

# **CHAPTER FOUR**

**RECRUITMENT, SELECTION**

**AND**

**ORIENTATION**

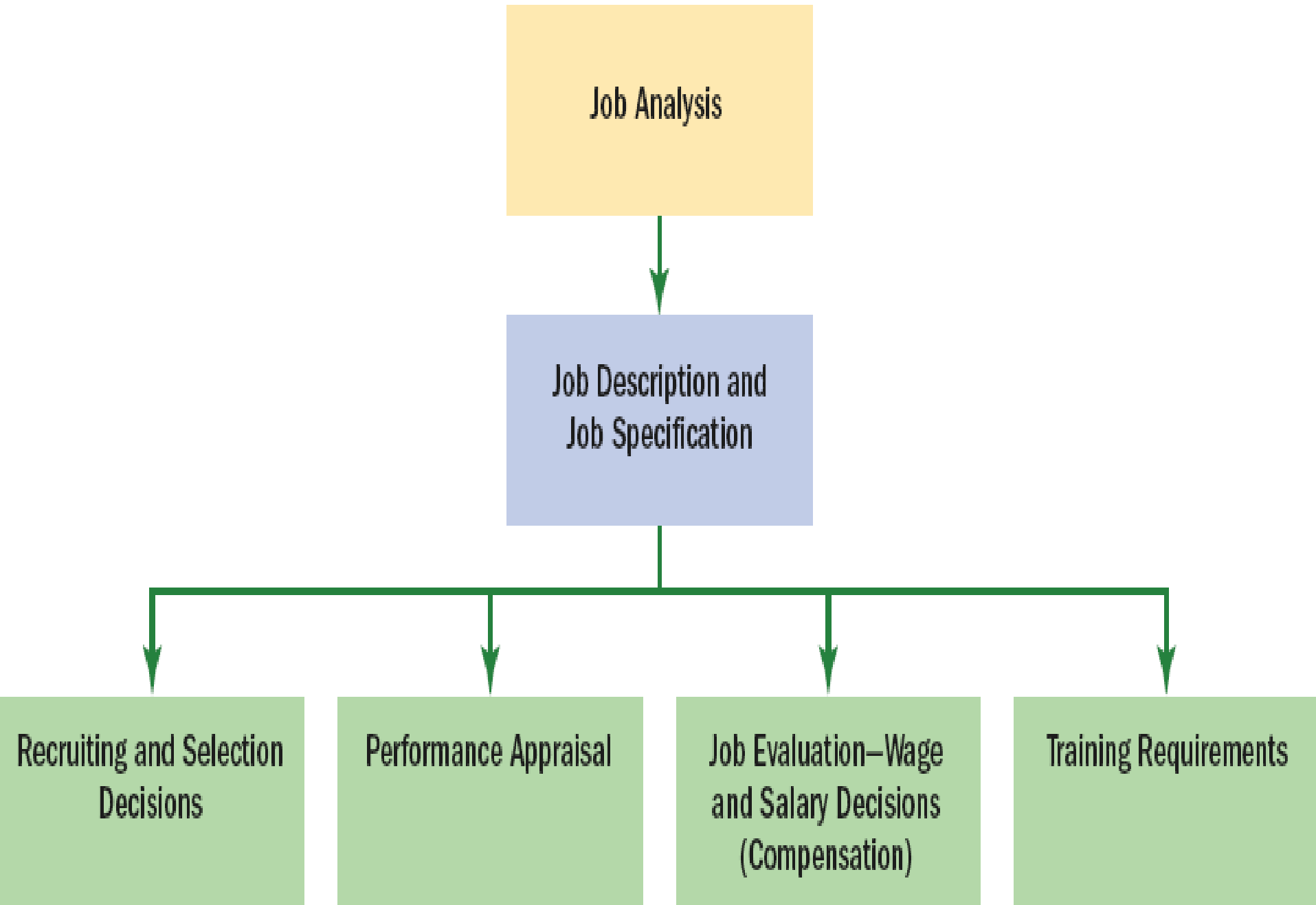
# CHAPTER FOUR

## 4. RECRUITMENT, SELECTION AND ORIENTATION

### 4.1. RECRUITMENT

- **Definition:** recruitment involves **searching for** and **obtaining** potential job candidates in sufficient **numbers and quality** so that the organization can select the most appropriate people to fill its job needs (*Dowling and Schuler, 1990*).
- Its purpose is to provide mgmt. with **enough candidates** from which they can select qualified employees

# Integrating of HRM activities



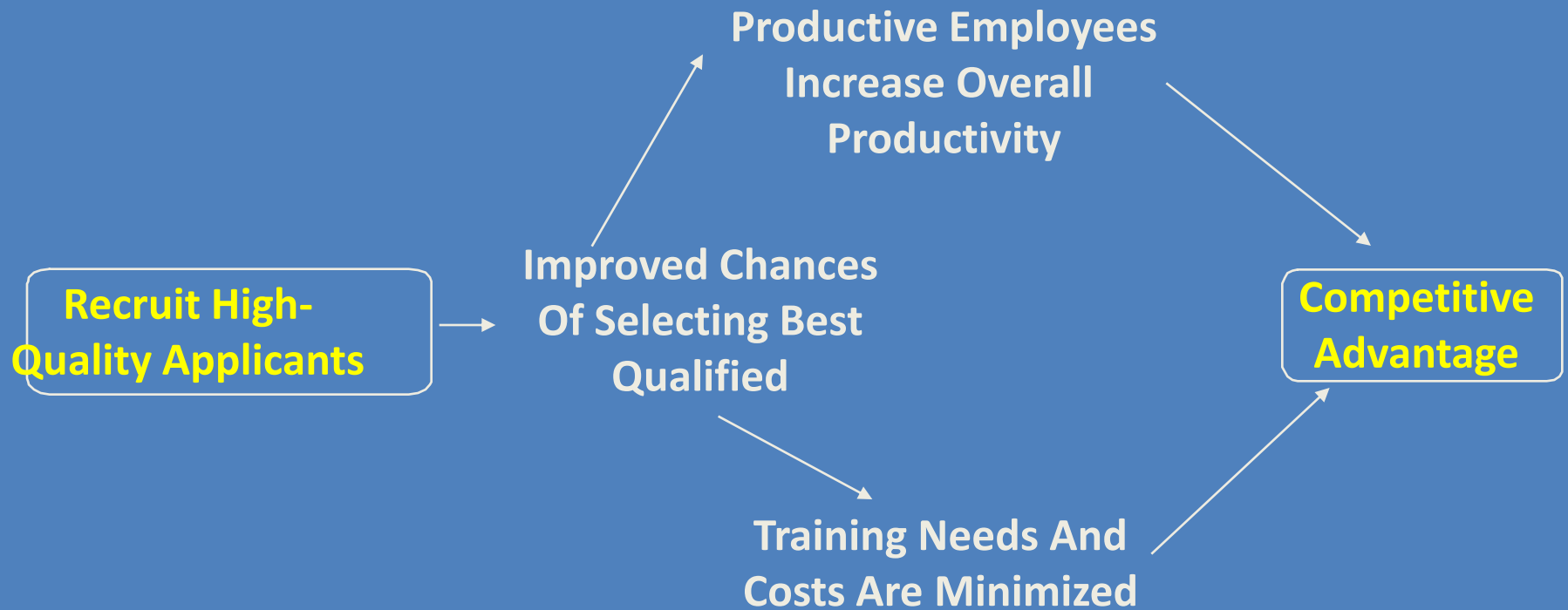
# The Aims of Recruitment

- The overall aim of recruitment is “to obtain at minimum cost the **number** and **quality** of employees required to satisfy the human resource needs of the company”. (Armstrong, 2001:385)

Specifically, the aims of recruitment are:

- ❖ To obtain a pool of **suitable candidates** for vacant posts
- ❖ To use a **fair process** and be seen as conducting reasonable process
- ❖ To ensure that all recruitment activities contribute to **company goals** and **a desirable company image**
- ❖ To conduct recruitment activities in **an efficient** manner

# Linking Recruitment Practices to Competitive Advantage



# Alternatives to Recruitment

- Since recruitment and selection **costs are high** (search process, interviewing, agency fee, etc.) firms these days are trying to look at alternatives to recruitment.
- a) **Overtime**: Short-term fluctuations in work volume could best be solved through overtime.
- The employer benefits because the costs of recruitment, selection and training could be avoided.
- The employee benefits in the form of higher pay.
- b. **Subcontracting**: the firm can meet increased demand by allowing an **outside specialist agency** to undertake part of the work to mutual advantage.

# Alternatives to Recruitment

## **c. Temporary employees:**

- They are particularly useful in meeting short term human resource needs.
- It avoids provision of employee benefits, training, and lowers labor costs.
- It makes sense if the work of the organization is **seasonal**.

# Recruitment Policies and Procedures

❑ In its recruitment activities, the company will:

