

# ADM 2337: Human Resource Management

## Chapter 1: The World of HR Management

Jan 19, 2021

### History of HRM

- **Scientific Management:** Concern for production
- **Human Relations Movement:** Concern for people
- **Human Resources Movement:** Concern for people and productivity

### Responsibilities of HR Departments

- Analysing & Designing Jobs
- Recruiting & Hiring
- Training & Developing
- Managing Performance
- Total Rewards
- Employee & Labour Relations
- HR Policies
- Legal Compliance

### HR Responsibilities of Supervisors

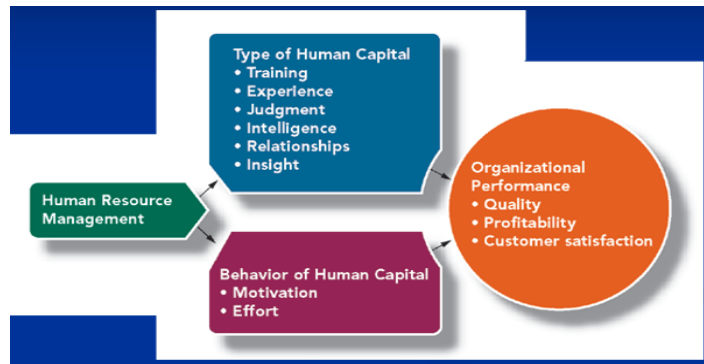
Many HR activities are carried out by supervisors:

- Help define jobs
- Forecast HR needs
- Interview and select candidates
- Train, coach and develop employees
- Appraise performance
- Recommend pay increases and promotions
- Communicate policies & comply with laws
- Provide motivational environment

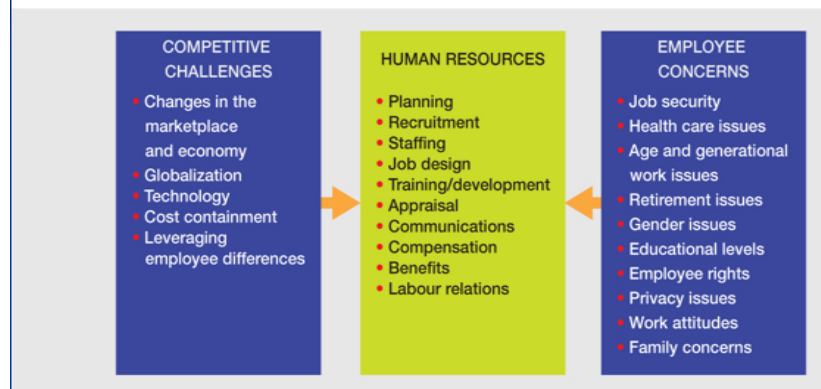
### Strategic HR Choices

- **Work Flows:** Efficiency or Innovation
- **Staffing:** Internal or External
- **Employee Separations:** Voluntary or Layoffs
- **Performance Appraisal:** Custom or Uniform
- **Training and Development:** Individual or Team
- **Compensation:** Fixed or Variable
- **Employee Relations:** Top-down or Bottom-up
- **Employee Rights:** Discipline or Prevention
- **International Management:** Company or Local Culture

## Impact of HRM



### OVERALL FRAMEWORK FOR HUMAN RESOURCES MANAGEMENT



## Competitive Challenges and Human Resources Management

Top challenges include:

- Responding Strategically to Changes in the Marketplace
- Competing, Recruiting, and Staffing Globally
- Setting and Achieving Corporate Social Responsibility and Sustainability Goals
- Advancing HRM with Technology
- Containing Costs While Retaining Top Talent and Maximizing Productivity
- Responding to the Demographic and Diversity Challenges of the Workforce
- Adapting to Educational and Cultural Shifts Affecting the Workforce

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

Human Resources Managers need to understand:

- Develop a culture that just keeps moving all the time
- Total quality management
- **Reengineering:** The fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, service, and speed.
- **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
- **Change management:** A systematic way of bringing about managing both organizational changes and changes on the individual level.
  - **Reactive change:** Changes that occur after external forces such as the competition, a recession or a law change, have already affected performance
  - **Proactive change:** Change initiated to take advantage of targeted opportunities

- **Downsizing:** Planned elimination of jobs
- **Outsourcing:** Contracting out work that was formerly done by employees
- Offshoring
- Competing, Recruiting, and Staffing Globally

### **Challenge 2: Setting and Achieving Corporate Social Responsibility and Sustainability Goals**

**Corporate Social Responsibility:** The responsibility of the firm to act in the best interests of the people and communities affected by its activities

- Sustainability is closely related to corporate social responsibility. Sustainability refers to a company's ability to produce a good or service without damaging the environment or depleting a resource.

### **Challenge 3: Advancing HRM with Technology**

**Collaborative software:** Software that allows workers anywhere anytime to interface and share information with one another have changed how and where people and companies do business.

- From Touch Labour to Knowledge Workers
  - **Knowledge Workers:** Workers whose responsibilities extend beyond the physical execution of work to include planning, decision making, and problem solving
- Influence of Technology on HRM
  - **Human Resources Information System (HRIS):** A computerized system that provides current and accurate data for purposes of control and decision making. It has become a potent weapon for lowering administrative burdens, reducing costs, and improving productivity.

### **Challenge 4: Containing Costs While Retaining Top Talent and Maximizing Productivity**

Organizations take many approaches to lowering labour-related costs, including:

- Carefully managing employees' benefits
- **Downsizing:** Planned elimination of jobs.
- **Furloughing Employees:** A situation in which an organization asks or requires employees to take time off for either no pay or reduces pay.
- **Outsourcing:** Contracting out work that was formerly done by employees.
- **Offshoring:** The business practice of sending jobs to other countries.
- **Nearshoring:** The process of moving jobs closer to one's home country.
- **Employee Leasing:** The process of demising 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.
- **Productivity Enhancements:** Organizations can increase their productivity by reducing their inputs or by increasing the amount that employees produce by adding more human and or physical capital to the process.

### **Challenge 5: Responding to the Demographic and Diversity Challenges of the Workforce**

**Demographic Changes:**

- Diversity / immigration workforce
- Aging distribution of the workforce

**Managing Diversity:**

- Gender distribution of the workforce
- Being aware of characteristics common to employees, while also managing employees as individuals

## Challenge 6: Adapting to Educational and Cultural Shifts Affecting the Workforce

- Education of the workforce
- Cultural and Societal Changes Affecting the Workforce
- Employee Rights
- Privacy Concerns of Employees
- Changing Nature of the Job
- Changing Attitudes toward Work
- Balancing Work and Family

## The Partnership of Line Managers and Human Resources Departments

### Responsibilities of the HR Manager

1. **Advice and counsel:** HR managers often serve as an in-house consultant to supervisors, managers, and executives.
2. **Service:** HR managers also perform a host of service activities, such as recruiting, selecting, testing, planning and conducting training programs and hearing employees concerns and complaints.
3. **Policy formulation and implementation:** HR managers generally propose and draft new policies or policy revisions to address recurring problems or to prevent anticipated problems.
4. **Employee advocacy:** One of the enduring roles of HR managers is to serve as an employee advocate, listening to employees concerns and representing their needs to managers, to ensure that the interest of employees and the interests of the organization are aligned with one another.

### Competencies of the HR Manager

1. **Business mastery:** HR professionals need to know the business of their organization thoroughly.
2. **HR mastery:** HR professionals are the organizations behavioural science experts.
3. **Change mastery:** HR professionals must be able to manage change processes so that their firms HR activities are effectively merged with the business needs of their organization.
4. **Personal credibility:** Like other management professionals, HR professionals must establish personal credibility in the eyes of their internal and external customers. Credibility is earned by developing personal relationships with customers.

## Chapter 2: Strategy and HR Planning

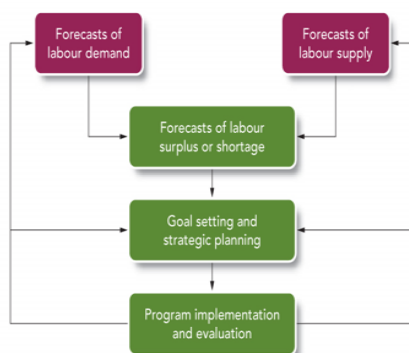
Jan 19, 2021

### Strategic Planning and Human Resources

**Strategic Planning:** Procedures for making decisions about the organization's long-term goals and strategies.

**Human Resources Planning (HRP):** Process of anticipating and providing for the movement of people into, within, and out of an organization.

FIGURE 4.1  
Overview of the Human  
Resource Planning  
Process



**Strategic Human Resources Management (SHRM):** The pattern of HR deployments and activities that enable an organization to achieve its strategic goals.

### Linking Strategic Planning and HRP

Good HR managers “marry” HRP to the strategic planning process for their organizations as a whole. HRP relates to strategic planning in several ways, but at a fundamental level.

### **Step 1: Mission, Vision, and Values**

**Mission:** The basic purpose of the organization as well as its scope of operations

**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.

### **Step 2: External Analysis**

**Environmental Scanning:** Systematic monitoring of the major external forces influencing the organization.

- **The Business Environment:** All the external factors in the general environment, factors a firm cannot directly control but can affect its strategy.
- **The Remote Environment:** Forces that generally affect most if not all forms, forces over which they have virtually no control.
  - Economic and Ecological Change
  - Technological Changes
  - Demographic Changes
  - Social Changes
  - Legal and Regulatory Changes
- **Competitive Environment:** Firms have a greater ability to affect it. Firms analyze their competitive environment in order to adapt to or influence the nature of the competition.
  - **Customers:** Creating value for customers.
  - Rival Firms
  - New Entrants
  - **Substitutes:** Sometimes the biggest opportunity or threat is from buyers substituting for other products.
  - **Suppliers:** Suppliers can provide key input including raw materials for production, money, information and people.



