge and understanding of our total environment.

In the future, the only winning companies will be those that quickly to changing conditions, increasing workforce diversity, and the critical issue of training- related problems. Preparing employees to function in high performing system is an important HR activity and is the focus of this lesson. The modern HR manager must not only be flexible and adaptive in changing environment but must also be able to develop a system approach to training. Rapidly changing technology necessitates employees who have the skills, abilities and knowledge to keep up with new complex production and techniques.

Training is a process that begins with the orientation of the new employee and continues throughout an employees' career. Therefore, it is important that the HR manager develop labor force.

Training is critical because it provides the skills needed both now and in the future. The underlying assumption is; if an individual employee becomes more productive and more involved, the total organization will also be improved. An overlooked benefit of training is when it is a continuing process rather than occasional. It has been found that when companies train their employees continually, not as a high level of performance, but it also helps to eliminate a negative work place.

6.1 Training

Training may be defined as an attempt to improve performance by the attainment of specific skills such as typing, welding, running a computer and so forth, to do the current job the goal of training is to ensure that a number of job skills will be performed at prescribed quality levels by trained employees.

6.1.2 Development

Development is more general than training and refers to learning opportunities designed to help employees grow this provides employees with less detailed information but provides broader learning, which may be utilized in a variety of settings and for future jobs. Some examples would include learning computer programming so one could write programs, understanding human behavior as it relates to motivation, understanding total quality development is to broaden the employees' comprehension of generalized situations that may overlap into specific events. In essence, development is macro, not micro. It results in comprehension of processes and through this in understanding results in better job performance.

6.1.3 Combination programs

Training programs may combine both training and development. In fact, development is becoming merely a factor in training programs as the business world begins to experience the serious deterioration of the education system in grades K through 12. As global competition increases, training programs for management are becoming more educational in scope with instruction in such fields as ethnic and cultural development in the world marketplace.

An example of development is the problem of technical versus managerial expertise allowing for promotion of both and not creating dead-end jobs. One answer is to develop dual careers paths allowing both groups promotional and development opportunities. Many industries have used this procedure and is now quite common in information technology (IT) departments. By creating two career development paths- one by the traditional route of assuming management responsibilities and other by moving up a technical route of assuming management responsibilities and other by moving up a technical ladder- this helps to cut turnover while building more efficient IT groups.

6.2 The training process

Without proper planning of the training process, a lot of money will end up being wasted on unnecessary or obsolete training programs. To ensure that training money is invested wisely requires the same logic used in all management decisions. The manager must:

- 1) Identify training needs and establish specific objectives and evaluation criteria
- 2) Design the appropriate training methods and conduct the training
- 3) Evaluate the results of the training

Step One: Identifying Training Needs

The initial step in a training program is to identify training needs, often termed needs assessment. The needs assessment refers to a systematic, objective identification of training needs. Training needs can usually be determined by consulting with appropriate managerial personnel regarding the results of assessment centers, areas of need revealed through employee performance appraisals and determining managers' concerns for specific training needs to improve bottom line performance.

Step Two; Designing Training Programs

The second step in a training program is developing training objectives and criteria. The instructional objectives and criteria describe the performance in terms of training. One example of an objective would be the attainment of a specific skill or performing a work task within a certain frame. An example of criteria would be as specified score on test instrument or validation of performing a specific operation flawlessly a number of times. There are two advantages to developing objectives. First the objective provides criteria for evaluating the training program. Second, the objective provides trainers with the specific topics and contents to focus on. This

ensures that training programs are focusing on important topics and goals that have meaning to trainees.

Achieving the objectives and criteria can be accompanied through the selection of an appropriate training approach. The basic techniques include coaching, internship, on-the-job training, apprenticeship, job rotation, job instruction method, mentoring, case method, continuing education, college and correspondences courses, lecturers, role playing, simulation programmed instruction and vestibule training. These training methods can be used to achieve either one or a combination of learning objectives: cognitive, non-cognitive, and psychomotor. Cognitive learning relates to job specifics. It is concerned with facts and method sequences. Non-cognitive is concerned with behaviours : creating and responding to position requirement. Psychomotor involves performing tasks requiring use of hands, feet and body.

(a) Orientation Training

Orientation training may be defined as training that introduces new employees to the organization and learning the ropes and familiarize them with the rules procedures, tasks and values of the organization. In general, the orientation process accomplishes the socializing of the new employee. Socializing refers to a new employee learning the norms, values, goals, work procedures and patterns of behaviour that are expected by the organization.

(b) In-house Coaching

Coaching requires a person who has the necessary knowledge to instruct other individuals on one-to-one or small group basis. The coast most often is a supervisor, but may be a coworker. Coaching is most often associated with team sports, such as baseball and football, where individual and team skills are developed through practice and critique. Although knowledge of the task is important, an effective coast must also possess the ability to communicate the information to the individual in an efficient manner. The coach and the one being coached must develop a mutual trusting relationship, if this method is to be successful.

(c) Internships

Interns usually follow a formalized training program. An internship program usually consists of a series of job assignments over specific time periods designed to prepare person for better job

responsibilities. To ensure interns make the necessary progress in their job assignments, daily log of their activities is kept and/or written reports are reviewed by appropriate supervisors. These jobs are usually channeled through the internship coordinator who oversees the progress and functions as the administrators of the internship program.

(d) On-the-Job Training

In on-the-job training, the employee is placed in the work situation and the supervisor instructs the employee in how the job is done directly at the workstation. On-the-job training has several advantages. First, it is cost efficient. Workers actually produce while they learn. Second it builds motivation and involves a feedback situation. Finally, it minimizes problems of transfers of training. When employees learn in the actual job situation, the skills learned are the ones needed. Although on-the-job training is usually low cost and practical, it does have some disadvantages. Because training is conducted at the normal production point, trainees may damage equipments, cause excessive waste materials, and involve significantly higher accident rates.

Another major disadvantage of on-the-job training centers on the trainer. In the majority of cases, the instructors are either supervisors or experienced line workers. In either case, the trainer may not have the training skills, interest or time necessary to properly train the new employee. These conditions could produce improperly trained employees who, through no fault of their own, are not performing the job at a high level of productivity and safety.

(e) Apprenticeship Training

Among the oldest types of on-job-training is apprenticeship training. This training is commonly used by industries including metalworking, construction, and auto repair, where the apprentices are trainee who spent a set of period of time (usually 2 to 3 years) working with an experienced journeyman. When used properly and apprenticeship programs allows the worker to earn wages while learning in both on-the-job situations.

The major disadvantages to apprenticeship training seems the set time period placed on all enrolled in the programs. People have different abilities and learning rates, but all must serve predetermined training period.

In the changing technological environment of the 200s, apprenticeship programs also face new challenges. A trainee may spend several years learning a specific job skill, and then find upon completion of the apprenticeship that these job skills are no longer needed.

(f) Job Rotation

Job rotation training involves moving trainees around among different jobs within the organization. This system is often used for management level training and self managed work team programs. Job rotation allows the employee to learn several job skills and a wide range of operations within an organization. Cross-trained personnel also provide greater flexibility for organizations. Cross-trained personnel also provide greater flexibility for organizations when unexpected transfers, absence, promotions, or other replacements may become necessary. Job rotation usually takes place at the same pay rate. It often occurs when the job is temporally vacant due to a vacation, illness or termination. The employee benefits from learning a variety of skills. The company benefits from having a group of experienced candidates from whom to choose when vacancies occur.

(g) The Job Instruction Method

The Job Instruction Method (JIM) is formalized on-the-job training method where the employee follows a series of written instructions to complete a procedure or to operate machinery. These written instructions may be provided by the manufacturer of the equipment or by skilled company employees. The JIM is effective for repetitive situations.

Programmed Instruction (PI) provides the employee with short segments of information who then respond to selected questions. If the answer is correct, the employee moves on to newer, more complicated segments of information. If the answer is wrong, the employee returns to the previous short segments of information and tries again. Because this approach is self-correcting, it is fast, and, for some individuals, is more effective learning tool.

(h) Computer Assisted Instruction

One popular method of training is programmed instruction or computer-assisted instruction. This involves a self-taught, self-paced learning system, usually using computers, which eliminates the need for an instructor. Material is presented to trainees in written form, or by computer programs

through a series of self-paced steps. Each step consists of factual material to be mastered, which is directly followed by a question. The trainees' responses are immediately verified after each question. If the replies are correct the trainees proceed to the next item. If the responses are incorrect, the question is repeated. Computer aided instruction offers the advantage of individualized training. Trainees progress at their own pace, receive immediate feedback, and are active, as opposed to passive learners. The potential of computer-aided instruction is limited only by the amount of training needs, and is becoming one of the most popular training methods.

(i) Mentoring

Mentoring establishes a formal relationship between junior and senior colleagues or between a person with superior knowledge and a less experienced employee. It is similar to a parent-child relationship in that one provides guidance and tutorship in the ways of career success, including sponsorship, coaching, and protection of the colleague, exposure to important contacts and assignments of challenging work.

A mentor can be an important aid in the development of the junior person, and may also be valuable for improving the job involvement and satisfaction of the mentor. The mentor begins by determining the employee's job and the direction of the subsequent career path. Together, the mentor and the employee should develop career goals based on abilities and company promotional opportunities. One approach is both parties to maintain a diary of events both feedback and agreement of the progress attained.

An evaluation format should be established at the start of the mentoring program. This can be as simple as both parties discussing progress or evaluation by other managers of the employee, or more formal committee reviews at various points in the program.