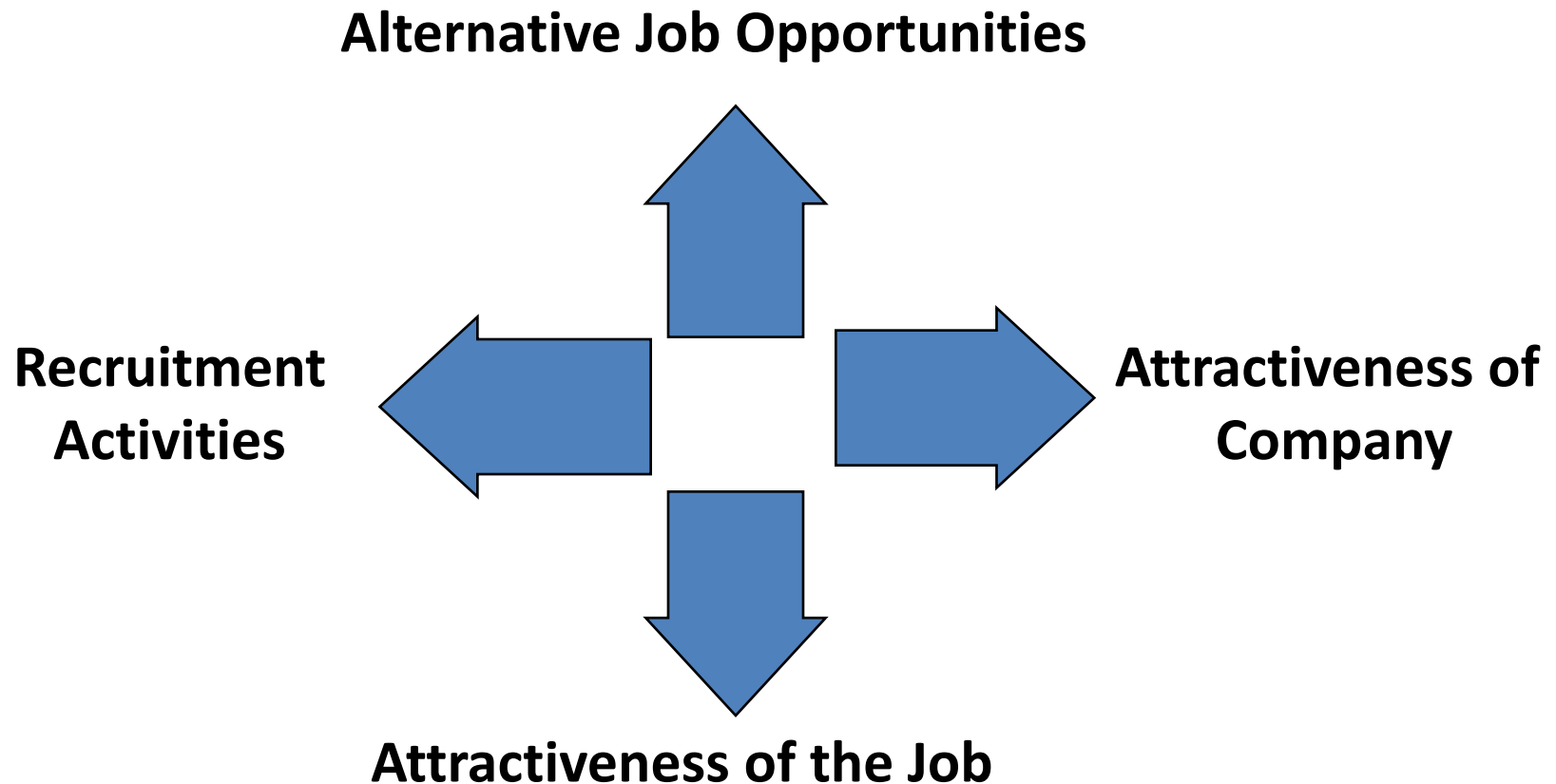
- ❖ Advertise all vacancies internally and/or externally,
- ❖ Inform job applicants the basic details and job conditions of every job advertised,
- ❖ Process all applications with efficiency and politeness,
- ❖ Seek candidates on the basis of their qualifications,
- ❖ Aim to ensure that every person invited for interview will be given a fair and thorough hearing
- ❖ **Not discriminate** unfairly against potential applicants on the basis of sex, race, religion, caste, etc.;



# Religious discrimination

- For example:
- Rhonda's new employer, during her orientation, explained that all of the employees meet in the large break room before the start of the workday, for group prayer. The next day, when Rhonda tried to thank her supervisor for the opportunity, and said she would prefer not to participate, she was told that the pre-workday group prayer is required of all employees. While an employer does not have to alter its own practice of a religious custom, requiring an employee to participate is considered religious discrimination.

# Factors Influencing Applicant Decisions



## Recruitment Process

- In general, recruitment process includes:
  1. Recruitment planning,
  2. Strategy development,
  3. Searching, and Screening
  4. Evaluation and control.

## 1. Recruitment planning

- It involves the translation of likely **job vacancies** and information about the **nature of these jobs** into a set of objectives or targets that specify the number and type of applicants to be contacted.
- Organizations have to plan to attract **more applicants** than they will hire.
- It is indicated that for one vacant post, 100 possible candidates can be expected.

## 2. Strategy Development

- Once it is known how many and what type of recruits are required, serious consideration needs to be given to **where** to look and **how** to look.
- Where to look?----local , national, and international markets
- How to look?-----refers to the sources of recruitment - **internal** and **external**

# 3. Searching For Source of Recruitment

- Merits and Demerits of **External Sources of Recruitment**

## **Merits**

- **Wide choice:** The organization has the freedom to select candidates from a large pool. Persons with requisite qualifications could be picked up.
- **Injection of fresh blood:** People with special skills and knowledge could be hired to stir up the existing employees and pave the way for **innovative** ways of working.
- **Motivational force:** It helps in motivating internal employees to work hard and compete with external candidates while seeking career growth.
- **Long-term benefits:** Talented people could join the ranks, new ideas could find meaningful expression, a competitive atmosphere would compel people to give out their best and earn rewards, etc.

## Demerits

- **Expensive:** Hiring costs could go up substantially.
- **Time consuming:** It takes time to advertise, screen, to test and to select suitable employees.
- **De-motivating:** Existing employees who have put in considerable service may resist the process of filling up vacancies from outside. The feeling that their services have not been recognized by the organization, forces them to work with less enthusiasm and motivation.
- **Uncertainty:** There is no guarantee that the organization, ultimately, will be able to hire the services of suitable candidates. It may end up hiring someone who **does not 'fit'** and who may not be able to adjust in the new set-up.
- **Longer “adjustment” or orientation time**

# Merits and Demerits of 'Recruiting **People from Within**'

## ❖ **Merits**

- **Economical:** The cost of recruiting internal candidates is minimal. No expenses are incurred on advertising.
- **Suitable:** The organization can pick the right-candidates having the requisite skills. The candidates can choose a right vacancy where their talents can be fully utilized.
- **Reliable:** The organization has knowledge about the suitability of a candidate for a position. **'Known devils are better than unknown angels!'**
- **Satisfying:** A policy of preferring people from within offers regular promotional avenues for employees. It motivates them to work hard and earn promotions. They will work with loyalty, commitment and enthusiasm.



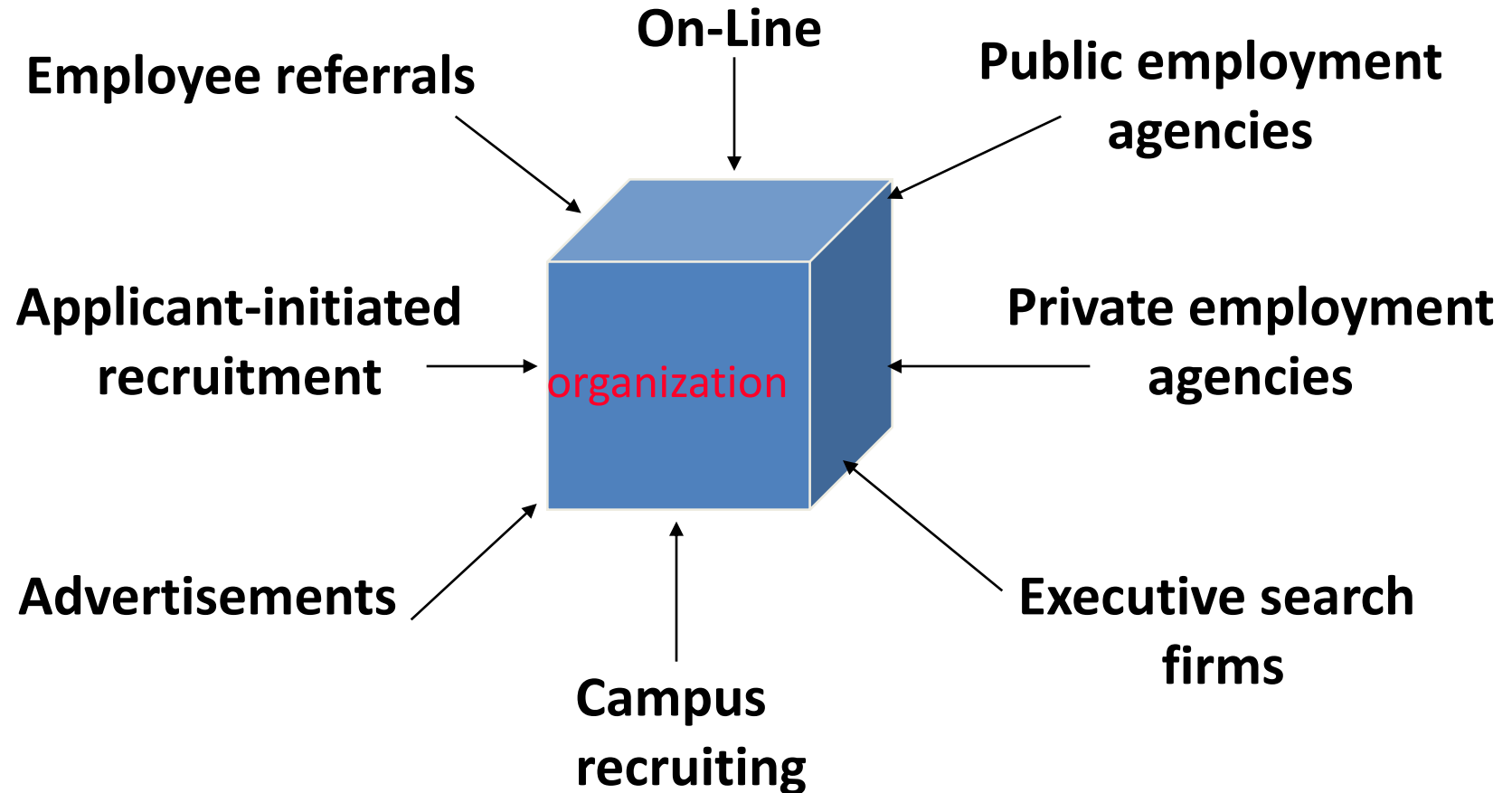
## Demerits... 'from Within'

- **Limited Choice:** The organization is forced to select candidates from a limited pool. It may have to **sacrifice quality** and settle down for less qualified candidates.
- **Inbreeding:** It discourages entry for **talented people**, available outside an organization. Existing employees may fail to behave in innovative ways and **inject necessary dynamism** to enterprise activities.
- **Inefficiency:** Promotions based on length of service rather than merit, may prove to be a blessing for inefficient candidates. They do not work hard and prove their worth.
- **Bone of contention:** Recruitment from within may lead to **infighting** among employees aspiring for limited, higher level positions in an organization. As years roll by, the race for premium positions may end up on a bitter note.

# Internal Sources of Recruitment

- ❖ Job posting and bidding
- ❖ Promotion and transfers
- ❖ Current employee referrals/Inside moonlighting
- ❖ Recruitment of former employees and applicants

# Methods of External Recruitment



## Cont....Methods of External Recruitment

- **Advertisement** is the most effective **means to search potential** employees from outside the organization. Employment advertisement in journals, newspapers, bulletins, etc., is quite common.
- **Employment Agencies:** Many organizations get the information about the prospective candidates through employment agencies.
- **On Campus Recruitment:** Many organizations conduct preliminary search of prospective employees by conducting interviews at the campuses of various institutes, universities, and colleges.
- **Deputation:** Many organizations take people on deputation from other organizations. Such people are given choice either to return to their original organization after a certain time or to opt for the present organization.
- **Employee Recommendations:** Employee recommendations can be considered to employ personnel particularly at the lower levels.
- **Labor Unions:** In many organizations, labor unions are used as source of manpower supply, though at the lower levels.
- **Gate Hiring:** The concept of gate hiring is to select people who approach on their own for employment in the organization.

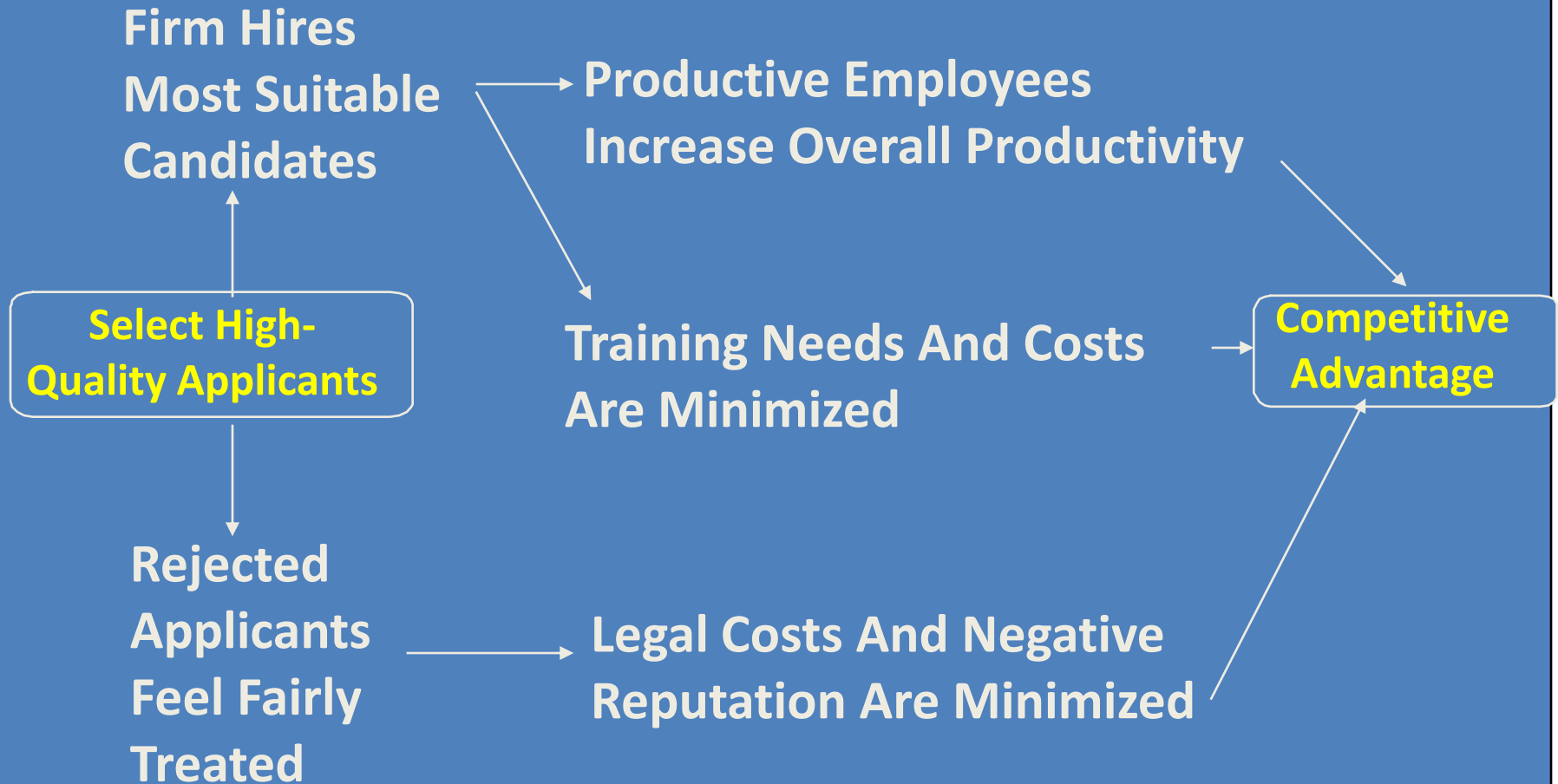
## 4. Evaluation and control

- In this stage attempt will be made to assess the **effectiveness** of the **recruitment** process.
- Recruitment process can be evaluated on the basis of the following points:
  - ❖ Number of suitable candidates for selection;
  - ❖ Retention and performance of the candidates selected and
  - ❖ Cost of the recruitment process

## 4.2. Selection

- Definition:
  - Selection is the process of choosing individuals who have **relevant qualifications** to fill jobs in an organization.
  - It is the process of choosing from a group of applicants the individual(s) **best suited** for a particular position.
-

# Linking Selection Practices to Competitive Advantage



# The Selection Process

1. Initial **screening** interview;
2. completing the **application** form;
3. Employment tests;
4. Background investigation;
5. in-depth interview
6. a conditional job offer;
7. Medical or physical examination and
8. the permanent job offer.



# Initial screening

- Some of the following points will lead to elimination of respondents:
  - ❖ Inadequate or inappropriate experience;
  - ❖ Inadequate or inappropriate education;
  - ❖ Gaps in the applicant's job history;
  - ❖ Many brief jobs or numerous courses and seminars instead of **appropriate education**.

# **Completion of the application form**

- **These forms have a variety of information about the applicants like their**
- **bio-data,**
- **achievements,**
- **experience, etc.**

# Application Blanks

**Name:** \_\_\_\_\_  
\_\_\_\_\_

**Education:** \_\_\_\_\_  
\_\_\_\_\_

**Work Experience:** \_\_\_\_\_  
\_\_\_\_\_

**Work Skills:** \_\_\_\_\_  
\_\_\_\_\_

**References:** \_\_\_\_\_  
\_\_\_\_\_

# Employment Tests

- I. **Achievement** Test: When candidates claim that they have done certain things and know these, the achievement test may be conducted to measure how well the candidates know these
- II. **Intelligence** Test: This test generally includes verbal comprehension, word fluency, memory, inductive, reasoning, number facility, speed of perception, spatial, visualization, etc.
- III. **Personality** Test: Dimensions of personality such as interpersonal competence, dominance-submission, extroversion-introversion, self-confidence, leadership ability, patience, and ambition can be measured through personality tests.
- IV. **Aptitude** test: Aptitude test is used for measuring human performance characteristics related to the possible development of proficiency on specific jobs.
- V. **Interest** Test: Interest test is designed to discover a person's area of interest, and to identify the kind of jobs that will satisfy him.

# The comprehensive Interview

- The applicant may be interviewed by **HRM interviewers, senior managers** within the organization, a **potential supervisor, potential colleagues** or some or all of these.
- A selection interview is designed to assess **job related** knowledge, skills and abilities.
- through interview assessing one's motivation, **ability to work under pressure** and ability to “fit in” with the organization.

# **Problems in Employment Interview**

- **Snap judgment (Quick decision):**
- **Negative emphasis**
- **Halo effect:**
- **Biases:**
- **Cultural noise:**

# **What Interviewers Evaluate?**

- **Appropriate responses**
- **Enthusiasm**
- **Confidence**
- **Maturity**
- **Appearance**
- **Outside activities**
- **Career goals**
- **Initiatives**
- **Work experience**
- **Fluency**
- **Body language**
- **GPA**

# Background Investigation

- Many organizations ask the candidates to provide the **names of referees** from whom more information about the candidates can be solicited.
- Background information can be obtained from several sources like:
  - ❖ Academic references
  - ❖ Prior work references (greater reliability)
  - ❖ Personal references such as references from relatives, clergy, or family (least reliable)



# Physical/medical Examination

- Physical examination is carried out to ascertain the physical standards and fitness of prospective employees.
- One last event fits appropriately under medical examination: **the drug test.**

## **Job Offer**

- **On the basis of the above steps, suitable candidates are recommended for selection by the selection committee or personnel department.**

# Orientation/induction

- Orientation topics range from such basic items as the **location of the company cafeteria** to such concerns as various **career paths** within the firm.
- Hence we can say that induction or orientation is the process through which a new employee is **introduced to the job** and the **organization**.
- It conveys three types of information:
  - ❖ General information about the daily work routines;
  - ❖ Organization history, objectives, operations, products, etc.
  - ❖ Organization policies, work rules and employee benefits.

# Purposes of orientation

❑ **Removes fears:** It assists him in knowing more about

- ❖ The job, its content, policies, rules and regulations.
- ❖ The people with whom he is supposed to interact. .
- ❖ The terms and conditions of employment.

❑ **Creates a good impression:** Induction helps him to

- ❖ Adjust and adapt to new demands of the job.
- ❖ Get along with people.
- ❖ Get off to a good start.

❑ The basic purpose of induction is to **communicate specific job requirements to** the employee, put him at ease and make him feel **confident** about his abilities.

## **Cont....**

**❑ Some of the benefits of good employee orientation include the following:**

- ❖ Strong loyalty to the organization;**
- ❖ Greater commitment to organizational values and goals;**
- ❖ Low absenteeism;**
- ❖ higher job satisfaction and**
- ❖ Reduction in turnover.**

# **Steps in Induction Program**

- Welcome to the organization**
- Explain about the company.**
- Show the location, department where the new recruit will work.**
- Give the company's manual to the new recruit.**
- Provide details about various work groups and the extent of unionism within the company.**
- Give details about pay, benefits, holidays, leave, etc.**
- Emphasize the importance of attendance or punctuality.**
- Explain about future training opportunities and career prospects.**
- Clarify doubts, by encouraging the employee to come out with questions.**
- Take the employee on a guided tour of buildings, facilities, etc. and**
- Hand him over to his supervisor.**

# Placement

- is the final phase a well-designed and systematic orientation program, and it refers to the **assignment of the new employee to the job.**

At this point, the new employee is assigned to a proper **department** or **unit** in line with the order principle of management.

# CHAPTER 5

## TRAINING AND DEVELOPING EMPLOYEES

- Training is the **systematic development** of the knowledge, skills and attitudes required by an individual to perform adequately a given task or job.
- Its focus is on individuals' **current jobs**, enhancing those **specific** skills and abilities to **immediately** perform their jobs.
- **development** is concerned with giving individuals the necessary knowledge, skills and experience to enable them to undertake **greater** and **more** demanding roles and responsibilities.
- It represents efforts to improve an employee's ability to handle a **variety of assignment**.
- It generally focuses on **future jobs** in the organization.



## Importance of Training

- To increase productivity and quality
- To reduce the number of accidents
- To reduce labor turnover
- To increase **job satisfaction**
- To orient new hires;
- To prepare employees for **future promotions**,
- To prepare employees for changes in **design**, **processes** or **technology** and
- To increase **efficiency**.
- **Thus, training and development is an investment in HR with a promise of better returns in future.**

# Types of Training

1. **Job/technical training:** Enables employees to perform their jobs well (e.g., product knowledge, technical processes and procedures, customer relations)
2. **Developmental and career training:** Provides longer-term focus to enhance individual and organizational capabilities for the future (e.g., business practices, executive development, organizational change, leadership)
3. **Interpersonal and problem-solving training:** Addresses both operational and interpersonal problems and seeks to improve organizational working relationships (e.g., interpersonal communication, managerial/supervisory skills, conflict resolution)

# The Training Process

- Planned and systematic training involves three major phases, namely:

## 1. THE ASSESSMENT PHASE:

the planners determine the **need for training** and specify the **objectives** of training.

## 2. THE IMPLEMENTATION PHASE: actual training takes place

## 3. THE EVALUATION PHASE: focuses on measuring how well the **training accomplished** what its organizers expected.

# Training process



# Assessment of training needs

☐ When does the need for training arise?

- The installation of new equipment or techniques
- A change in working methods or products produced.
- A realization that performance is **inadequate**
- A desire to reduce the amount of scrap and to improve quality.
- An increase in the number of accidents.
- Promotion or transfer of individual employees.

# **Assessment of training needs**

**❑ Training needs could be identified through**

**❖ Organizational analysis,**

**❖ Task analysis,**

**❖ Individual analysis, and**

**❖ Customer analysis.**

# Assessment of training needs

## *Organizational Analysis:*

- Assess the internal and external factors that will influence training of employees.
- Identify the KSAOs that will be needed in the future, because the organization and the job are subject to change.
- Identify areas with **high turnover**, **high absenteeism**, **low performance**, or other deficiencies.

## • *Task Analysis:*

- Analyze the tasks performed in the organization.
- Know the **job requirements** (use job description and job specification).
- **Compare** the requirements of the job with the KSAOs of existing employees.

## • *Individual Analysis (Performance Analysis)*

- Evaluate the individuals on the job and their skills and abilities.
- Focus on individuals and how they perform their jobs.
- Use **performance appraisal** data and employee feedback to identify their deficiencies or inadequacies.

## • *Customer Analysis*

- Analyze customer satisfaction with company's products and services and associate it with the employee's contribution.

# Training needs analysis - methods

## Task or organizational analysis

- Organizational goals and objectives.
- Personnel /skills inventories
- Organizational climate catalog
- Exit interview
- Quality circles
- Customer survey/satisfaction data
- Consideration of current and projected changes

## Individuals Analysis

- Performance appraisal
- Interviews
- Questionnaires
- Attitude survey
- Training progress



# Establishment of training objectives/ goals

- ❑ statements of what a trainee **will be able to do** at the end of training activity.
- Without clearly set goals, it is not possible to **design** and **evaluate** training programs.
- Objectives of training can be set in any area using the following dimensions:
  - ❖ **Quantity** of work resulting from training
  - ❖ **Quality** of work after training
  - ❖ **Timeliness** of work after training
  - ❖ **Cost savings** as a result of training

# Developing Training Programs

- Identifying the target **audience**;
- Selecting the **resource persons** to deliver the training;
- Selecting **training methods** and techniques;
- Identifying **where** to conduct the program;
- Incorporating the **principles** of learning, and

# **Who are the trainers**

- **Immediate supervisors;**
- **Co-workers,**
- **Members of the personnel staff;**
- **Specialists in other parts of the company;**
- **outside consultants and Industry associations, and**
- **faculty members at universities.**

# **Methods and Techniques of training**

- **Training methods are categorized into two broad groups**
  - (i) on-the-job training and**
  - (ii) off-the-job methods.**

# Methods and Techniques of training

- **On-the-job training:** refers to methods that are applied in the workplace, while the employees are actually working. **It is learning by doing.**
- Cannell (1997:28) defines on-the-job training as: “training that is planned and structured that takes place mainly at the **normal workstation** of the trainee
- where a manager, supervisor, trainer or peer colleague spends significant time with a trainee to teach a set of skills that have been specified in advance.”
- Types of on-the-job training are: apprentice training; internships and assistantships; job rotation; coaching and so on.

# Methods and Techniques of training

## ☐ *Advantages:*

- Tailor - made course content with use of REAL company situations /examples.
- It is usually less expensive than off-job training.
- Learning will take place using the equipment which will be actually used.
- Trainees adjust more rapidly.

## ☐ *Disadvantages:*

- Possibility of poor instruction and insufficient time.
- Trainee may be exposed to bad work practices.
- A large amount of spoiled work and scrap material may be produced.
- It leads to **low productivity** till the employees develop their skills.
- Valuable equipment may be damaged.

# Methods and Techniques of training

**2. Off-the-job training:** are used away from workplaces. **Example of the off-the-job training are the following: vestibule; lecture; films; television; conference, case study; role playing; simulation and so on.**

## ☐ *Advantages*

- A specialist instructor enables delivery of high quality training.
- Wider range of facilities and equipment are available.
- The trainee can learn the job in planned stages.
- It is free from the **pressures** and **distractions** of company life.
- It is easier to calculate the cost of off-the-job training because it is more **self-contained**.

## ☐ *Disadvantages*

- Can result in **transfer of learning difficulties** when a trainee changes from training equipment to production equipment.
- No training can be entirely off-the-job as some aspects of the task can only be learned by doing them in the normal production setting, with its own customs and network of personal relationships.
- Can be more expensive.

# Methods and Techniques of training

## 1. Vestibule training (Simulation):

It is a **classroom** training that is often imported with the **help of the equipment and machines**, which are identical with those in **use in the place of work**.

## 2. Demonstrations and Example:

- **trainer describes and displays something,**

**3. Lectures:** is a **verbal presentation** of information by an instructor to a large audience.



# Methods and Techniques of training

4. **Audio-visuals:** include television slides, overheads, video-tapes and films. These can be used to provide a **wide range of realistic examples** of job conditions and situations in the condensed period of time.

# Methods and Techniques of training

5. Conference: This emphasis on small group discussion, on organized subject matter and on the active participation of the members involved.
6. Case Studies: When the trainees are given cases to analyze, they are asked to identify the problem and recommend tentative solution for it.
7. Role Playing: In role-playing trainees act out the given role as they would be in stage play. Two or more trainees are assigned parts to play before the rest of the class.

## Methods and Techniques of training

8. Internship – is a form of on-the-job training that usually combines **job training** with **class room** instructions. Internship are offered usually by organization to **college students** wanting to find work experience.

9. Apprenticeships - provide the employee with on-the-job experience under the guidance of a skilled and certified worker. Most often used to train people for jobs in skilled crafts such as **carpentry, plumbing,** and **welding** as common in vocational training schools.

# **Distance and Internet-Based Training**

- **Tele training**
  - A trainer in a central location teaches groups of employees at remote locations via TV hookups.
- **Videoconferencing**
  - Interactively training employees who are geographically separated from each other—or from the trainer—via a combination of audio and visual equipment.
- **Training via the Internet**
  - Using the Internet or proprietary internal intranets to facilitate computer-based training.

# Learning Principles

☐ Modeling:

☐ Motivation :

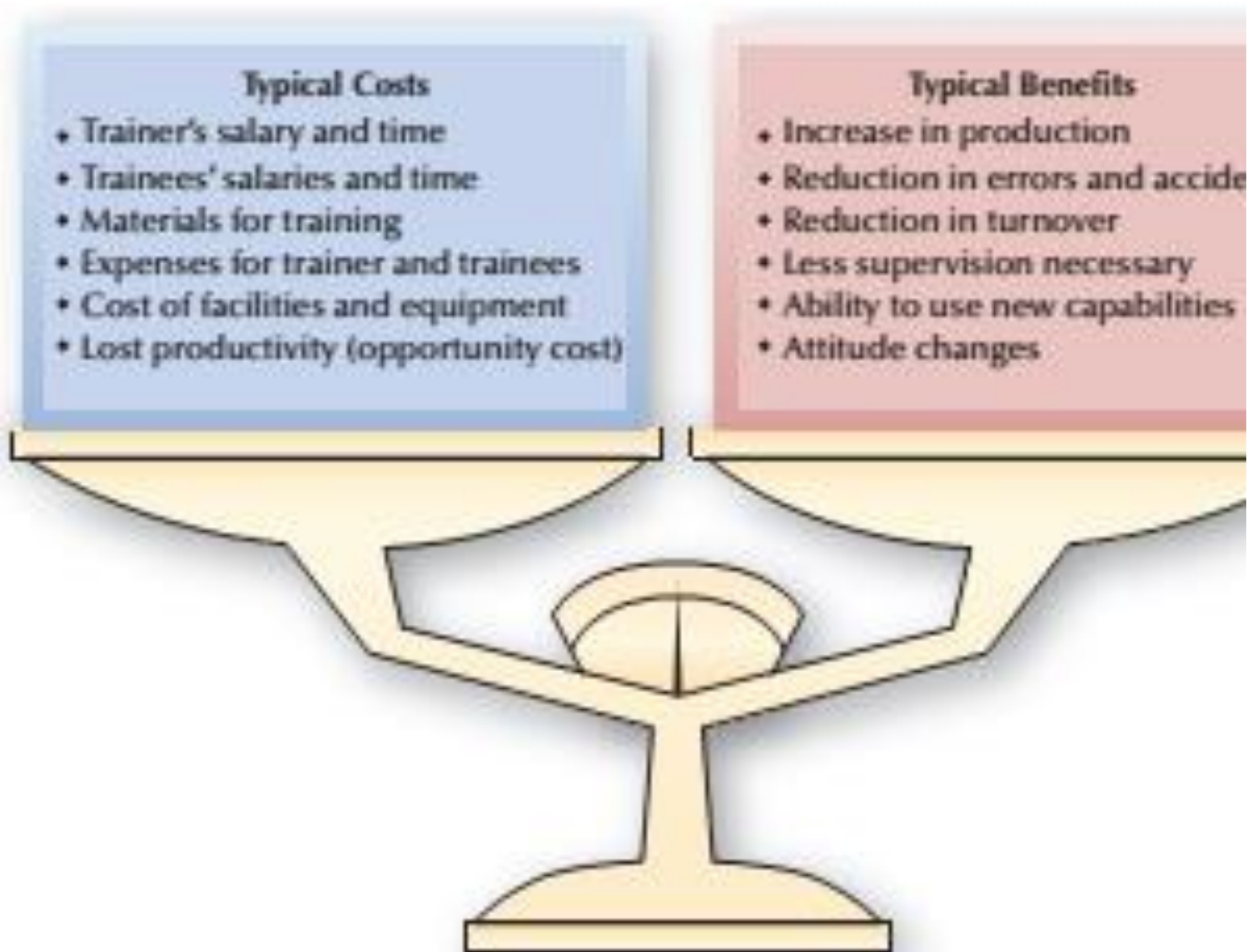
☐ Reinforcement:

☐ Feedback :

# EVALUATION OF THE TRAINING PROGRAM

- Evaluation of training compares the **post-training** results to the **pre-training** objectives of managers, trainers, and trainees.
- The main objective of evaluating the training programs is **to determine if the organization has accomplished a specific training objective** that is, correcting performance deficiencies.
- A second reason for evaluation is to **ensure that any changes in trainee capabilities** are due to the training

# Cost benefits analysis of training



# Evaluation of the training program

HR professionals should try to collect four types of data while evaluating training programs:

i/ measures of reaction: The reactions of trainees to the training experience itself:

- how useful or even **how enjoyable** they feel the training is,
- what they think of individual sessions and **speakers**,
- what they would like put in or taken out, and so on.

ii/ Learning:

- Evaluation at the learning level measures the **degree to which trainees have mastered** the concepts, knowledge and skills of the training.

ii/ Job behavior /behavior change/

- At this level, evaluation attempts to measure the extent to which trainees have applied their learning on the job.

iv/ Organizational results

- The measurement might be in such terms as improvements in output, productivity, quality, morale, contribution, or sales turnover.



# Methods of Evaluation

**❑ Various methods can be used to collect data on the outcomes of training. Some of these are:**

- Questionnaires:**
- Tests:**
- Interviews:**
- Feedback:**
- Cost benefit analysis:**
- Human resource factors:**

# Management Development

- Management Development focuses on developing the knowledge base, attitudes, basic skills, interpersonal skills, and technical skills of the managerial cadre.
- Unless managers are appropriately developed, other resources including employees through out the organization **may not be managed well**.
- Management development should be seen as a way of communicating knowledge and judgment needed by managers to **meet the strategic objectives** of the organization.
- Among these skills are **leading, dealing with change,** helping (coaching and advising) subordinates, controlling when necessary, and **providing feedback**.

# Approaches to Management Development

## ❑ *Job-site methods:*

### **1. Management coaching:**

coaching is best accomplished when it involves a relationship between two managers at different levels for a brief period of time as they perform their jobs

### **2. Managerial modeling:**

This is not surprising because a great deal of human behavior is learned by modeling.

### **3. Mentoring**

Technical, interpersonal, and political skills can be conveyed in such relationships from older to younger managers.

# **Approaches to Management Development**

## **4. Committee assignments:**

**Promising employees could be assigned to important committees and broaden their experience**

## **5. Job Rotation:**

**It involves moving employees to various positions in the organization in an effort to expand their skills, knowledge, and abilities.**

# **Approaches to Management Development**

## **❑ *off-job site method***

### **1. Case study method**

- Managers are asked to study the case to determine the problem, analyze the problem, propose solutions, choose the best course of action, and implement it.

### **2. Role playing**

- The trainee is given a role or position in a given situation and acts out the behaviors associated with that role like as in the case of training sales people.

### **3. Class room courses**

- Helps to acquire technical skills and management
- Supervisors may be sent to management institutes.

# **Approaches to Management Development**

## **4. Sabbaticals and leaves of absence**

**It is popular in academic world like universities where professors take a year long leave to sharpen their skills, and advance their education or conduct research.**

# Lifelong Learning

- Lifelong learning provides continuing training from basic remedial skills to advanced decision-making techniques throughout an employee's career
  - New & old skills alike are learned & updated continuously

# End of chapter 5

Thank

you

very

much



# Chapter 6

## Performance Appraisal

### ❑ Definitions

- Performance appraisal is the process of evaluating how well the employees do their jobs compared with a **set of standards** and **communicating** the information to those employees.
- It is a system set by the organization to **regularly** and **systematically** review (evaluate) employee performance.

# Objectives of Performance Appraisal

- ❖ To effect promotions based on **competence** and **performance**
- ❖ To assess the training and development **needs** of employees.
- ❖ To decide upon a **pay raise**
- ❖ To let employees know where they stand insofar as their performance is concerned
- ❖ To improve communication
- ❖ Finally, performance appraisal can be used to determine whether **HR programs** such as selection, training, and transfers have been effective or not.

# **Specific Purposes of Performance Appraisal**

- ❖ Performance improvement –**
- ❖ Compensation adjustment –**
- ❖ Placement decisions –**
- ❖ Training and development needs –**
- ❖ Career planning and development –**
- ❖ Equal employment opportunity –**
- ❖ Feedback to HR department –**

# The Appraisal process

## 1. Establish performance standard

- **Performance standard** is the expected level of performance.
- It is a **benchmark** against which performance is measured.
- It is a **specific criterion** against which actual performance can be compared.
- It is established based on **job description** that spells out what employees are expected to do.

# The Appraisal process

## 2. Communicate standards to employees

- Employees must understand the criteria.
- This enhances their motivation and commitment.

## 3. Measure actual performances of employees

- Performance appraisal should be done periodically.
- The aim is to detect **departure** from expected performance level.

## 4. Compare actual performances with standard

- Identify any deviation from the standard.
- Actual performance may **fit to standard**, **fall below** or may be **above** the standard.

# The Appraisal process

## 5. Discuss the appraisal with employees

- Once appraisal is done, it is important to **communicate them** so that employees have a clear understanding of how they stand in the eyes of their immediate supervisors and the organization.
- **Managers** need to discuss appraisals with employees.
- The feedback is essential for the **improvements** to occur.

# The Appraisal process

## 6. Initiate corrective action

- Management has several alternatives after appraising performance and identifying causes of deviation from standards including:
  - Take no action,
  - Correct the deviation,
  - Review the standard,
  - Train and develop the employees,
  - Motivate employees

# Design Appraisal Program

**❑ Designing an appraisal program poses several questions which need answers. They are,**

- i) Formal versus informal appraisal;**
- ii) whose performance is to be assessed?**
- lii) Who are the raters?**
- iv) What problems are encountered?**
- V) How to solve the problems?**
- Vi) What should be evaluated?**
- Vii) When to evaluate?**
- Viii) What methods of appraisal are to be used?**



# ***Whose performance should be rated?***

- To the question whose performance should be rated, the answer is obvious-employees.
- When we say employees, is it individuals or teams?
- Specifically, the ratee may be defined as the individual, work group, division, or organization.

# Who conducts Appraisal? raters

- **Immediate supervisors**
  - most common because the supervisor is most familiar with individual's performance records
  - the supervisor has the best opportunity to observe actual performance
- **peer evaluation**
  - co-workers must know the level of performance of the employee being evaluated.
- **subordinate evaluation**
  - employees are in a good position to view their immediate supervisor's managerial effectiveness
  - it is more applicable in academic environments.

## Who conducts Appraisal? raters

- **group appraisal** a team of supervisors can evaluate an employee
- **self appraisal** can be used for developmental appraisal, if employees understand the objective expected
- **outside raters** outside or external experts may be called on to appraise top management
- outsiders may not know all important **contingencies** within the organization.

# Performance Appraisal Methods

**1. Rating Scales:** perhaps the oldest and most widely used method

- requires the rater to provide a subjective evaluation of an individual's performance along a scale from **low** to **high**

**2. Checklists :** Raters select a **word or statement** that best describes the employee's performance and characteristics.

**3. Forced choice method :** This method requires the rater to choose the **most descriptive statement** in each pair of statements given about the employee being rated.

- Often either statements or phrases in the pair are **positive or negative**.

# Performance Appraisal Methods

**4. Forced distribution method:** . It operates under an assumption that the employee performance level conforms to a **normal statistical distribution**.

**5. Critical incident technique:** Raters record regularly both extremely good and bad (favorable and unfavorable) employee behaviors related to performance.

**6. Ranking method:** The rater ranks the entire employee in his/her department according to their performance.

**7. Cost Accounting method/ Human asset accounting method:**

A relationship is established between **the cost included in keeping the employee and the benefit the organization derives from him or her**.

# Performance Appraisal Methods

**8. Essay methods:** Require the rater to write a brief narrative description of employee's performance and characteristics.

- Keeping a record of critical incidents is essential.

**9. Behaviorally Anchored Rating Scales (BARS):** sometimes called **behavioral expectation scales**, are rating scales whose scale points are determined by statements of effective and ineffective behaviors.

# Problems of Performance Appraisal

## 1. Problems of varying standards:

- Different **standards** and **expectations** must not be used to evaluate employees performing similar jobs.

## 2. Perceptual differences:

- Parameters like “good”, “adequate”, “satisfactory”, and “excellent” may mean different things for different raters.
- This problem is most often encountered while using rating scale methods.

**3. Primacy effect** : The rater’s ratings are heavily influenced by behavior exhibited by the **ratee during the early** stages of the review period.

## 4. Recency effect:

- Occurs when the rater gives greater weight to recent occurrences when appraising an individual’s performance.

# Problems of Performance Appraisal

**5. Rater's personal bias:** Occurs when a rater's values and prejudices distort the rating. This includes favoritism, stereotyping, and hostility. Sex, age, race and friendship biases are examples of this type of error.

**6. Leniency:** They tend to give higher rates or scores for every characteristic of employees.

**7. Strictness/harshness:** This is the opposite of leniency where raters see every thing as bad and give low scores on all dimensions.

**8. Central tendency error:** Some raters do not like to rate employees as **effective** or **ineffective** and so ratings are distributed to make each employee appear average.



# Problems of Performance Appraisal

## 9. Halo effect

- Halo effect in performance appraisal occurs when a manager or rater rates an employee high or low on all items because of **one characteristic**. For instance, a student's assessment will be the opening paragraph of every answer. If the **introductory paragraph is poorly written**, the chances of scoring high marks in that answer are diminished

## 10. Contrast error

- While rating should be done on the basis of established standards, contrast error refers to the tendency to rate people **relative to each other** than the performance standards.

## 11. Status Effect

It refers to overrating of employees in **higher-level job** or jobs held in high esteem, and **underrating employees** in lower-level job or jobs held in low esteem

## **Solving Rater's problems**

- **The best way to overcome the problems is to provide training to the raters.**

# **What should be rated?**

**❑ The six criteria for assessing performance are:**

**1. Quality:**

**2. Quantity:**

**3. Timeliness:**

**4. Cost of Effectiveness:**

**5. Need for supervision:**

**6. Interpersonal impact:**

## Timing of evaluation

- How often should an employee be assessed? The general trend is to evaluate
  - ❖ once in three months,
  - ❖ or six months,
  - ❖ or once in a year.

# **Chapter 6**

**End**

# CHAPTER 7

## Compensation Management

**Definition** : Compensation is a reward Employees receive in exchange for their performance.

- Total rewards Monetary and nonmonetary rewards provided by companies to attract, motivate, and retain employees.
- ❖ Compensation occupies an important place in the life of an employee.
- ❖ His or her standard of living, status in the society, motivation, loyalty, and productivity depend upon the remuneration he or she receives.
- ❖ Compensation have impact on all other HRM activities/functions

# Objectives of compensation

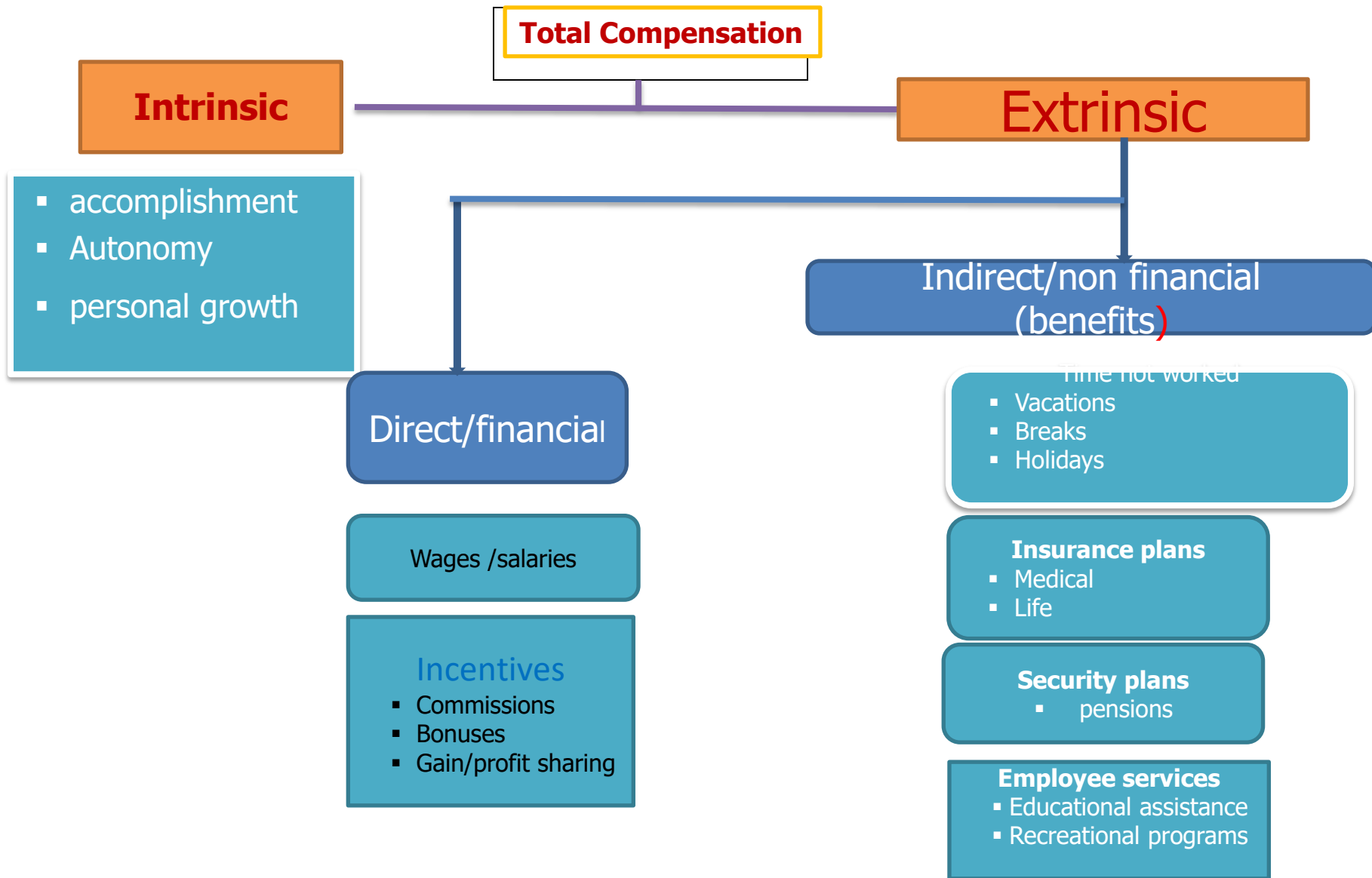
1. Attract capable employees to the organization
  - a better compensation package is going to attract the efficient employee who is very useful to an organization.
2. Motivate them toward superior performance
  - For any employee, money is the main motivator.
  - The better pay, the better the performance
3. Retainment of their services over an extended period of time

# Compensation Management and Other HRM Functions

<i>Concept</i>	<i>Function</i>	<i>How</i>
Aid or impair recruitment	Recruitment	Supply of applicants affects wage rates
Pay rates affect selectivity	Selection	Selection standards affect level of pay required
Pay can motivate training	Training and Development	Increased knowledge leads to higher pay
Training and development may lead to higher pay	Compensation Management	A basis for determining employee's rate of pay
Low pay encourages unionization	Labor Relations	Pay rates determined through negotiation



# Components of Compensation

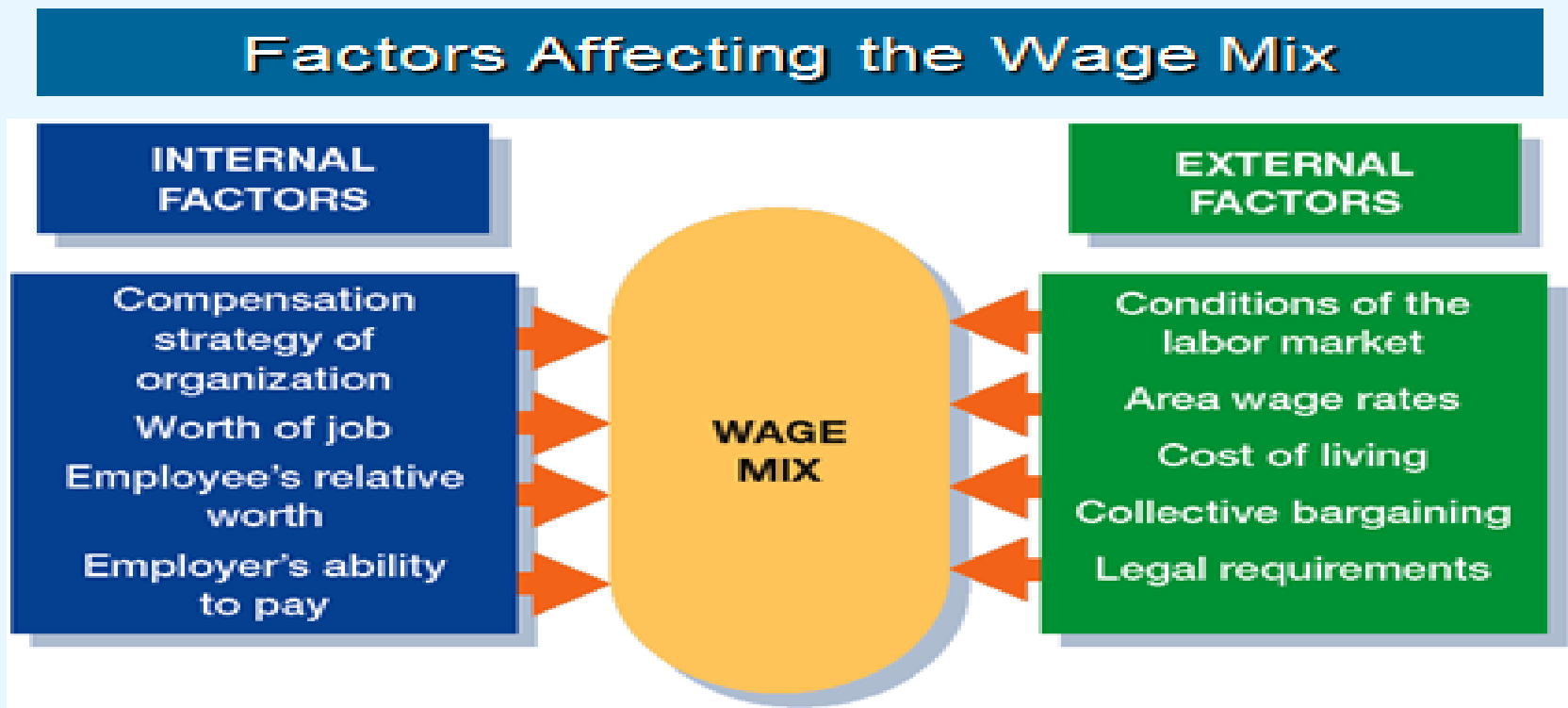


# Types of equity

- ❖ Equity within the organization (Internal Equity)
  - comparing the KSAOs employee use in their Jobs and responsibilities and their outcome.
- ❖ Equity with other organization (External Equity)
  - Comparing compensation provided to employees by organization with other employees performing similar jobs in other organization.
  - external equity by using pay surveys.
  - To monitor internal equity, Organizations use job evaluation systems to evaluate the relative worth (difficulty) of jobs across departments and organizational levels.
- ❖ Individual equity
  - Individuals judge equity by looking at compensation of others. They compare their inputs and outcomes with the inputs and outcomes of individuals with similar jobs both within and outside the organization

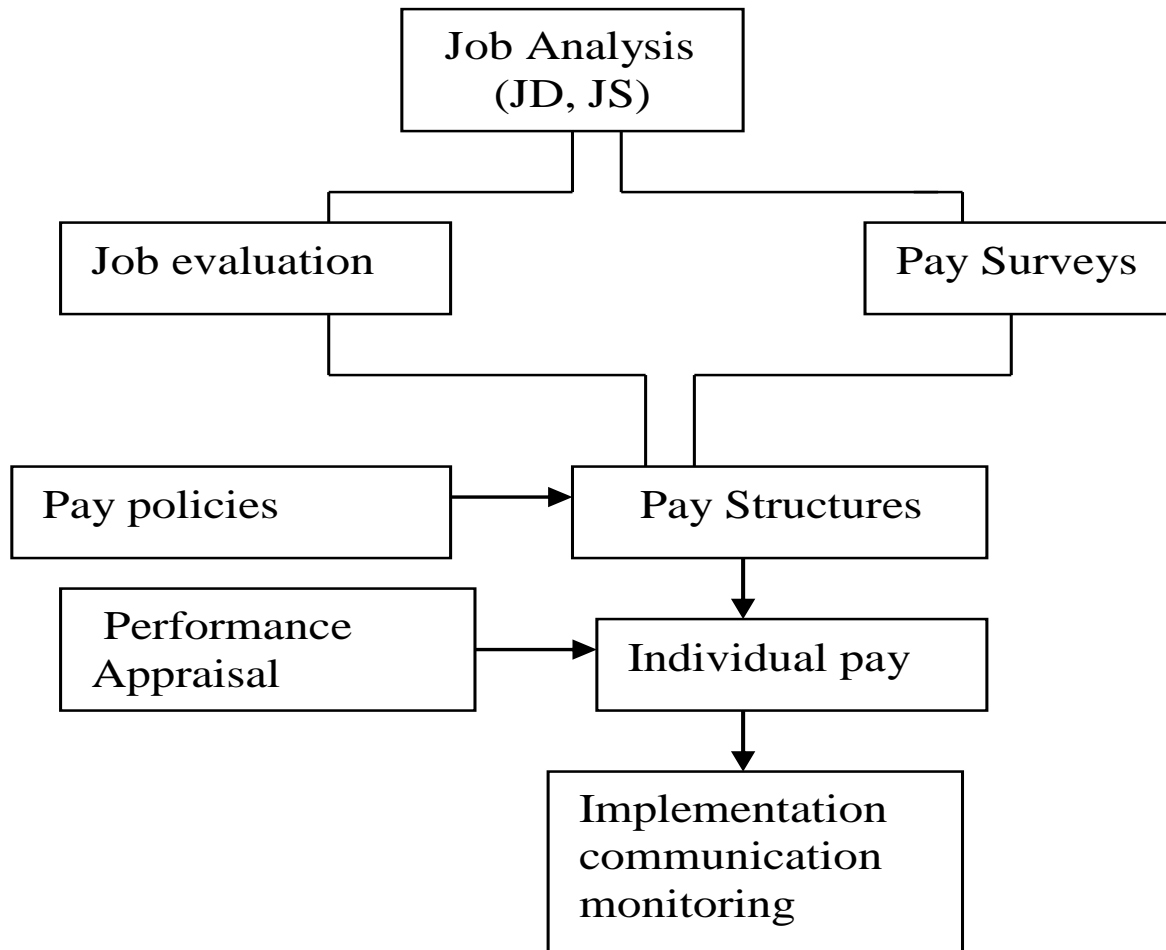
## Factors Influencing Employee Remuneration

- A number of factors influence the remuneration payable to employees. In general, they can be categorized into two: internal and external factors.



# Wage and salary administration

## Development of a Base Pay System



# Methods of job evaluation

- **Non-Analytical** : Ranking method, pairs comparison and Job grading method
  - **Analytical** : point-rating method and Factor-comparison method
1. **Ranking Method**
    - It places jobs in order ranging from highest to lowest in value.
    - Is very subjective, and applicable to small organization having few jobs.
  2. **Paired Comparison**
    - In this method, two jobs are taken at a time and compared with each other using their job descriptions. Each job is in turn compared with all other jobs.
  3. **Position Classification (Job grading) method**
    - The various jobs are put in to grades according to common factors such as degree of responsibility, or skills, knowledge, duties, volume of work and experience needed.

# Methods of job evaluation

## **1.** Point rating Method

- It breaks down jobs in to various compassable factors and places weights or points, on them
- A compassable factor is one used to identify a job value that is commonly present through our a group of jobs.

## **2.** Factor Comparison

- **Jobs are compared against other jobs on the basis of how much of some desired factor they possess.**
- **Each job's factors are ranked against each other job's factors.**

# Incentives

- ❑ Incentives are compensations that reward employees for efforts **beyond performance expectations.**
- ❑ The primary advantage of incentives is the inducement and motivation of workers for higher efficiency and greater output.
- ❑ It appears that with fixed remuneration, it is difficult to motivate workers to show **better performance.**

# Types of Incentives plan

## 1. Individual Incentives

### □ Piece - Rate Systems

- wages are determined by multiplying the **number of Units produced** by the piece rate for one unit.
- A differential piece - rate system pays employees on piece - rate wage for units produced up to a standard out put and a higher piece – rate wage for units produced **over the standard**.



## Commissions

- ❖ **Commission** is an individual incentive system widely used in sales jobs and is computed as a percentage of sales in units or monetary value.
- ❖ **Bonus** is a payment made on a one time (**lump -sum**) basis, which does not become part of the employee's base salary.

**2. *Team based incentives*** - for team workers.

**3. *Organizational incentives***

- An Organizational incentive system compensates all employees in the organization based on how well the organization as a whole **performs during the year**.

*a) Gain sharing* - the sharing with employees of greater - than - expected gains in profits and / or productivity.

*b) Profit sharing* - distribution of a portion of organizational profits to employees typically, the percentage of profit distributed to employees is agreed on by the end of the year before distribution -

*C) Employee Stock Ownership Plans (ESOPs)*

ESOP is designed to give employees stock ownership of the organization for which they work, thereby increasing their commitment, loyalty, , and effort.

# Employee Benefits/fringes

- ❖ Employee benefits and services are part of the rewards of employment that reinforce **loyal service** to the employer.
- ❖ *Benefits and services, however, are **indirect compensation** because they are usually extended as a condition of employment and are not directly related to performance*
- ❖ Major **benefits and services** include pay for time not worked, insurance, pensions, and services known as **fringe benefits or perquisites (perks)**.

# Strategic Reasons for Offering Benefits

- Major benefits attempt to protect employees and their dependents from **financial risks** associated with illness, disability, unemployment and old age.
- From **management point of view**, benefits are thought to contribute to several strategic goals like
  - ❖ Help attract employees
  - ❖ Help retain employees
  - ❖ **Elevate** the image of the organization with employees & other organization
  - ❖ Increase job satisfaction

CH 7

THE END

# **CHAPTER EIGHT**

## **EMPLOYEES RIGHT, DISCIPLINE AND GRIEVANCE HANDLING**

# CHAPTER EIGHT

## EMPLOYEES RIGHT, DISCIPLINE AND GRIEVANCE HANDLING

### ❑ Employee Rights and Responsibilities

- A **right** belongs to a person by law, nature, or tradition
- Rights are offset by **responsibilities**, which are duties or obligations to be accountable for actions.
- For example, if an **employee** has the right to a safe working environment, the employer has the obligation to provide a safe work place.
- Employees' **statutory rights** are the results of specific laws passed by federal, state or local governments. (E.g. equal employment opportunity, collective bargaining, and workplace safety)
- An employee' **contractual rights** are based on an agreement or contract with an employer.

# Employee Rights and Responsibilities

## 1. Rights affecting employment agreement

### *a) Employment-at –will (EAW)*

- EAW is a common law doctrine stating that employers have the right to hire, fire, demote, or promote **whenever** they choose, Conversely, employees can quit whenever they want and go to another job under the same terms.

### *b) Wrongful discharge*

- Termination of an individual's employment for reasons that are **illegal** or improper.

### *c) Implied employment contracts*

- All contracts and promises given for employees like job security will establish employee **expectations**.

### *d) Due Process:*

- Requirement that the employer use a fair process to determine employee wrongdoing and that the employee have an opportunity to explain and defend his or her actions.

### *e) Dismissal for Just cause*

- Just cause refers to sufficient justification for actions.



# **Employee Rights and Responsibilities**

## **❑ Criteria for just cause to disciplinary action:**

- Was the employee warned of his conduct?**
- Was the company's rule reasonable?**
- Did management investigate before disciplining?**
- Was the investigation fair and impartial?**
- Was there evidence of guilt?**
- Was the penalty reasonable, given the offense?**

# **Employee Rights and Responsibilities**

**❑ Balancing employer and employee rights becomes an issue when dealing with.**

## **2. Employee privacy rights**

- ❖ Employee review of records**
- ❖ Substance abuse and drug testing**
- ❖ Polygraph and honesty testing**

## **3. Other employee rights**

- ❖ Work place investigation**
- ❖ Potential hazards and unsafe working conditions**
- ❖ Free-speech and whistle-blowing**
- ❖ Notification of plant closings**
- ❖ Security at work**

# Employee Rights and Responsibilities

- **Whistle-blower** is a person who reports on real or perceived wrong doings of his/her employer.
- Whistle blowing is an important right, but a right that can be **abused**.

# Employee Rights and Responsibilities

- **Dressing and Body Appearance Limitations**
  - Employers have put limits on employees' dress and appearance in some situations, including items such as visible tattoos, certain clothing and accessories, and body piercings.
- **Off-Duty Behaviour**
  - An additional employee rights issue concerns personal behaviour off the job.
  - Employers encounter special difficulty in establishing “just cause” for disciplining employees for their off-the-job behaviour.
  - Most people believe an employer should not control the lives of its employees off the job
- **Employee Theft**
  - A problem faced by employers is employee theft of property and vital company secrets.
  - **White-collar** theft through embezzlement, accepting bribes, and stealing company property also is a concern

# Employee Discipline

- **Discipline** is the process whereby management takes steps to help an employee overcome unacceptable behavior problems in the workplace.
- Those most often affected by the discipline systems are problem employees.
- Common **disciplinary issues** caused by problem employees include absenteeism, lateness, productivity deficiencies, alcoholism, and insubordination.

# Employee Discipline

## ❑ Difficult (problem) employees

- If employers fail to deal with **problem employees**, negative effects on the other employees and work groups **often result common disciplinary problems** caused by problem employees include absenteeism, tardiness, productivity deficiencies, alcoholism and insubordination.

## ❑ Four categories of problem employees:

### 1) The ineffective employee

- Those whose quality or quantity of work is unsatisfactory due to lack of abilities, training, or job motivation.

### 2) Alcoholic and drug abusing employee

- These problems can include alcoholism, drugs, or family relationships.

### 3) Participation in theft, crime and illegal acts

- such behavior as stealing from the organization or its employees, or physical abuse of employees or property;

### 4) The rule violators

- Those who consistently break **company rules** and do not respond to supervisory reactions (insubordination).  
E.g. - Verbal and physical abuse of supervisors

# Approaches to Discipline

## 1) Hot Stove Rule

- This approach to discipline is discussed in terms of what happens when **a person touches a hot stove**, the consequences are:

### a) A warning system

- A good manager **communicates** the consequences for undesirable behavior before any behavior occurs (warning).

### b) An immediate burn

- If discipline is required, it must occur immediately after the **undesirable act is observed**. The person must see the connection between the act and the discipline.

### c) Consistency

- There are **no favorites -stoves burn** everyone the same. Any employee who perform, same undesirable behavior (act) will be disciplined similarly.

### d) Impersonality

- Disciplinary action should point toward a person, it is meant to eliminate undesirable behaviors.

# Approaches to Discipline

## 2) Progressive discipline;

- **Progressive discipline** is an approach in which a sequence of penalties is administered, each one slightly more severe than the **previous one**.
- The goal is to build a discipline program that progress from less severe to more severe in terms of punishment as indicated below.

❖ Thus, **progressive discipline** suggests that actions to modify behavior become progressively more severe as the employee continues to show **improper behavior**.



# Figure 7.7 Steps for Progressive Discipline.

## Step 1: Verbal Warning

- The supervisor meets with the employee to discuss the problem behavior and consequences of future occurrences of the behavior



## Step 2: Written Warning

- The supervisor completes a written form that describes the problem behavior and consequences of future occurrences of the behavior



## Step 3: Suspension

- The employee is not allowed to work for a period of time and generally receives no pay



## Step 4: Dismissal

- The employment relationship is terminated

# Approaches to Discipline

## 3) Positive discipline

- The advocates of this approach view it as future-oriented, as working with employees to solve problems so that problems do not occur again.
- The greatest difficulty with the positive approach to discipline is the extensive amount of training required for supervisors and managers to become effective counsellors,

## ❑ Counseling and Discipline

- The focus should be on **fact-finding** and **guidance** to encourage desirable behavior, instead of on using penalties to discourage undesirable behavior.
- The philosophy is that the violations are actions that can be constructively corrected without penalty.

# Reasons why disciplines might not be used

- ***Organizational culture of avoiding discipline:***
- ***Lack of support:***
  - Many managers fear to take discipline actions fearing that **top management** will not support their decisions
- ***Guilt:***
  - Some managers felt that they were committing similar violations before they became managers; and they cannot discipline others for doing something they used to do.
- ***Loss of friendship:***
  - Managers may feel losing their friends by using discipline.
- ***Time loss:***
  - Discipline, if applied properly, required considerable time and effort, and managers think that it is easy to avoid taking time disciplining
- ***Fear of law Suits:***
  - Most discipline actions lead to employees suing their managers. This is true especially in the case of dismissals.

## Effective Discipline

- **Consistent** discipline helps to set limits and informs people about what they can and cannot do. **Inconsistent** discipline leads to confusion and uncertainty
- Requirements for Effective Discipline
  - ❖ **accurate written record keeping** and written notification has been evidence for an employee's argument that he or she 'did not know'.
  - ❖ **people know the rules**. When people receive discipline as unfair, it is often on the basis that they did not realize they had broken a rule.
  - ❖ Effective discipline is **immediate**. The longer the time that transpires between the offense and the disciplinary action, the less effective the discipline will be.
  - ❖ Effective discipline is **handled impersonally**. Managers can minimize the unpleasant effects somewhat by presenting it impersonally and by focusing on behaviors, not on the person.

# **Effective Discipline**

- **Training supervisors and managers on when and how discipline should be used is crucial.**
- **Employees see disciplinary action as more fair when given by trained supervisors who base their responses on procedural justice than when discipline is done by untrained supervisors.**

## Discharge: The final alternative

- The final stage in the disciplinary process may be called discharge, **firing, dismissal, or termination**,
- Dismissing employees is one of the most difficult tasks that a manager faces.
- One study identified that more than 50% of all employers had terminated employees for inappropriate use and **abuse of e-mails**.
- Other causes can be violation of company policies, **sexual harassment**, off-work criminal behaviour, poor performance, and numerous other occurrences.
- Perhaps, the employee was not adequately trained, or perhaps management failed to establish effective policies.
- Managers are responsible for their employees, and to an extent, they share the blame for failures.

# **Why Employees Unionize**

- **The union must win support from the employees to become their legal representative. Over the years employees have joined unions for two general reasons:**
  - (1) They are dissatisfied with how they are treated by their employers, and**
  - (2) They believe that unions can improve their work situations.**
- **If employees do not receive what they perceive as fair treatment from their employers, they may turn to unions for help in obtaining what they believe is equitable.**
- **The major factors that can trigger unionization are issues of compensation, working conditions, management style, and employee treatment.**
- **Unionization results when employees feel disrespected, unsafe, underpaid, and unappreciated, and see a union as a viable option.**

# Labor Relations

- **Definition:**
  - Labor relation is a continuous relationship between a defined group of employees (represented by a union or association) and an employer.
  - The relationship includes the negotiation of a written contract concerning **pay, hours, and other conditions of employment** and the interpretation and administration of this contract over its period of coverage.



# Collective Bargaining

- **Collective bargaining** is the process where by representatives of workers and management negotiate over wages, hours, and other terms and conditions of employment.

## Types of Bargaining Relationship

- *Accommodation*
  - In accommodation, both parties learn to tolerate each other and attempt to minimize conflict and to conciliate whenever necessary.
- *Cooperation*
  - The cooperation strategy involves full acceptance of the union as an active partner in a formal plan.
- *Collusion*
  - It is illegal act.
  - Union and management may engage in labor price fixing designed to inflate wages and profits at the expense of the general public.

# Issues for Bargaining

## 1) Mandatory Issues

- Mandatory issues are those issues that are identified especially by **labor laws** or **court decisions** as being subject to bargaining.
- Generally, mandatory issues relate to wages, benefits, nature of jobs, and other work related subjects.

## 2) Permissive Issues

- Are those issues that are not mandatory but relate to jobs. Some examples include benefits for retired employees, product prices, performance bonds etc.

## 3) Illegal Issues

- Are issues that would require either party to take illegal action, such as giving preference to individuals who have been union members when hiring employees. If one side wants, to bargain over an illegal issue, the other can refuse.

# **Process of Collective Bargaining**

## ***1. Preparation***

- Both management and labor spend much time preparing for negotiations.

## ***2. Initial Demands***

- Typical bargaining includes initial proposals of expectations by both sides like for instance 5% salary increment.

## ***3. Continuing Negotiations***

- Both parties must engage in continuous negotiations based on good faith and power bargaining.

## ***4. Settlement and Contract Agreement***

- After an initial agreement has been made, the two sides usually return to their constituencies to determine if what they have informally agreed on is acceptable

# Process of Collective Bargaining

## ☐ Concessionary Bargaining

- occurs when the union agrees to reduce wages, benefits, or other factors during collective bargaining.

## ☐ Bargaining Impasses

- Labor and management do not always reach agreement on all issues.
- If impasses occur, then disputes can be taken to conciliation, mediation, or arbitration.
- In conciliation, the third party assists union and management negotiators to reach a voluntary settlement, but makes no proposals for solutions.
- In mediation, the third party may suggest ideas for solutions to help the negotiators reach a settlement.

# **Process of Collective Bargaining**

- **Conciliation and Mediation**
- **In both conciliation and mediation, an outside party attempts to help two deadlocked parties continue negotiations and arrive at a solution.**
- **Arbitration; In arbitration, a neutral third party makes a decision**
- **The process of arbitration is means of deciding a dispute in which negotiating parties submit the dispute to a third party to make a decision. Either an individual or a panel of individuals can conduct it.**

# Process of Collective Bargaining

- **Strikes and Lockouts**

- If deadlocks or disputes cannot be resolved, then an employer may revert to a **lock out** or a union may revert to a **strikes**.
- During *strike*, union members refuse to work in order to put pressure on an employer.
- Often striking union members demonstrate against the employer outside the place of the business by carrying **placards** and signs (slogans).
- In **lockout**, management shuts down company operations to prevent union members from working.
- This action may avert possible damage or
- sabotage to company facilities or injury to employees who continue to work

# Grievance Management

- Alert management knows that **employee dissatisfaction** is a potential source of trouble whether or not it is expressed.
- **Hidden dissatisfaction** grows and creates reactions that may be completely out of proportion to the original concerns.
- For example, if an employee says, 'my supervisor doesn't like me', that is a complaint- a reflection of the employee's dissatisfaction
- Definition: A **grievance** is an alleged misinterpretation, misapplication, or violation of a provision in a union or management agreement.
- Management should be concerned with complaints and grievances, because complaints are good indicators of **potential problems within the work force.**



# **Grievance procedure**

- **Is formal communication channel designed to settle a grievance as soon as possible after the problem arises.**
- **Typical grievance procedure, consists of the following steps:**
  - 1. The employee discusses the grievance with the union steward (the representative of the union on the job) and the supervisor.**
  - 2. The union steward discusses the grievance with the supervisor's manager and/or the HR manager.**
  - 3. A committee of union officers discusses the grievance with appropriate company managers.**
  - 4. The representative of the national union discusses the grievance with designated company executives or the corporate industrial relations officer.**
  - 5. If the grievance is not solved at this stage, it goes to arbitration. An impartial third party may ultimately dispose of the grievance.**