### **Step 3: Internal Analysis**

**Core Capabilities:** Integrated knowledge sets within an organization that distinguish it from its competitors and deliver value to customers.

- **Values Creation:** What a firm adds to a product or service by virtue of making it the amount of benefits provided by the product or service once the costs of making it are subtracted.

**Sustaining a Competitive Advantage Through People:** The resources must be valuable, the resources must be rare, the resources must be difficult to imitate, the resources must be organized.

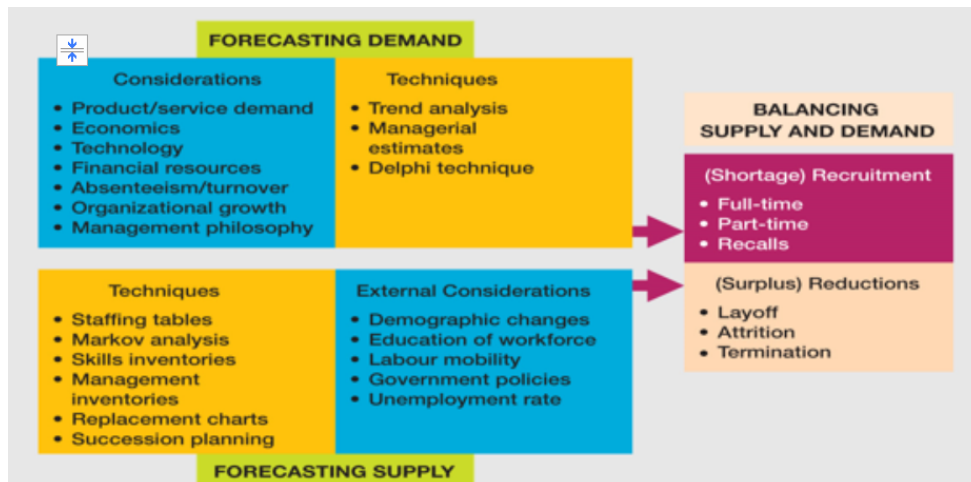
- **Types of Talent and Their Composition in the Workforce:**

- **Strategic Knowledge Workers:** This group of employees tends to have unique skills that are directly linked to the companies strategy and are difficult to replace.
- **Core Employees:** This group of employees has skills that are quite valuable to a company but are not particularly unique or difficult to replace.
- **Supporting Workers:** This group of employees typically has skills that are less strategic value to the firm and generally available in the labour market.
- **External Partners:** This group of employees has skills that are unique but frequently are not directly related to a company's core strategy.

**Corporate Culture:**

- **Culture Audit:** Audits of the culture and quality of work life in an organization. Used to examine the values , assumptions, beliefs, and expectations of their workforces.
- **Value Based-Hiring:** The process of outlining the behaviours that exemplify a firm's corporate culture and then hiring people who are a fit for them.

**Forecasting:** Managers must continually forecast both the needs and capability of the firm for the future to do an effective job at strategic planning.



- **Forecasting a Firm's Demand for Employees:**

- **Quantitative Approach:** Involves the use of statistical or mathematical techniques
  - **Trend Analysis:** Forecasting labour demand based on an organizational index such as sales.
- **Qualitative Approach:** Forecasting is more of an art than a science, providing inexact approximations rather than absolute results.
  - **Management Forecasts:** The opinions of supervisors, department managers, experts about the organization's future employment needs.

- **Forecasting the Supply of Employees:**

- **Staffing Tables:** Graphic representations of all organizational jobs, along with the numbers of employees currently occupying those jobs and future employment requirements.
- **Markov Analysis:** A method for tracking the pattern of employee movements through various jobs.
- **Skill Inventories:** Files of personnel education, experience, interests, and skills that allow managers to quickly match job openings with employee backgrounds

- **Replacement Charts:** Listings of current jobholders and people who are potential replacements if an opening occurs.
- **Succession Planning:** The process of identifying, developing and tracking key individuals for executive positions.
- **Replacement Charts:** Listings of current jobholders and people who are potential replacements if an opening occurs
- **Succession Planning:** The process of identifying, developing, and tracking key individuals for executive positions

#### **Step 4: Formulating Strategy**

**SWOT Analysis:** A comparison of strengths, weaknesses, opportunities, and threats for strategy formulation purposes.

**Corporate Strategy:** The market in which the firm will compete against whom and how.

- Growth & Diversification
- Mergers & Acquisitions
- Strategic Alliances and Joint Ventures

**Business Strategy:** Viewed in terms of domain navigation. It is more focused on how the company will compete against rival firms to create value for customers.

- Low-Cost Strategy - Compete on Productivity and Efficiency
- Differential Strategy - Compete on Unique Value Added
  - What the firm adds to a product or service by virtue of making it; the amount of benefits provided by the product or service once the costs of making it are subtracted (value = benefits – costs)

**Functional Strategy - Ensuring Alignment:** Managers also need to translate strategic priorities into functional areas of the organization such as marketing, manufacturing etc...

- **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 are based on forecasted trends in business activity. Supply considerations involve determining where and how candidates with required qualifications can be found to fill a firm's vacancies.

- Dealing with Surplus Employees
  - Layoff Strategies
  - Attrition
  - Termination Strategies

#### **Step 6: Evaluation and Assessment**

**Evaluation and Assessment Issues:** Firms need to establish a set of desired objectives as well as the metrics they will use to monitor how well their organization delivered against those objectives.

- **Benchmarking:** The process of comparing the organization's processes and practices to those of other companies.

**Measuring a Firm's Strategic Alignment:** As an element of evaluation, some very useful techniques help managers assess the extent to which they have achieved these objectives.

- **Balanced Scorecard (BSC):** A measurement framework that helps managers translate strategic goals into operational objectives
  - Financial

- Customer
- Processes
- Learning
- **Measuring Horizontal Fit**
- **Human capital metrics:** Assess aspects of the workforce
- **HR metrics:** Assess the performance of the HR function itself

#### **Ensuring Strategic Flexibility for the Future**

- **Organizational Capability:** Capacity of the organization to act and change in pursuit of sustainable competitive advantage
  - **Coordination flexibility:** The ability to rapidly reallocate resources to new or changing needs
  - **Resource flexibility:** Having human resources who can do many different things in different ways

### **Chapter 3: Equity and Diversity in HRM**

**Jan 26, 2021**

#### **Employment Equity**

The employment of individuals in a fair and nonbiased manner

- **Designated Groups:** Women, Visible minorities, Aboriginal people, and persons with disabilities who have been disadvantaged in employment.
- **Benefits of 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.

#### **The Legal Framework for HRM**

- **Federally Regulated (10%) (Partial List):**
  - Federal government departments, agencies, and Crowns
  - Canada Post/couriers
  - Banks, airlines
  - TV & radio stations
  - Telecommunications
  - Railways, trucking etc.
- **Provincial Regulated (90%):**
  - All other businesses

#### **Legislation in Canada**

- Charter of Rights and Freedoms
- The Canadian Human Rights Act
- Employment Standards Legislation
- Employment Equity Act
- Pay Equity Act
- Official Languages Act
- Personal Information Protection and Electronic Documents Act (PIPEDA)

**FIGURE 2.1** Prohibited Grounds of Discrimination in Employment by Jurisdiction

Prohibited Grounds of Discrimination	Federal	Alta.	B.C.	Man.	N.B.	N.L.	N.S.	Ont.	P.E.I.	Que.	Sask.	N.W.T.	Y.T.	Nunavut
Race	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Colour	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Creed or religion	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Sex	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Marital status	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Age	◆	◆ <sub>18+</sub>	◆ <sub>19-65</sub>	◆	◆	◆ <sub>19-65</sub>	◆	◆ <sub>18+</sub>	◆	◆	◆ <sub>18-64</sub>	◆	◆	◆
Mental & physical disability	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Sexual orientation	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
National or ethnic origin	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Family status	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Ancestry or place of origin	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Political belief	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Association	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Source of income	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Social condition or origin	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Language	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Pardoned conviction	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Record of criminal conviction	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Assignment, attachment, or seizure of pay	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆

**Note:** The legislation providing human rights protection and equal pay for equal work in Nunavut is titled the Fair Practices Act.

Source: Canadian Human Rights Commission, *Prohibited Grounds of Discrimination in Canada*. [www.chrc-cddp.ca/pdf/ProhibitedGrounds\\_en.pdf](http://www.chrc-cddp.ca/pdf/ProhibitedGrounds_en.pdf). Reproduced with the permission of the Ministry of Public Works and Government Services, 2006.

### Equality in Employment Opportunity

- Discrimination
- Direct Discrimination
- Indirect Discrimination

### 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

### Employers Role

- Bona fide Occupational Requirement/Qualifications (Exemption)
- Duty to Accommodate
- Preventing Harassment
- Valuing diversity

### Harassment

- physical assault
- unnecessary physical contact
- verbal abuse/threats
- unwelcome invitation/requests
- unwelcome remarks, jokes, innuendo
- leering
- displaying pornographic/racist pictures
- practical jokes causing embarrassment
- Condescension

## **Remedies for Human Rights Violations**

- Compensation for:
  - Lost wages
  - General damages and expenses
  - Pain and humiliation
- Restoration of rights denied
- Written letter of apology
- Mandatory training sessions/workshops
- Required employment equity program

## **Employment Equity Program Implementation Steps**

### **Step 1: Obtaining Senior Management Commitment and Support**

A more supportive culture is created when the CEO or owner publicly introduces a written policy describing the organization's commitment to employment equity.