(j) The Case Method

The case method is as useful tool in classroom training sessions. Because the case is usually a generalized version of an actual job situation, it provides authentic data and the opportunity to suggest appropriate corrective action. Each trainee reads a case report which describes an organizational situation, then, in a term, they discuss problems, and present differing viewpoints and a plan of action.

(k) Off-the-Job Training

Aside from initial orientation and on-the-job apprenticeship most other industry training probably occurs away from the actual job location. These programs may be taught by staff professional trainers and consultants, or university faculty.

Off-the job training provides a variety of training, which would not otherwise be available to smaller companies. Programs can be designed to meet training needs without being restricted by the lack of organization resources. Typically, off-the-job training creates an environment for learning. Employers not only need to know the training needs of their employees, but also need to understand their learning preferences.

Once the training program is completed, if the employee can continue self-directed learning, then it becomes cost-effective to teach and demonstrate learning style theory. One approach to transfer of training is to provide a mentor in the workplace to reinforce what has been learned. This way, the learning experience continues in the workplace.

(l) Continuing Education

Continuing education courses may be offered by colleges or professional organizations. They are usually of short duration and take place away from the organization. Topics range from self-improvement and learning particular skills to maintaining a desired level of professionalism (such as in nursing or accounting).

College and correspondence courses include educational, vocational and technical. As a result of their broad range, they provide a valuable supplement to a company's training program. From the company's viewpoint, problems that occur include the course content many not satisfy the organizations specific needs and employees progress is difficult to monitor.

Step Three: The Evaluating Of Training

Evaluating involves gathering information on whether trainees were satisfied with and learned from the training. The evaluation considers several areas: was the designated need or objective met and the specified criteria satisfied? Was the teaching method selected effective for the individual to learn? And finally, will the evaluation assist the instructor to be more effective in the teaching role?

The answer to the first area of concern – whether the designated needs were met and the specific criteria satisfied – involves both the trainee and the trainee’s supervisor. Some type of test will often measure the trainee’s accumulating of knowledge. However, the key area is whether the training received by the employee translates back of the job to increase effectiveness. This knowledge is possessed by the supervisor who should be surveyed through some form of written appraisal after the trainee has returned to the job for an appropriate time period.

Whether the selected teaching method was effective will be the result of summing the trainee’s test scores and the supervisors rating of whether the employee is now more effective on the job.

The final area of concern is the effectiveness of the instructor. The same evaluation data used in the previous appraisals can be used here also, although the analysis will be somewhat different.

The student test scores and the supervisor’s evaluating need to be reviewed for possible areas of course weakness and curriculum deficiencies. After determining these effects, these effects, the instructor can determine the appropriate changes at the teaching level to increase effectiveness.

In conclusion, for an organization or a company to maintain success, it must employ a systematic approach to training and developing employees. The purpose of training includes:

1. Orienting new employees
2. Improving productivity
3. Developing employee skill levels
4. Enhancing job competency
5. Solving organizational problems.
6. Developing promotable employee from within the organization

In any organization, commitment to training must start at the top, customer service is the key to success, and all employees are trained to focus on customer satisfaction. The true key to successful change is employee involvement and commitment. Other employee training resources include interactive web-based training and the virtual university.

SUMMARY

In the past decade, training has become increasingly popular as an HR technique for improving employee and managerial performance in organizations. It has been suggested that most organizations provide some type of formal training and spend millions of money in the effort. An effective training program depends upon systematic approach including a careful need

assessment, program design and evaluation of results. In this lesson, we examined the major organization training and orientation programs. Training and development includes the orientation of new employees as their job requirements change. Encouraging the development and growth of employees and managers is another aspect.

You will have the opportunity to assess a training problem and to develop a set of strategies and techniques for an organization training program. Clearly, a new employee's initial experience on the job can have a major affect on a later career, just as a student entering a new class. In evaluating learning in class, we measure changes in learning skills, behaviour and results. The impact on the performance of the organization provides the bottom line.



Review Questions

- i) *Define the terms training, development, and orientation, internship, off the job training and on the job training.*
- ii) *What are the major goals of orientation training?*
- iii) *How important is motivation in orientation training?*
- iv) *On your first day on the job, what orientation did you receive?*

Text Books for Further reading

1. Dessler, G. (2002): Human Resource Management (9th Edition).NJ,Prentice Hall
2. Flippo,E.B. (1984): Personnel management (6th edition). Ny, Mcgraw hill
3. Harriman, A. (1985): Women/ men Management, NY, Praeger

LESSON SEVEN

DIVERSITY AND GENDER ISSUES IN THE WORK PLACE



Lesson Objectives

At the end of the lesson the student should be able to:

- a) Discuss the issue of equal pay with regard to gender in the work place*
- b) Define what a two tier pay is.*
- c) Explain what is meant by the term fair and square with regard to gender.*
- d) Explain why organizations use variable pay when compensating their employees.*

7.1 The Issue of Equal Pay or Comparable Worth

One of the important compensation issues of the twenty-first century is equal pay for comparable work. The issue stems from the fact that jobs performed pre-dominantly by women receiving less pay for jobs that are different from, but comparably worth to, those performed by men.

The issue of comparable worth goes beyond providing equal pay for jobs that involve the same duties for women as for men. It is not only concerned with whether a female secretary should receive the same pay a male secretary. Rather the argument for comparable worth is that jobs held by women should be compensated the same as those held by men, if both job types contributes equally to organizational success. However, this is continuing problem and will continue be an active issue as the percentage of women in the workforce continues to climb.

7.2 Two Tier Pay

Two-tier pay rates are recent innovation as businesses attempt to cut their labor costs. There are actually two different pay systems for the employees. Some plans continue this difference for long time periods and others set a limit – such 90 days or longer before they become equal.

7.3 Fair and Square

What can HRM professionals do to make their compensation program achieve wage parity while avoiding federal scrutiny for a defective gender-neutral system? Although employee's use

different techniques to keep salaries fair and square, equitable compensations have several common features such as salaries based primarily on the industry market pay rates, not on some employee's value to the firm based on an arbitrary evaluation system.

Another common feature is system in which skills, performance, and tenure are objectively evaluated and measured. This allows HRM to monitor the process and control adherence to the approved procedures. The results should be accepted as not deviating from the process. The last common feature of a gender-neutral compensation system is a regular review for any irregularities caused by cutbacks, transfers, mergers, or sudden increases in recruiting. When irregularities are uncovered, they are immediately corrected.

The corners of all companies fair and square compensation system requires continuous adjustments. The gender system goal is to be able to highlight any unfair treatment for all employees, even between two white male employees.

7.4 Variable Pay

The twenty-first century is witnessing the hottest trends in HRM. It is the redesign of compensation, packages to support organizational goals and objectives. This is the result of helter skelter compensation plans with not coherence policies.

The answer to these problems is the total compensation plan. In such a plan, employees receive a base pay for core duties, individual and small group achievement pay, and variable pay that is based on the company's success.

Total compensation plans are not uniformly successful. The reason is poor implementation of the variable pay segment of the plan. The correct implementation requires careful attainable performance goals and techniques to objectively measure those goals. This requires knowledge of the company's rent performance results in key areas and comparative industry data.

The variable pay program success requires establishing employee's trust. If employees don't trust their management to tell them the truth or fairly considered their suggestions without ridicule or punishment, variable any programs will not work.

To make variable pay work, companies should do the following:-

Do not make the program complicated. Goals must clear and straightforward. One way to accomplish is follow the example of a major national food manufacture. Employees were asked to set specific variable pay goals for each plant. Representative group developed very specific

goals for manufacturing have the final approval employees were told the implementation would be immediate.

Never underestimate the ability of employee to understand. They are at least as sharp as the managers who created the original compensation program. When the subject is pay-related, they listen carefully and are away of inequities, which will then share with other employees.

Avoid compensation legal terms and unnecessary details. All employee communications containing excessive financial and legal terms are very ineffective. A more effective method is quarterly posters to update employees on the two main goals of variable pay; operating margins and customer satisfaction. An effective poster tells what is needed and is understood in seconds.

Management must acknowledge present deficiencies in the current compensation plan. The current deficiencies are the reason for implementing variable plan. The real success is whether margins and customer satisfaction improves as a result of employee recommending improvement strategies.

The variable pay program is whether the employees perceive it a being fair and equitable. The employees must buy-it that the variable pay plan is in their and the company's best interest.



Review Questions

- i) *Present examples of comparable worth in an organization you have worked for.*
- ii) *Define what a two tier pay is.*
- iii) *Explain what is meant by the term fair and square with regard to gender.*
- iv) *Explain why organizations use variable pay when compensating their*

Text Books for Further reading

1. Flippo, E.B. (1984): Personnel Management (6 th Edition). NY, McGraw-Hill
2. Harriman, A. (1985): Women/ Men Management. NY, Praeger
3. Pell, A (1969): recruiting and selecting personnel. Ny, regents

LESSON EIGHT

MOTIVATING IN CHANGING TIMES PAY FOR THE PERFORMANCE



Lesson Objectives

At the end of this lesson, the student should be able to:

- a) Define and discuss the concept of employee incentive programs*
- b) Describe the growth and objective of major employee incentive systems.*
- c) Understand the relationship of employee stock ownership plans (ESOP) to goals of employee satisfaction and productivity.*
- d) Identify and describe the major types of incentive programs.*
- e) Define and discuss the external and internal factors, which lead to flexible incentive*

8.0 Introduction

As global competition causes our businesses to restructure, the empowerment of employees to work faster and smarter has become increasingly important. However, the success of employee empowerment depends upon our ability to motivate this extra effort. Motivation may be defined in terms of some performance behaviour. Motivation is an emotive state causing persons to want or need something intensely enough to put forth the necessary effort to achieve it. This drive to achieve is usually goal-directed, and becomes more complex when dealing with groups or teams. What drives us as individuals to achieve is often difficult to decipher, as our needs and desires will vary over time.

8.1 Motivation

Motivation is a process in which people choose between alternative forms of behaviour in order to achieve personal goals.

The goals sought by individuals can be relatively tangible, such as monetary reward or promotion, or intangible such as self-esteem or job satisfaction. The rewards available to an individual are generally classified under

(a) Intrinsic rewards – those that derive from the individuals own experience e.g. sense of achievement or a feeling of self-esteem.

(b) Extrinsic rewards – those conferred on a person from outside e.g. a pay rise or promotion.

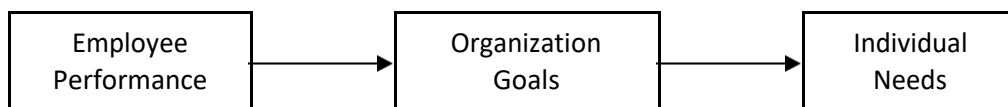
Managers find reliable links between individual motivation and effective performance.

There are many theories of motivation. The human relations school believes employees want to do a good job. Although their individual may differ, they would be motivated to achieve their potential.

Hygiene factors include working conditions, pay, company policies, and interpersonal relations. When hygiene factors are only factors present in the job, they do not motivate employees, they only satisfy them. However, if they are not present, the work then becomes dissatisfying. To motivation, the employee needs the presence of the hygiene factors plus the motivators. The motivators are higher-level employee needs of achievement, recognition, responsibility and opportunity.

However individuals act to obtain these goals, they must believe their behaviour will lead to their attainment. A crucial element is how valuable the goal is to the individual. The more value the individual attaches to the goal, the more effort the individual will expend to achieve the goal.

The three basic needs are achievement, affiliation, and power. The need for power is defined as controlling others, assuming responsibility for others and having authority over other.



8.1 Reasons for Pay Performance Plans

Many organizations have implemented incentive plans for a variety of reasons: increasing labour costs, more global competitive markets, faster technological advances and greater needs for productivity quality. In the twenty first century, incentives plans and focusing on pay-for-performance, improved quality and productivity. By using pay for performance managers are finding employees improve their job performance.

Incentive plans may not always lead to organization improvement for two main reasons. First some companies feel that incentive plans are in conflict with a team-oriented approach. Second

management may have to give sufficient attention to the design and implementation of incentive programs.

The success of pay for performance system mainly depends on the organization. If the organization has a strong corporate culture, high morale, and employees trust the management, then there is a stronger probability of success.

Team incentives should not be used in situations where a few individuals are likely to maximize their output at the expenses of their coworkers. Group incentives should reduce rivalry and promote cooperation and concern for all members in the units overall performance.

8.2 Types of Incentive programs

There are three important point related to the effective administration of incentive plans:

1. **Incentives.** Incentives systems are effective only when management is willing to pay incentives based on differences in individual or team performance.
2. **Motivation.** Incentives must be large enough to motivate and reinforce exceptional performance.
3. **Standards.** Incentive systems must be based on clearly defined and accepted performance standards effectively communicated to employees.

There are a number of types in incentive programs, which are described in the following sections.

1. Individual Incentives

Many factors are involved in the design of an individual incentives plan. For example, most incentive plans are designed to set production rates according to the technology used. Incentive payments for hourly employees are based upon the number of units produced, by the achievement of specific performance goals, or by productivity improvements in the organization. Who would be including in incentives? The incentives system should be designed with a focus on specific employees in mind – such as production middle managers, sales people, engineering, or senior executives. Most organizations are different incentives systems for different levels.

How will performance be measured? The decision whether to use an individual, team or organization wide incentive is critical. The major factor is the extent to which results can be measured at the individual or team level, whether the individual's contribution is measured, and the effect on teamwork among unit members.

2. Piecework

One of the oldest most commonly used incentives plans is piecework. In a straight piecework plan, the employee receives a certain amount of pay for each unit produced. Compensation is then determined by the number of units produced during a specific time period. Employees often earn as much as 55 per cent more than their base pay in a piecework system. The differential piece plan enables employees whose production exceeds the standard output to receive a higher rate of all of their work than the rate rapid to those who perform below the standard.

The piecework systems are more like succeed in repetitive jobs where units of output can be reliably measured, when quality is less critical, and with a continuous flow of work. Unfortunately, it is not effective in jobs that do not have reliable standards of performance. One of the weaknesses of piecework is that it may not always be an effective motivator. If workers find that increases in output bring disapproval their fellow workers, then the need for friendship and approval may outweigh the incentive to produce more. Secondly, the standards for piece rates often tend to change, because employees discover ways to do the work in less than standard time.

3. Individual Bonuses

Individual bonuses are an incentive payment that supplements the basic wage. It has the advantage of reward workers with more pay for higher performance effort, yet still providing a basic paycheck.

4. Team Bonuses

Team bonuses are usually used when the contribution of an individual employee is either not measurable or when performance depends on team cooperation. Which work process requiring more teamwork and coordination among workers, team bonuses are very popular. Most team bonus plans are tied to such measurable outputs as company profit, improvements in quality, or cost reductions. Team bonuses, like individual incentives plans, often improve employee motivation. This allows the organization to:

- a. Reward team productivity.
- b. Compensate team members for new skills.
- c. Increase overall performance

Incentives for Management Employees

Merit raises represent one of the most commonly used incentives systems for managerial level employees. They are used to motivate managerial, sales and professional employees where raises can be directly related to performance. Merit increases are usually separate from the person's base pay.

5. Sales Incentives

Sales incentive plans are often based on the same factors as individual incentive programs. The drive needed in selling demand highly motivated sales personnel. The competitive nature of selling underlines the widespread use of sales incentives.

Sales incentive plans often share many of the characteristics of individual incentives, but there are also unique requirements. Sales output measures can usually be established as the level of sales (in shillings or units), but sales people are not paid just on sales volume. They often provided other services, such as customer training, product development, consultation and new accounts, which involve complex measures of performance. A critical first step for a sales incentive program then is to determine the most important performance factors. In general, sales performance maybe measured by the total sales volume and by their ability to generate new accounts. If measures are used such as promoting new products and providing customer service, then more complex measures may be used.

Setting performance standards for sales are not without problems because sales performance is often affected by external factors beyond the control of the salesperson. There are economic and seasonal fluctuation, differing levels of competition, changes in demand, and more lucrative sales territories which can all affect an individual's sales level. Because sales volume along not be an accurate an indicator of the effort salespeople have expended many organizations set quotas based on sales potential. In designing an incentive plan for sales people, there are also the problems of rewarding extra sales effort and compensating for promotional activities that may not impact directly on sales.

6. Managerial and Executive Incentives

There is research to support the use of incentive systems for executives, which are usually related to the strategic goals of the organization. Incentives for managerial and executives are believed to have an impact upon organizational performance although there is little data to support this belief. In most cases executive incentive plans are linked to net income, return on investment, stock price, or total dividend paid. These incentives are usually paid in the form of bonuses and

stock options. CEO's often receive over half of their compensation from incentives resulting in criticism of what they actually contribute to the corporation.

Pros and Cons of Executive Bonuses

Are top executives really worth the exorbitant salaries and bonuses they receive? The answer usually depends on whom you ask. Corporate compensation committees feel that big bonuses are necessary as a way to reward superior performance as a 'fact of business life' reflecting market trends for CEO compensation.

However, as previously noted, strong criticism is being voiced regarding the high salaries and bonuses being paid to senior executives. Others point out that some critics often find executive may receive record bonuses even though their organizations are performing poorly and employees are being asked to take wage and salary cuts or layoffs.

7. Executive Perquisites

In order to recruit and attract top people executives usually receive special benefits termed perquisites. Perquisites or perks are recognized by executives as important in the organization, the extras used to supplement basic compensation. Perks also serve as status symbol to both insides and outsiders. Perquisites also provide tax savings to executives, because most perks are not taxable as income (although this is constantly changing). The more common perks range from company care special parking expenses accounts, plush offices chauffeurs, country club memberships, special vacations, physical exams an executive dining room, and liability insurance. Perks are an entrenched feature of executive compensation.

8. Team profit Sharing Plans

There has been an increase in the number and type of team or group incentive plans. Team incentive plans are becoming preferable to individual incentives as a result of the increasing use of team-based approaches. An effective team incentive plan is based on the same factors an individual plan is based on the same factors as individual plans.

The measures differ in that a team plan is based on some measure of team productivity. Team plans are particularly effective when team work is essential and when the essential system is trying to involve the level of participation. Team plans are used when jobs are so interested that it is difficult (or impossible) to identify individual output measures. The size of a team usually ranges from 5 to 20 people, depending upon the task and the required coordination between team

members. The smaller the team, 'the higher the identification on team performance'. There is increasingly evidence that team incentives increase productivity.

9. Gain sharing Plans

Gain sharing plans try to reduce the amount of labour required for a given level of output (cost saving) or increase the output for a given amount of labour (productivity increase). The method for determining the standard production rate and the incentives rate must be clearly defined. Gain sharing plans are based on the assumption that better cooperation among workers and between workers and managers will result in greater effectiveness.



Review Questions

- i) Define and the concept of employee incentive programs*
- ii) Explain why performance plans are important in an organization.*
- iii) Identity and describe the major types of incentive programs.*
- iv) Define and discuss the external and internal factors, which lead to flexible incentive programs.*

Text Books for Further reading

1. Dessler, G. (2002): Human Resource Management (9th Edition).NJ,Prentice Hall
2. Flippo,E.B. (1984): Personnel management (6th edition). Ny, McGraw hill
3. Pell, A (1969): recruiting and selecting personnel. Ny, regents

LESSON NINE

LABOUR RELATIONS



Lesson Objectives:

At the end of this lesson, the student should be able to:

- a) Define the concepts of employee relations and industrial relations.*
- b) Describe the role of the human resource function in employee relations.*
- c) Explain collective bargaining and the forms of collective bargaining.*

9.0 Introduction

The purpose of this lesson is to provide a review of labour relations (employee relations. It deals with a summary of the elements of employee relations and the developments in industrial relations. It concludes with the various types of third party dispute resolution in industrial relations.

9.1 The Elements of Employee Relations

The elements of employee relations consist of:

- The formal and informal employment policies and practices of the organization.
- The development, negotiation and application of formal systems, rules and procedures for collective bargaining, handling disputes and regulating employment. These serve to determine the reward for effort and other conditions of employment, to protect the interests of both employees and how the latter are expected to behave at work.
- Policies and practices for employee voice and communications.
- The informal as well as the formal processes that take place in the shape of continuous interactions between managers and team leaders or supervisors on the one hand and employee representatives and individuals on the other. These may happen within the framework of formal agreements but are often governed by custom and practice and the climate of relationships that has been built up over the years.

- The philosophies and policies of the major players in the industrial relations scene; the government of the day, management and the trade unions.
- A number of parties each with different roles. These consist of the state, management, employer's organizations, the trade unions, individual managers and supervisors, HR managers, employee representatives or shop stewards and employees.
- The legal framework
- A number of institutions such as the Advisory, Conciliation and Arbitration Service (ACAS) and the employment tribunals.
- The bargaining structures, recognition and procedural agreements and practice which have enrolled to enable the formal system to operate.

9.2 Industrial Relations as a System of Rules

Industrial relations can be regarded as a system or web of rules regulating employment and the ways in which people behave at work. The systems theory of industrial relations, as propounded by Dunlop (1958), states that the role of the system is to produce the regulations and procedural rules that govern how much is distributed in the bargaining process and how the parties involved, or the 'actors' in the industrial relations scene, relate to one another. According to Dunlop, the output of the system takes the form of:

The regulation and policies of the management hierarchy; the laws of any worker hierarchy; the regulations, degrees, decisions, awards or order of governmental agencies; the rules and decisions of specialized agencies created by the management and worker hierarchies; collective bargaining arrangement and the customs and traditions of the work place.

The system is expressed in many more or less formal or informal guises: in legislation and statutory orders, in trade union regulations, in collective agreements and arbitration awards, in social conventions, in managerial decisions, and in accepted 'custom and practice'. The 'rules' may be defined and coherence, or ill-defined and incoherent. Within a plant the rules may mainly be concerned with doing no more than defining the *status quo* which both parties recognize as the norm from which deviations may be made only by agreement. In this sense, therefore, as industrial relations system is a normative system where a norm can be seen as a rule, a standard, or a patten for action which is generally accepted or agreed as the basis upon which the parties concerned should operate.

Systems theory, however, does not sufficiently take into account the distribution of power between management and trade unions, nor the impact of the state. Neither does it adequately explain the role of the individual in industrial relations.

9.2.1 Types of Regulations and Rules

Job regulation aims to provide a framework of minimum rights and rules. Internal regulation is concerned with procedures for dealing with grievances, redundancies or disciplinary problems and rules concerning the operation of the pay system and the rights of shop stewards. External regulation is carried out by means of employment legislation, the rules of trade unions and employer's associations, and the regulative content of procedural or substantial rules and agreements.

Procedural rules are intended to regulate conflict between the parties to collective bargaining, and when their importance is emphasized, a premium is being placed on industrial peace. *Substantial rules* settle the rights and obligations attached to jobs. It is interesting to note that in the U.K., the parties to collective agreements have tended to concentrate more on procedural than on substantive rules. In the USA, where there is greater emphasis on fixed-term agreements, the tendency has been to rely on substantive rules.

9.3 Collective Bargaining

The Industrial relations system is regulated by the process of collective bargaining, defined by Flanders (1970) as a social process that 'continually turns disagreements into agreements in an orderly fashion'. Collective bargaining aims to establish by negotiation and discussion agreed rules and decisions on matters of mutual concern to employers and unions as well as methods of regulating the conditions governing employment.

It therefore provides a framework, often in the form of a collective agreement, within which the views of management and unions about disputed matters that could lead to industrial disorder can be considered with the aim of eliminating the causes of the disorder. Collective bargaining is a joint regulating process, dealing with the regulation of employment. It has a political as well as an economic basis – both sides are interested in the distribution of power between them as well as the distribution of income.

Collective bargaining can be regarded as an exchange relationship in which wage-work bargains take place between employers and employees through the agency of a trade union. Traditionally, the role of trade unions as bargaining agents has been perceived as being to offset

the inequalities of individual bargaining power between employers and employees in the labour market.

Collective bargaining can also be seen as a political relationship in which trade unions, as Chamberlain and Kuhn (1965) noted, share industrial sovereignty or power over those who are governed, the employees. The sovereignty is held jointly by management and union in the collective bargaining process.

Above all, collective bargaining is a power relationship that takes the form of measure of power sharing between management and trade unions (although recently the balance of power has shifted markedly in the direction of management).

9.3.1 Bargaining power

The extent to which industrial sovereignty is shared by management with its trade unions (if at all) depends upon the relative bargaining powers of the two parties. Bargaining power can be defined as the ability to induce the other side to make a decision that it would otherwise not make. As Fox and Flanders (1969) commented: 'Power is the crucial variable which determines the outcome of collective bargaining'. It has been suggested by Hawkins (1979) that a crucial test of bargaining power is 'whether the cost to one side is accepting a proposal from the other is higher than the cost not accepting it. Singh (1989) has pointed out that bargaining power is not static but varies over time. He also notes that:

Bargaining power is inherent in any situation where differences have to be reconciled. It is, however, not an end in itself and negotiations must not rely solely on bargaining power. One side may have enormous bargaining power, but to use it to the point where the other side feels that it is impossible to deal with such a party is to defeat the purpose of negotiations.

Atkinson (1989) asserts that:

- What creates bargaining power can be appraised in terms of subjective assessments by individuals involved in the bargaining process.
- Each side can guess the bargaining preferences and bargaining power of the other side;
- There are normally a number of elements creating bargaining power.

9.3.2 Forms of collective bargaining

Collective bargaining takes two basic forms, as identified by Chamberlain and Kuhn (1965).

Conjunctive bargaining, which ‘arises from the absolute requirement that some agreement – any agreement – may be, reached so that the operations on which both are dependent many continue’, and results in a ‘working relationship in which each party agrees, explicitly or implicitly, to provide certain requisite services, to recognize certain responsibilities in respect of each other’.

Cooperative bargaining, in which it is recognized that each party is dependent on the other and can achieve its objectives more effectively if it wins the support of the other.

A similar distinction was made by Walton and McKersie (1965), who referred to *distributive bargaining* as the ‘complex system of activities instrumental to the attainment of one party’s goals when they are in basic conflict with those of the other party’ and to *integrate bargaining* as the ‘system of activities which are not in fundamental conflict with those of the other party and which therefore can be integrated to some degree’. Such objectives are said to define ‘an area of common concern, a purpose’.

9.4 The HRM Approach to Employee Relations

9.4.1 The HRM model

The philosophy HRM has been translated into the following prescriptions, which constitute the HRM model for employee relations:

A drive for commitment – winning the ‘hearts and minds’ of employees to get them to identify with the organization, to exert themselves more on its behalf and to remain in it, thus ensuring a return on their training and development;

An emphasis on mutuality – getting the message across that ‘we are all in this together’ and that the interests of management and employees coincide

The organization of complementary forms of communication, such as team briefing, alongside traditional collective bargaining – i.e. approaching employees directly as individuals or in groups rather than through their representatives.

A shift from collective bargaining to individual contracts.

The use of employee involvement techniques such as quality circles or improvement groups.

Emphasis on teamwork;

Harmonization of terms and conditions for all employees.

9.5 The Parties to Industrial Relations

The parties to industrial relations are

The trade unions

Shop stewards or employee representatives

The Trade Union Congress (the TUC)

Management

Employer's Organizations

The Confederation of British Industry

Various institutions, agencies and officers

The Trade Union

Traditionally the fundamental purpose of trade unions is to promote and protect the interests of their members. They are there to redress the balance of power between employers and employees. The basis of the employment relationship is the contract of employment. But this is not a contract between equals. Employers are almost always in a stronger position to dictate the terms of the contract than individual employees. Trade Unions, as indicated by Freeman and Medoff (1984), provide workers with a 'collective voice' to make their wishes known to management and thus bring actual and desired conditions closer together. This applies not only to terms of employment such as pay, working hours and holidays, but also to the way in which individuals are treated in such aspects of employment as the redress of grievances, discipline and redundancy. Trade Unions also exist to let management know what there will be time to time, an alternative view on key issues affecting employees. More broadly, unions may see their role as that of participating with management on decision making on matters affecting their members' interests.

Within this overall role, trade unions have had two specific roles, namely to secure, through collective bargaining, improved terms and conditions for their members, and to provide protection, support and advice to their members as individual employees.

An additional role that of providing legal, financial and other services to their members, has come into prominence more recently.

Trade Union Structure

Trade unions are run by full-time central and usually district officials. There may be local committees of members. National officials may conduct industry-wide or major employer pay

negotiations while local officials may not be involved in plant negotiations unless there is a 'failure to agree' and the second stage of a negotiation procedure is invoked. Major employers who want to introduce significant changes in agreements or working arrangements may deal direct with national officials.

The trade union movement is now dominated by the large general unions and the merged craft and public service unions.

Shop Stewards

Shop stewards or employee representative may initial be responsible for plant negotiations, probably with the advice of full-time officials. They will certainly be involved in settling disputes and resolving collective grievances and in representing individual employees with grievances or disciplinary matters. They may be members of joint consultative committees, which could be wholly or partly composed of trade union representatives.

At one time, shop stewards were the ogres of the industrial relations scene. Undoubtedly there were cases of militant shop stewards, but where there are recognized trade unions, managements have generally recognized the value of shop stewards as points of contact and channels of communication.

International Union Organizations

The two main international union organizations are the European Trade Union Confederation and the International Trade Union Confederation. At present neither of these makes much impact on the UK, but this could change.

Staff Associations

Staff association may sometimes have negotiating and /or representational rights but they seldom have anything like the real power possessed by a well organized and supported trade union. They are often suspected by employees as being no more than management's poodle. Managements have sometimes encouraged the development of staff association as an alternative to trade unions but this strategy has not always worked. In fact, in some organizations the existence of an unsatisfactory staff association has provided an opportunity for a trade union to gain membership and recognition. Staff association have their uses as channels of communication, and representatives can play a role in consultative processes and in representing colleagues who want to take up grievances or who are being subjected to disciplinary proceedings.

The Role of Management

The balance of power has undoubtedly shifted to management who now have more choice over how they conduct relationships with their employees. But the evidence is that there has been no concerted drive by managements to de-recognize unions. As Kessler and Bayliss (1992) point out: If managers in large establishments and companies wanted to make changes they looked at ways of doing so within the existing arrangements and if they could produce the goods they used them. Because managers found that the unions did not stand in their way they saw no reason for getting rid of them. 'They argued that management's industrial relations objectives are now generally to:

Control the work progress

Secure cost-effectiveness

Reassert managerial authority

Move towards a more unitary and individualistic approach

As Storey (1992) found in most of the cases he studied, there was a tendency for managements to adopt HRM approaches to employee relations while still coexisting with the unions. But they gave increasing weight to systems of employee involvement in particular communication, which bypass trade unions.

Employers Organizations

Traditionally, employer's organizations have bargained collectively for their members with trade unions and have in general aimed to protect the interests of those members in their dealings with unions. Multi-employers or industry-wide bargaining, it was believed, allowed companies to compete in product markets without undercutting their competitors' employment costs and prevented the trade unions 'picking off' individual employers in a dispute.

The trend towards decentralizing bargaining to plant level has reduced the extent to which employers' organizations fulfill this traditional role, although some industries such as building and electrical contracting with large numbers of small companies in competitive markets have retained their central bargaining function, setting a floor of terms and conditions for the industry.

Institutions, Agencies and Officers

There are a number of bodies and people with a role in employee relations, as described below

The Advisory Conciliation and Arbitration Service (ACAS)

ACAS was created by the government but function independently. It has three main statutory duties:

- To resolve disputes
- To provide conciliatory services for individuals in, for example, unfair dismissal cases
- To give advice, help and information on industrial relations and employment issues.

ACAS helps to resolve disputes in three ways: collective conciliation, arbitration and arbitration services declined considerably. But the individual conciliation case load has been very heavy and the ACAS advisory work has flourished. These are aimed at encouraging non adversarial approaches to preventing and resolving problems at work by facilitating joint working groups of employers, employees and their representatives.

The central arbitration committee (CAC)

The CAC is an independent arbitration body that deals with disputes. It arbitrates at the request of one party but with the agreement of the other. It does not handle many arbitrations but it deals more frequently with claims by trade unions for disclosure of information for collective bargaining purposes.

Employment Tribunals

Employment tribunals are independent judicial bodies that deal with disputes on employment matters such as unfair dismissal, equal pay, sex and race discrimination and employment protection provisions. They have a legally qualified chair and two other members, one an employer, the other a trade unionist.

The Employment Appeal Tribunal (EAT)

The EAT hears appeals from the decisions of industrial tribunals on questions of law only.

9.6 Role Of The HR Function In Employee Relations

The HR function provides guidance and training and will develop and help to introduce and maintain formal processes; but it does not do line manager's jobs for them. However, it is their role as industrial relations specialists. They are also likely to have a measure of responsibility for maintaining participation and involvement processes and for managing employee communications. They can and should play a major part in developing employee relations strategies and policies that aim to:

- Achieve satisfactory employment relationships, taking particular account of the importance of psychological contracts.

- Build stable and cooperative relationships with employees which recognizes that they are stakeholders in the organization and minimize conflict
- Achieve commitment through employee involvement and communications processes.
- Develop mutuality – a common interest in achieving the organization’s goals through the development of organizational cultures based on shared values between management and employees.
- Clarify industrial relations processes with trade unions and build harmonious relationships with them on a partnership basis.

In these capacities HR practitioners can make a major contribution to the creation and maintenance of a good employee relations climate.

9.7 Employee Relations Policies

Approaches to employee relations

Four approaches to employee relations policies have been identified by Industrial Relations Services (1994)

- *Adversarial*: the organization decides that what it wants to do, and employees are expected to fit in. employees only exercise power by refusing to cooperate.
- *Traditional*: a good day-to-day working relationship but management proposes and the workforce reacts through its elected representatives.
- *Partnership*: the organization involves employees in the drawing up and execution of organization policies, but retains the right to manage.
- *Power Sharing*: Employee are involved in both day-to-day and strategic decision making.

Adversarial approaches are much less common than in the 1960s and 1970s. The traditional approach is still the most typical but more interest is being expressed in partnership, as discussed later. Power sharing is rare.

9.7.1 Policy Areas

The areas covered by employee relations policies are:

- *Trade union recognition* - whether trade unions should be recognized or derecognized, which union or unions the organization would prefer to deal with, and whether or not it is

desirable to recognize only one union for collective bargaining and/or employee representational purposes.

- *Collection bargaining* – the extent to which it should be centralized or decentralized and the scope of areas to be covered by collective bargaining.
- *Employee relations procedures* – the nature and scope of procedures for redundancy, grievance handling and discipline.
- *Participation and involvement* – the extent to which the organization is prepared to give employees a voice on matters that concern them.
- *Partnership* – the extent to which a partnership approach is thought to be desirable.
- *The employment relationship* – the extent to which terms and conditions of employment should be governed by collective agreements or based on individual contracts of employment (i.e. collectivism versus individualism).
- *Harmonization* – terms and conditions of employment for staff and manual workers.
- *Working arrangements* – the degree to which management has the prerogative to determine working arrangements without reference to trade unions or employee (this includes job-based or functional flexibility).

9.8 Third Party dispute resolution

The aim of collective bargaining is, of course, to reach agreement, preferably to the satisfaction of both parties. Negotiating procedures, as described in the next section of this chapter, provide for various stages of ‘failure to agree’ and often include a clause providing for some form of third-party dispute resolution in the event of the procedure being exhausted. The processes of dispute resolution as identified by IRS (2004d) are conciliation, arbitration and mediation.

Conciliation

It is an attempt, through informal discussions, to help parties in a dispute to reach their own agreement. The third party does not recommend or decide on a settlement. One advantage of this process is that it helps the parties to retain ownership of the resolution of the problem, which can, in turn, engender greater commitment to its implementation. Conciliation is the most frequently used form of third party involvement.

Arbitration

The parties put the issue to an independent third party for determination. The parties agree in advance to accept the arbitrator's decision as a means of finally resolving the matter. There is sometimes a reluctance to use this method as it removes control over the final outcome from employers, employees or trade unions.

Mediation

Formal but non-binding recommendations or proposals are put forward for further consideration by the parties. The use of dispute mediation is rare, partly because it is seen as a halfway house. There is sometimes a feeling that if conciliation cannot succeed, it may be best simply to go all the way to arbitration.



Review Questions

- i) *Define the term collective bargaining.*
- ii) *Explain the 3 main third party dispute resolution techniques*
- iii) *Identify the various parties to industrial relations*
- iv) *What is role of the human resource function in employee relations?*

Text Books for Further Reading

1. Michael Armstrong (2001), *A Handbook of Human Resource Management* (8th Edition), Millennium Edition
2. Wayne F. Cascio (2006), *Managing Human Resources*; Tata Mgraw Hill
3. J.matthewman (2006), *Human Resources Effectiveness*; Jaico Publishing House

LESSON TEN

GOVERNMENT INVOLVEMENT IN HUMAN RESOURCE ISSUES



Lesson Objectives

At the end of this lesson, you should be able to:

- a) Explain the role of the government of Kenya with regard to human resource issues.*
- b) Outline the role of the Ministry of Labour in Kenya.*
- c) Identify the mandate of the Industrial Court of Kenya.*
- d) Discuss reasons why the government involves itself in human resource development.*

10.0 Introduction

The government of Kenya has been involved in human resource issues in both the private sector and the public sector. For instance, the development of the HRD Policy for Public Service of Kenya was necessitated by the challenges that were faced in training and capacity building processes in the Kenya Public Service since independence. Training was hitherto guided by administrative circulars, human resource General letters and various guidelines issued to the Service from time to time.

