

Chapter 1

- Human resource management (HRM): the process of managing human talent to achieve an organization's objectives
 - 1) Managing human capital
 - 2) To achieve organizational goals
- HRM involves a wide variety of activities:
 - 1) Analyzing a company's competitive environment
 - 2) Designing jobs so that a firm's strategy can be successfully implemented to beat the competition
 - Requires:
 - 1) Identifying, recruiting, and selecting the right people for those jobs
 - 2) Training, motivation, and appraising these people
 - 3) Developing competitive compensation policies to retain them
 - 4) Grooming them to lead the organization in the future
- Human capital: the economic value of employees' knowledge, skills, and capabilities of individuals that have economic value to an organization = knowledge, education, training, skills, expertise
 - Why human capital cannot be managed the way organizations manage jobs, products and technologies?
 - Employees own their own human capital. If valued employees leave a company, they take their human capital with them, and any investment the company has made in training and developing these people is lost
 - Real strategic advantage for organizations: high-quality HRM systems
 - To build human capital in organizations:
 - Managers must continue to develop superior knowledge, skills, and experience within their workforces and retain and promote top performers
 - Find ways to better utilize the knowledge of their workers
- Overall framework for HRM



- Why does HRM matter?
 - As people are central to organizations, HRM issues impact organizational success (the bottom line)
 - HRM issues have an impact on individual well-being, and society

Competitive Issues and Human Resources Management

Issue 1: Responding Strategically to Changes in the Local and Global Marketplace

- HR Managers and Business Strategy
 - HR professionals can help them improve not only a company's bottom line by
 - Streamlining employment costs
 - But also the top line by
 - Forecasting labor trends
 - Designing new ways to acquire and utilize employees
 - Measuring their effectiveness
 - Helping managers enter new markets
 - Total quality improvement, reengineering, downsizing, and outsourcing are examples of the means organizations use to modify the way they operate to be more successful
 - Six Sigma: a set of principles and practices whose core ideas include understanding customer needs. Doing things right the first time, and striving for continuous improvement
 - Reengineering: the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, service and speed
 - Downsizing: planned elimination of jobs
 - Outsourcing: contracting out work that was formerly done by employees
 - Change management: a systematic way of bringing about and managing both organizational changes and changes on the individual level
 - A common denominator of all these strategies is that they require companies to engage in change management
 - To manage change, executive and managers have to:
 - Envision the future
 - Communicate this vision to employees
 - Set clear expectations for performance
 - Develop the capability to execute by reorganizing people and reallocating assets
 - Organizations that have been successful in engineering change:
 - 1) Link the change to the business strategy
 - 2) Show how the change creates quantifiable benefits
 - 3) Engage key employees, customers, and their suppliers early when making a change
 - 4) Make an investment in implementing and sustaining change
 - Reactive changes: changes that occur after external forces have already affected performance
 - Proactive change: change initiated to take advantage of targeted opportunities
- Competing, Recruiting, and Staffing Globally
 - Globalization: the trend to opening up foreign markets to international trade and investment

- The integration of world economies and markets has sent businesses abroad to look for opportunities and fend off foreign competitors domestically
- Partnerships and mergers are two other ways companies both large and small are globalizing
- As a result of globalization, the national identities of products are blurring
- How globalization affects HRM
 - Managers have to balance a complicated set of issues related to different geographies, including
 - Different cultures
 - Employment laws
 - Business practices
 - HR personnel are frequently responsible for
 - Implanting training programs
 - Enhancing their firms' managers' understanding of other cultures and practices
 - Dealing with the culture shock these workers might experience and pay differentials that must be adjusted depending on the country

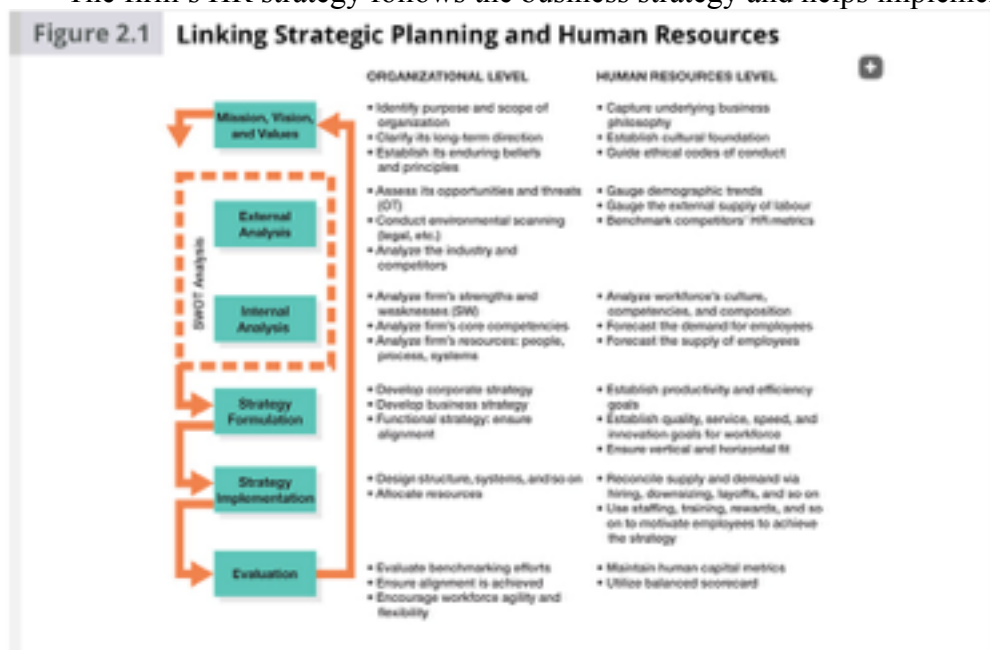
Issue 2: Setting and Achieving Corporate Social Responsibility and Sustainability Goals

Chapter 2

- Strategic planning: procedures for making decisions about the organization's **long-term goals** and strategies
- Human resources planning (HRP): the process of anticipating and providing for the movement of people into, within and out of an organization → essential activity of organization
- Strategic human resources management (SHRM): the pattern of human resources deployments and activities that enable an organization to achieve its strategic goals
 - Combines strategy formulation & implementation

Strategic Planning and HRP: Linking the Processes

- Strategic formulation: HRP provides a set of inputs in to strategic formulation process in terms of what is possible
 - Whether a firm has the types and numbers of people available to pursue a given strategy
- Strategy implementation: once the firm has devised its strategy, the company's executives must make resource allocation decisions to implement that capital
- The integration of HRP and strategic planning tend not to be most effective when there is a reciprocal relationship between the two processes
- How companies align their HRP and strategic planning in this way: a firm's business strategy, along with its overall purpose, goals, and values, establishes the context for its HR strategy and the number and types of people, the skills they must have
- The firm's HR strategy follows the business strategy and helps implement it



Step 1: Mission, Vision, and Values

- Mission: the basic purpose of the organization as well as its scope of operations
 - Depending on the scope of the organization, the mission can be broad or narrow
- Strategic vision: a statement about where the company is going and what it can become in the future; clarifies the long-term direction of the company and its strategic intent
- Core values: the strong and enduring beliefs and principles that the company uses as a foundation for its decisions
 - The underlying parameters for how the company will act toward customers, employees, and the public in general
 - It captures the underlying philosophy of the company culture and give direction to its employees
 - Also place limits on what behavior is seen as ethical and acceptable
- Developing a mission statement
- HR's Role in establishing and reinforcing a firm's mission, vision, and values
 - HR managers help embody the firm's mission, vision, and values within the organization by
 - 1) Communicating these frequently, informally and formally, via verbal and written communications
 - 2) Recruiting and hiring employees whose values are consistent with the organization.
 - This can also help organizations attract millennial workers, who place a high priority on finding employment that is meaningful to them and aligned with their goals and values in life
 - 3) Translating the mission, vision and values into specific on-the-job behaviors and job descriptions and recognizing and rewarding employees based on them

Step 2: External Analysis

- Environmental scanning: systematic monitoring of the major external forces influencing the organization
 - Forces in the business environment
 - Consists of all external factors in the general environment, that cannot directly control but that can affect its strategy
 - Economic factors: general, regional, and global conditions
 - Industry and competitive trends: new processes, services, and innovations
 - Remote environment: part of the business environment (forces over which they have virtually no control)
 - Economic and ecological changes
 - ✓ Economic booms → firms are more likely to expand
 - ✓ Recessions: generally contract
 - ✓ Depends on their strategies
 - Technological changes

- ✓ E.g. automation have a broad effect on business: changes that they have had to adapt to strategically
- ✓ Internet→nearly every industry/country
- Demographic changes
 - ✓ Age
 - ✓ Composition
 - ✓ Literacy of labor market
 - ✓ Immigration
 - ✓ Changes in labor supply can limit the strategies available to firms
 - ✓ High-growth companies in particular may find it difficult to find the talent they need to expand their businesses
- Social changes
 - ✓ People's changing priorities toward work
 - ✓ The need for childcare, eldercare
 - ✓ Adequate wages
 - ✓ Job security
 - ✓ Educational priorities
 - ✓ Environmental and sustainability concerns
- Legal and regulatory changes
- Competitive environment: narrower than the remote environment, firms have grater ability to affect it

look at each of the five forces.



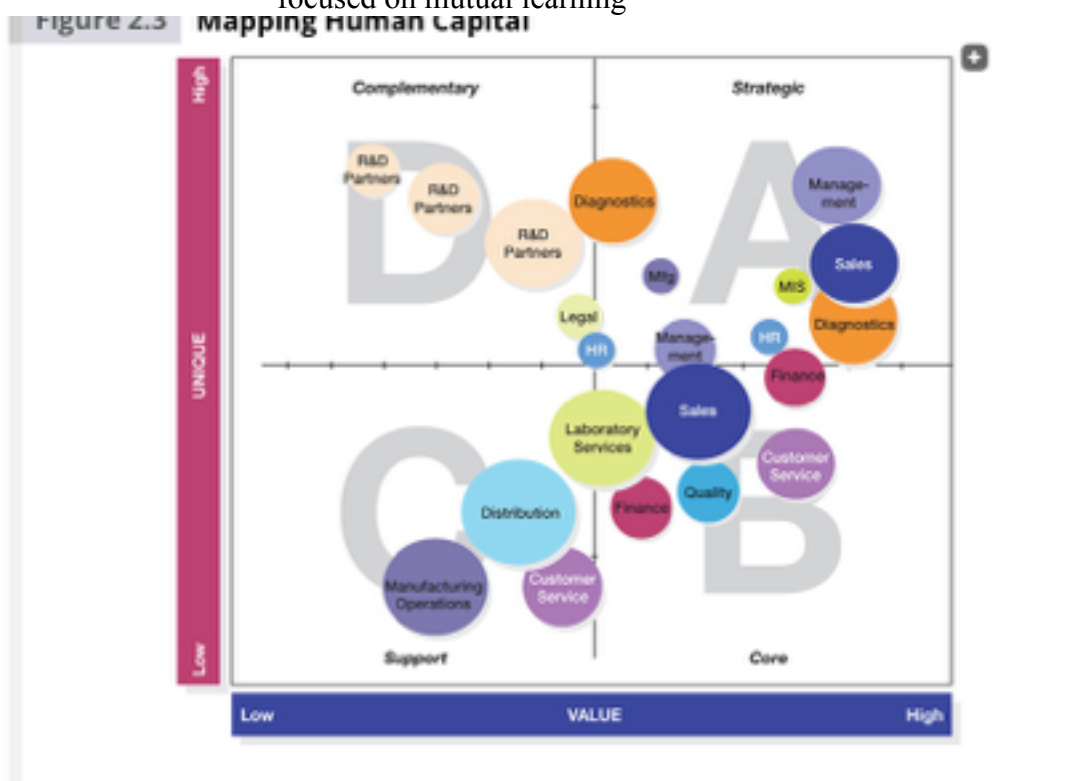
- Customers: a firm's strategy should focus on creating value for customers, who often want different things
 - ✓ Organization need to know how they will provide value to customers
- Rival firms: examining the nature of competition
- New entrants: establish entry barriers to keep new firms out of the industry
- Substitutes: biggest opportunity or threat
 - ✓ Firms may need to adjust their employee skill bases to support different technologies or they may need to think about how they will compete in different ways

- Suppliers: people/labor has direct implications for strategic planning and HRP
- HR's External supply of labor
 - HRP must consider the implications for recruitment and replacement policies
 - Other changes of labor market:
 - Migration in and out of the area
 - The mobility of the population
 - Firm's demand for specific skills
 - Unemployment rates
 - Educational level of the workforce
 - Government labor regulations

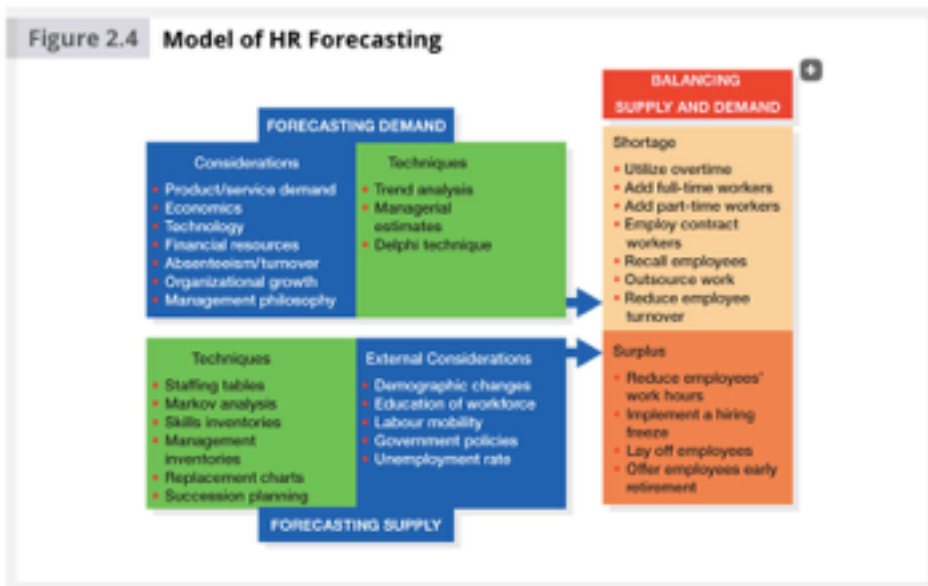
Step 3: Internal Analysis

- **Core capabilities:** bundles of people, processes, and systems that distinguish an organization from its competitors and deliver value to customers
 - 1) Processes: "recipes" or standard routines for how work will be done and results will be accomplished
 - 2) Systems/technologies
 - Information systems
 - Databases
 - Proprietary technologies
 - 3) People
 - Knowledge
 - Skills
 - Abilities
- Value creation: what the firm adds to a product or service by virtue of making it; the amount of benefits provided by product or service once the costs of making it are subtracted
- Sustaining a competitive advantage through people (if meet following criteria)
 - The resources must be valuable: people improve the efficiency or effectiveness of the company
 - Value is increased when employees find ways to decrease costs, provide something unique to customers, or some combination of the two
 - The resources must be rare: when employees knowledge, skills, and abilities are not equally available to competitors
 - The resources must be difficult to imitate
 - The resources must be organized: when people's talents can be combined and deployed to work on new assignments at a moment's notice (teamwork and cooperation → other persuasive methods)
 - Types of talent and their composition in the workforce
 - Strategic knowledge workers: tends to have unique skills that are directly linked to the company's strategy and are difficult to replace