- Assignment of Accountable Senior Staff

### **Step 2: Data Collection and Analysis**

The development of an internal workforce profile is an important tool in employment equity planning. Without this information, an organization would not be able to determine where it stands relative to the internal and external workforce.

- **Stock Data:** Data showing the status of designated groups in occupational categories and compensation levels.
- **Flow Data:** Data that provides a profile of the employment decisions affecting designated groups.

### **Step 3: Employment Systems Review**

Employers carry out personal activities such as recruitment, hiring, training and development, promotion, job classification...

- **Systemic Barriers in Employment Practices:**
  - **Systematic Discrimination:** The exclusion of members of certain groups through the application of employment policies or practices based on criteria that are not job related.
- **Special Measures & Reasonable Accommodation:**
  - **Reasonable Accommodation:** Attempt by employers to adjust the working conditions or schedules of employees with disabilities or religious preferences.

### **Step 4: Plan Development**

The workforce analysis and the review of employment systems will provide the employer with a useful base form to develop a workplan with realistic goals and timetables.

### **Step 5: Implementation**

The implementation of employment equity is idiosyncratic in that no two plans will be the same. Each strategy should be designed to meet the needs of the particular organization.

### **Step 6: Monitoring, Evaluating, Revising**

By monitoring progress, the employer will be able to evaluate the overall success of equity initiatives used to achieve representative workforce, as well as respond to organizational and environmental changes.

## **Employee Rights**

### **The right to know:**

- About known or foreseeable hazards in the workplace

### **The right to participate:**

- In identifying & resolving job-related safety and health problems

### **The right to refuse:**

- Dangerous work

## **Occupational Health and Safety**

- Internal Responsibility System
- Workplace Health and Safety Committees
- Bill C-45 (Westray Bill)

## **Managing Diversity**

**Diversity Management:** The optimization of an organization's multicultural workforce to reach business objectives. Broader/more inclusive than employment equity, uses diversity to enhance organization's effectiveness.

### **Characteristics of Effective Diversity Programs**

- celebrate diversity
- diversity training
- top management commitment
- support groups/ me
- diversity audits
- management responsibility and accountability
- inclusive and representative communications

## **Chapter 4: Analyzing Work and Designing Jobs**

**Jan 26, 2021**

### **Job Analysis**

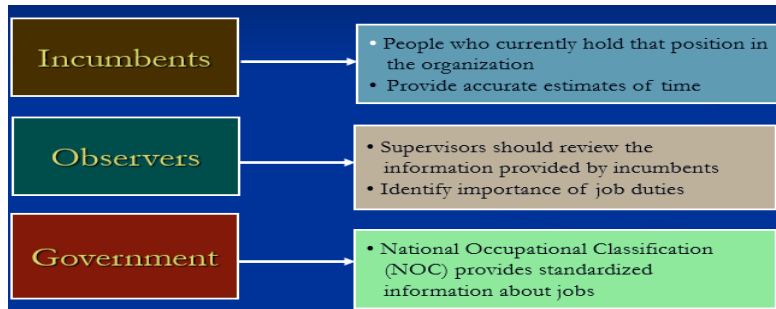
- Process of getting detailed information about jobs by determining the duties, tasks, or activities of jobs.
  - Gathering Job Information
  - Controlling the accuracy of Job Information

### **Relationship of Job Requirements & HRM Functions**

- **Position:** The different duties and responsibilities performed by only one employee.
- **Job Family:** A group of individual jobs with similar characteristics
  - **Strategic HRP:** Information on jobs is used to examine a company's organizational structure and strategically position it for the future
  - **Recruitment:** Before they can find capable employees for an organization, recruiters need to know job specifications for the positions they are to fill.
    - **Job Specification:** A statement of the needed knowledge, skills, and abilities of the person who is to perform the job.
  - **Selection:** Managers use job descriptions to select employees and orient them to jobs
    - **Job Descriptions:** A statement of the tasks, duties and responsibilities of a job to be performed.

- Staffing
- Training & Development
- Performance appraisal
- **Compensation Management:** 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 a job's duties match its job description.

### Sources of Job Information



### Job Analysis Methods

- **Position Analysis Questionnaire:** 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. One of the broadest and most researched instruments of analyzing jobs.
  - Information input and mental process
  - Work output
  - Relationship with other persons
  - Job context and other characteristics
- **Critical Incident Method:** A job analysis by which important job tasks are identified for job success.
- **Task Inventory Analysis:** An organization's-specific list of tasks and their descriptions used as a basis to identify components of jobs.
- **Competency-Based Analysis:** The traditional approach to job analysis. Jobs are meaningfully defined in terms of tasks, duties, processes, and skills necessary for the job success.
- **Functional Job Analysis:** Identifies performance standards and training requirements for a job. Responsibility for people, data, things.
- **Occupational Analysis Inventory:** Contains 617 "work elements" and has 5 categories.

### Steps in Job Analysis

- Step 1: Identify what the Information will be used for
- Step 2: Review Relevant Background Information
- Step 3: Select Representative Positions/Jobs to be Analyzed
- Step 4: Analyze the jobs
- Step 5: Review Analysis with Incumbent/Supervisor
- Step 6: Develop Job Description/Job Specification

### Trends in Job Analysis

- Flexibility
- Adaptability

- Competency based approaches
- De-jobbing
- Team-based/Project-based structures

### Job Descriptions vs. Specifications

**Job Description:** A list of the tasks, duties, and responsibilities (TDRs) that a particular job entails.

Focuses on activities

- Job Title
- Job Identification Section
- Job Duties, or Essential Functions, Section
- Job Specification Section

**Job Specifications:** A list of the competencies that an individual must have to perform a particular job.

Looks at the required qualities of the person who will perform the work.

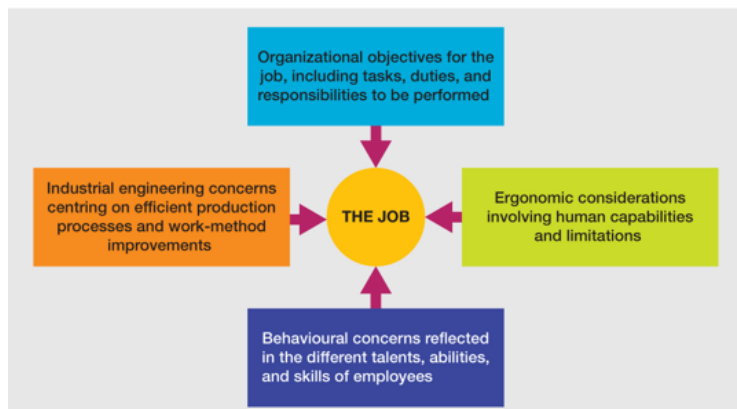
### Problems with Job Descriptions

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.

### Approaches to Job Design

**Job Design:** An outgrowth of job analysis that improves jobs through technological and human considerations to enhance organization efficiency and employee satisfaction. It is concerned with changing, modifying, and enriching jobs to capture the talents of employees while improving organizational performance.

### Basis for Job Design



### Behavioural Concerns:

- **Job Enrichment:** Enhancing a job by adding more meaningful tasks and duties to make the work more rewarding or satisfying.
- **Job Characteristics Model:** A job design theory that purports that there are three psychological states...
  - **Psychological States:**
    - Meaningfulness of the work performed
    - Responsibility for work outcomes

- Knowledge of the results of the work performed.
  - **This will result in:**
    - Improved work performance
    - Increased Internal motivation
    - Lower absenteeism and turnover
  - **Job Characteristics that produce the 3 psychological states:**
    - Skill variety
    - Task identity
    - Task significance
    - Autonomy
    - Feedback
- **Employment Empowerment:** Granting employers power to initiate change, thereby encouraging them to take charge of what they do.

**Industrial Engineering Considerations:** A field of study concerned with analysing work methods and establishing time standards.

**Ergonomic Considerations:** An interdisciplinary approach to designing equipment and systems that can be easily and efficiently used by human beings.

### Designing Work for Groups and Teams

**Employee Involvement Groups (EIs):** Groups of employees who meet to resolve problems or offer suggestions for organizational improvement. Also known as quality circles (QCs). Success with EIs requires:

- Comprehensive training for group members
- Recognition of the group's contributions
- Continuing input and encouragement by management
- Use of a participative/democratic leadership style

**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 assignment.

- **Virtual Teams:** A team with widely dispersed members linked together through computer and telecommunications and technology.

---

#### FORMS OF EMPLOYEE TEAMS

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>● <i>Cross-functional teams:</i> 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.</li> <li>● <i>Project teams:</i> 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.</li> <li>● <i>Self-directed teams:</i> groups of highly trained individuals performing a set of interdependent job tasks within a natural work unit. Team members use consensus decision</li> </ul> | <ul style="list-style-type: none"> <li>making to perform work duties, solve problems, or deal with internal or external customers.</li> <li>● <i>Task force teams:</i> a task force is formed by management to immediately resolve a major problem. The group is responsible for developing a long-term plan for problem resolution that may include a charge for implementing the solution proposed.</li> <li>● <i>Process improvement teams:</i> 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.</li> </ul> |
|---|--|

### Characteristics of Successful Teams

- A commitment to shared goals and objectives
- Motivated and energetic team members
- Open and honest communication
- Shared leadership
- Clear role assignments
- A climate of cooperation, collaboration, trust, and accountability
- The recognition of conflict and its positive resolution

### Flexible Work Schedules

1. Compressed Workweek
2. **Flextime:** Flexible working hours that permit employees the option of choosing daily starting and quitting times provide that they work a set number of hours per day or week.
3. **Job sharing:** The arrangement whereby two part time employees perform a job that otherwise would be held by one full time employee.
4. **Telecommuting:** Use of personal computers, networks, and other communications technology to do work in the home that is traditionally done in the workplace.