10.1 Human Resource Development Policy

The formulation of a comprehensive HRD Policy was therefore part of the Government efforts to improve efficiency and effectiveness in service delivery.

In the past Kenyan Public Service had paid scanty attention to Performance Management. As part of the reform initiatives undertaken by the Government, Performance Management has taken centre stage as a priority area for the Government in its efforts to respond to the needs of the Public in terms of service delivery.

10.2 Role of the government in human resource development

The government provides funding of training and capacity building programmes in the Public Service.

It also ensures optimal staffing levels in the service, recruiting human resource on the basis of knowledge, skills and experience, and providing the cases for succession management. It emphasizes demand driven and cost effective training that responds to service delivery requirements and seeks to facilitate career growth in the Public Service.

10.3 Government Institutions Involved In Human Resource

Issues Ministry of Labour

Its Core Functions include:

1. Promotion of harmonious industrial relations in the country.
2. To ensure compliance with labour laws, international labour standards and codes of practice
3. as well as review of labour standards and domestication of international conventions and
4. recommendations
5. Promotion of best practices of occupational safety and health in all workplaces
6. To plan, development and promotion of effective utilization of human resources
7. Judicial determination of trade disputes and registration of Collective Bargaining Agreements
8. (CBAs)
9. Facilitation of the development of micro and small enterprises.
10. Provision of labour market information
11. To ensure availability of skilled manpower for the industry
12. Promotion of productivity improvement
13. Provision of social security through National Social Security Fund (NSSF)

Industrial Court of Kenya

The Industrial Court of Kenya has been one of the country's pillars for maintenance of industrial peace. It was established under the Trade Dispute Act, Cap. 234, (Repealed) and Laws of Kenya and implement the following mandate:

1. To hear and determine industrial disputes that are referred to it by the Minister for Labour;
2. To register Collective Bargaining Agreements (CBAs) between employers and workers;
3. To promote the spirit of tripartism between Government, employers and employees.



Review Questions

- i) Highlight the core functions of the ministry of labour*
- ii) What is the mandate of the Industrial Court of Kenya?*
- iii) Explain the role of the government in human resource development of Kenya.*

Text Books for Further reading

1. Dessler, G. (2002): Human Resource Management (9th Edition).NJ,Prentice Hall
2. Filippo, E.B. (1984): Personnel management (6th edition). Ny, Mcgraw hill
3. Harriman, A. (1985): Women/ men Management, NY, Praeger

LESSON ELEVEN

JOB DESIGN



Lesson Objectives

At the end of this lesson, the student should be able to:

- a) Define the term job design*
- b) Distinguish between job enlargement and job enrichment*
- c) Explain the various approaches to job design*
- d) Discuss the merits and demerits of information technology in human resource management*

11.0 Introduction

Jobs are fundamental to organizations. They are the principal vehicles for the allocation of tasks, duties and roles to the various personnel employed by the organization. Most organizations are faced by change in one form or another. Adapting the organization to respond adequately to change, is a growing focus of attention in business and public services. Job design is therefore a key element in responding to changing conditions.

11.1 Job Design

The concept of job design is ascribed to Davis and Canter (1955), who saw job design as the organization (or structuring) of a job to satisfy the technical –organization requirements of the work and the human requirements of the person performing the work. Davis’s work led him to identify a number of design problems relating to the structuring of jobs. These were:

- a) Identifying job boundaries
- b) Identifying the factors of work in jobs
- c) Determining methods of estimating and controlling these factors
- d) Developing systematic design methods
- e) Developing criteria for evaluating designs

Davis concluded that in order to achieve more effective performance and greater job satisfaction on the part of the employee, it was necessary for jobs to be meaningful to the individual concerned.

11.2 Approaches to Job Design

1. Job Design and Scientific Management

The rationale of Scientific Management is where human work and effort is seen in terms of its relationship to machines and the systems created for them. The hallmarks of job design according to scientific management approach are as follows:

- a) Maximum degree of job specialization
- b) Minimal level of skill
- c) Minimal level of completion of tasks
- d) Minimal learning time
- e) Maximum use of machines
- f) Minimal degree of flexibility or discretion in the job
- g) Measurability of job tasks

2. Socio –Technical Systems

Jobs are seen as arising from, and dependent on, the way in which the management approached the technical and social features of their organization. The social system embraces both formal and informal groups, for example, official work-teams and unofficial groupings based on friendships and other informal relationships. The technical system encompasses tasks and production processes as well as visible features such as plant and equipment.

3. The Quality of Working Life

The aim of quality of working life is geared towards creating conditions in which employee needs are given a high priority compared with the requirements of technology. In relation to tasks:

- a) Tasks should form a coherent job
- b) Tasks should provide some variety of pace, method, location and skill
- c) Tasks should provide feedback on performance
- d) Tasks should provide for some degree of discretion by the person

concerned In relation to job and work organization:

- a) There should be opportunities for learning and development

- b) Some sort of desirable future should be available
 - c) People should be able to contribute towards decisions affecting their job
 - d) Work goals should be clear and provide a degree of challenge
 - e) Adequate resources should be available to the job holders
-
- a) Industrial relations procedures should be jointly agreed between management and employees
 - b) Payments systems should be seen to be fair and should be related to contribution made.
 - c) Personnel policies should be fair and adequate
 - d) Physical surroundings should be reasonable

4. Job Enrichment and Job Enlargement

The term job enrichment was coined by Herzberg (1968) to denote the vertical enlargement of a job by adding responsibility and opportunity for personal growth.

Job enlargement generally involves only the horizontal extension of the job i.e. more of the same thing.

Herzberg (1968) puts it thus: Job enrichment provides the opportunity for the employee's psychological growth while job enlargement merely makes a job structurally bigger.

In job enrichment the emphasis in redesigning jobs is directed towards individual job satisfaction rather than towards increased efficiency.

5. Autonomous Work Groups

The idea of autonomous work groups is an extension of job enrichment to a collection of jobs.

Such groups tend to possess the following characteristics:

- a) They permit full labour flexibility by job rotation
- b) They have a considerable degree of autonomy in the allocation of work between members

11.3 Changing Technology in Office Systems

Microelectronic technology has a number of distinctive features. It is flexible. Instantaneous and can be rapidly modified. It is reliable, available and cheap. The new technology poses a challenge to trade union representatives. If questions of job content, skills, training and grading are neglected (by the union) there is a danger that a large portion of the office workforce will find itself in more routine and less satisfying jobs.

Information Technology presents opportunities as well as threats to employees. **Advantages**

- a) Learning new skills
- b) Tedious jobs can be relegated to machines
- c) Possibility of upgrading
- d) Easier and quicker access to information
- e) Easier means of remedying typing errors/ amending text
- f) More jobs for those who are skilled in maintenance of electronic equipment
- g) More jobs for programmers and software designers
- h) Opportunities for shorter working day/week

Disadvantages

- a) Fewer jobs will be required
- b) Office workers might become machine minders
- c) Individuals might be tied to their work stations
- d) Health problems associated with Visual Display Units/printers, etc
- e) Difficulties of learning to operate electronic machines
- f) Strong competition between employees for available jobs
- g) Loss of personal contact as information is passed by machine instead of mouth



Review Questions

- i) *Describe the quality of working life in relation to tasks*
- ii) *Distinguish between job enlargement and job enrichment*
- iii) *Explain the various approaches to job design*
- iv) *Discuss the effects of information technology on human resource management*

Text Books for Further reading

1. Cole G.A. (1991): Personnel Management; Theory and Practice (Second Edition)
Guernsey Press
2. Dessler, G. (2002): Human Resource Management (9th Edition).NJ,Prentice Hall
3. Filippo, E.B. (1984): Personnel management (6th edition). Ny, Mcgraw hill
4. Harriman, A. (1985): Women/ men Management, NY, Praeger

LESSON TWELVE

JOB EVALUATION



Lesson Objectives

At the end of this lesson, you should be able to:

- a) Define the term, Job Evaluation*
- b) Describe the purpose of Job Evaluation*
- c) Explain the analytical methods of Job Evaluation*
- d) Explain the non-analytical methods of Job Evaluation*

12.0 Introduction

Job evaluation is the name given to any activity which sets out to make systematic comparison between jobs to assess their relative worth, for the purpose of establishing a rational pay structure. In essence job evaluation aims to reduce reliance on arbitrary methods of pay determination by introducing an element of objectivity in the ways jobs are compared. Every job evaluation method requires at least some basic job analysis in order to provide factual information about the jobs concerned. Nevertheless, as with many other aspects of personnel management, judgment has to be exercised in the final analysis. As Kempner (1980) points out: “Job evaluation methods depend to some extent on a series of subjective judgments made in the light of concepts like logic, justice and equity and the progressive refinement of job evaluation techniques is an attempt to minimize the subjective element.”

12.1 Purpose of Job Evaluation

The purpose of job evaluation is to produce a defensible ranking of jobs on which a rational and acceptable pay structure can be built. There are a number of important features of job evaluation which need to be recognized at the outset. These are:

1. Job evaluation attempts to assess jobs, not people.
2. The standards of job evaluation are relative, not absolute.

3. The basic information on which jobs evaluation are made is obtained from job analysis.
4. Job evaluations are carried out by groups, not by individuals.
5. Job evaluation committees utilize concepts such as logic, fairness and consistency in their assessment of jobs.
6. There is always some elements of subjective judgment in job evaluation.
7. Job evaluation does not determine pay scales, but merely provides the evidence on which they may be devised.

12.2 Job Evaluation Methods

Job evaluation methods can be divided into two basic categories:

- a) Non-analytical methods
- b) Analytical methods

The primary difference between these two categories is that the non-analytical methods take whole jobs and rank them, whereas the analytical methods break jobs down into their component parts and then compare them factor by factor. The implication is that analytical methods provide a more refined means of measurement than non-analytical methods. This point is particularly relevant for equal pay legislation, since only analytical schemes are considered to provide an acceptable means of identifying “work of equal value”.

12.2.1 Non-analytical methods

The two most widely-used non-analytical methods are job ranking and job grading or job classification

1. Job Ranking

The basic process in job ranking is to select a representative sample of jobs (so called benchmarks), prepare basic job description for them, compare them on the basis of the information in the job descriptions and rank them in order of their perceived importance. Each evaluator’s ranking is discussed job evaluation committee, compared with the results obtained by other evaluators, and eventually a final rank order is drawn up. The remaining jobs in the organization are then slotted in to the evaluated rank order on a like-for-like basis. The advantage of this form of evaluation is that it is relatively simple and cheap to operate. Its main

disadvantage is that it relies heavily on the subjective assessments of the evaluators, and in particular on their personal knowledge of the benchmark jobs.

In essence, the paired comparisons approach is an attempt to reduce the subjective element to a limited extent by at least forcing judges to make comparisons in a systematic way. Nevertheless, in the final analysis, such a system of evaluation relies considerably on personal judgment.

2. Job Grading

This form of evaluation, also known as job classification, attempts to distinguish between work levels by establishing a small number of general criteria against which specific jobs may be compared. The most well-known, and widely used, system of job grading is the scheme developed by the Institute of Administrative Management. This scheme now has eight grades, each with their statement of general criteria, into which almost 1000 typical office tasks can be slotted. As fig 10.2 shows, grades A and B contain jobs at the elementary level of office work, while Grade F, G and H contain work of high professional level. In a survey of job evaluation methods conducted by Thakur & Gill (1976)², about one third clerical, administrative and supervisory jobs were evaluated using some form of grading or classification.

Summary of I.A.M. Job Grading Scheme

Grade A – Tasks requiring no previous clerical experience; each individual task is either very simple or closely supervised. Examples include: simple sorting and filling, and messenger work.

Grade B – Simple tasks carried out in accordance with limited number of well-defined rules; fairly short period of training; tasks closely directed and checked. Examples include: simple copying work, and straightforward adding operations and using machine.

Grade C – Tasks of routine nature and following well-defined rules, but requiring some experience or special aptitude. Examples include: simple calculating machine operations preparing routine invoices, and shorthand –typing of routine work.

Grade D – Tasks requiring considerable experience, but only a limited degree of initiative, and which are carried out within existing procedure. Work is not subject to same amount of direction as in lower grades. Examples include; shorthand typing of non-routine work, routine administrative of a group of sales or purchase accounts.

Grade E – Tasks of requiring a basic level of professional knowledge or the performance of clerical/administrative work requiring the occasional use of discretion and initiative, or the supervision of two to six clerical staff. Examples include: routine computer programming, supervision of a section of typists.

Grade F – Tasks requiring intermediate professional or specialized knowledge, or the performance or control of complex clerical or routine administrative work requiring occasional non-routine decisions and some use of judgment on routine matters, or the supervision of five to twelve clerical staff. Examples include supervision of a print room, conducting routine O&M or systems analysis surveys, complex computer programming, and full secretarial service to chief executive.

Grade G – Tasks requiring professional or specialized knowledge to first degree standard or advanced professional qualification, or the performance or control of work of wide complexity or importance requiring regular non- routine decisions and exercise of discretion, or supervision of nine to twenty clerical staff. Examples include: supervision of large wages office, computer programming of complex sets of programs, and tutoring on clerical training courses for staff in grades A-F.

Grade H – Tasks requiring professional or specialized knowledge to degree or final qualification level, or performance or control of complex arid important work, requiring extensive use of judgment or initiative and some contribution to policy-making, or supervision of twenty or more clerical staff together with their supervisors. Examples include: supervision of a customer accounts office with responsibility to credit control within agreed policy, leading complex O & M or systems analysis projects, and control of complex computer programming projects and their staff.

Source: I.A.M. (1976)

As well as being given the broad parameters described above, users of the I.A.M. system have access to some 1000 task definitions against which they can compare practically every office task they are likely to incorporate in their business. Any management using this system will be able to work out appropriate salary scales for each of the grades identified, and thus devise a reasonable structure of pay differentials. The main advantage of job grading is its relative simplicity and cheapness.

12.2.2 Analytical methods

Analytical methods of job evaluation examine jobs in terms of their principal components, and not as whole entities. The most widely-used analytical methods are the Points Rating Method and the Hay-MSL Guide Chart System. In both of these methods differences between jobs in an organization can be described, distinguished and measured in relative terms, with a fair degree of credibility, such methods require much more time and effort than non-analytical methods, and are therefore more costly to operate, but many organizations prefer them because they provide a sounder and more defensible basis for wage and salary administration than non-analytical methods.

The basic procedure for introducing an analytical method is as follows:

1. The aims/objectives of the exercise are agreed
2. the organization appoints its own job evaluation team from amongst its own staff, or hires consultants; employee representatives are elected to the team, as appropriate
3. Relevant job factors are agreed upon
4. Each factor is subdivided by 'degrees' or 'levels'
5. Each factor (and its sub-divisions) is given a weighting
6. points are then allocated to each factor and subdivisions
7. Benchmark jobs are identified
8. detailed job descriptions are written for these jobs

9. Each benchmark job is evaluated in accordance with the points system
10. Benchmark jobs are ranked according to its score
11. The initial ranking of benchmarks is reviewed to identify any anomalies
12. The final benchmark ranking is agreed
13. The remaining jobs are slotted into the benchmark ranking
14. Jobs are grouped within the ranking to isolate possible salary grades, or may be allocated as salary scale on the basis of their individual points total

1. Points Rating Methods

The most frequent factors employed in points systems are as follows:

Skill

- Education and training required
 - Breadth/depth of experience required
 - Social skills required
- Problems-solving skills
 - Degree of discretion/use of judgment
 - Creative thinking

Responsibility/accountability

- Breadth of responsibility
- Specialized responsibility
- Complexity of the work
- Degree of freedom to act
- Number and nature of subordinate staff
 - Extent of accountability for equipment/plant
 - Extent of accountability for product/materials

Effort

- Mental demands of job
- Physical demands of job

Degree of potential stress

Working conditions

- Timescale of operations
- Turbulent or steady- state
- Amount of necessary traveling
- Diversity of subordinates
- Pressures from other groups
- Difficulty or hazardous surroundings

Most point's methods incorporate the above factors in one form or another. When devising an "in-house" system, the inclusion of particular factors and decisions about their weightings will be the subject of negotiation between various interested parties. Where trade unions are involved, they will want to be consulted about these matters and to have some influence over the choice of factors in their weightings. Additionally, a significant numbers of women are employed care needs to be taken to ensure that the job factors selected do not implicitly favor ones sex against another, for example by giving higher weightings to length of service and physical demands (which favor men) in comparison to mental complexity and accountability for others (which may be considered as neutral). In a leaflet on the amended Equal Pay Act, the Equal Opportunities Commission provides examples of such "neutral" factors. Neutral factors provide a fairer basis for ensuring "equal pay for work of equal value".

Different management groups also have their preferred weightings. Line managers tend to stress the importance, and therefore weighting, of responsibility, whereas specialists managers tend to emphasize skills. Ideally, whatever the eventual choice of factors/weightings, one standardized set of criteria should emerge to be applied consistently to all the jobs in the population concerned.

2. Guide Chart Method

A variation of the usual point's method is widely-used Hay-MSL Guide Chart method. In this method the basic point's matrix is a standard one, which is applicable across

organizational and indeed national boundaries. This is an important future for organizations that wish to adopt a unified approach that can be applied company-wide, and who are prepared to make full use of Hay consultants in setting up the exercise and seeing through to its conclusion. The basic structure of the Hay system is as follows:

1. Three broad factors are employed for the analysis: Know-how, Problem-solving and Accountability, each scored on a Guide-Chart.
2. Each factor is considered by breadth and depth.
3. Know-how refers to the knowledge and skills required to attain “average acceptable performance”.
4. Problem solving refers to the analytical and evaluation aspects of the job, and is seen in two dimensions the extent to which thinking is prescribed and the nature of the thinking challenge (variability creativity, etc).
5. Accountability refers to “the answerability for actions and the consequences of that action”. It has three dimensions: (a) the extent of freedom to act, (b) the job impact on end-results, and (c) the magnitude of the job primarily seen in terms of responsibility for financial results.

The Hay system, as with any other points rating system cannot measure jobs with complete and objective assurance. What it can do is to reduce the subjective and arbitrary elements by a substantial margin, and thus achieve a fairer result with a Non-analytical method. After evaluation, the Hay system ranks benchmark jobs in accordance with point's totals. The final rank order is agreed after any Red-circling anomalies have been put right, and salaries are then derived from the application of a tailor-made formula agreed between the individual organization and the Hay consultants.

Conclusion

Job evaluation can play an important role in the development of systematical and equitable pay systems. Analytical systems, in particular, provide a means of identifying key job factors, weighting them as appropriate, and the comparing jobs against them, and eventually arriving at an understanding of relative value of all the jobs in a particular population. On the basis of this

evidence of relative worth, pay differential can be worked out in way that is demonstrably fairer than arbitrary decision of individuals or powerful section groups. To the extent that job evaluation bureaucratizes the formulation of pay scales, it reduces the negotiation power of both trade unions and other influential groups by lobbying them of the possibility of appealing to emotional consideration, which has very little to do with the nature, scope and contribution of jobs in the organizational hierarchy.

Non-analytical methods, popular though they may be, lack the credibility of Analytical methods. No employer, for example, can resist an equal pay demand with any confidence if he is employing Non-analytical methods of job evaluation. The Equal Opportunity legislation will not consider such methods as “proper job evaluations”



Review Questions

- i) *Distinguish between analytical and non analytical methods of job evaluation*
- ii) *Describe the purpose of Job Evaluation*
- iii) *Explain the Institute of Administrative Management job grading scheme*
- iv) *Explain the Guide Chart method of Job Evaluation*

Text Books for Further reading

1. Cole G.A. (1991): Personnel Management; Theory and Practice (Second Edition)
Guernsey Press
2. Dessler, G. (2002): Human Resource Management (9th Edition).NJ, Prentice Hall
3. Filippo, E.B. (1984): Personnel management (6th edition). Ny, Mcgraw hill
4. Harriman, A. (1985): Women/ men Management, NY, Praeger

LESSON THIRTEEN

THE SUCCESS SYSTEM: HRM STRATEGY



Lesson Objectives

At the end of this lesson, the student should be able to:

- a) Define the concept of strategy and based of the HR strategy formulation process.*
- b) Understand the relationship human resource strategy and overall organizational strategy.*
- c) Recognize the important of corporate culture and its relation to strategy.*
- d) Experience these concepts in a management situation.*

13.1 HRM Strategy

In a world unpredictability and rapid change, what makes one organization a winner, yet another fails to adjust to the same opportunities? How do some companies move forward and seize new product and market opportunities, yet other larger companies fail to take advantage of their size and situation?

A strategy is way of getting things done. It provides a game plan for action. Strategy includes the formulation of goals and action plans for their accomplishment. Strategy considers the competitive forces at work in managing an organization and the impact of outside environment on organization action. Good management does not mean trying harder by using old, out of date methods. It involves developing strategies for coming up with new product, making sure they are what the customer wants, and recruiting skilled employees to provide a competitive advantage.

Acceleration change in technology, shorter product life cycle, and new unexpected competition contribution to make succeeding in business harder than even. The evidence indicates that people play a major role in whether or not an organization performs. Managers make strategy determine business success or failure. The excellent companies must be able to transform the way they operate and recognize the importance of corporate culture in devising and executive new strategies. In fact, we suggest the biggest stumbling block in the path of strategic changes is usually an old and inflexible corporate culture.

A culture that prevent a company form meeting competitive threats or from adapting to changing economic or social environments can lead to the company's stagnation and ultimate failure unless it make a conscious effort to change. This HRM culture change effort include activities, which are design to improve the skill, abilities, structure, and motivation levels of organization members . The goals are improved technical skills and improved interpersonal competence and communication. Such HRM effort may also be directed towards improved leadership, decision-making and problem solving among organization member. The assumption underlying such effort is that by developing an improved culture, a more effective organization will result.

The need for strategy management has increasing become a fact of organization life. The strategy plan is often the starting point for the evaluation of the actions of management personnel and their organizations. Strategy management provides the basic direction and framework within which all organization activities take place. An understanding of strategic management, potentially the most advanced and sophisticated type, makes it easier for managers to develop a vision of the future for their organization. In this lesson we examine stage six of Success System Model: changing for success. An overview of the strategy HR management is, how it is used an dhow it fits into the strategy management process. If you gain a thorough understanding of this process, you are more likely to become an effective HR manager.

13.2 Organizational Strategy

Acceleration changes in technology, shorter product life cycles, and unexpected indicates that managers play a major role in determining how well an organization perform. There are four core characteristics that are exhibited in all best run organization.

1.] Managing into the future. The first characteristic is the necessity to think constantly about new product and then to allocate resources and get them to the market place fast. Well-managed companies provide a clear sense of direction and strategic vision of the future. There is a basic toward action, rapid problem solving and innovation.

2.] A strategy action plan. The managers of best-run companies tend to develop a strategy game plan for achieving advantage. Successful companies do their marketing homework. Staying close to the customer is a characteristic of successful: they seek what the customer wants. A related factor is staying close to what the competition is doing.

3.] The corporate culture. In well – organized associations, people make things happen. There is a commitment to cooperate values and objectives and a willingness to take risks. There is a sense of autonomy in entrepreneurship and a belief in the importance of HR values and services.

4.] Strategic flexibility. The companies that cope best with the rapidly changing environment try to anticipate changes even if this means reformulating strategy or altering the corporate culture. These companies are result-oriented and market driven. There is a belief in productivity through people that encourage change and supports risk taking in order to gain succession of both current and new product markets.



Review Questions

- i) *Explain the characteristics that are exhibited in all best run organization.*
- ii) *Define the concept of strategy and based of the HR strategy formulation process.*
- iii) *Explain why the need for strategy management has increasing become a fact of organization life.*

Text Books for Further reading

1. Dessler, G. (2002): Human Resource Management (9th Edition).NJ,Prentice Hall
2. Filippo, E.B. (1984): Personnel management (6th edition). Ny, Mcgraw hill
3. Harriman, A. (1985): Women/ men Management, NY, Praeger

SAMPLE PAPER 1

MT KENYA UNIVERSITY
SCHOOL OF BUSINESS AND PUBLIC MANAGEMENT
BBM 311: HUMAN RESOURCE MANAGEMENT

Instructions to candidates: Answer Question ONE and any other TWO questions

QUESTION ONE

- a) Highlight 5 roles of a human resource manager within an organization. (5 marks)
- b) Enumerate 5 activities that are involved in succession planning when determining a suitable supply of successors for key jobs in an organization. (10 marks)
- c) Why is it important to compensate employees? (5 marks)
- d) Although training and development are similar and both are critical to the success of an organization, there are some important differences. Differentiate between the two terms citing relevant examples in each case. (6 marks)
- e) Mention at least 4 elements of employee relations. (4 marks)

QUESTION TWO

Discuss the following issues as used in modern human resource management, citing relevant examples in each case.

- i. Issue of comparable worth or equal pay (5 marks)
- ii. Two tier pay (5 marks)
- iii. Fair and square (5 marks)
- iv. Variable pay (5 marks)

QUESTION THREE

- a) Describe the core functions of the ministry of labour (10 marks)
- b) Describe 5 objectives of the Federation of Kenya Employers (10 marks)

QUESTION FOUR

- a) Explain 3 points that a human resource manager should consider in the effective administration of incentive plans. (6 marks)
- b) Explain any types of incentives that a human resource manager can use to motivate staff in an organization. (14 marks)

QUESTION FIVE

- a) i) Define the term Job Evaluation (2 marks)
- ii) Explain 3 objectives of job evaluation within an organization. (6 marks)
- b) i) Define the term personnel planning. (2 marks)
- ii) Describe the steps involved in the recruitment and selection process. (10 marks)

SAMPLE PAPER 2
MT KENYA UNIVERSITY
SCHOOL OF BUSINESS AND PUBLIC MANAGEMENT
BBM 311: HUMAN RESOURCE MANAGEMENT

Instructions to candidates: Answer Question ONE and any other TWO questions

QUESTION ONE

- a) In Job evaluation, distinguish between job ranking and job grading. (4marks)
- b) Mention 6 factors to take into account when forecasting personnel needs within an organization. (6 marks)
- c) When recruiting candidates which are the sources that an organization can use to identify suitable candidates for jobs. (5 marks)
- d) Describe the performance appraisal review process involved in developing employees in an organization. (5 marks)
- e) Explain 3 methods of dispute resolution that involves the use of third parties. (6 marks)
- f) Describe 4 important features of collective bargaining. (4 marks)

QUESTION TWO

- a) Explain 5 objectives of training and development in an organization. (10 marks)
- b) Discuss 5 important reasons for carrying out performance appraisals. (10 marks)

QUESTION THREE

- a) Discuss 5 elements of employee relations (10 marks)
- b) Describe 5 areas covered by employee relations policies when addressing labour related issues in an organization. (10 marks)

QUESTION FOUR

- a) Firms can't always get the employees they need from their current staff, and sometimes they don't just want to. What 5 sources can a firm use to source outside candidates? (10 marks)
- b) Explain 5 skills involved in selection interviewing? (10 marks)

QUESTION FIVE

- a) Define the term job design (2 marks)
- b) Distinguish between job enlargement and job enrichment (4 marks)
- c) Discuss the merits and demerits of information technology in human resource management (14 marks)