- ✓ Research and development scientists in pharmaceutical company
- ✓ Computer scientists in a software development company
- Core employees: has skills that are quite valuable to a company but are not particularly unique or difficult to replace → traditional types of jobs
 - ✓ Salespeople
 - ✓ They could leave to go to another firm → managers invest less in training and development and tend to focus more on paying for short-term performance achievements
- Supporting workers: has skills that are of less strategic value to the firm and are generally available in the labor market
 - ✓ Clerical workers
 - ✓ Maintenance workers
 - ✓ Staff workers in accounting and HR
 - ✓ Increasingly hired from external agencies on a contract basis to support the strategic knowledge workers and core employees
- External partners: has skills that are unique but frequently are not directly related to a company's core strategy
 - ✓ Lawyers
 - ✓ Consultants
 - ✓ Specialized and not readily available to all firms
 - ✓ Companies tend to establish longer-term alliances and partnerships with them and nurture an ongoing relationship focused on mutual learning



- **Corporate culture:** audits of the culture and quality of work life in an organization
 - Cultural audits can help firms decide on the strategic investments necessary to build and sustain a culture
 - The audits can also be used to determine if the cultures of two companies will complement each other should the firms merge
 - Conducting a cultural audit: a firm generally surveys its employees about how they feel about a number of issues by asking them questions such as
 - How is business conducted within your organization?
 - How do people communicate with one another?
 - How are conflicts and crises resolved?
 - Culture audits can also be used to determine whether there are different groups, or subcultures, within the organization that have distinctly different views about the nature of the work and how it should be done
 - “Clan” culture: employees are closely knit and exhibit great concern for one another and their customers, and loyalty and cohesion are highly valued(Starbucks’ culture/small and medium-sized businesses)
 - “adhocracy” culture: a culture characterized by risk taking, innovation, and a spirit of entrepreneurship (Google)
 - “market” culture: encourages competitive, result-oriented behaviors (Investment bank)
 - “Hierarchical” culture: is characterized by formal structures and procedures and in which efficiency and stability are greatly valued (railroads→Utility type companies and well-established companies)
 - Value-based hiring: the process of outlining the behaviors that exemplify a firm’s corporate culture and then hiring people who are a fit for them
- Forecasting
 - Accurate forecasting provides the kind of information managers need to make sound decisions
 - It can help them ensure that they have the right number and right kinds of people in the right places at the right times
 - Doing things that provide value to both the organization and the employees



1) Forecasting the demand for labor

- Factors affect the demand for labor:
 - Firm's competitive strategy
 - Technology structure
 - Productivity
 - Business cycles → economic and seasonal trends
- Two approaches to HR forecasting:
 - 1) Quantitative approaches: involve the use of statistical or mathematical techniques
 - Trend analysis: a quantitative approach to forecasting labor demand based on an organizational index such as sales
 - 2) Qualitative approaches: frequently more an art than a science, providing inexact approximations rather than absolute results
 - Less statistical comparing to quantitative approaches
 - Management forecasts: the opinions/judgments of supervisors, department managers, experts, or others knowledgeable about the organization's future employment needs
 - Another method: attempts to decrease the subjectivity of forecasts by soliciting and summarizing the judgments of a preselected group of individuals

2) Forecasting the supply of labor

- Internal supply analysis (focus on numbers of employees in jobs)
 - 1) Staffing tables: graphic representations of all organizational jobs, along with the numbers of employees currently occupying those jobs and future (monthly or yearly) employment requirements
 - 2) Markov analysis: a method for tracking the pattern of employee movements through various jobs

- Quality of fill: the metric designed to assess how well new hires are performing on the job
- Techniques focus on types of employees and their skills, knowledge and experiences
 - 1) Skill inventories: files of personnel education, experience, interests, and skills that allow managers to quickly match job openings with employee backgrounds
 - 2) Management inventories: when data are gathered on managers
- Replacement charts: listings of current job holders and people who are potential replacements if an opening occurs
- Succession planning: the process of identifying, developing and tracking key individuals for executive positions
- 3) Balancing supply and demand considerations
- Accessing a firm's human capital readiness: gap analysis
 - Human capital readiness: the process of evaluating the availability of critical talent in a company and comparing it to the firm's supply
 - Managers have a much better foundation for establishing their strategy going forward and the specific requirements for developing the talent needed to implement the strategy after the assessment of readiness

Step 4: Formulating Strategy

- SWOT analysis: a comparison of strengths, weaknesses, opportunities, and threats for strategy formulation purposes
- Corporate strategy: focuses on domain selection, that is, the markets in which it will compete
 - Growth and diversification
 - 1) Increased employee productivity
 - 2) A greater number of employees
 - 3) Employees developing or acquiring new skills
 - Mergers and acquisitions
 - Strategic alliances and joint ventures
- Business strategy
 - Low-cost strategy: compete on productivity and efficiency
 - Critical success for this strategy focus on efficiency, productivity, and minimizing waste
 - Links to HRP:
 - 1) Productivity: top pay but gain back cost advantages
 - 2) Outsourcing
 - Differentiation strategy: compete on unique value added
 - Based on high product quality, innovative features, speed to market or superior service
- Functional strategy
 - Vertical fit/alignment: focuses on the connection between the business objectives and the major initiatives in HR

- Horizontal fit/alignment: managers need to ensure that their HR practices are all aligned with one another internally to establish a configuration that is mutually reinforcing

Step 5: Strategy implementation

- Taking action: reconciling supply and demand
 - Demand considerations: based on forecasted trends in business activity
 - Supply considerations: involve determining where and how candidates with the required qualifications can be found in fill a firm's vacancies
 - Dealing with surplus employees
 - Layoff strategies: most important → the seniority system ignores talent and effort reasons for using seniority as a basis for layoffs is the objective nature of the decision: number of years of work, not perception of ability
 - ✓ Disadvantage: less competent employees receive the same rewards and security as more competent ones
 - ✓ Reduced workweek: allows the organization to retain a skilled workforce and lessens the financial and emotional impact of a full layoff, while at the same time reducing the costs of production
 - ✓ Reduced shift work: based on a similar concept of reducing costs by reducing number of hours worked
 - Attrition: a natural departure of employees from organizations through quits, retirements, and deaths
 - ✓ Hiring freeze: a practice whereby new workers are not hired as planned or workers who have left the organization are not replaced
 - ✓ Accelerate attribution: cash bonuses to leave, early retirement benefits, free out-replacement services
 - Termination strategies: practice initiated by an employer to separate an employee from the organization permanently
 - ✓ The strategy begins with the identification of employees who are positions that are no longer considered useful or critical to company's effectiveness
 - ✓ Severance pay: a lump-sum payment given to terminated employees by an employer at the time of an employer-initiated termination

Step 6: Evaluation and Assessment

- Evaluation and assessment issues
 - Benchmarking: the process of measuring one's own services and practice against the recognized leaders in order to identify areas for improvement
 - Human capital metrics: knowledge, expertise, education, quantitative assessment, how many employees have graduate degrees
 - HR metrics: how well your HR department is doing in its various functions;

- Selection: the first goal when recruiting → best fit to address the needs
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- Measuring a firm's strategic alignment
 - Strategy mapping and the balanced scorecard
 - Balanced scorecard (BSC): a measurement framework that helps managers translate strategic goals into operational objectives
 - 1) Financial
 - 2) Customer
 - 3) Processes
 - 4) Learning
 - Measuring horizontal fit
 - 1) Managers need to identify the key workforce objectives they hope to achieve → this information can come from the people/learning cell of the BSC and might include loyalty, customer service, productivity and creativity
 - 2) Managers would identify each of the HR practices used to elicit or reinforce those workforce objectives
 - 3) Managers would evaluate each HR practice on a scale of -5 to 5
- Ensuring strategic flexibility for the future
 - Organizational capability: the capacity of the organization to act and change in pursuit of sustainable competitive advantage
 - Flexibility can be achieved in two ways
 - 1) Coordination flexibility: occurs through rapid reallocation of resources to new or changing needs
 - 2) Resource flexibility: results from having people who can do many different things in different ways

Chapter 3

- Importance of understanding the legal environment
 - Limiting potential liability
 - Doing the right thing
 - Underlining shared responsibility
- Employment equity: the employment of individuals in a fair and nonbiased manner
 - It concerns all individuals regardless of their sex, religion, age, national origin, race or position in an organization

Employment Equity

- Why care about EE?

- Correct previous discrimination and prevent future ones
 - Occupational segregation
 - Glass ceiling: put limits on how much you can go
- Equity: fairness and impartiality; legal sense → justice
- The implementation of employment equity has involved establishing policies and practices designed to ensure equitable representation in the workforce and to redress past discriminations
- Two main goals:
 - Redress past discrimination
 - Prevent future discrimination
- **What it is:**
 - An attempt by an organization to actively recruit and select talented employees from traditionally undertapped pools
- **What it is not:**
 - A government mandate that forces organizations to hire unqualified employees
- Designated groups: women, visible minorities, aboriginal people, and persons with disabilities who have been disadvantaged in employment
 - Women tend to be concentrated in occupations that are accorded lower status and pay
 - Women are underrepresented as semiprofessionals and technicians, as supervisors in trades, and in natural and applied sciences
 - Underrepresented in management positions and as members of boards
 - Female earnings lag behind those of men
 - Aboriginal face major barriers to employment, which are often compounded by low educational achievement and lac of job experience, as well as by languages and cultural barriers
 - Many aboriginal workers are concentrated in low-paying, unstable employment
 - People with disability face attitudinal barriers physical demands that are unrelated to job requirements, and inadequate access to the technical and human support systems that would make productive employment possible
 - Visible minority groups vary in their labour force profiles and in their regional distributions
 - They experience lower-than-average incomes, higher rates of unemployment and reduced access to job interviews even when they have the same qualifications as other candidates
- Benefits of employment equity
 - Employment equity makes good business sense
 - It contributes to the bottom line by broadening the base of qualified individuals for employment, training, and promotions and by helping employers avoid costly human rights complaints

- Employment equity enhances an organization's ability to attract and keep the best-qualified employees, which results in greater access to a broader base of skills
- Enhances employee morale by offering special measures
 - Flexible work schedules
 - Work sharing
- Improves the organization's image in the community

The Legal Framework

- The Canadian Charter of Rights and Freedoms: the cornerstone of equity legislation
 - Fundamental freedoms
 - Democratic rights
 - Mobility rights
 - Legal rights
 - Equality rights
 - Language rights
 - Charter protects only the right of government and public-sector employees, not private-sector employees
- The Canadian Human Rights Act (CHRA): proclaims that every individual should have an equal opportunity with other individuals to make for himself or herself the life that he or she is able and wishes to have, consistent with his or her duties and obligations as a member of society, without being hindered in or prevented from doing so by discriminatory practices based on race, national or ethnic origin, colour, religion, age, sex, or marital status, or convictions for an offence for which a pardon has been granted or by discriminatory employment practices based on physical handicap
 - Applies to all federal government departments and agencies, to other businesses and industries under federal jurisdiction
 - banks
 - airlines
 - railway companies
 - insurance
 - commutations companies
 - Bona fide occupational qualification (BFOQ)/requirement (BFOR): a justifiable reason for discrimination based on business reasons of safety or effectiveness
 - Employer is aware of the danger with taking the responsibility
- Enforcement of the Canadian Human Rights Act
 - A CHRC representative reviews the facts and determines whether the claim is legitimate
 - Once a complaint has been accepted by the CHRC, an investigator is assigned the task of gathering more facts from both the complainant and the accused
 - The investigator then submits a report to the CHRC recommending a finding of either substantiation or consubstantiation of the allegation

- If the allegation is substantiated, a settlement may be arranged in the course of the investigation
 - If the parties are unable to reach an agreement, a human rights tribunal consisting of up to three members may be appointed to further investigate the complaint
 - The enforcement of provincial human rights laws
 - File a written complaint
 - Investigation and submission of report
 - If complaint is substantiated, settlement
 - If no agreement then a tribunal
 - Pay equity: equal pay for work of equal value/fair pay for entire occupations, which are dissimilar, within an organization (e.g. comparing nurses to electricians)
 - Helps address the discriminatory portion of the historical wage gap between men and women and to ensure that salary ranges reflect the value of the work performed
 - It is illegal to discriminate on the basis of job content
 - Based on two principles:
 - 1) Equal pay for equal work (pay equality)
 - Male and female workers must be paid the same wage rate for doing identical work
 - Pay equality: is required by law in every jurisdiction in Canada. It is about fair pay for individual women employees (e.g. a female electrician must be paid the same as a male electrician)
 - 2) Equal pay for similar or substantially similar work
 - Male and female workers must be paid the same wage rate for jobs of a similar nature that may have different titles
 - Implementation of pay equity is based on comparing the value of the work of female-dominated job classes to the value of work performed in male-dominated job classes
 - Comparisons require the use of a gender-neutral, unbiased comparison system to evaluate the jobs in an establishment
- The administration and enforcement of the employment equity act
- The implementation of employment equity in organizations
 - Successful implementation must employ strategic planning, which must be incorporated into an overall business strategy
 - Six main steps:
 1. Senior management commitment (most important step)/Assignment of accountable senior staff
 - Commitment to an employment equity plan necessitates a top-down strategy
 - Senior management must place the responsibility for employment equity in the hands of a senior manager, a joint labour-management committee, and an employment equity advisory committee with mechanisms for union consultation

- Senior management must designate line management responsibility and accountability
 - Anyone given responsibility for employment equity must be knowledgeable about the problems and concerns of designated groups
 - Have the status and ability needed to gain the cooperation of employees at all levels
 - Have access to financial and human resources required to conduct planning and implementation functions
 - Have sufficient time to devote to employment equity issues
 - Monitor and be in a position to report to the CEO on the results of employment equity measures
 - Be prepared to serve as the employment equity contact person with federal and provincial government agencies
 - Consultation: employer must supply sufficient information and opportunity to employee representatives or bargaining agents to enable them to ask questions and submit advice on the implementation of employment equity
2. Data collection and analysis
- Stock data: data showing the status of designated groups in occupational categories and compensation
 - Flow data: data that provide a profile of the employment decisions affecting designated groups
 - Self identification form
 - Underutilization: term applied to designated groups that are not utilized or represented in the employer's workforce proportional to their numbers in the labour market
 - Concentration: terms applied to designated groups whose numbers in a particular occupation or level are high relative to their numbers in the labour market
3. Employment systems review
- Employment system: the means by which employers carry out personnel activities such as recruitment, hiring, training and development, promotion, job classification, discipline, and termination
 - Systemic discrimination: unintentional discrimination → the exclusion of members of certain groups through the application of employment policies or practices based on criteria that are not job related
 - ✓ It can create legal concerns for an organization
 - Systemic barriers:
 - ✓ Physical access that restricts those who are mobility challenged
 - ✓ Recruitment practices that limit applications from designated groups
 - ✓ Job descriptions and job evaluation systems that undervalue the work of women
 - Address systemic barriers

- ✓ Supplement recruitment practices, such as word of mouth, with calls to organizations representing designated groups or advertising in media used by the designated groups
 - ✓ Upgrade facilities to accommodate those who are mobility impaired
 - ✓ Rewrite job descriptions and re-evaluate jobs to gender-neutral systems
- Usual test of systemic barriers
 - ✓ Is it job related?
 - ✓ Is it valid?
 - ✓ Is it consistently applied?
 - ✓ Does it have an adverse impact?
 - ✓ Is it business necessity?
 - ✓ Does it conform to human rights and employment standards legislation?
- Special measures and reasonable accommodation: adjustments in job content and working conditions that an employer may be expected to make in order to accommodate a person protected by human rights provisions
 - ✓ Adjusting employment policies and practices so that no individual is denied benefits
 - ✓ Disadvantaged with respect to employment opportunities
 - ✓ Blocked from carrying out the essential components of a job because of race, color, sex, or disability
- Reasonable accommodations include
 - ✓ Redesigning job duties
 - ✓ Adjusting work schedules
 - ✓ Providing technical, financial and human support services
 - ✓ Upgrading facilities
- Reasonable accommodations benefits all employees
 - ✓ Compensation for childcare expenses for employees taking company-sponsored courses
 - ✓ Assists any employees with sole-parenting responsibilities
 - ✓ Flexible work schedules adopted by some companies in northern Canada benefit Aboriginal employees
- 4. Establishment of a work plan: specific objective to reach
 - A document that describes how proposed actions are to be achieved
 - It should be an integral part of the organization's overall operational plan and must include:
 - a. Numerical goals with time frames: realistic numbers related to workforce analysis
 - ✓ Non-numerical goals: implementation of barrier-free design
 - ✓ Targeted recruitment and advertising
 - ✓ Modification of employment policies or practices
 - ✓ Provision of developmental training

- b. Explanations about the proposed improvements in hiring, training, and promotion of the four designated groups to increase their representation and improve their distribution throughout the organization
- c. Descriptions of specific activities to achieve the numerical goals
- d. An outline of monitoring and evaluation procedures to follow program implementation
- Representative workforce when it reflects the demographic composition of the external workforce
- Non-representative workforce: an indicator of the need for evaluation and action to remove the barriers that block or discourage certain groups from employment and advancement
- 5. Implementation: changes to evaluating income applications
 - The success of plan implementation depends
 - a. Senior management's commitment to the process
 - b. How the roles and responsibilities are defined
 - c. Resources available
 - d. The effectiveness of the communications strategy
 - e. The acceptance of plan initiatives and objectives
 - f. The availability of training
 - The plan in essence a living document, will be affected by the changes in the internal and external environment throughout the implantation period
 - The implementation is guided and monitored by those responsible and accountable for its outcome
- 6. Follow-up process: evaluation, monitoring, and revision → revise
 - Evaluate the overall success of the equity initiatives used to achieve a representative workforce as well as respond to organizational and environmental changes
 - Only through monitoring can an employer determine whether goals are being attained and problems resolved, whether new programs are succeeding and whether strategies have been effective

Sexual Harassment

- Sexual harassment: unwelcome advances. Requests for sexual favours, and other verbal or physical conduct of a sexual nature in the working environment
- Two main sources of the employer's duty to prevent harassment in the workplace are
 1. Human rights legislation: prevents harassment only on the basis of the designated grounds in the legislation
 2. Common law obligation to treat workers with decency and respect
 - This is a fairly new development in the common law
 - It applies to all forms of harassment that make the workplace intolerable to the worker
 - If the employer fails to stop the harassment, it is in breach of the employment contract

- The employee could quit and sue for constructive dismissal (“Reasonable notice”)
- Ontario Human Rights Code identifies three kinds of sexual harassment
 1. When someone says or does things to you of a sexual nature and you do not want or welcome it
 2. A person who has authority or power to deny you something, such as a promotion or a raise, makes sexual suggestions or requests that you do not want or welcome
 3. A person with authority or the power to deny you something important punishes you or threatens to do something to you for refusing a sexual request
- Basic components of an effective sexual harassment policy
 - Develop a comprehensive organization-wide policy on sexual harassment and present it to all current and new employees
 - Hold training sessions with supervisors to explain their role in providing an environment free of sexual harassment and institute proper investigative procedures when charges occur
 - Establish a formal complaint procedure whereby employees can discuss problems without fear of retaliation
 - Act immediately when employees complain of sexual harassment
 - When an investigation supports employee charges, discipline the offender at once
 - Follow up on all cases to ensure a satisfactory resolution of the problem

Managing Diversity

- Diversity management: the optimization of an organization’s multicultural workforce to reach business objectives (voluntary)
- Creating an environment for success
 - Transforming an organization culture into a culture that embraces diversity can be a complex and lengthy process
 - Diversity initiatives should be taken slowly so that everyone can understand that this change is an evolutionary process and that expectations should be realistic
 - Leadership is one of the most important variables to successfully incorporate diversity into its business strategy
 - Business objectives and goals of the most senior levels of management directly link to diversity initiatives
 - Training is essential to the success of diversity implementation
- Models of diversity management strategy

Figure 3.3 Model of Diversity Management Strategy



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- Business reasons for diversity management
 - Better utilization of talent
 - Increased marketplace understanding
 - Enhanced creativity
 - Increased quality of team problem solving
 - Greater understanding in leadership positions

Chapter 4

Relationship of Job Requirements and HRM Function

- Job analysis: foundation of HR, process of gathering information about jobs (duties, activities)
- Job design: restructuring jobs
- Job: a group of related activities and duties
- Position: the different duties and responsibilities performed by only one employee
- Job family: a group of individual jobs with similar characteristics
- Strategic HRP
 - Assess whether organization has the right number and types of jobs to fulfill its strategy
 - Does the firm have the right numbers and types of jobs needed to cover the scope of its activities?
 - What jobs need to be created?
 - What skills do they require?
 - Are those skills different from the skills required by the company's current jobs?
- Recruitment
 - Job specification: a statement of the needed knowledge, skills, and abilities of the person who is to perform the job; must be determined on the basis of skills needed
 - It establish the qualifications required of applicants for a job opening
 - Qualifications typically contained in the notices of job openings
- Selection
 - Job descriptions: a statement of the tasks, duties, and responsibilities of a job to be performed; must clearly state tasks and duties of positions to be filled
 - Non-job related specifications
 - Firefighters were required to be at least six feet tall
 - Plumbers, electricians, machinists were required to be male
- Training and development
 - Organization must determine how much it will invest to compensate for discrepancies between needs and KSAs of new hires; sometimes have no choice
 - Any discrepancies between the knowledge, skills, abilities, and other factors demonstrated by a jobholder and the requirements contained in the description and specification for that job provide clues to training needs
 - Career development is concerned with preparing employees for advancement to jobs where their capacities can be utilized to the fullest extent possible
- Performance appraisal
 - Must be benchmarked against requirements of job description

- Job description provide the criteria for evaluating the performance of the holder of that job
- Compensation management
 - Worth of job also based on KSAs determined in job specification
 - In determining the rate to be paid for performing a job, the relative worth of the job is one of the most important factors
- Legal compliance
 - A systematic collection of job data ensures that a job's duties match its job description
 - If the criteria used to hire and evaluate employees are vague and not job related, employers are more likely to find themselves being accused of discrimination

Job Analysis

- The process of job analysis



- How best to organize work so as to make it more efficient
- Job analysis: the process of obtaining information about jobs by determining the duties, tasks, or activities of jobs
 - Tools needed
 - Environment and times to be done
 - With whom (alone vs. in teams)
 - Required performance level
 - Systematically investigating jobs by following a number of predetermined steps specified in advance of the study
 - Job analysis results in written report summarizing the information obtained from the analysis of individuals job tasks or activities
 - HR use these data to develop job descriptions and job specifications
 - Documents use to enhance the different HR functions
 - The development of performance appraisal criteria
 - The content of training classes
 - Ultimate goal: improve organizational performance and productivity
- Gathering job information

- Interviews: question individual employees and managers about the job under review
 - Questionnaires: filled questionnaires by jobholders and managers
 - Observation: observing and recording on a standardized form the activities of jobholders
 - Videotaping
 - Diaries: jobholders may be asked to keep a diary of their work activities during an entire work cycle (maintain for 2-4 week period)
- Controlling the accuracy of job information
 - When interviewing or questionnaires, the job analyst must look for any responses that do not agree with other facts or impressions the analyst has received
 - When in doubt about the accuracy of employee responses always double check the data with other
 - When job information is collected from employees, a representative group of individuals should be surveyed
 - The NOC (National Occupational Classification)
 - Purpose: to compile, analyze, and communicate information about occupations
 - Used for employment equity, HR planning, occupational supply and demand forecasts and analyses
- Approaches to job analysis (first three assume static work environment)
 - The position analysis questionnaire system (PAQ): a questionnaire covering 194 different tasks that, by means of a five-point scale, seeks to determine the degree to which different tasks are involved in performing a particular job
 - The critical incident method: a job analysis method by which important job tasks are identified for job success (more focus, asking someone who does the job, what are the key factors relate to their success; core functions relating to job success)
 - Job analyst writes 5-10 important task statements for each job under study
 - Final product comprises written task statements that are clear, complete, and easily understood by those unfamiliar with the job
 - Take inventory analysis: an organization-specific list of tasks and their descriptions used as a basis to identify components of jobs (large organization; interdependent)
 - Goal: produce a comprehensive list of task statements that are applicable to all jobs
 - Task statements are then listed on a task inventory survey “inventories current supplies to maintain stock levels”
 - Also note importance and frequency of use of the task to the successful completion of the job
 - **Competency-based analysis** (assumes change, focus on competency individual need to deal with)
 - **HRIS and job analysis**

- Job descriptions: a written description of a job and the types of duties it includes/used to help employees to learn their job duties and to remind them of the results they are expected to achieve/Minimizing the misunderstandings that occur between managers and their subordinates concerning job requirements (about the jobs)
 - Job title
 - Psychological importance
 - Providing status to the employee
 - Provide some indication of what the duties of the job entail (salesperson)
 - Indicate the relative level occupied by its holder in the organizational hierarchy (junior engineer)
 - Job identification
 - Departmental location of the job
 - The person to whom the jobholder reports
 - The date the job description was last revised
 - Appears at the bottom, distinguish the job from other jobs (things job titles may fail to do)
 - Job duties/essential functions
 - The job duties section must list only the essential functions of the job to be performed
 - Job specification (about individuals doing the job)
 - 1) The skill required to perform the job
 - Education or experience
 - Specialized training
 - Personal traits or abilities
 - Manual dexterities
 - 2) The physical demands the job places on the employee performing it
 - How much walking, standing, reaching, lifting, or talking must be done on the job
 - Interpersonal skills/key competencies necessary for job success
 - Behavioural competencies might include the ability to make decisions on imperfect information
 - Decisiveness
 - The ability to handle multiple tasks
 - Conflict resolution skills
- Problems with job descriptions
 - 1) If they are poorly written, using vague rather than specific terms, they provide little guidance to the jobholder
 - 2) They are sometimes not updated as job duties or specifications change
 - 3) They may violate the law by containing specifications not related to job success
 - 4) They can limit the scope of activities of the jobholder, reducing organizational flexibility
 - Written clear and specific job descriptions

- Terse, direct and simply worded
- Sentences begin with a present-tense verb
- Occasionally used to describe duties that are performed once in a while
- May used to connection with duties performed only by some workers on the job

Job Design

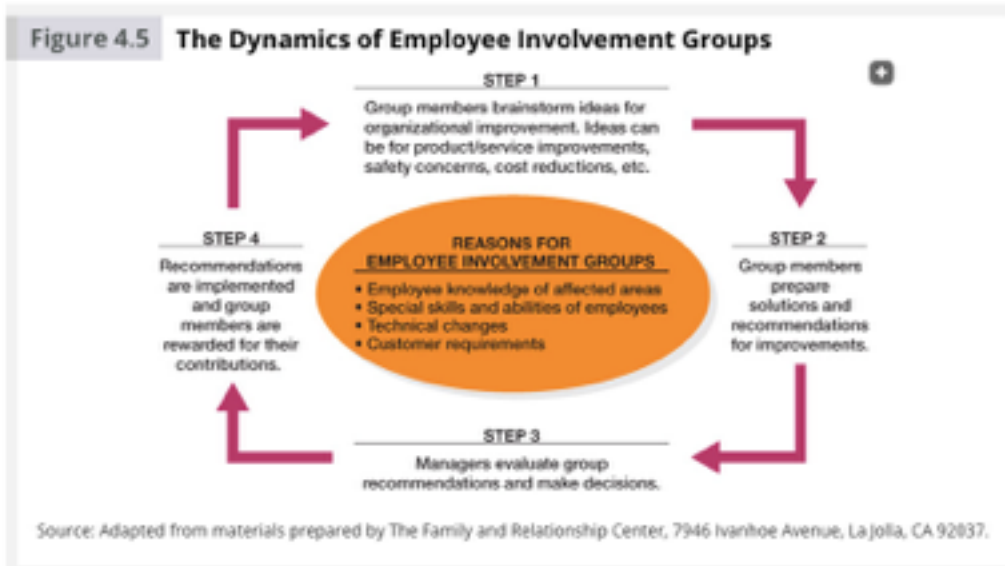
- Job design: an outgrowth of job analysis that improves jobs through technological and human considerations to enhance organization efficiency and employee job satisfaction
 - Four basic considerations:
 - 1) The organizational objectives the job was created to fulfill
 - 2) Behavioral concerns that influence an employee's job satisfaction
 - 3) Industrial engineering considerations, including ways to make the job technological efficient
 - 4) Ergonomic concerns, including workers' physical an mental capabilities
- Behavioural concerns: the job enrichment model and the job characteristics model; two methods designed to increase the job satisfaction of employees
 - Two methods to increase the job satisfaction of employees:
 - 1) Job characteristics model: designing jobs to motivate employees
 - Three psychological states of a jobholder
 - Experiences meaningfulness of the work performed
 - Experiences responsibility for work outcomes
 - Has knowledge of the results of the work performed
 - Five core job dimensions produce the three psychological states:
 - Skill variety: multiple skills of different levels
 - Task identity: low→doing specific job; high→get to see complete piece of work
 - Task significance: know your job impact to others
 - Autonomy: high→have freedom; low→assembly line; time are set
 - Feedback: own progress; feedback that the jobs give you; continuously get information know how you are doing
 - Job outcomes
 - Improved work performance
 - Increased internal motivation
 - Lower absenteeism and turnover
 - 2) Job enrichment model: enhancing a job by adding more meaningful tasks and duties to make the work more rewarding or satisfying (vertical expansion of jobs)
 - Five factors enriching jobs and motivating employees:
 - Achievement
 - Recognition
 - Growth
 - Responsibility
 - Performance

- Managers use five factors to enrich jobs of employees by
 - Increase the level of difficulty and responsibility of the job (skills variety)
 - Allowing employees to retain more authority and control over work outcomes (Autonomy)
 - Providing unit or individual job performance reports directly to employees
 - Adding new tasks to the job that require training and growth
 - Assigning individuals specific tasks, enabling them to use their particular competencies or skills
 - Job enrichment is not the solution to problems such as dissatisfaction with pay, employee benefits or employment security
- 3) Employee empowerment: granting employees power to initiate change, thereby encouraging them to take charge of what they do
 - A technique of involving employees in their work thorough the process of inclusion
 - Encourages employees to become innovators and managers of their own work and involves them in their jobs in ways that give them more control and autonomous decision-making capabilities
- Industrial engineering considerations
 - Industrial engineering: a field of study concerned with analyzing work methods and establishing time standards
 - Study of work cycles: to determine any elements can be modified, combined, rearranged, or eliminated to reduce the time needed to complete the cycle
 - Time standards: established by recording the time required to complete each element in the work cycle
- Ergonomic considerations
 - Ergonomics: an interdisciplinary approach to designing equipment and systems that can be easily and efficiently used by human beings
 - The study of people at work and the proactive of matching the features of products and jobs to human capabilities, preference, and the laminations of those who are the perform a job
 - Focuses on ensuring that jobs are designed for safe and efficient work while improving the safety, comfort and performance of users
 - Attempts to minimize the harmful effects of carelessness, negligence, and other human fallibilities that otherwise may cause product defects, damage to equipment, or even the injury or death of employees
 - Equipment design must consider the physical abilities of operates to use the equipment and to react through vision, hearing, and touch to the way the equipment operates (age, gender, physical size, etc.)
 - Ergonomics improves productivity and morale and yields a positive ROI

Designing Work for Groups and Teams

- Two characteristics
 - 1) Enhancing collaboration

- 2) Increasing synergy
- Two collaboration techniques:
 - Employee involvement groups (EIs): groups of employees who meet to resolve problems or offer suggestions for organizational improvement (Quality circles→QCs)



- Employee teams: an employee contributions technique whereby work functions are structured for groups rather than for individuals and team members are given discretion in matters traditionally considered management prerogatives, such as process improvements, product or service development, and individual work assignments
- A group of individuals working together toward a common purpose, in which members have complementary skills, members' work is mutually dependent, and the group has discretion over tasks performed
- Share responsibility and accountability for their group's performance
- Synergy: occurs when the interaction and outcome of team members are greater than the sum of their individual efforts

Figure 4.7 Forms of Employee Teams

- *Cross-functional team*: a group staffed with a mix of specialists (e.g., marketing, production, engineering) and formed to accomplish a specific objective. Cross-functional teams are based on assigned rather than voluntary membership.
- *Project team*: a group formed specifically to design a new product or service. Members are assigned by management on the basis of their ability to contribute to success. The group normally disbands after task completion.
- *Self-directed team*: a group of highly trained individuals performing a set of interdependent job tasks within a natural work unit. Team members use consensus decision making to perform work duties, solve problems, or deal with internal or external customers.
- *Task force team*: a task force formed by management to immediately resolve a major problem. The group is responsible for developing a long-term plan for problem resolution, which may include a charge for implementing the solution proposed.
- *Process improvement team*: a group made up of experienced people from different departments or functions and charged with improving quality, decreasing waste, or enhancing productivity in processes that affect all departments or functions involved. Team members are normally appointed by management.

- Virtual teams: a team with widely dispersed members linked together through computer and telecommunications technology
 - May lose intimacy of physically meeting
- Characteristics of successful teams:
 - Commitment to shared goals and objectives
 - Motivated and energetic team members
 - Open and honest communication
 - Shared leadership
 - Clear role assignments
 - Climate of cooperation, collaboration, trust, and accountability
 - Recognition of conflict and its positive resolution
- Issues to effective team function: overly high expectations, group compensation, specialized team training, career movement and conflict resolution
- Difficulty with work teams
 - Manager-employee relationship: managers find hard to adapt to her old of leader rather than supervisor, feel threatened by the growing power of the team and the reduced power of management
 - Some employees may have difficulty adapting to a role that includes traditional supervisory responsibilities
- Flexible work schedule
 - Compressed workweek
 - Long hour → extra day off
 - Recruiting and retention of employees
 - Coordinating employee work schedules with production schedules
 - Accommodating the leisure-time activities of employee while facilitating employee personal appointments (medical, dental, financial)
 - Improvements in employee job satisfaction and morale

- Flextime: flexible working hours that permit employees the option of choosing daily starting and quitting times provided that they work a set number of hours per day/week
 - Arrive/leave time flexible
 - Advantages (employees):
 - Reduce some of the traditional causes of tardiness and absenteeism
 - Adjust their work to accommodate their particular lifestyles, gain greater job satisfaction
 - Can schedule their working hours for the time of day when they are most productive
 - Help reduce traffic congestion at the peak commuting hours
 - Advantages (employers):
 - Most helpful in recruiting and meeting the challenges of age diversity in the workforce
 - Disadvantages:
 - Not suited to some jobs (workstations)
 - Create problems for managers in communicating with and instructing employees
 - Force managers to extend their workweek if they are to exercise control over their subordinates
- Job sharing: the arrangement whereby two part-time employees perform a job that otherwise would be held by one full-time employee
 - Both spouses desire to work only part-time
 - Older workers who want to phase into retirement by shortening their workweek
 - Benefits:
 - Limit layoffs in hard economic times
 - Have time off during the week to accommodate personal needs, less likely to be absent
 - Problems:
 - Time required to orient and train a second employee constitutes an added burden
 - Manager may find it more difficult to supervise two employees
- Telecommuting: working remotely
 - Advantages:
 - Increased flexibility for employees – better work-life balance
 - Reduced absenteeism
 - Retention of valued employees who might otherwise quit
 - Reduced “carbon footprints” through minimizing daily commuting
 - Increased productivity (e.g. reduced wasted office time)
 - Lower overhead costs and reduced office space
 - Drawbacks:
 - Loss of creativity as employees are not interacting with one another on a regular basis

- Difficulty of developing appropriate performance standards and evaluation system for telecommuters
- The need to formulate an appropriate technology strategy for allocating the necessary equipment

Chapter 5

Strategic Aspects of Recruiting

- 4) Employee profiles: profiles of a workers developed by studying an organization's top performers to recruit similar types of people
- 5) Who should do the recruiting
 - HR recruiters (large firms)
 - HR generalist/managers and/or supervisors (smaller firms)
 - Know more about job descriptions
 - Know what people they want
 - Bias, similar to me effect
 - Work teams
 - Recruiting peers to work with them
 - Will work interdependently and closely with the person
 - Recruiting process outsourcing (RPO)
 - The practice of outsourcing an organization's recruiting function to an outside firm
 - Organizations sometimes use RPO providers when they need to hire a lot of employees or hire employees quickly
 - RPO providers also be useful when a firm has had trouble finding suitable candidates in the past or needs a different way to tap different talent pools, more diverse candidate
 - Recruiting individuals have a good understanding of the knowledge, skills, abilities, experiences, and other characteristics required for the job and be personable, enthusiastic and competent
- 6) Should a firm recruit internally or externally
 - Most managers try to follow a policy of filling job vacancies about the entry-level position through promotions and transfers
 - Internally: reward and promote employees for past performance and encourages them to continue their efforts
 - Advantages for internally
 - Less orienting & training cost: individuals familiar with with the organization and its operations
 - Reward with promotion
 - Signal to everyone else how process work here
 - Motivating others
 - You've already know the individual
 - Disadvantages, potential limitation
 - Less diversity (cultural, skill, thoughts)
 - Creativity and innovation with latest knowledge
 - Jobs require specialized training and experience cannot always be easily filled from within the organization and may need to be filled from the outside
 - Recruiting externally
 - Creativity/innovation
 - Information from other companies

Labour Markets

- 7) Internal labour market: labour markets in which workers are hired into entry-level jobs and higher levels are filled from within
 - Area from which applicants are to be recruited
 - Tight labour market: lot jobs but few people to fill
 - Loose labour market: few jobs but lot people
 - Factors determining the relevant labour market
 - Education level
 - Job itself
- 8) Regional and global labour markets
 - Locating near their talent, to stay apace of their competitors and expand their operations around the world
 - Global sourcing: the business practice of searching for and utilizing goods and services from around the world

Branding

- 9) An organization's efforts to help existing and prospective workers understand why it is a desirable place to work
- 10) How a company burnish its employment brand
 - Think of applicants as consumers and focus on what they want in terms of jobs and careers as opposed to what an organization has to "sell" them
 - Reaching out people via social networks
 - Facebook
 - Blogs
 - Philanthropic activities: reaching out to prospective employees, especially Generation Y applicants, who are looking for more than just a paycheck and promotions in their careers
- Branding can be enormously helpful in global arena
 - Locals are often unfamiliar with foreign firms
- Firms need to be sure that the brand they promote to prospective employees truly reflects their internal cultures

Recruiting Channels

- Recruiting internally
 - Internal job postings: quick way to find qualified employees interested in a position
 - Identifying talent through performance appraisals
 - 9-box grid: a comparative diagram that includes appraisal and assessment data to allow managers to easily see an employee's actual and potential performance

Figure 5.1 An Example of a 9-Box Grid



Source: Mike Morrison RapidBI.com.

- Skill inventories and replacement charts
 - To help track an employees' education, past work experience, vocational interest, specific abilities and skills, compensation history and job tenure to see how they can best be used
 - Developing automated staffing and skills management software
 - Allows an organization to rapidly screen its entire workforce to locate suitable candidates to fill an internal opening
 - Predict the career paths of employees and to anticipate when and where promotion opportunities might arise
 - Manager often hire externally
 - Tendency to overvalue unfamiliar candidates and undervalue know ones
 - Disillusioned current employees to point where they begin looking elsewhere for jobs
 - Lessen chances to lose top performers → managers identify high-potential “at-risk” employees and take steps to retain these people
- Recruiting externally
 - Advertisements: Job openings on websites and in newspapers and trade journals
 - **Advantages:**
 - Reaching a large audience of possible applicants
 - Well writing: highlight major assets of position & showing responsiveness of the organization to the job, career and lifestyle needs of the applicants
 - Correlation between accuracy and completeness of information provided in job advertisement and an organization recruitment success
 - More information disclosed
 - Digitalize resumes, distribute data into company databases and automate the process of candidate referrals from in-house personnel
 - **Disadvantages:**

- Not time consuming
- Requires creativity → developing their design and message content
- Unqualified applicants will still apply
- Walk-ins and unsolicited applications and resumes: commonly in smaller organizations
- The internet, social networking and mobile recruiting: most commonly used search tactic
- Increasingly used by organizations to
 - Create company pages,
 - Post and advertise jobs
 - Showcase their company's attractive features
 - Join groups companies they are interested in working for
- Passive job seeker: people who are not looking for jobs but could be persuaded to take new ones given the right opportunity
- Mobile recruiting: the process of recruiting candidates via their mobile devices
 - New tool for creative recruiter
- Advantages:
 - Speed: important in competitive labour markets and when firm needs to recruit talent fast
 - Capitalize on the moment
- Text messages: send prospective employees information about jobs
 - Inexpensive, easy to send, fast, and work with any cell phone
 - Most people have their mobile devices on all the time → get message immediately
- Social networks: inexpensive way to recruit people
- Drawback of using social media: groups of people are less likely to be "wired" → hurt a company's diversity efforts
- Job fairs: a good way to cast a wide net for diverse applicants in a certain region
 - Set up booths
 - Meet with prospective applicants
 - Exchange employment information
 - Drawback
 - Although they attract a lot of applicants, many of them might not be qualified
 - They only attract applicants in the regional area in which they are held → virtual job fair, cost effective
- Employee referrals: high quality
- Recruiting: the process of keeping track of and maintaining relationships with former employees to see if they would be willing to return to the firm
- Executive search firms
- Educational institutions: source of young applicants with formal training but relatively little full-time work experience
- High school: source of employees for clerical and blue-collar jobs

- Community colleges, specialized training, provide candidates for technical jobs → source for variety of white-collar jobs (sales and retail fields)
- Colleges and universities → technical and managerial positions; strong demand for highly skilled employees
- Employees guest lecture at the schools: forming closer partnerships with them, recommend students for jobs

Figure 5.3 Steps for Strengthening a Firm's on-Campus Recruiting Relationships

- Invite professors and advisors to visit your office and take them to lunch.
- Invite them to bring a student group to the office.
- Send press releases and newsletters by mail or email to bring them up to date on the firm's latest news and innovations.
- Provide guest speakers for classes.
- Conduct mock interviews, especially in years when not interviewing for full-time or internship positions.
- Provide scholarships to students.
- Attend the campus career fair, even when the firm is not going to be hiring, so that its name becomes known by the faculty and students.
- Offer job-shadowing programs for students.

Sources: Bruce Busta, D'Arcy Becker, and Jane P. Saly, "Effective Campus Recruiting: The Faculty Perspective," *CPA Journal* 77, no. 7 (July 2007): 62-65; Deborah J. Sessions, "Recruiting Made Easy," *Journal of Accountancy* 201, no. 5 (May 2006): 31-34

- To attract high-demand graduates:
 - Innovative recruitment techniques: work-study programs
 - Low interest loans for promising recruits, scholarships, and internships (great for firm to try out college students)
- Professional associations: offer a placement service to members as one of their benefits
 - Included at the national meetings of professional associations
- Labour union: a principal source of applicants for blue-collar and some professional jobs
 - Maritime, printing, construction industries, particularly for short-term needs
- Public employment agencies
 - E.g. Human resources development; have local public employment offices in most communities of any size
 - Unemployment needs to register in these offices to be available for "suitable employment" to receive weekly employment insurance cheques
 - Assisted with apprenticeship programs, employment testing job analysis, evaluation programs and community wage surveys

- Private employment and temporary agencies
 - Differ: services they offer, professionalism and the calibre of their counsellors
 - Talking with potential recruiters: talk about philosophies practices with regard to recruiting strategies (advertising, in-house recruiting, screening procedures, costs for these efforts)
 - Temps: short-term assignments → peak work periods, vacation fill-ins, during an employee's pregnancy leave or sick leave
 - Add flexibility to the company
 - Lower cost than permanent employees (no benefits)
 - Just-in-time staffing approach: a core staff of employees is augmented by a trained and highly skilled supplementary workforce
 - Less incentive to be loyal to employer and clients
 - Solution: sends employees from one place to another to address temporary spikes in demand
- Employee leasing: the process of dismissing employees who are then hired by a leasing company (which handles all HR-related activities) and contracting with that company to lease back the employees
- Improving the effectiveness of recruiting
 - Using realistic job previews (RJP): informing applicants about all aspects of the job, including both its desirable and undesirable facets
 - Include: tour of the working area, combined with a discussion of any negative health or safety considerations
 - Fewer unpleasant surprises
 - Surveys
 - Are managers satisfied with the time it takes to hire new employees
 - The degree to which they need to be involved in the process
 - The overall quality of the people recruited
 - Recruiting metrics
 - Quality-of-fill statistics

- Time to fill: the number of days from when a job opening is approved to the date the candidate is selected
- Yield ratios: the percentage of applicants from a recruitment source that make it to the next stage of the selection process
- Costs of recruitment
 - Application tracking system (ATS): a software application recruiters use to post job openings, screen resumes, contact potential candidates for interviews via email, and track the time and costs related to hiring people
- Career management: developing talent over time
 - The goal: matching individual and organizational needs
 - The employee's role
 - Employees need to identify their knowledge, skills, abilities, interests, and values and to seek out information about career options in conjunction with their managers
 - Managers help with the process by offering their subordinates continual feedback about their performance and providing them with self-assessment tools, training and information about the organization and possible career paths within it.
 - The organization's role: establishing a favourable career development climate
 - Senior line managers and HR department managers should work together to design and implement a career development system
 - The system should reflect the goals and culture of the organization and HR philosophy should be woven throughout
 - HR philosophy: provide employees with a clear set of expectations and directions for their own career development
 - Blending the goals of individual employees with the goals of the organization
 - Have a good understanding of immediate goals
 - Identifying career opportunities and requirements

- Begin with a competency analysis: study job carefully to identify and assign weights to the knowledge and skills that each one requires
 - Know-how
 - 1) Technical
 - 2) Managerial
 - 3) Human relations
 - Problem solving
 - Accountability

- Identify job progressions and career paths
 - Job progressions: the hierarchy of jobs a new employee might experience, ranging from a starting job to jobs that successively require more knowledge and/or skill
 - Serve as basis for career path: lines of advancement in an occupational field within an organization
 - Caution
 - People change overtime
 - Change in needs and interests
 - Successful career paths often do not proceed in a lockstep manner

- Track career stages
 - 4) Preparation for work: encompasses the period prior to entering an organization, often extending until age 25
 - Must acquire knowledge, abilities, and skills they need to compete in the marketplace
 - 2) Organizational entry: age 18-25; devoted to soliciting job offers and electing an appropriate job
 - 3) Early career
 - 4) Midcareer
 - 5) Late career
 - All three stages: Chosen occupation and organization

- Modifying one's goals
 - Remaining productive
 - Preparing for retirement
- Recognize different career paths
 - An individual's career advancement can move along several different paths via
 - Promotion: a change of assignment to a job at a higher level in the organization
 - ✓ Three criteria determine promotions: merit, seniority and potential
 - ✓ Peter principle: the situation in which individuals are promoted as long as they have done a good job in their previous jobs; continues until someone does poorly in his/her new job
 - Transfer: placement of an individual in another job for which the duties, responsibilities, status and remuneration are approximately equal to those of the previous job
 - Demotion/downward transfer: move an individual into a lower-level job that can provide developmental opportunities
 - ✓ Relocation services: services provided to an employee who is transferred to a new location, which might include help in moving, selling a home, orienting to a new culture, and/or learning a new language
 - Exit: limited within the organization
 - ✓ Outplacement services: services provided by organizations to help terminated employees find new job
- Consider dual career paths for employees
 - Example: Microsoft offers software engineers both a management-focused and a technical specialist career track and allows them to move back and forth between the two

- Consider the boundary less career
 - Success depends on continually learning new skills
 - Developing new relationships
 - Capitalizing on existing skills and relationships
- Help employees progress beyond career plateaus
 - Career plateau: a situation in which, for either organizational or personal reasons, the probability of moving up the career ladder is low
 - 1) Structural plateau: marks the end of promotions
 - 2) Content plateau: occur shown a person has learned a job too well and is bored with day-to-day activities
 - 3) Life plateau: more profound and may feel like a midlife crisis
 - Sabbatical: an extended period of time in which an employee leaves an organization to pursue other activities and later returns to his or her job
- Career development initiatives
 - Six most successful career management practices used within organizations
 - 4) Placing clear expectations on employees so they know what is expeted of them throughout their careers with the organization
 - 5) Giving employees the opportunity to transfer to other office locations, both domestically and internationally
 - 6) Providing a clear and thorough succession plan to employees
 - 7) Encouraging performance through rewards and recognition
 - 8) Giving employees the time and resources they need to consider short and long term career goals
 - 9) Encouraging employees to continually assess their skills and career direction
 - Internal barriers that inhibit employees' career advancement:

- 10) Lack of time, budget, resources for employees to plan their careers and to undertake training and development
 - 11) Rigid job specifications, lack of leadership support for career management, and a short-term focus
 - 12) Lack of career opportunities and pathways within the organization for employees
- Career planning workbooks and workshops
 - Workbooks: to guide employees individually through systematic self-assessment of values, interests, abilities, goals, and personal development plans
 - Workshops: help employees seek career planning information, make career decisions, set goals and at the same time, build confidence and self-esteem
 - Provide employees opportunity to compare and discuss their concerns and plans with other people in similar situations and the professionals who conduct the workshops
 - Career counselling: the process of discussing with employees their current job activities and performance, personal and career interests and goals, personal skills and suitable career development objectives
 - Fast-track program: a program that encourages new managers with high potential to remain with an organization by enabling them to advance more rapidly than those with less potential
 - Mentoring
 - Mentors: individuals who coach, advise and encourage individuals of lesser rank
 - Mentoring relationships need not be formal
 - Informal: daily within every type of organization
 - Formal: plans that assign a mentor to employees considered for upward movement in the organization
 - Most effective features of mentors and partners, follow a few general guidelines
 - 1) Research the person's background

- 2) Make contact with the person
 - 3) Request help on a particular matter: admire mentor
 - 4) Consider what you can offer in exchange
 - 5) Arrange a meeting
 - 6) Follow up: try some suggestions
 - 7) Ask to meet on an ongoing basis
- Networking
 - Career networking: the process of establishing mutually beneficial relationships with other business people, including potential clients and customers
 - Best places to network
 - 1) Your educational alumni association or career office networking lists
 - 2) Your own extended family
 - 3) Your friends' parents and other family members
 - 4) Your professors, advisors, coaches, tutors and clergy
 - 5) Members of clubs, religious groups, and other organizations to which you belong
 - Career self-management training
 - Two major objectives
 - 1) Helping employees learn to continuously gather feedback and information about their careers
 - 2) Encouraging them to prepare for mobility
 - Employees typically undertake self-assessments to increase their awareness of their own career attitudes and values
 - They are encouraged to widen their viewpoint beyond the next company promotion to broader opportunities in the marketplace, attend conferences, and develop good long-term relationships with their bosses or other mentors

Chapter 6 Employee Selection

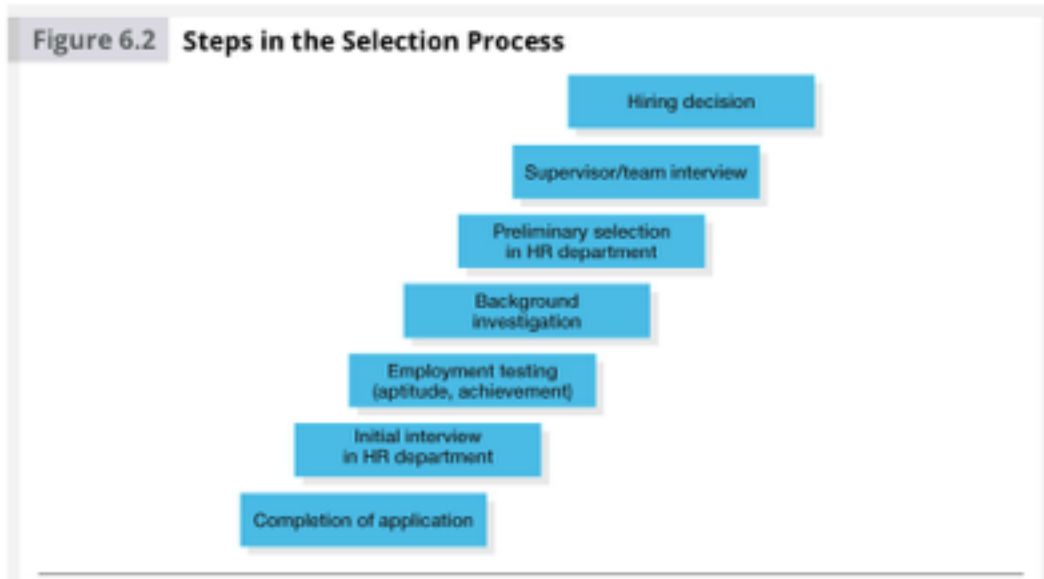
Overview of the Selection Process

- Selection is a process - goal is to choose among individuals who have been recruited to fill existing or projected job openings (maximize “hits” avoid “misses”)
 - Important because:
 - Quality of human resources (i.e. employees) determines organizational performance
 - High cost of inappropriate selection decisions
 - Significant legal implications
 - Selection considerations

- Person-job fit: whether the person fits the job, responsibilities/duties/tasks
- Person-organization fit: value of the organization, if it is a good fit for them
 - Selection process
- Two main goals
 - Maximizing hits
 - Hiring: predict great, actual doing great
 - Not hiring: predict not the right candidate, not hire; have not been right for the job
 - Minimizing misses
 - Hiring: predict good, but not
 - Not hiring: predict not good, but done well
- Job performance
 - Take performance: positive, in the job description
 - Organizational citizenship behaviors: positive direct to the organization/members, not contain in the job description/going above and beyond
 - Counterproductive job behaviors: not productive, not contribute to the organization
 - What we are trying to predict
 - Our criterion
- Guidelines for avoiding legal problems
 - Selection criteria based on job analysis
 - Adequate assessment of applicant ability
 - Careful scrutiny of applicant-provided information
 - Written authority for reference checking
 - Save all records and information
 - Reject applicants who make false statement

- Begin with a job analysis
 - Job description
 - Job specification: help identify the individual competencies employees need for success – the knowledge, skills, abilities and other factors that lead to superior performance
 - Complete and clear specification of required competencies helps interviews differentiate between qualified and unqualified applicants and reduces the effect of an interviewer's biases and prejudices
- Selection process

Figure 6.2 Steps in the Selection Process



- Obtaining reliable and valid information
 - Reliability: the degree to which interviews, tests and other selection procedures yield comparable data over time
 - Validity: the degree to which a test or selection procedure measures a person's attributes
 - Hit the target (R&V)
 - Selection process should be able to predict how well a person performs on the job
 - Two reason for validating a procedure:
 - 1) Validity is directly related to increases in employee productivity
 - 2) Employment equity regulations require valid selection procedures

Initial screening

- Cover letters and resumes: used to assess the suitability of applicants, for salaried positions
 - Can be a subjective process
 - Difficult to apply a set of consistent standards across multiple candidates
 - Bias can enter
 - Less subjective:
 - Developing explicit evaluation criteria
 - Structured way to review resumes
 - Assessment grid (job description & candidates skills)
- Internet checks and phone screening
 - Google applicants' names and check online social networking sites before deciding whether or not invite them for a face-to-face interview
 - Downside:
 - Privacy of applicants
 - Difficult to verify the authenticity of information posted online
 - Confuse with other people
 - Phone/screening interview

- Video resume: short video clips that highlight applicants' qualifications beyond what they can communicate on their resume
- Application forms: quick and systematic means of obtaining a variety of information about the applicant
 - Several purposes:
 - Provide information for deciding whether an applicant meets the minimum requirements for experience, education
 - Provide a basis for questions the interviewer will ask about the applicant's background
 - Offer sources for reference checks
 - Provides information regarding the employer's conformity with various laws and regulations
 - Components:
 - Application date
 - Educational background
 - Experience
 - Arrests and criminal convictions
 - Country of citizenship
 - References
 - Disabilities
 - Weighted application blank (WAB): use of a common standardized employment application that is designed to distinguish between successful and unsuccessful employees
- Online applications

Employment interviews

- Reasons to have interviews:
 - 1) It is especially practical when there are only a small number of applicants
 - 2) It serves other purposes such as public relations
 - 3) Interviewers maintain great faith and confidence in their judgments
- Nondirective interview: an interview in which the applicant is allowed the maximum amount of freedom in determining the course of the discussion, while the interviewer carefully refrains from influencing the applicant's remarks
 - Open questions
 - No set procedure, little information
 - Low reliability and validity
 - Used in interviewing candidates for high-level positions and in counseling
- Structure interview: allows to compare; an interview in which a set of standardized questions with an established set of answers is used
 - Responses are rated on five-point scale
 - Twice as likely as nondirective interviews to predict on-the-job performance
- Situational interview: an interview in which an applicant is given a hypothetical incident and asked how he or she would respond to it
 - Evaluated relative to pre-established benchmark standards

- Behavioral description interview (BDI): an interview in which an applicant is asked questions about what he or she did in a given situation
 - Assess a potential manager's ability to handle a problem employee
 - More effective than situational interview for hiring high-level positions such as general managers and executives
- Panel interview: an interview in which a board of interviewers questions and observes a single candidate
 - Improve efficiency in the selection process (reduce interview times of 83%)
 - Resulted in better fit
 - Increased employee satisfaction
 - Higher reliability: involve multiple inputs
 - Shorter decision-making period
 - Applicant more likely to accept the decisions made
 - Minimize hiring discrimination is composed of a diverse group of interviewers
- Sequential interview: a format in which a candidate is interviewed by multiple people, one right after another
 - Very common
 - Allow different interviewers who have a vested interest in the candidate's success to meet and evaluate the person one on one
- Methods for administering interviews
 - Video interview
 - Advantages:
 - Convenience
 - Low cost
 - Easier to interview people in different geographic areas
 - Expand talent pool
 - Disadvantages:
 - Some candidates may be more comfortable on camera or using technology than others
 - Phone interview
 - Effective
 - Expand talent pool
 - Computer and virtual interviews/ Video and digitally recorded interviews
 - Drawbacks:
 - Cant ask candidates follow-up questions based on their answers
- Guidelines for employment interviewers
 - Qualities to avoid in interviewers include over talkativeness, extreme opinions, and biases
 - Interviewer training: improve the competence of interviewers/done periodically
 - 10 ground rules for employment interviews
 - 1) Understand the job (most critical step)

- 2) Establish an interview plan: examine the purposes of the interview and determine the areas and specific questions to be covered
- 3) Establish and maintain rapport and listen actively
 - Greeting the applicant pleasantly
 - Explaining the purpose of the interview
 - Displaying sincere interest in the applicant
 - Listening carefully
- 4) Pay attention to nonverbal cues: facial expressions, gestures, body position and movements
- 5) Provide information as freely and honestly as possible: answer fully and frankly the applicant's questions
- 6) Use questions effectively: open-ended questions rather than questions can be answered with a simple yes or no
- 7) Separate facts from inferences: record factual information
- 8) Recognize biases and stereotypes
 - Stereotyping: forming generalized opinions of how people of a given gender, race, or ethnic background appear, think, feel, and act
 - Bias: whether have interests the same as interviewers
- 9) Avoid the "halo error" or judging an individual favorably or unfavorably overall on the basis of only one strong point/weak point on which you place high value
- 10) Control the course of interview: establish an interview plan and stick to it
- 11) Standardize the questions asked: to avoid discrimination
 - Employment equity: are your questions legal?
 - Inappropriate questions (female):
 - Do you plan to have children?
 - What is your husband's occupation
 - Are you engaged

Post-interview screening

- Reference checks
- Background checks
 - Previous employment history
 - Academic qualifications
 - Criminal record
 - Credit rating
- Credit checks: reasons for credit report must be job related

Pre-employment tests

- An objective and standardized measure of a sample of behavior that is used to gauge a person's knowledge, skills, abilities, and other characteristics (KSAOs) relative to other individuals
- Drawbacks
 - It creates the potential for legal challenges, particularly in US
- Types of tests

- Job knowledge tests: to measure a person's level of understanding about a particular job
 - Government agencies and licensing boards
 - CPA
- Work/job sample tests
 - Map-reading test for traffic control officers
 - Lethe test for machine operators
 - Complex coordination test for pilots
 - In-basket test for managers
 - Group discussion test for supervisors
 - Judgments and decision-making test for administrators
- Assessment centre tests: used to evaluate candidates, often as a group, as they participate in a series of simulations that resemble what they might handle on the job
 - Candidates report to work at the assessment centre and receive the usual steady diet of emails and other interruptions
 - Meet with various role plays who play different employees, clients, and managers
 - Handle manufactured events while they are observed and recorded
 - Used to select managers (high cost)
- Cognitive ability tests: measures mental capabilities such as general intelligence, verbal fluency, numerical ability, and reasoning ability
 - SAT
 - GMAT
 - GCT
 - BMCT
- Bio-data tests: collect biographical information about candidates that has been shown to correlate with on-the-job success
 - Events and behaviors reflect attitudes, experiences, interests, skills and abilities
 - How many books have you read in the last 6 months
 - How often have you put aside tasks to complete another , more difficult assignment
 - Pattern of responses across several different situations gives biographical data the power to predict future behavior on the job
 - Drawback:
 - Sophisticated, must be professionally developed and validated
 - Questions might not appear to be clearly related to the job being tested for
- Personality and interest inventories: measure disposition and temperament
 - "Big Five" factors of personality traits

1. Extroversion: the degree to which someone is talkative, sociable, active, aggressive and excitable
 2. Agreeableness: the degree to which someone is trusting, amiable, generous, tolerant, honest, cooperative, and flexible
 3. Conscientiousness: degree to which someone is dependable and organized and perseveres in tasks
 4. Neuroticism: degree to which someone is secure, calm, independent and autonomous
 5. Openness to experience: degree to which someone is intellectual, philosophical insightful, creative, artistic, and curious
 - Problematic if they inadvertently discriminate against individuals who would otherwise perform effectively
 - Most useful for making occupational selection and career planning
- Polygraph tests/lie detector: device that measures the changes in breathing blood pressure and pulse of a person who is being questioned
 - Honesty and integrity tests
 - Retail stores, employees have access to cash or merchandise
 - Problem: test work not because they predict behavior but because they deter less-than-honest applicants from joining a company
 - Some people view it as an invasion of their privacy
 - Physical ability tests
 - For demanding and potentially dangerous jobs (firefighters and police officers)
 - Strength, agility, height, weight
 - Medical examinations: to ensure that the health and fitness of applicants are adequate to meet the job requirements
 - After offer has been made
 - Made conditional on the applicant's ability to perform the essential duties of the job as determined by a job-related medical examination
 - Drug testing
 - Types of testing are not allowed
 - Preemployment drug testing
 - Preemployment alcohol testing
 - Random drug testing
 - Random alcohol testing of employees in non-safety sensitive positions
- Determining the validity of tests
 - Criterion-related validity: the extent to which a selection tool predicts, or significantly correlates with, important elements of work behavior

- Compared to his actual production records, supervisory ratings, training outcomes, and other measures of success that are appropriate to each type of job
 - 1) Concurrent validity: measure both at the same time/ extent to which test scores match criterion data obtained at about the same time from current employees
 - 2) Predictive validity: the extent to which applicants' test scores match criterion data obtained from those applicants/ employees after they have been on the job for an indefinite period
- Cross-validation: verifying the results obtained from a validation study by administering a test or test battery to a different sample
- Content validity: the extent to which a selection instrument, such as a test, adequately samples, the knowledge and skills needed to perform a particular job
 - Closer the content of the selection instrument is to actual work samples or behaviors, the greater its content validity
 - Most direct and least complicated type of validity to assess
 - Generally used to evaluate job knowledge and skill tests
- Construct validity: the extent to which a selection tool measures a theoretical construct or trait
 - Intelligence, mechanical comprehension, and anxiety
 - Broad, general categories of human functions that are based on the measurement of many discrete behaviors

Reaching a selection decision

- Summarizing information about applicants
 - “Can do” factor: knowledge and skills and aptitude/potential to acquire new knowledge and skill (easier to measure)
 - “Will do” factor: motivation, interests, and other personality characteristics
- Decision-making strategy
 - Clinical approach: review all the data on the applicants
 - Personal biases and stereotypes are frequently covered up by what appear to be rational reasons for accepting and rejecting candidates
 - Homogeneous workforce: hire people like them
 - Statistical approach
 - More objective
 - Multiple regression
 - Quantified data: scores, ratings
 - Compensatory model: a selection decision model in which a high score in one area can make up for a low score in another area

- Multiple cutoff model: a selection model that requires an applicant to achieve a minimum level of proficiency on all selection dimensions
 - Multiple hurdle model: a sequential strategy in which only the applicants with the highest scores at an initial test stage go on to subsequent stages
 - Selection ratio: the number of applicants compared to the number of people to be hired (0.9 → 90% people will be selected)
- Final decision
 - Selection of applicant by departmental or immediate supervisor to fill vacancy
 - Notification of selection and job offer by the human resources department

Chapter 7

Training and Development

- The scope of training
 - Training: tends to be narrowly focused and oriented toward short-term performance concerns (required)
 - Development: effort that is oriented more toward broadening an individual's skills for future responsibilities (voluntary)
- A strategic approach to training: managers should keep a close eye on their firm's goal and strategies and orient their training accordingly
 - How the firm's goal of minimize cost affect training initiatives
 - Chief learning officer: a high-ranking manager directly responsible for fostering employee learning and development within the firm



Phase 1: conducting the needs assessment → what types of training your employees need and how much of it

- Organization analysis: examination of the environment strategies, and resources of the organization to determine where training emphasis should be placed
 - Collect data:
 - Quality of goods/services
 - Absenteeism
 - Turnover
 - Number of accidents to determine what type of training is needed
 - Important factors:

- Availability of potential replacements
 - Time required to train them
- Other issues affect:
 - Technological change
 - Globalization
 - Quality improvement
 - Employee-empowerment initiatives
 - Mergers and acquisitions
 - Restructuring
 - Economic and public policy issues
- Task analysis: the process of determining what the content of a training program should be on the basis of a study of the tasks and duties involved in the job
 - Reviewing job description and job specification (drawn from job analysis)
 - New job/changing job:
 - 1) List all the tasks or duties included in the job
 - 2) List the steps performed by the employee to complete each task
 - Competency assessment: analysis of the sets of skills and knowledge needed for decision-oriented and knowledge-intensive jobs
 - It captures elements of how those traits should be used within an organization context and culture
 - Motivation levels of employees
 - Interpersonal skills
- Person analysis: who need to be trained to meet organization's needs
 - Avoid send someone in to training but they do not need it
 - Helps managers determine what prospective trainees are able to do when they enter training so that the programs can be designed to emphasize the areas in which they are deficient
 - Performance appraisal can be used to conduct a person analysis (but not reveal why)
 - Ability problems → training is needed
 - Poor motivation or factors → training is not useful

Phase 2: designing the training program

- Focus on four issues in training design
 - 1) Developing instructional objectives
 - Instructional objectives: desired outcomes of a training program (skills/knowledge to be acquired and/or attitudes to be changed)
 - Performance-centred objectives: precise terms
 - “To calculate”
 - “To repair”
 - “To adjust”
 - “Employees trained in team methods will be able to perform the different jobs of their team members within six months”
 - 2) Trainee readiness and motivation

- Trainee readiness: whether or not the experience and knowledge of trainees have made them ready to absorb the training
 - Do they have background knowledge and the skills necessary to absorb what will be presented to them?
 - Trainee motivation: organization needs to help employees understand the link between the effort they put into training and the payoff
 - Strategies for creating a motivated training environment
 1. Use positive reinforcement
 2. Eliminate threats and punishment
 3. Be flexible
 4. Have participants set personal goals
 5. Design interesting instruction
 6. Break down physical and psychological obstacles to learning
- 3) Incorporating the principles of learning: the characteristics of training program that help employees grasp new material, make sense of it in their own lives, and transfer it back to their jobs
 - Goal setting
 - Training goals and objective/trainee can set their own goals
 - Meaningfulness of presentation
 - Using terminology they can understand and the training is connected with things already familiar to them
 - Material should be arranged so that each experience builds on preceding ones
 - Trainees are able to integrate the experiences into a usable pattern of knowledge and skills
 - Modeling
 - Picture: increase meaningfulness of factual material or new knowledge
 - Increase salience of behavioural training
 - Learn by mimicking other people
 - Drawing, visual aids, recorded demonstrations
 - Individual learning differences
 - People learn at different rates and in different ways
 - Avoid delivering the material in only one way
 - Hands-on activities
 - Breaking large groups into smaller ones for activities
 - Active practice and repetition
 - Practise their job tasks in the way they will ultimately be expected to perform them
 - Whole-versus-Part Learning
 - Broke jobs into parts that lend themselves to further analysis

- Self-paced learning: break down learning into sequences for employee to learn at their own pace
 - Messed-versus-Distributed learning
 - Amount of time devoted to practice in one session
 - Distributed learning: spacing out the training → result in faster learning and longer retention
 - Feedback and reinforce
 - Self-monitoring: feedback from trainee
 - Behaviour modification: a technique that operates on the principle that behavior that is rewarded, or positively reinforced, will be exhibited more frequently, whereas behavior that is penalized, or unrewarded will decrease in frequency
 - Words of encouragement and feedback are needed to strengthen employee behaviours
 - Spot rewards: programs that award employees on the spot when they do something particularly well during training or on the job
- 4) Characteristics of instructors
- Knowledge of subject
 - Adaptability
 - Sincerity
 - Sense of humour
 - Interest
 - Clear instructions
 - Individual assistance
 - Enthusiasm

Phase 3: implementing the training program – training delivery methods

- 1) On the job training: a method by which employees are given hands-on experience with instructions from their supervisor or other trainer
 - 80%-90% occurs via OJT
 - Advantages:
 - Hands-on experiences under normal working conditions
 - Opportunity for trainer to build good relationships with new employees
 - Most effective means of facilitating learning in the workplace
 - Extension of OJT → Apprenticeship training: a system of training in which a worker entering the skilled trades is given thorough instruction and experience, both on and off the job, in the practical and theoretical aspects of the work
- 2) Special assignments: assigning trainees, who are often but not always on managerial tracks to different jobs in different areas of a firm, often in different regions and countries
 - Junior boards: give trainees an opportunity
 - To study an organization's challenges
 - Make decisions about them

- Discuss what aspects of the projects went right and wrong
 - Plan and work on new initiatives
- 3) Cooperative training, internships, and governmental training
- Cooperative training: a training program that combines practical on-the-job experience with formal educational classes
 - Internship program: jointly sponsored by colleges, universities and a variety of organizations (get real-world experience)
 - Organization benefits: getting student employee with new ideas, energy and eagerness to accomplish their assignments
- 4) Simulations (highly technical and expensive equipment: aircraft, spacecraft)
- Emphasizes realism in equipment and its operation at minimum cost and maximum safety
 - Help trainees to see outcomes immediately
 - Help employees and managers make tactical decisions
 - Response to crises
- 5) E-learning: learning that takes place via electronic media
- Use of learning management system (LMS): online system that provides a variety of assessment, communication, teaching and learning opportunities
 - E-learning transforms the learning process in several ways:
 - Allows firm to bring the training to employees rather than vice versa, more efficient and cost-effective
 - Allows companies to offer individual training components to employees when and where they need them (JIT training)
 - Problem: lack of contact
- 6) Behaviour modeling: an approach that demonstrates desired behavior and gives trainees the chance to practice and role-play those behaviors and receive feedback
- Four basic components
 - Learning points: recommended steps for managers to give employees feedback
 - Modeling
 - Practice
 - Feedback and reinforcement
- 7) Role-playing (disagreement or performance problem → supervisor, managers)
- Managers/train salespeople
 - Health care professionals
 - Airlines
 - Bring realism and insight into dilemmas and experiences that otherwise might not be shared
- 8) Coaching
- Consists of a continuing flow of instructions, comments and suggestions from the managers to a subordinate

- Flow of encouragement and support meant to help people not just do their jobs right and get ahead but also become leaders
 - Talking to one's employees about what their goals are and being excited about achieving those goals, even if it means good employees will ultimately leave your department and you will have to replace them with new ones and begin the process anew
 - Allow them to participate in managerial staff meetings: help them become more familiar with the problem and events occurring outside their immediate areas and how they are handled by exposing them to the ideas and thinking of other managers
- 9) Cases studies
- Useful method in classroom learning
- 10) Seminars and conferences
- Useful for bringing groups of people together for training and development
 - Used to communicate ideas, policies, or procedures
 - Good for raising points of debate or discussing issues that have no set answers or resolutions
 - Used when change is a goal
- 11) Blended learning: the use of multiple training methods to achieve optimal learning on the part of trainees
- Video recordings can be used to illustrate the steps in a procedure such as assembling electronic equipment or working with a problem employee
 - Trainees then discuss the behavior during the crisis
 - Self-paced learning is part of blended learning
 - Effective: different people learn better in different ways and it breaks up the tedium of lectures
- 12) Classroom (lecture) instruction
- Advantages: motivation and attendance
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- Choosing the instructional method
 - Nature of training
 - Types of trainees
 - Organizational extent of training
 - Importance of training outcomes

Phase 4: evaluating the training program

- Measuring program effectiveness
 - Criterion 1: Reaction (simplest)
 - Assess participant's reactions to the training program
 - Whether enjoy
 - Give insights into the content and techniques they found most useful
 - Criterion 2: Learning
 - Did they actually learn anything?

- Testing the knowledge and skills of trainees before and after a training program will help determine their improvement
- Criterion 3: Behaviour
 - Transfer of training: the effective application of principles learned to what is required on the job
 - Approaches to maximize the transfer of training
 - 1) Feature identical elements: have conditions in the training program come as close as possible to those on the job
 - 2) Focus on general principles, if necessary: learn how to apply the main learning points to varying conditions on the job
 - 3) Establish a climate for transfer: encourage managers to embrace the strategic changes their organizations are seeking to implement and reinforce and reward trainees for applying the new skills or knowledge
 - 4) Give employees transfer strategies: provide trainees with strategies and tactics for dealing with their transfer environment
 - Relapse prevention (RP): teaches individuals how to anticipate and cope with the inevitable setbacks they will encounter back on the job → relapse into former behaviors
- Criterion 4: Results or Return on Investment (ROI)
 - ROI: the benefits it derives from training relative to what it costs
 - Benefits: higher revenues generated, increased productivity, improved quality, lower costs, more satisfied customers, higher job satisfaction, lower employee turnover
 - $ROI = \frac{\text{Benefits of training}}{\text{training costs}}$
- Benchmarking: the process of measuring one's own services and practices against the recognized leaders in order to identify areas for improvement

Additional topics in training and development

- Organization-wide training programs
 - Orientation training: the formal process of familiarizing new employees with the organization, their jobs, and their work units
 - Influence employee attitudes about the work they will be doing and their role in the organization
 - Checklist for use by those responsible for conducting the orientation so that no aspect of orientation is overlooked
 - 1) An introduction to other employees
 - 2) Outline of training
 - 3) Expectations for attendance, conduct and appearance
 - 4) Conditions of employment (hours/pay periods)
 - 5) Explanation of job duties, standards, and appraisal criteria
 - 6) Safety regulations
 - 7) List of the chain of command

- 8) Explanation of the organization's purpose and strategic goals
- Onboarding: the process of systematically socializing new employees to help them get "on board" with an organization
 - Avoid cultural shock: make videos and podcasts available to new hires before they begin work
- Basic skills training
 - Implement a successful program in basic and remedial skills
 - 1) Explain to employees why and how the training will help them in their jobs
 - 2) Related the training to employees' goals
 - 3) Respect and consider participants' experiences and use them as a resource
 - 4) Use a task-centred or problem-centred approach so that participants learn by doing
 - 5) Give employees feedback on their progress toward meeting their learning objectives
- Team and cross-training: team building/training
 - Three skill categories for team training
 - 1) Technical: each individual should learn four different jobs to allow for team flexibility
 - 2) Interpersonal skills: focused on listening, conflict resolution, influence, and negotiation
 - 3) Team action: focused on team roles, group dynamics, and problem solving
 - Cross training: the process of training employees to do multiple jobs within an organization
 - Cut turnovers
 - Increase productivity
 - Pare down labour costs
 - Lay the foundation for careers rather than dead-end jobs
- Ethics training
 - Chief ethics officers: high ranking managers directly responsible for fostering the ethical climate within the firm

Chapter 8 Performance management

Performance Management Systems

- Performance management: the process of creating a work environment in which people can perform to the best of their abilities
- Performance evaluations: the result of an annual or biannual process in which a manager evaluates an employee's performance relative to the requirements of his or her job and uses the information to show the person where improvements are needed and why
- The purpose of performance management
 - Administrative purposes
 - Document personnel decisions
 - Promote employees
 - Determine transfers and assignments
 - Identify performance problems and develop ways to correct them
 - Make retention, termination, and a layoff decisions
 - Validate selection criteria
 - Meet legal requirements
 - Evaluate training programs/progress
 - Assist with human resources planning
 - Make reward and compensation
 - Developmental purposes
 - Provide performance feedback
 - Identify individual strengths and weaknesses
 - Recognize individual performance achievements
 - Help employees identify goals
 - Evaluate goal achievement of employees
 - Identify individual training needs
 - Determine organizational training needs
 - Reinforce authority structure
 - Allow employees to discuss concerns

- Improve communication
 - Provide a forum for leaders to help employees
- Why performance management systems sometimes fail
 - Discourages teamwork by focusing on workers' individual achievements rather than what their teams or firms accomplish
 - Only useful at the extremes for highly effective or highly ineffective employees
 - Evaluation often focus on short-term achievements rather than long-term improvement and learning
 - Small business: complains the only feedback they get is during formal evaluation, or they aren't done at all
 - Crowdsourcing: involves continually gathering feedback, compliments, and suggestions from the different people who work with an employee using "social recognition" applications installed on a company's computers and mobile devices

Developing an effective performance management system

- What are the performance standards
 - Performance standards should be based on job-related requirement derived from a job analysis and reflected in an employee's job description and job specification
 - Four basic elements
 - Strategic relevance
 - The extent to which the performance standards related to the strategic objectives of the organization in which they are applied
 - A strategy-driven performance evaluation process also provides the documentation HR managers need to justify various training expenses in order to close any gaps between employees' current skills and those they will need in the future to execute the firm's strategy
 - Criterion deficiency
 - Focus on a single criterion (sales revenue) to the exclusion of other important but less quantifiable performance dimensions (customer service)
 - Criterion contamination
 - Factors outside an employee's control that can influence his/her performance
 - Reliability
 - The stability or consistency of a standard or the extent to which individuals tend to maintain a certain level of performance over time
 - Can be measured by correlating two sets of ratings made by a single rater or by two different rates
 - Calibration: to make sure managers are rating employees consistently

- Helpful when comes to training new managers to appraise employees
 - Useful after a merger or acquisition, global
- Fairness and acceptability
 - Things affect how managers view how well their employees are doing on the job as well as rate them
 - Organizational politics
 - Firm's culture
 - Orientation of its managers, history and current competitive conditions
 - More likely to success → employees are allowed input as to what constitutes a good performance and how the performance management system operates
 - More likely to fail → time consuming or difficult or if it's hard to see how outcomes
- Legal issues (guide lines)
 - Performance ratings must be job related with performance standards developed through a job analysis
 - Employees must be provided with clear, written job standards in advance of their evaluations
 - Managers who conduct the evaluations must be able to observe the behavior they are rating
 - Do not allow performance problems to continue unchecked
 - Supervisors should be trained to use evaluation forms correctly and apply the evaluation standards when making judgments
- Who should appraise an employee's performance
 - Manager/supervisor evaluations: a performance evaluation done by an employee's manager and often reviewed by a manager one level higher
 - Rely on performance records
 - Reliable and valid measures are not available, less accurate
 - Less reliable if known for less than a year
 - Self-evaluations: a performance evaluation done by the employee being evaluated, generally on an evaluation form completed by the employee prior to the evaluation meeting
 - Increase employee involvement in the review process
 - Get the employee thinking about his or her strengths and weaknesses
 - Employee discuss with their managers whether agree on final evaluation
 - Best use for developmental purposes
 - Subordinate evaluations: a performance evaluation of a superior by an employee, which is more appropriate for developmental
 - Used in both small and large organizations to give managers feedback on how their subordinates view them
 - Retaliation → submit anonymously and results will combine in a single report

- Peer evaluations: a performance evaluation done by one's fellow employees, generally on forms compiled into a single profile for use in the evaluation meeting conducted by the employee's manager
 - Belief that they furnish more accurate and valid information than evaluations by superiors
 - Peers can readily identify leadership and interpersonal skills along with other strengths and weaknesses of their coworkers
 - Address issues like trouble confronting coworkers and resolve conflicts
 - Not used to make administrative decisions related to salaries, bonuses promotions and other major decisions about an employees
 - Keep confidential
 - Summarized by supervisor
- Team evaluations: a performance evaluation that recognizes team accomplishment rather than individual performance
 - Help break down barriers between individual employees and encourage a joint effort on their part
- Customer evaluations: a performance evaluation that includes evaluation from both a firm's external and internal customers
 - External customers: appraise restaurant personnel
 - Internal customers: anyone inside the organization who depends on an employee's work output
 - Useful for both developmental and administrative purpose

Putting it all together: 360-degree evaluations

- A performance evaluation done by different people who interact with the employee, generally on forms compiled into a single profile for use in the evaluation meeting conducted by the employee's manager
- Safeguards of maximizing quality and acceptance
 - Ensure anonymity: make certain that no employee ever knows how many evaluation team member responded
 - Make respondents accountable: supervisors should discuss let each member know whether he or she used the rating scales appropriately, responses were reliable
 - Prevent "gaming" of the system
 - Use statistical procedures: weighted averages/other quantitative approaches to combine evaluations
 - Identify and quantify biases

PROS

- The system is more comprehensive because feedback is gathered from multiple perspectives.
- It may lessen bias and prejudice because feedback comes from more people, not one individual.
- The feedback from peers and others may improve an employee's self-development.

CONS

- The system is complex in combining all the responses.

- The feedback can be intimidating and cause resentment if employees feel the respondents have “ganged up” on them.
- There may be conflicting opinions, although they may all be accurate from the respective standpoints.
- Raters must undergo some training.
- Employees may collude or “game” the system by giving invalid evaluations to one another.
- Raters may not feel accountable if their evaluations are anonymous.

- Training appraisers: vastly improve the performance evaluation process
 - Establishing an evaluation plan
 - How managers should keep performance records and review them
 - How frequently the evaluations are to be conducted
 - Who will conduct them
 - What the standards of performance are
 - How to go about preparing for evaluations
 - Eliminating rating errors
 - “Horn error”: managers focus on one negative aspect about an employee and generalizes it into an overall poor evaluation rating
 - Personality conflict between a manager and his or her employees increases the probability of the horn effect, high level of frustration the employee’s part if it is not correct
 - Distributional error: occurs when a single rating is skewed toward an entire group of employees
 - Error of central tendency: a performance rating error in which all employees are rated about average
 - Leniency or strictness error: a performance rating error in which the appraiser tends to give employees either unusually high or unusually low ratings
 - Reduce distributional error
 1. To explain to raters that when you are looking at large groups of employees, you should generally expect to find significant differences among them
 - ✓ Anchor: on the scale can help raters determine how individual employees should be rated
 2. Forced distribution: a performance ranking system whereby raters are required to place a certain percentage of employees into various performance categories
 - Temporal (recency) error: a performance rating error in which the evaluation is based largely on employee’s most recent behavior rather than on behavior throughout the evaluation period
 - Contrast error: a performance rating error in which an employee’s evaluation is biased either upward or downward

because of comparison with another employee just previously evaluated

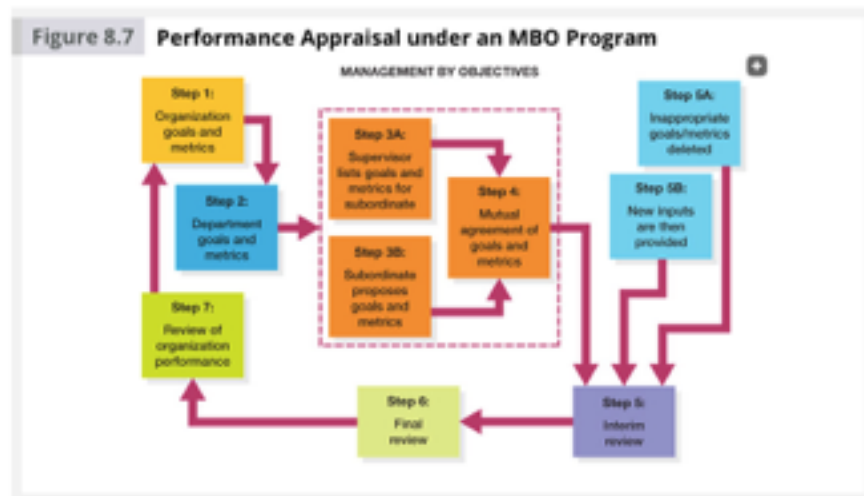
- Similar-to-me error: a performance rating error in which an appraiser inflates the evaluation of an employee because of a mutual personal connection
- Training can pay off, when participants have the opportunity to
 - 1) Observe other managers making errors
 - 2) Actively participate in discovering their own errors
 - 3) Practise job-related tasks to reduce the errors they tend to make
- Feedback training
 - Three basic areas need to be covered
 - 1) Communicating effectively so as to gain the employee's support
 - 2) Diagnosing the root causes of performance problems
 - 3) Setting goals and objectives for the employee to achieve in conjunction with the feedback

Performance evaluation methods

- Trait methods (vague, subjective): designed to measure the extent to which an employee possesses certain characteristics – dependability, reactivity, initiative
 - Graphic rating scales: a trait approach to performance rating whereby each employee is rated according to a scale of characteristics (way to improve trait method)
 - Differences in
 - 1) The characteristics or dimensions on which individuals are rated
 - 2) The degree to which the performance dimension is defined for the rater
 - 3) How clearly the points on the scale are defined
 - Mixed-standard scales: a trait approach to performance rating similar to her scale methods but based on comparison with (better than, equal to or worse than) a standards
 - Three specific descriptions of each trait (three levels)
 - 1) Superior
 - 2) Average
 - 3) Inferior
 - Forced-choice method: a trait approach to performance rating that requires the rater to choose from statements designed to distinguish between successful and unsuccessful performance
 - Essay method: a trait approach to performance rating that requires the rater to compose a statement describing employee behavior
 - Strength and weakness, recommendation for development
 - Combined with other rating methods (additional descriptive information)
 - Provide excellent opportunity for supervisors to point out the unique characteristics of the employee being appraised

- Limitation:
 - Composing an essay that attempts to cover all of an employee's essential characteristics is a very time-consuming task
 - Tends to be subjective and might not focus on the relevant aspects of a person's job performance
 - Quality of the performance evaluation could be affected by the supervisor's writing skills
- Behavioural methods: actions should/should not be exhibited on the job
 - Critical incident method: an usual event that denotes superior or inferior employee performance in some part of the job
 - Unfavorable behavior: When a janitor observes that a file cabinet containing classified documents has been left unlocked at the close of business and calls the firm's security officer to correct the problem
 - Behavioral checklist method: require rater to check statements on a list that describe characteristics of the employee's behaviour
 - Behaviourally anchored rating scale (BARS): a behavioural approach to performance rating that consists of a series of vertical scales, one for each important dimension of job performance
 - Advantage: personnel outside the HR department participate with HR staff in its development. Employees participation can lead to greater acceptance of the performance evaluation process and of the performance measures that it uses
 - High degree of validity
 - Disadvantage: it requires considerable time and effort to develop
 - Behavior observation scales (BOS): a behavioral approach to performance rating that measures the frequency of observed behavior (prefer it over BARS/trait scales for:
 - Maintaining objectivity
 - Distinguishing good performers from poor performers
 - Providing feedback
 - Identifying training needs
- Results methods: more objective and empowering for employees (sales figures/production output)
 - Productivity measures: sales volume for salespeople/number of units produce for production workers/profits/growth rates
 - Problem:
 - Contaminated by external factors that employees cannot influence
 - Inadvertently encourage employees to "look supervisors"
 - Not suitable for jobs more service oriented: cooperation, adaptability, initiative and concern for human relations are important to the job success

- Management by objectives: a philosophy of management that rates the performance of employees based on their achievement of goals set mutually by them and their manager



- Guidelines for success in MBO program
 - 1) The objectives need to be quantifiable and measurable and accompanied by a description of how they will be accomplished
 - 2) The results that are expected must be under the employee's control
 - 3) The firm's goals and objectives must be consistent, or aligned, with the goals of employees at all levels, including firm's top managers
 - 4) Time frames for when the goals are to be reviewed and evaluated need to be established
- The balanced scorecard: can be used to appraise individual employees, teams, business units and the corporation itself
 - Four categories:
 - 1) Financial measures: financial objectives
 - 2) Customer measures: customer satisfaction, retention rates, delivery performance to customers
 - 3) Process measures
 - 4) Learning measures
 - Things ensure method's success
 - Translate the firm's strategy into a scorecard of clear objectives
 - Attach measures to each objective (each objective should be measurable)
 - Provide performance feedback based on measures
 - Empower employees to make performance improvements: gives employees the latitude to continuously improve their work methods
 - Reassess the strategy
- Which performance evaluation method should you use

	Advantages	Disadvantages
Trait methods	1. Are inexpensive to develop	1. Have high potential for rating errors
	2. Use meaningful dimensions	2. Are not useful for employee counselling
	3. Are easy to use	3. Are not useful for allocating rewards
		4. Are not useful for promotion decisions
Behavioural methods	1. Use specific performance dimensions	1. Can be time consuming to develop/use
	2. Are acceptable to employees and superiors	2. Can be costly to develop
	3. Are useful for providing feedback	3. Have some potential for rating error
	4. Are fair for reward and promotion decisions	
Results methods	1. Have less subjectivity bias	1. Are time consuming to develop/use
	2. Are acceptable to employees and superiors	2. May encourage a short-term perspective
	3. Link individual performance to organizational performance	3. May use contaminated criteria
	4. Encourage mutual goal setting	4. May use deficient criteria
	5. Are good for reward and promotion decisions	

Performance evaluation meetings and feedback sessions

- Types of performance evaluation meetings and feedback sessions
 - Tell-and-sell
 - Require the ability to persuade an employee to change his/her behavior in a certain way
 - Tell-and-listen
 - Supervisor communicates the strong and weak points of an employee's job performance during the first part of the session
 - Second part of the session employee's feelings about the evaluation are thoroughly explored
 - Gives both managers and employees the opportunity to release any frustrating feelings they might have
 - Problem solving
 - Most proactive
 - Listening and accepting responding to feelings are essential elements of it
- Conducting the performance evaluation meeting or feedback session: how to increase employee's willingness to talk about performance and improve it
 - Ask for a self-evaluation: used to discuss areas in which manager and employee have reached different conclusions, not so much to resolve the "truth" as to work toward the resolution of problem
 - Invite participation
 - Most experts advise supervisors to encourage their employees to speak freely and listen closely to what they have to say
 - Communication should be a two-way street
 - Extent that an employee is an active participant in that discussion

- Express appreciation
 - Start session by expressing appreciation for what the employee has done well
 - Tell people they are valued, top performers in particular → feel encouraged and motivated
 - Employees feel less defensive if talk about where they did good
 - Give feedback on regular basis, no need to sandwich bad and good news
- Be supportive and demonstrate that you care
 - Conveys employee will they try to eliminate road blocks and will work with the employee to achieve a higher standards for performance
- Minimize criticism
 - Consider whether it is really necessary
 - Consider the person's ability to handle it
 - Be specific and do not exaggerate
 - Watch your timing
 - Make improvement your goal
- Establish goals
 - Emphasize strengths on which the employee can build rather than weakness to overcome
 - Drop unproductive tasks
 - Limit improvement plans to a few important items that can be accomplished within a reasonable period of time and spell out how they will be achieved
 - Highlight how both the employee and the firm will excel if the goats are achieved
- Follow up day to day
- Improving performance
 - Identifying the sources of ineffective performance



- Poor performance:
 1. Lack of ability
 2. Poor motivation
 3. External conditions
- Performance diagnosis
 - Diagnose real reasons for poor performance
 - Some one not achieve

- Managing ineffective performance
- Focus on changing the behavior, not the person
 - Ineffective persist: transfer, take disciplinary action, discharge the person from the organization

Chapter 9

Managing Compensation

- Common strategic compensation goals
 1. To reward employees' past performance
 2. To remain competitive in the labour market
 3. To maintain salary equity among employees
 4. To meet employees' future performance with organizational goals
 5. To control the compensation budget
 6. To attract new employees
 7. To reduce unnecessary turnover
- 5) Motivating employees through compensation
 - Pay equity: an employee's perception that compensation received is equal to the value of the work performed
- Expectancy theory and pay
 - Expectancy theory: a theory of motivation that holds that employees should exert greater work effort if they have reason to expect that it will result in a reward that they value
 - Links probability of getting reward with achieving organization goals, more likely believe more achieving more reward.
- Determining compensation the wage mix
 - Internal factors
 - Compensation strategy of organization
 - Worth of job

- Employee's relative worth
 - Employer's ability to pay
 - External factors
 - Conditions of the labour market
 - Area wage rates
 - Cost of living
 - Collective bargaining
 - Legal requirements
- Job evaluation systems
 - Job evaluation: the systematic process of determining the relative worth of jobs in order to establish which jobs should be paid more than others within an organization
 - Methods to use to evaluate
 - Job ranking system: only applicable to small groups
 - Job classification system: job classes
 - Point system: assigning points; points based on compensable factors (across organization)
 - Skills, effort, responsibility, external environment (require strong physical demand) of jobs: based on factors to get a certain amount of points
 - More points associate with the jobs, greater responsibility
 - The point manual: database
 - Work valuation: rank larger number of jobs within the organization, on the bases of relative importance to financial, operational and customers
- The compensation structure
 - Wage and salary survey: outside organization
 - Labour market: area from which you will hire
- The wage curve
 - Pay grades: summarizing point system;
 - Rate ranges
 - Red circle rates: when individual is paid above their grade
 - Broadbanding: collapse a number of pay grade (8→3)
 - Competence-based pay (skilled-based pay or knowledge-based pay): depends on the skills of individuals instead of efforts has been paid;
- Government regulation of compensation
 - Canada Labor: federal jurisdictions
 - Employment standards act: provincial and territorial jurisdictions
 - Other legislation: employment equity and pay equity
- Significant compensation issues
 - Pay equity
 - Wage-rate compression: more junior person hired, higher competitive, higher continuance raises; compression of differential of job classes

6) Administrating incentive plans

- Incentive systems are effective:
 - When incentives are based on actual differences
 - When annual incentive budgets are large enough to reward and reinforce exceptional performance
 - When overhead costs are controllable
- 7) Successful incentive plans
- Employees have a desire for an incentive plan
 - Employees are encouraged to participate
 - Employees see a clear connection between the incentive payments they receive and their job performance
 - Employees are committed to meeting the standards
 - Standards are challenging but achievable
 - Payout formulas are simple and understandable
 - Payouts are a separate, distinct part of compensation
- 8) Individual incentive plans
- Straight piecework: give employees a certain amount of what they produce
 - Differential piece rate: different pay rate of certain amount of production
 - Standard hour plan: a time frame for employees, if achieve, get paid
 - Bonuses: at the end of the year if met certain condition
 - Spot bonus: reward performance need certain goals/condition, given on the spot (after certain behavior)
 - Merit pay: achieving certain performance standard; manufacturing
- 9) Problems with merit raises
1. Money for merit increases may be inadequate to satisfactorily raise all employees' base pay
 2. Managers may have no guidance in how to define and measure performance
 3. Employees may not believe that their compensation is tied to effort and performance
 4. Employees and their managers may hold different views of the factors that contribute to job success
 5. Merit pay plans may create feelings of pay inequity
- 10) Incentive awards and recognition
- Awards: often used to recognize productivity gains, special contributions or achievements
 - Noncash incentive award: are most effective as motivators when the award is combined with a meaningful employee recognition
- 11) Sales incentives
- Types of sales incentive plans
 - Straight salary
 - Straight commission
 - Combined salary and commission
- 12) Incentives for executives
- The executive pay package

- Base salary
- Short-term incentive or bonuses
- Long-term incentives or stock plans
- Benefits
- Perquisites (perks)