## Chapter 5: Branding the Talent Pool - Recruitment and Careers

Feb 2, 2021

### Recruiting Human Resources

**Recruiting:** Any practice or activity carried on by the organization with the primary purpose of identifying and attracting potential employees

**FIGURE 6.1** An Overview of the Recruitment Process



Copyright © 2008 Pearson Education Canada

### Recruitment

#### Recruiting Internally:

- Internal Job Postings
- Identifying Talent through Performance Appraisal
- Skill Inventories & Replacement Charts
- Current Employees

#### Recruiting Externally:

- Advertisements
- Walk-ins Unsolicited Applications and Resumes
- The Internet, Social Networking, and Mobile Recruiting
- Job Fairs
- Employee Referrals
- Executive Search Firms
- Educational Institutions
- Professional Associations
- Labour Unions
- Public Employment Agencies
- Employee Leasing

## Human Resources Policies

Internal vs. External Recruiting	Promote-from-within policies make an organization more attractive
Lead-the-Market Pay Strategies	Meeting or exceeding the market rate of pay to compete for applicants
Recruitment Branding & Image Advertising	<ul style="list-style-type: none"><li>• Using marketing techniques to become an "employer of choice"</li><li>• Generate a favourable image</li></ul>

### Which Recruitment Method to Use?

Decisions should be based on:

- How long employees recruited from different sources stay with the organization.
  - Typically, recruits who have the most knowledge about the organization before being hired will stay the longest.
- Cost-effectiveness of source (does the quality of recruits justify the cost?)

### Global Labour Markets

- Why recruit globally?
  - To develop better products via a global workforce
  - To attract the best talent wherever it may be
- International recruiting issues
  - Local, national, and international laws
  - Different labour costs
  - Different pre employment and compensation practices
  - Cultural differences
  - Security
  - Visas and work permits

### Recruiter Traits & Behaviours

- Characteristics of the Recruiter
  - "Warm" and "Informative"
- Behaviour of the Recruiter
  - Provide the right information
  - Realistic job previews
- Enhancing Recruiter's Impact
  - Timely feedback
  - Avoid offensive behaviour
  - Recruit in teams i.e. include job experts

## Chapter 6: Selecting Employees

Feb 2, 2021

### The Hiring Process

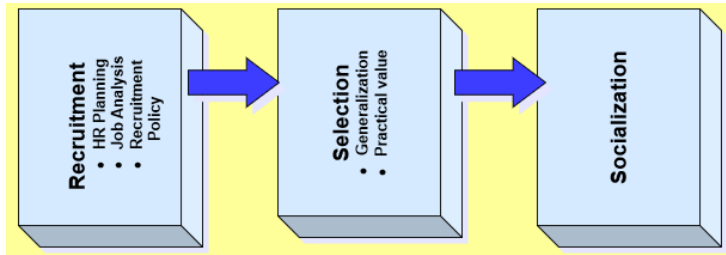
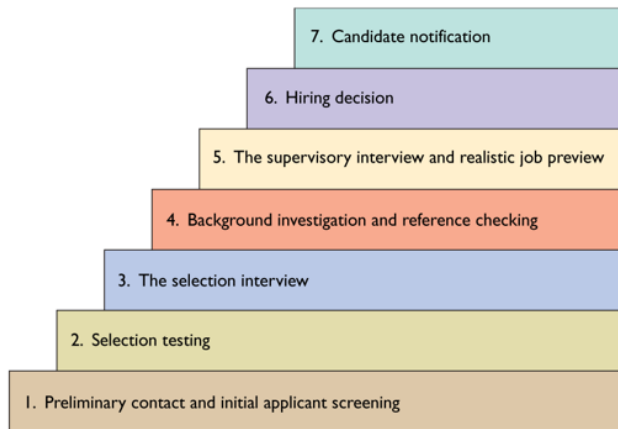


FIGURE 7.1 Typical Steps in the Selection Process



### Overview of the Job Selection Process

- Begin with a Job Analysis
- The Selection Process
- Obtaining Reliable & Valid Information
  - **Reliability:** The degree to which interviews, tests and other selection procedures yield comparable data over:
    - Time: “Test-retest reliability”

Test A - Time 1			Test A - Time 2		
1.	John	(92%)	1.	Jane	(91%)
2.	Mary	(87%)	2.	John	(82%)
3.	Jane	(75%)	3.	Mary	(75%)

Test B - Time 1			Test B - Time 2		
1.	John	(92%)	1.	John	(95%)
2.	Mary	(87%)	2.	Mary	(84%)
3.	Jane	(75%)	3.	Jane	(77%)

- Raters (e.g., interviewers): “Inter-rater reliability”

Interviewer A			Interviewer B		
1.	John	(great)	1.	Jane	(great)
2.	Mary	(average)	2.	John	(average)
3.	Jane	(poor)	3.	Mary	(poor)

Interviewer C			Interviewer D		
1.	John	(great)	1.	John	(great)
2.	Mary	(average)	2.	Mary	(average)
3.	Jane	(poor)	3.	Jane	(poor)

- Tool questions, when questions are measuring the same K or S: “Internal consistency”. More reliability means less error in measurement!

Test A – 1 <sup>st</sup> half			Test A – 2 <sup>nd</sup> half		
1.	John	(92%)	1.	Jane	(91%)
2.	Mary	(87%)	2.	John	(82%)
3.	Jane	(75%)	3.	Mary	(75%)

Test B – 1 <sup>st</sup> half			Test B – 2 <sup>nd</sup> half		
1.	John	(92%)	1.	John	(95%)
2.	Mary	(87%)	2.	Mary	(84%)
3.	Jane	(75%)	3.	Jane	(77%)

- **Validity:** The extent to which a tool is measuring what it was designed to measure. The more valid a selection tool, the more likely it will predict the candidate’s future performance on the job

### Initial Screening

- Cover Letters and resumes
- Internet Checks and Phone Screening
- Application Forms

### Employment Interview

- **Non Directive Interviews:** 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 applicants remarks.
- **Structured Interviews:** An interview in which a set of standardized questions with an established set of answers is used.
- **Situational Interview:** An interview in which an applicant is given a hypothetical and asked how he or she would respond to it.
- **Behavioural Description Interviews:** An interview in which an applicant is asked questions about what he or she did in a given situation.
- **Panel & Sequential Interviews:**
  - **Panel Interview:** An interview in which a board of interviewees questions and observes a single candidate.
  - **Sequential Interview:** A format in which a candidate is interviewed by multiple people, one right after another.

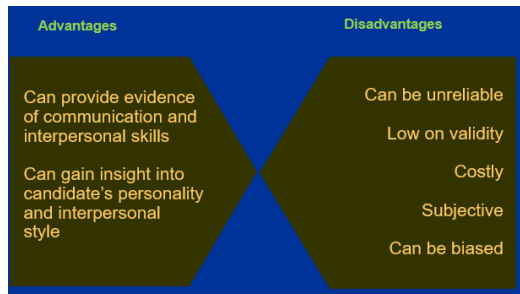
## Methods for Administering Interviews

- Video & Phone Interviews
- Computer-Administered Interviews

## Post-Interview Screening

- Reference Checks
- Background Checks
- Credit Checks

## Interviewing Advantages & Disadvantages



## Guidelines for Avoiding Legal Problems

- Selection criteria based on the job
- 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 statements

## Employment Tests

**Preemployment Test:** An objective and standardized measure of a sample of behaviour that is used to gauge a person's knowledge, skills, abilities and other characteristics relative to other individuals.

Types of Tests:

- Job Knowledge Tests
- Work Sample Tests
- Assessment Centre Tests
- Cognitive Ability Tests
- Biodata Tests
- Personality & Interest Inventories
- Polygraph Tests
- Honesty & Integrity Tests
- Physical Ability Tests
- Medical Examinations
- Drug Testing

## Selection Decisions

- Summarizing Information about Applicants
- Decision Making Strategy
  - Clinical Approach
  - Statistical Approach

- **Multiple-Hurdle Model:** A sequential strategy in which only the applicants with highest scores at an initial test stage go on to subsequent stages. Gradually narrowing the pool of candidates for each job i.e. each stage is a hurdle
  - **Compensatory Model:** A selection decision model in which a high score in one area makeup for a low score in another area.
  - **Multiple Cutoff Model:** A selection decision model that requires an applicant to achieve a minimum level of proficiency on all selection dimensions
- Final Decision

### **Determining the Validity of Tests**

**Criterion-Related Validity:** The extent to which a selection tool predicts, or significantly correlates with, important elements of work behaviour.

- **Concurrent Validity:** The extent to which test scores match criterion data obtained at about the same time from current employees
- **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.

**Construct Validity:** The extent to which a selection tool measures a theoretical construct or trait.

### **Who makes the selection decision?**

- Supervisor
- Human resource professional
- Work team
- Other panel of decision makers

## Chapter 7: Training & Development

Feb 9, 2021

### Types of Training

- Skills training
- Team training
- Cross-functional training
- Diversity training
- Ethics training
- Creativity training
- Literacy training
- Crisis training
- Customer satisfaction training

### Strategic Model of Training

**Stage 1: Conducting the Needs Assessment:** How would you figure out what types of training your employees need and how much of it? You need to conduct a training needs assessment.

- **Organization Analysis:** Examination of the environment, strategies, and resources to determine where to emphasize training.
- **Person Analysis:** Performance, knowledge and skills in order to determine who needs training.
- **Task Analysis:** The process of determining what content of a training program should be on the basis of a study of the tasks and duties involved in the job.
  - **Competency Assessment:** Analysis of sets of skills and knowledge needed for decision-oriented and knowledge intensive jobs.

### Example of Training Objective

Overall Training Objective	Improve Customer Service
Examples of Behavioural Objectives/ Criteria	Is always polite with customers, even the rude ones. Checks to see if he/she clearly understands customer's needs. Asks customers if their needs have been fulfilled. Cont...

**Step 2: Designing the Training Program:** Once you have access your friends training needs the next step is to design your training program. Experts believe that the design of training programs should focus on at least four related issues.

- **Developing Instructional Objective:** Represent the desired outcomes of a training program.
- **Assessing Trainee Readiness and Motivation**
  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.

- **Incorporating the Principles of Learning:** What makes some types of training more effective than others? training has to build a bridge between employees and the organization.
  - **Goal Setting:** When trainers take the time to explain the training goals and objectives to trainees or when trainees are encouraged to set goals on their own the level of interest understanding and effort directed towards the training is likely to increase.
  - **Meaningfulness of Presentation:** Trainees will be better able to learn new information if it is presented using terminology they can understand, and things they are familiar with.
  - **Modelling:** People learn by mimicking other people.
  - **Individual Learning Differences:** People learn at different rates and in different ways. Visual Learners absorb information best through pictures diagrams and demonstration. Auditory learners absorb information best through spoken or written words.
  - **Active Practice and Repetition:** Those things we do daily become a part of a repertoire of skills. Training should be given frequent opportunities to practice their job tasks in the way they will ultimately be expected to perform.
  - **Whole vs. Part Learning:** Jobs can be broken down into parts that lend themselves to further analysis.
  - **Massed vs. Distributed Learning:** Spacing out the training will result in faster learning and longer retention.
  - **Feedback and Reinforcement:**
    - **Behaviour Modification:** A technique that operates on the principle that is rewarded, or positively reinforced will be exhibited more frequently in the future, whereas behaviour that is penalized or punished will decrease in frequency.
    - **Spot Rewards:** Programs that reward employees on the spot when they do something particularly well during training or on the job.
- **Characteristics of Instructors:**
  - Knowledge of subject
  - Adaptability
  - Sincerity
  - Sense of humour
  - Interest
  - Clear instructions
  - Individual assistance
  - Enthusiasm

### Step 3: Implementing the Training Program

#### Choosing the instructional method:

- Nature of training
- Type of trainees
- Organizational extent of training
- Importance of training outcomes

#### Training Methods

1. **On-the-Job Training (OJT):** A method by which employees are given hands on experience with instructions from their superiors or other trainers.
  - a. **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:** Special job assignments involved 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.
3. **Cooperative Training, Internships, and Governmental Training:** A training program that combines practical on the job experience with formal educational classes.
4. Simulations
5. **Behavioural Modelling:** An approach that demonstrates desired behaviour and gives trainees the chance to practice and role play those behaviours and receive feedback.
6. Role Playing
7. Coaching
8. Case studies
9. Seminars and Conferences
10. **Blended Learning:** The use of multiple training methods to achieve optimal learning on the part of trainees.
11. Classroom Instruction
12. Programmed Instruction
13. Audiovisual Methods
14. **E-Learning:**
  - a. **Learning Management System (LMS):** Online system that provides a variety of assessment, communication, teaching and learning opportunities.
    - i. Are “virtual learning environments”
    - ii. Can assess the skills of employees
    - iii. Can register them for courses
    - iv. Can deliver interactive learning modules directly to their desktops when they need or want them
    - v. Can evaluate and track their progress, and determine when they are ready to be promoted

#### Step 4: Evaluating the Training Program

##### Measuring Program Effectiveness:

- **Criterion 1 - Reactions:** One of the simplest approaches to evaluating a training program is to assess participants' reactions to it.
- **Criterion 2 - Learning:** Beyond what participants think about the training, did they actually learn anything? Testing the knowledge and skills of trainees before and after training programs with help determine their improvement.
- **Criterion 3 - Behaviour:**
  - **Transfer of Training:** The effective application of principles learned to what is required on the job.
    - **Feature identical elements:** Have conditions in the training program come as close as possible to those on the job.
    - **Focus on general principles, if necessary:** When jobs change or the work environment cannot be matched exactly trainers often stress the general principle behind the training rather than focussing on behavior
    - **Establish a climate for transfer:** In some cases train behaviour is not implemented because all approaches and routines are still reinforced by other managers peers and employees. Firms need to encourage their managers to embrace the strategic changes their organizations are seeking to implement and enforce and reward trainees for applying the new skills for knowledge



### **Steps and Roles in the Career Management Process**

- Self assessment
- Reality check
- Goal setting
- Action planning

### **Responsibilities of the Organization**

- Provide realistic job previews
- Provide challenging initial jobs
- Prevent reality shock
- Provide challenging initial jobs
- Be demanding
- Provide periodic developmental job rotation
- Provide career oriented performance appraisals
- Provide career planning workshops
- Provide opportunities for mentoring
- Become a learning organization
- Manage transfers and promotions

### **Development-related Challenges**

- Widespread challenges
  - Glass ceiling
  - Succession planning
  - Dysfunctional managers
  - Inappropriate emphasis
  - Meeting the needs of a diverse workforce

### **On-the-job Management Development Techniques**

- Developmental Job Rotation
- Coaching / Understudy Approach
- Action Learning
- case study method
- management games
- outside seminars
- college/university related programs
- role playing
- behaviour modelling
- in-house development centres

### **Executive Development**

- Canada facing a shortage of leadership talent
- Three basic requirements for successful leadership are knowledge, competency, character
- six categories of leadership competencies:
  - Self-mastery
  - Futuring/vision
  - Sense-making/thinking
  - Design of intelligent action
  - Aligning people to action/leading
  - Adaptive learning

## Chapter 8: Appraising and Managing Employees Performance

Feb 23, 2021

### Performance Management Systems

- **Performance Management:** The process of creating a work environment in which people can perform to the best of their abilities.
- **Performance Evaluation:** 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.

### Purpose of Performance Appraisals

- **Strategic:** Help organizations achieve its objectives. Links employees behavior with the organization's goals.
- **Administrative:** Provides information for day-to-day decisions. Can have a great impact on employees.
- **Development:** Basis for developing employees competencies. Awareness of strengths and areas for improvement.

DEVELOPMENTAL	ADMINISTRATIVE
<ul style="list-style-type: none"><li>● Provide performance feedback</li><li>● Identify individual strengths and weaknesses</li><li>● Recognize individual performance achievements</li><li>● Help employees identify goals</li><li>● Evaluate goal achievement of employees</li><li>● Identify individual training needs</li><li>● Determine organizational training needs</li><li>● Reinforce authority structure</li><li>● Allow employees to discuss concerns</li><li>● Improve communication</li><li>● Provide a forum for leaders to help employees</li></ul>	<ul style="list-style-type: none"><li>● Document personnel decisions</li><li>● Promote employees</li><li>● Determine transfers and assignments</li><li>● Identify performance problems and develop ways to correct them</li><li>● Make retention, termination, and layoff decisions</li><li>● Validate selection criteria</li><li>● Meet legal requirements</li><li>● Evaluate training programs/progress</li><li>● Assist with human resources planning</li><li>● Make reward and compensation decisions</li></ul>

### Steps in the Performance Management Process

**Step 1:** Goal set to align with higher level goals

**Step 2:** Behavioural expectations and standards set and then aligned with employee and organizational goals

**Step 3:** Ongoing performance feedback provided during cycle

**Step 4:** Performance appraisal by manager

**Step 5:** Formal review session conducted

**Step 6:** HR decision making (pay, promotion)

### Measuring Performance

Tools can vary in terms of:

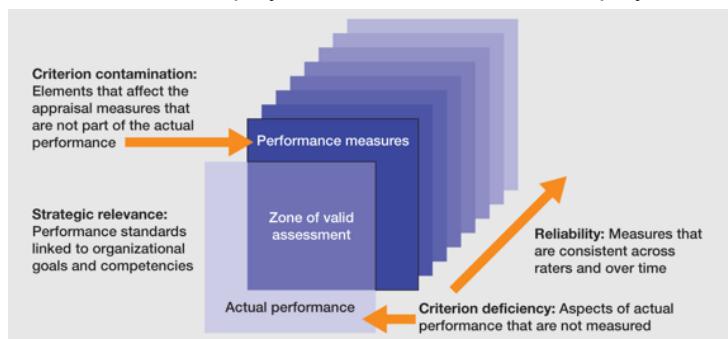
- **The type of judgment required:**
  - **Relative judgment:** Compare individual employees against other employees and rank them.
  - **Absolute judgment:** Compare an employee against a criteria that the employee already knows.
- **The focus of the measurement:**
  - Trait, Behavior, or Outcome

## Criteria for Performance Management

- **Criteria for Effectiveness:**
  - **Fit with strategy:** Performance is aligned with the organizational criteria.
  - **Validity**
  - **Reliability**
  - **Acceptability**
  - **Specific Feedback**

## Establishing Performance Standards

- **Strategic Relevance:** Performance standards linked to organizational goals and competencies.
- **Criterion Deficiency:** Aspects of actual performance that are not measured.
- **Criterion Contamination:** Elements that affect the appraisal measures that are not part of the actual performance.
- **Reliability:** Measures that are consistent across raters and over time
  - **Calibration:** A process whereby managers meet to discuss the performance of individual employees to ensure that their employee evaluations are in line with one another.



## Methods for Measuring Performance

### Making Comparisons:

- **Simple/alternation ranking:** Ranking employees in an order.
- **Paired comparison:** Ranking employee 1 against employee 2 and so on.
- **Forced distribution:** Employees are put into categories.

### Who Should Appraise Employees Performance Information

- Managers
- Teams
- Self-Evaluations
- Subordinate Evaluations
- Peer Evaluations
- Customers

### Training Performance Appraisers

- **Establishing an Evaluation Plan:** A training program for raters is most effective when it follows a systematic process that begins by explaining the objectives of the firm's performance management system and its philosophy on evaluations.
- **Eliminating Rating Errors:**
  - **Error of Central Tendency:** A performance rating error in which all employees are rated about average

- **Leniency or Strictness Errors:** A performance rating error in which the appraiser tends to give employees either usually high or unusually low ratings
- **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 the employees most recent behaviour rather than on behaviour throughout the evaluation period.
- **Contract Error:** A performance rating error in which an employees evaluation is biased either upward or downward because of comparison with another employee just previously.
- **Similar to me Error:** A performance rating error in which an appraiser inflates the evaluation of an employee because of a mutual personal connection.

### Performance Appraisal Methods

- **Trait Method (Competencies):**
  - **Graphic Rating Scales:** A trait approach to performance rating whereby each employee is rated according to a scale of characteristics.
  - **Mixed Standard Scales:** A trait approach to performance rating similar to other scale methods but based on a comparison with (better than, equal to or worse than) a standard
  - **Forced Choice Method:** A trait approach to performance rating that requires the reader to choose from statements design to distinguish between successful and unsuccessful performance.
  - **Essay Method:** A trait approach to performance rating that requires the rater to compose a statement describing an employee behaviour.
- **Behavioural Methods:**
  - **Critical Incident Method:** An unusual event that denotes superior or inferior employee performance in some part of the job.
  - **Behavioural Checklist Method:** Requires the rater to check statements on a list that describes characteristics of the employee's behaviour
  - **Behaviourally Anchored Rating Scale (BARS):** Behavioural approach to performance rating that consists of a series of vertical scales, one for each important dimension of job performance.
  - **Behavioural Observation Scale (BOS):** A behavioural approach to performance rating that measures the frequency of observed behaviour.
- **Results Methods:**
  - **Productivity Measures:** A number of results measures are available to evaluate performance. Salespeople are evaluated on the basis of their sales volume production workers are evaluated on the basis of the number of units they produce and perhaps the scrap rate or number of defects detected in their work.
  - **Management By Objectives (MBO):** A philosophy of management that rates the performance of employees based on their achievements of goals set mutually by them and their manager.
    - Step 1:** The system acts as a goal setting process whereby objectives are established for the organization
    - Step 2:** Departments
    - Step 3:** Individual managers and employees
    - Step 4:** The employee establish goals are then discussed with the supervisor and jointly reviewed and modified until both parties are satisfied with them

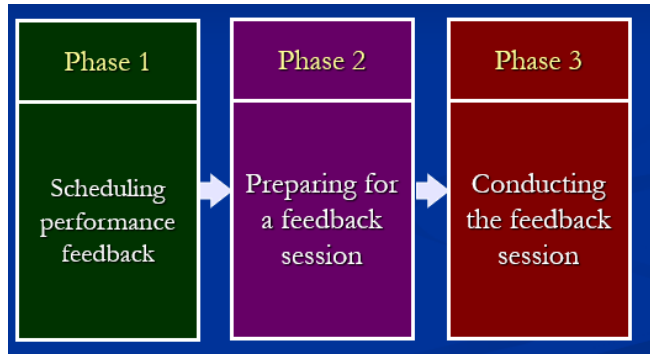
**Step 5:** During periodic reviews, the progress the employee makes towards the goals are then assess

**Step 6:** The final review is an examination of the employee's self evaluation by the superior and the employee together

**Step 7:** The final step is reviewing the connection between the employee's performance and the organizations.

- **The Balanced Scorecard:** The appraisal focuses on four related categories: (1) financial, (2) customer, (3) processes, (4) learning.

### Giving Performance Feedback



- **Types of Performance Feedback:**
  - **Tell-and-Sell:** The skills required in the tell and sell format include the ability to persuade an employee to change his or her behaviour in a certain way this may require the development of new behaviours on the part of the employee and skillful use of motivational incentives on the part of the appraiser/supervisor.
  - **Tell-and-Listen:** The appraiser or supervisor communicates the strong and weak points of an employee's job performance during the first part of the session during the second part of the session the employees feelings about the evaluation are thoroughly explored.
  - **Problem Solving:** This format is the most proactive. Listening, accepting and responding to feelings are essential elements of it. However the format goes beyond and interest in the employee's feelings. It seeks to obtain the employees buy in for a mutually agreed-upon way to overcome obstacles and improve the person's performance
- **Conducting the Performance Feedback Interview:**
  - Ask for a self-evaluation
  - Invite participation
  - Express appreciation
  - Be supportive and demonstrate that you care
  - Minimize criticism
  - Establish goals
  - Follow up day to day

### Challenges to Effective Measurement

- Lack of top-management information and support
- Unclear performance standards
- Rater bias
- Too many forms to complete
- Use of the appraisal program for conflicting purposes
- Organizational politics

## Factors Influencing Performance

- Poor coordination of work activities among workers.
- Inadequate information or instructions needed to perform a job.
- Lack of necessary equipment.
- Inability to obtain raw materials, parts, or supplies.
- Inadequate financial resources.
- Uncooperative co-workers and/or poor relations among people.
- Inadequate training.
- Insufficient time to produce the quantity or quality of work required.
- A poor work environment (for example, cold, hot, noisy, frequent interruptions).
- Equipment breakdown.

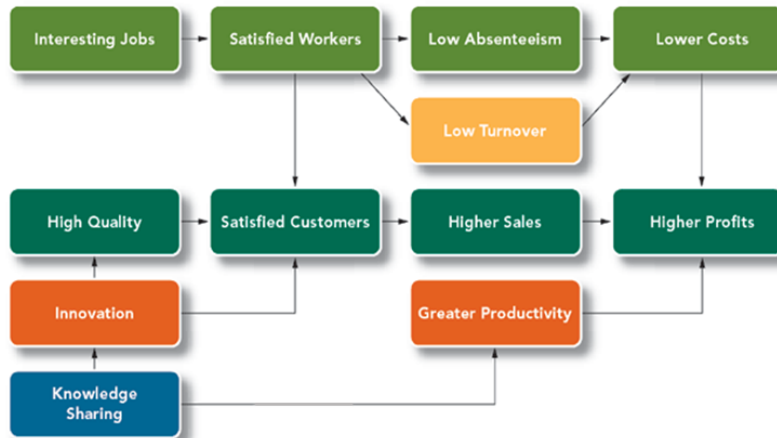
## Dealing with Performance Shortfalls

Cause	Questions to Ask	Possible Remedies
Ability	Has the worker ever been able to perform adequately? Can others perform the job adequately, but not this worker?	Train Transfer Redesign job Terminate
Effort	Is the worker's performance level declining? Is performance lower on all tasks?	Clarify linkage between performance and rewards Recognize good performance
Situation	Is performance erratic? Are performance problems showing up in all workers, even those who have adequate supplies and equipment?	Streamline work process Clarify needs to suppliers Change suppliers Eliminate conflicting signals or demands Provide adequate tools

## Elements of a High Performance work System



## Outcomes of a High-Performance Work System



## Conditions for High Performance

- Teamwork and involvement
- Knowledge-sharing
- Satisfaction and engagement
- Managing turnover
- **System Fairness:**
  - Outcome fairness
  - Procedural Justice
  - Interactional Justice
- Employee Discipline
- Ethics

## HRM's Contribution

- Job Design
- Reinforcement and Selection
- Training and Development
- Performance Management
- Total Rewards

## Techniques for Measuring Effectiveness of HRM

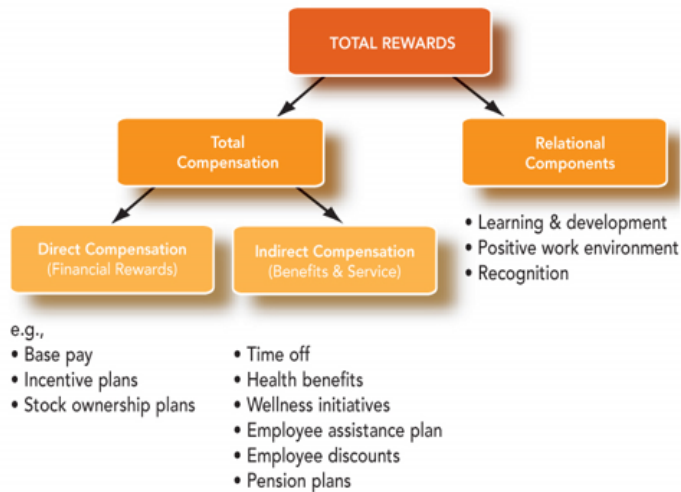
**HRM Audit:** A formal review of the outcomes of HRM functions, based on identifying key HRM functions and measures of organizational performance

**ROI Math:** Calculation of Return on Investment in Human Capital

## Chapter 9: Managing Compensation

March 2, 2021

**Strategic Compensation:** Links the compensation of employees to the mission, objectives, philosophies, and culture of the organization.



### Five Components of Total Rewards

1. Compensation
2. Benefits
3. Work-life programs
4. Performance and recognition
5. Development and career opportunities

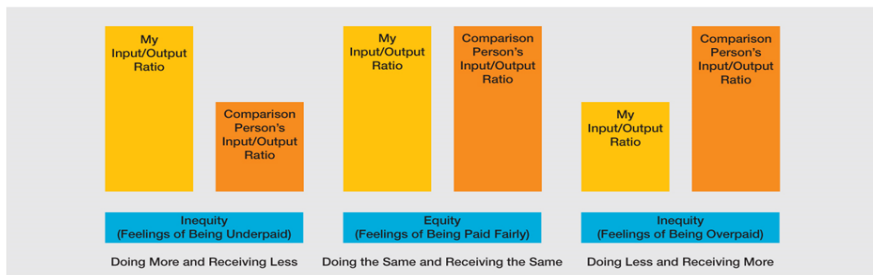
### Common Strategic: Compensation Goals

1. To reward employees' past performance
2. To remain competitive in the labour market
3. To maintain salary equity among employees
4. To mesh employees' future performance with organizational goals
5. To control the compensation budget
6. To attract new employees
7. To reduce unnecessary turnover

### Relationship between Equity and Motivation

FIGURE 9.1

RELATIONSHIP BETWEEN EQUITY AND MOTIVATION



## The Basis for Compensation

Work performed in most private public and are for profit organizations has traditionally been compensated on an hourly basis.

- **Hourly Work:** Work paid on an hourly basis
- **Piecework:** Work paid according to the number of units produced

## Determining Compensation: The Wage Mix

- **Internal factors:**
  - **Employees Compensation Strategy:** Employers should set pay policies reflecting the internal wage relationship among jobs and skill levels, the external competition or an employee's pay position relative to what competitors are paying . A rewarding employee performance and administrative decision concerning elements for the pay system such as overtime premium payment and short and or long-term incentives.
  - **Worth of a Job:** Organizations without a formal Compensation Program generally base the worth of jobs on the subjective opinions of people familiar with a job.
  - **Employees Relative Worth:** In both hourly and salary jobs employee performance can be recognized and rewarded for promotions and with various incentives systems.
  - **Employers Ability to Pay:** Pay levels are limited by earned profits and other financial resources available to employers.
- **External Factors:**
  - **Labour Market Conditions:** The labour market reflects the forces of supply and demand for qualified labour within an area.
  - **Area Wage Rates:** A formal wage structure should provide rates that are in line with those being paid by other employees for comparable jobs within the area.
  - **Cost of Living:** Because of inflation compensation rates have had to be adjusted upward periodically to help employees maintain their purchasing power.
    - **Consumer Price Index (CPI):** A measure of the average change in prices over time in a fixed market basket of goods and services.
    - **Escalator Clauses:** Clauses in Collective agreements that provide for quarterly cost-of-living adjustments in wages basing the adjustments on changes in the Consumer Price Index.
  - **Collective Bargaining:** What are the primary functions of a labour union, is to bargain collectively over conditions of employment the most important of which is compensation.
    - **Real Wages:** Wage increases larger than rises in the Consumer Price Index, that is the real earning power of wages.

## Job Evaluation Systems

A systematic process of determining the relative worth of jobs to establish which job should be paid more than others within an organization.

- **Job Ranking System:** The simplest and oldest system of job evaluation by which jobs are arrayed on the basis of the relative worth.
- **Job Classification System:** A system of job evaluation in which jobs are classified and grouped according to a series of predetermined wage grades.
- **Point System:** A quantitative job evaluation procedure that determines the relative value of a job by the total points assigned to it.
  - **Point Manual:** A handbook that contains a description of the compensation factors in the degrees to which these factors may exist within the jobs. A manual also will indicate the number of points allocated to each factor and to each of the degrees in to which these factors are divided.

- **Work Valuation:** A job evaluation system that seeks to measure a job's worth through its value to the organization.

### Job Evaluation for Management Positions

Because management positions are more difficult to evaluate and involve certain demands not found in jobs at the lower levels, some organizations do not attempt to include them in their job evaluation programs for hourly employees. One of the better-known standardized job evaluation programs for evaluating executive and professional positions is the...

- **Hay Profile Method:** Job evaluation techniques using three factors: knowledge, mental activity, and an account ability to evaluate executive and managerial positions.

**Wages and Salary Surveys:** A survey of the wages paid to employees of other employers in the surveying organizations relevant labour market.

- Collecting Survey Data
- HRIS and Salary Survey
- Employer-Initiated Survey

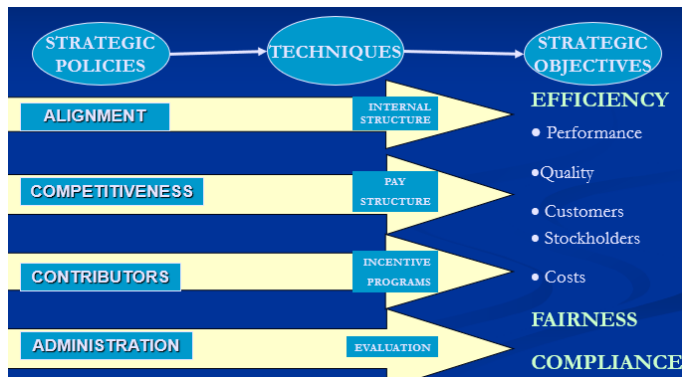
**The Wage Curve:** A curve in a scattergram representing the relationship between the relative worth of jobs and wage rates.

**Pay Grades:** Groups of jobs with any particular class that are paid the same rate.

**Rate Ranges:** Organizations provide a range of rates for each pay grade. The rate ranges may be the same for each grade or proportionately greater for each successive grade.

- **Red Circle Rates:** Payment rates above the maximum of the pay range.
- **Broadbanding:** Simply collapses many traditional salary grades into a few wide salary bands.

### The Pay Model



### Designing a Compensation System

1. Internal vs. External equity
2. Fixed vs. Variable pay
3. Performance vs. Membership
4. Job vs. Individual pay
5. Egalitarianism vs. Elitism
6. Below Market vs. Above Market Compensation
7. Monetary vs. Non-Monetary Rewards
8. Open vs. Secret Pay
9. Centralization vs. Decentralization of Pay Decisions

## **Legal Requirements for Compensation**

- Human Rights Legislation
- Employment/ Labour Standards
- Income Tax Legislation
- Pay Equity

## **Confirming Pay Equity Requirements**

1. Determine what rules apply
2. Identify female and male job classes.
3. Establish a body to conduct pay equity.
4. Select a gender-neutral job comparison system.
5. Collect job information.
6. Compare jobs.
7. Check for permissible differences.
8. Adjust compensation.
9. Communicate the results.
10. Maintain pay equity.

## **Establishing Pay Rates**

### **Step 1: Conduct Job Evaluation – for internal equity**

- **Job Evaluation:** Systematic comparison of jobs to determine their relative worth
- **Benchmark Job:** Job commonly found in organizations. Critical to firm's operations
- **Compensable Factor:** Fundamental compensable aspect of a job. ne.g. skill, effort, responsibility, working conditions
- **Methods:**
  - Ranking Method
  - Classification/Grading Method
  - Point Method
  - Factor Comparison Method
  - Work Valuation

### **Step 2: Group similar jobs into pay grades**

- Develop Grades
- Establish midpoint, minimum, and maximum

### **Step 3: Conduct Salary Survey – for external equity**

- Formal or informal

### **Step 4: Price each pay grade using wage curves**

- Find average pay for each pay grade and price jobs

### **Step 5: Fine-tune pay rates**

- **Broadbanding:** Simply collapses many traditional salary grades into a few wide salary bands.
- **Competency-Based Pay:** Pay based on an employee's skill level, variety of skills possessed, or increase job knowledge
- **Pay Equity:** Equal pay for work of equal value.

## **Role of Unions In Pay Policies and Practices**

### **Collective agreement/contract specifies:**

- Basis of pay (regular, overtime)
- Occupation - wage differentials
- Experience / merit differentials
- Other differentials (probation, part-time)
- Vacations and holidays
- Wage adjustment provisions (COLA)

### **Suggestions for practice:**

- Think strategically in policy-making
- Secure employee input and provide necessary resources
- Increase job's pay range but with responsibility scope
- Conduct periodic pay-equity audits
- Establish dual career ladders

## Chapter 10: Pay for Performance (Incentive Rewards)

March 9, 2021

### Strategic Reasons for Incentive Plans

**Variable Pay:** Tying pay to some measure of individual, group, or organizational performance.

**Incentive Plans:** Establishing a performance “threshold” to qualify for incentive payments.

### Types of Pay for Performance Plans

<i>Micro-level</i>		<i>Macro-level</i>	
<i>Individual</i>	<i>Team</i>	<i>Division</i>	<i>Organization</i>
Merit Pay	Bonuses	Gainsharing	Profit Sharing
Bonuses	Awards	Bonuses	Stock Options
Awards	Earning at risk	Awards	
Straight Piecework and differential piece rate			
Spot bonus/Awards			
Variable Pay Plans			

### Requirements for a Successful Incentive Plan

For an incentive plan to succeed employees must have some desire for the plan this is our economy influence in part by how successful management is in introducing the plan and convincing employees of his benefits encouraging employees to participate in developing and administering the plan is likely to increase their willingness to accept it.

- **Setting Performance Measures:** Measurement is key to the success of incentive plans because it communicates the importance of established organizational goals and what gets measured and rewarded gets attention.
- **Administering Incentive Plans:** Although incentive plans based on productivity can reduce direct labour cost to achieve their full benefit they must be carefully thought-out, implemented, and maintained.

### Individual Incentive Plans

- **Piecework:**
  - **Straight Piecework:** An incentive plan under which employees receive a certain rate for each unit produced.
  - **Differential Piece Rate:** A compensation rate under which employees whose production exceeds the standard amount of output receive a higher rate for all of their work than the rate paid for those who do not exceed the standard amount.
- **Standard Hour Plan:** An incentive plan that sets rates based on the completion of a job in a predetermined standard time
- **Bonuses:**
  - **Bonus:** Incentive payment that is supplemental to the base wage.
  - **Spot Bonus:** An unplanned bonus given for employee effort unrelated to an established performance measure.
- **Merit Pay:** Links an increase in base pay to how successfully an employee performs his or her job the Merit increase is normally given on the basis of having a cheap some objective performance standard.

- **Lump-Sum Merit Program:** Program under which employees receive a year and Merrick payment which is not headed to their base pay.
- **Award and Recognition:** Awards are used to recognize productivity canes special contributions or achievement and service to the organization
- **Sales Incentives:**
  - **Straight Salary:** Compensation plan that permits salespeople to be paid for performing various duties that are not reflected immediately in their sales volume.
  - **Straight Commission:** A compensation plan based on a percentage of sales.
  - **Combined Salary and Commission:** A Compensation plan that includes a straight salary and a commission.
  - **Salary Plus Bonus Plans:** A Compensation Plan that pays a salary plus a bonus achieved by reaching targeted sales goals.

### 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.

### 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.

### Incentives for Professional Employees

- **The Executive Pay Package:**
  - Base salary
  - Short-term incentives or bonuses
  - Long-term incentives or stock plans
  - Benefits
  - Perquisites (perks)

### Group Incentive Plans

- **Team Compensation:** The compensation plan in which all team members receive an incentive bonus payment when production or service standards are met or exceeded.
- **Gainsharing Incentive Plans:** Programs under which both employees and the organization share financial gains according to a predetermined formula that reflects improved productivity and profitability.

### Enterprise Incentive Plans

- **Profit-Sharing Plans:** Any procedure by which an employer pays or makes available to all regular employees in addition to base pays special current or deferred sum based on the profits of the enterprise.

- **Employee Stock Option Plans:** A compensation association the use of stock options is a very prevalent method of motivating and compensating hourly employees as well as salaried and executive personnel.
- **Employee Stock Ownership Plans:** Stock plans in which an organization contributes shares of its stock to an established trust for the purpose of stock purchases by employees.

#### **Conditions for Effective Variable Pay-for-Performance Plans**

- Plan is clearly communicated
- Plan is understood
- Rewards are easy to calculate
- Employees participate in administering the plan
- Employees believe they are being treated fairly
- Employees believe they can trust the company and that they have security
- Rewards are awarded as soon as possible after the desired performance

#### **Special Groups in Compensation Management**

- Supervisors
- Top management
- Corporate directors
- Professional employees
- Sales staff
- Contingent workers
- Dot-com employees

## Chapter 11: Employee Benefits

March 9, 2021

### Elements of a Successful Benefits Program

- **Strategic Benefits Planning:**
  - Improve employee work satisfaction
  - Meet employee health and security requirements
  - Attract and motivate employees
  - Retain top-performing employees
  - Maintain a favorable competitive position
- Allowing for Employee Involvement
- **Benefits for a Diverse Workforce:** To serve their intended purpose employee benefits programs must reflect the social changes that Canada is constantly facing. particularly significant are changes in the diversity and lifestyle of the workforce, the changes make it necessary to develop new types of benefits to meet shifting needs such as family-friendly benefit programs.
- **Providing for Flexibility:**
  - **Flexible Benefits Plans (Cafeteria Plans):** Benefit plans that enable individual employees to choose the benefits that are best suited to their particular needs. A basic or core benefits package of life and health insurance, sick leave, and vacation ensures that employees have a minimum level of coverage. Employees use credits to “buy” whatever other benefits they need.
- **Communicating Employees Benefits Information:**
  - In-house Publications
  - Group meeting and training classes
  - Online modules
  - Bulletin boards
  - Payroll inserts
  - Specialty brochures
- **HRIS and Employee Benefits:** The benefits of an HRIS are reduced cost, increase efficiencies, in accuracy. Online benefits programs create a form of Self Service Administration.

### Growth of Benefits and Services in Canada

- **Mandatory:**
  - **CPP/QPP:** Pension Plan
  - Employment Insurance
  - Provincial Hospital and medical services
  - **Workers Compensation:** Insurance provided to workers to defray the loss of income and cost of treatment resulting from work-related injuries or illness.
  - Holiday and Vacation
  - Overtime
  - Pregnancy and parental leave
- **Voluntary:**
  - Health insurance
  - Dental & Vision Care
  - Retirement and pension plans
  - Profit sharing
  - Insurance
  - Disability and other insurance

## Typical Interruptions in Income

Risks	Solutions
Unemployment	Employment Insurance SUBs Severance payments
Illness or Injury/ Income security benefits	Workers' Compensation Short-term Disability Long-term Disability Employment Insurance CPP/QPP

Risks	Solutions
Death	CPP/QPP Group Life Insurance
Large Expenses	Publicly Funded Health Care Supplemental Health Insurance
Work/Life Balance	Wellness Programs EAPs

Risks	Solutions
Time Off	Statutory Holidays Annual Vacations Seniority Based Entitlements
Retirement	CPP/QPP OAS Programs GIS Programs Private Pension Plans RRSPs

## Payment for Time Not Worked

- Vacations with Pay
- Paid Holidays
- Sick Leave
- **Severance Pay:** A lump sum payment given to terminated employees by an employer at the time of an employer initiated termination.

## Retirement Programs

- **Retirement Policies:** With the federal government repealing legislation forcing retirement at age 65 for federal employees mandatory retirement in Canada is being abolished.
  - **Silver Handshake:** To avoid making layoffs to reduce salary and benefits cost employers often encourage early retirement this encouragement often takes the form of an increased pension benefits or cash bonus is sometimes referred to as a silver handshake.
- **Pre Retirement Programs:** Most people are eager to retire somewhere bitterly disappointed once they do in an attempt to lessen the disappointment some employers offer programs to help employees prepare for retirement.

## Pension Plans

- **Types of Pension Plans:**
  - **Contributory Plan:** A pension plan in which contributions are made jointly by employees and employers.

- **Noncontributory Plan:** Pension plan in which contributions are made solely by the employer.
- **Defined-Benefit Plan:** A pension plan in which the amount an employee is to receive on retirement is specifically set forth.
- **Defined-Contribution Plan:** Pension plan that establishes the basis on which an employer will contribute to the pension fund.
- **Federal Regulation of Pension Plans:** Registered pension plans are subject to Federal and provincial regulations. The Federal Income Tax Act describes limits and standards that affect the amount of contribution that can be deducted from income, it also mandates how pension benefits can be tax in the federal jurisdiction and most provincial ones, there are laws that stay how pension plans must be operated.
  - **Vesting:** A guarantee of accrued benefits to participants at retirement age, regardless of their employment status at the time.
- **Pension Portability:** Employees who change jobs are unable to maintain equity in a single pension. unions address this concern by encouraging multiple-employer plants. These plans cover the employees of two or more unrelated organizations in accordance with a Collective Agreement.
- **Pension Funds:** A pension fund can be administered through a trusted plan or through an insured one. In a trusted plan, pension contributions are placed in a trust fund. The fund is invested in and administered by trustees. The trustees are appointed by the employer, but if there is a union, the union sometimes appoints them.

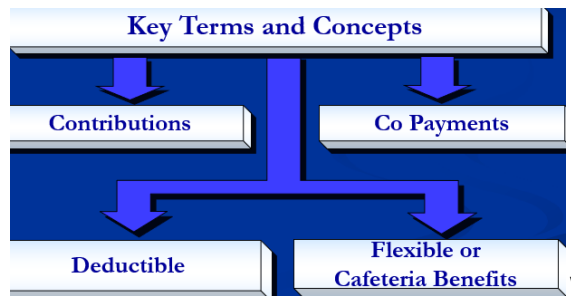
### Relative Advantages of Different Pension Alternatives

DEFINED BENEFIT PLAN	DEFINED CONTRIBUTION PLAN
1. Provides an explicit benefit which is easily communicated	Unknown benefit level is difficult to communicate
2. Company absorbs risk associated with changes in inflation and interest rates which affect cost	Employees assume these risks
3. More favourable to long service employees	More favourable to short-term employees
4. Employer costs unknown	Employer costs known up front

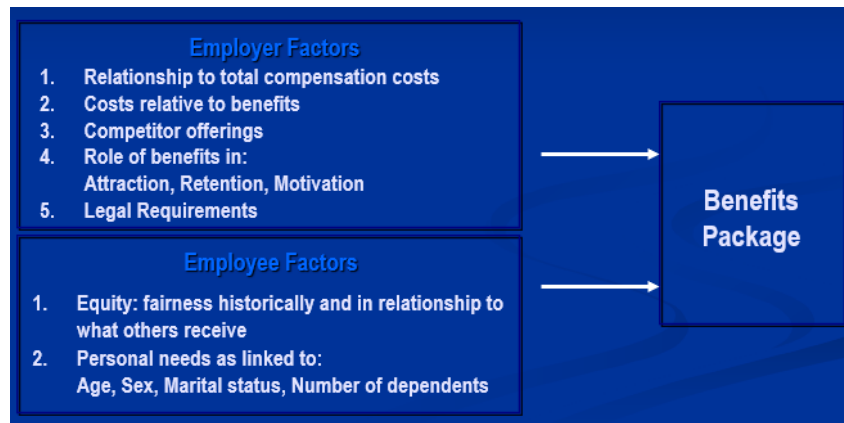
### Miscellaneous Benefits

- Parental leave
- Counselling services
- Child-care services & Eldercare services
- **Employee assistance plans (EAPs):** Provide confidential counselling and/or treatment programs for personal problems including addiction, stress, and mental health issues
  - Upgrades in hospital accommodations
- Other services provided to employees can include:
  - