HUMAN RESOURCE MANAGEMENT

# Resourcing

## Psychological Contract

The psychological contract refers to the expectations of what an employee is willing to do and for how much time and money for the business they work for. It also refers to what the employers expect to achieve from the employee for what they offer in salary.

## HRM Roles and Objectives



## Theoretical perspectives of Strategic HRM

Three theoretical approaches to strategic HRM can be identified:

**Universalist approach -** derived from the conception of ‘Best Practise’. It is based around having high levels of commitment being related to high organisational performance.

**Fit or Contingency approach -** This refers to two kinds of fit, external and internal. Firstly external; that HR Strategy fits with the demands of the business. The second, internal, that all HR policies and activities fit together to form a coherent whole.

Strategic Management and environmental pressures



The human resource cycle



**Resource based/human capital approach -** Concerned with the relationships between internal resources, strategy and firm performance. It focuses on developing human capital to enhance company.

# Recruitment

Before the recruitment phase starts within an organisation, the business needs to determine if there is a vacancy. Once this is established, the business needs to figure out if there is a need for a new recruit and make sure there is no other way to fill the gap. Listed below are other options, other than recruitment:

* Reorganise work
* Use overtime
* Stagger the hours
* Subcontract the work
* Use an agency

If the decision is to recruit then the business needs to decide whether to recruit internally or externally.

Internal recruitment has its advantages: The employee knows the company, the company know the employee, the cost of internal recruitment is cheaper, posts can be filled quicker, takes less time to settle in.

Internal recruitment disadvantages: limitations to potential candidates, best available candidate may never be considered, if organisation don’t pick an existing employee then there may be resentment.

External advantages: widest possible field of candidates, will have the best possible person,

External disadvantages: Financially expensive, may overlook a fitting candidate already employed.

## Methods of Recruitment

* Advertisements- Local press, Posters, Radio, TV
* Recruitment agencies
* Jobcentre Plus
* Schools and colleges
* Word of mouth
* E-Recruitment

## Drafting an advert

* Name of company
* Job description
* Training provided
* Key points of personnel specification
* Salary
* Instructions on how to apply

# Selection

Selection is a two way process- both employer and employee must like what they see.

## Selection Methods

Application Forms, Telephone interviewing, Assessments, Testing (aptitude, written, personality), Group selection.

## Shortlisting

This can be done through a scoring system or a panel of members discussing the candidates.

# Staff Retention

Retaining staff is essential when trying to move forward. The worst that can happen is a company training an employee to then have them leave to a competitor. This costs the company time and money for no return in services/labour.

## Retention Strategies

**Pay** - Many businesses use high rates of pay to retain staff. This does not necessarily mean employees will not look for other jobs. Being competitive within their industry with salary will aid a business in retaining staff.

**Managing Expectations** - By ensuring potential employees gain a realistic job preview, employees will not run in to any surprises and end up leaving the organisation. (Honest Recruitment)

**Induction** - Providing a meaningful and effective induction to new employees helps them feel more settled in and part of the organisation rather than feeling like an outsider.

**Family-Friendly HR practices** - Providing an effective compassionate process to employees for when family become sick can help retain staff.

**Training and Development** - Providing training to develop an employee, offers the opportunity to enhance the employees career and skill-set. This ensures commitment from the employee.

## Turnover Analysis

When staff decide to leave an organisation, there is little HR can do, other than try to understand why. The reason could be one of the following factors:

**Outside Factors** - When people leave for reasons unrelated to work (When partner needs to relocate)

**Functional turnover** - Resignations that are welcomed by both the employer and employee (poor work performance)

**Push Factor** - Dissatisfaction with work (lack of opportunities, boredom, personality clashes)

**Pull factor** - Attracted by rival employers

# Ending the contract

## Unfair Dismissal

Below are listed some reasons for an unfair dismissal:

* relating to pregnancy or maternity;
* health and safety reason (e.g. refusing to work in unsafe conditions);
* because of a spent conviction;
* for refusing to work on a Sunday (retail and betting workers only);
* for a trade union reason;
* for taking official industrial action (during the first 12 weeks of the action);
* in contravention of the part-time workers or fixed-term employees’ regulations;

## Potentially Fair reasons

* Lack of capability or qualifications
* Misconduct (Gross and Ordinary)
* Redundancy
* Statutory bar (When an employee cannot continues to discharge their duties)

# Performance

## Individual Performance

This is based around assessing performance and allocating reward.

Performance appraisal- Appraisal systems are used so managers can review employee performance. Employees set objectives at the start of the year and work towards them all year while being assessed by managers.

## Stages in Performance Management



**These are the stages in performance management**

### Planning & Assessing performance

To be able to plan performance, objectives must be set. Many organisations set their objectives in a particular way. The process is below.

S- Specific- The objective must be specific. (I want to lose 7 lbs)

M- Measurable- Must be able to measure the progress.

A- Appropriate- Need to be related to the job.

R- Relevant- Result based

T- Timed- Has to have a time frame.

From these objectives, performance can be assessed by annual appraisals.

Reward is then given to those achieving or exceeding their objectives via the form of monetary terms or promotion. 360 degree feedback can help with the appraisal.

# Organisational Performance

## Total Quality Management (TQM)

The continuous process of reducing or eliminating errors in manufacturing, streamlining supply chain management, improving the customer experience and ensuring that employees are up-to-speed with their training. Total quality management aims to hold all parties involved in the production process as accountable for the overall quality of the final product or service.

## Organisational Learning

Argyris and Schon describe different loops of organisational learning. They are:

**Single loop learning**. Learning about *how* we can do better, thus improving what we are currently doing. This is seen as learning at the operational level, or at the level of rules.

**Double loop learning**. A more fundamental level, which is concerned with ‘*why*’ questions in relation to what we are doing rather than with doing the same things better, that is, questioning whether we should be *doing different things*. This level is described as developing knowledge and understanding due to insights, and can result in strategic changes and renewal**.**

**Triple loop learning**. This level of learning is the hardest of all to achieve as it is focused on the purpose or principles of the organisation, challenging whether these are appropriate, and is sometimes described as learning at the level of will or being.

All these levels of organisational learning are connected, as shown below.



# Development

## Personal Methods

E-learning- Distant learning, virtual activities

Blended Learning- Combination of interactive and face to face

Off-job Methods- Courses both in house and external

Learning on the job- Mentors, Peers, friends, Self development

## Career development stages

1. Occupational choice - Preparation for work

2. Organisational entry - Finding a job to match occupational self-image

3. Early Career - Start to establish one’s self and achieve in the workplace.

4. Mid Career - Continuation to advance and progress, some plateau or start to fail.

5. Late Career - Must continue to perform well, don’t want to be retired early.

## Strategic aspects of development

*Supply-led training* relies on predicting what training may be needed in the future, this may be based on what the employer believes they may need or on what the government believe may be needed in the future, there are inherent problems in this approach.

*Demand-led training* means that the suppliers of training response to demand, this means they need to be flexible in their provision. There is a suggestion that the problem lies on this side of the equation as it means that organisations are allowed to be reactive and will satisfy short-term training needs rather than thinking long-term**.**

### Stakeholders in strategic training and development

*Sponsors* - senior managers influenced by professional, personal and political agendas.

*Clients* - business planners concerned about customers, competitors and shareholders.

*Line managers* - responsible for performance, coaching and resources.

*Participants* - influenced by their career aspirations and other non-work parts of their lives.

*Facilitators* - HRM staff.

*Providers* - training specialists influenced by their expertise & educational perspectives.

# Employer Relations

## Management Styles



# Reward

## **Strategic Aspects of reward**

*The employer objectives include:*

* attract the right staff
* retain staff
* motivate staff
* enhance corporate reputation
* affordability

*The objectives the employee wishes to achieve include:*

* purchasing power
* fairness
* recognition
* composition (i.e. the makeup of the pay packet, o’time vs. standard pay)

One of the most important decisions in the development of reward strategies concerns a mechanism or mechanisms that will be used to determine the basic rate of pay for different jobs in the organisation

# Equal Opportunities and Diversity

UK workforce has become increasingly diverse – only some groups are considered in terms of how they experience employment and how equal opportunities are applied.

### Women

* Increasing numbers in employment – perhaps because employment has changed and there has been an increased number of part-time jobs.
* Suggestions that women are entering traditionally male domains.
* Pay differentials between men and women have narrowed (Equal Pay Act).

### Racial and minority ethnic groups

* Discrimination still exists.
* Segregation exists in the work force between ethnic minorities and their white counterparts.
* Tend to earn less.

### Disabled people

* Still more likely to be unemployed than able bodied counterparts.
* Choice of employment is still restricted.
* Employers still found to have greater concerns about employing such workers.

### Age

* Awareness of age discrimination has increased.
* Still see that line managers have negative perceptions of older workers.
* With an aging population and skills gap – the older worker may yet come into their own.

### Sexuality

* Not easy to full assess discrimination in this area as sexuality is not always obvious.
* However, there is still considerable discrimination towards non-heterosexuals.

There is still debate over how to deal with discrimination – some favour legislation, others believe that only a change in attitude and perceptions will help. There are pros and cons for each approach.

## Corporate Social Responsibility (CSR)

There are a number of groups organisations need to consider when making decisions:

Customers, Employees, Communities, Suppliers and the Environment

CSR is not driven by law, but companies benefit by brand perception and the image they build by carefully selecting where they source their raw materials from, what supply chains they use and by being environmentally friendly.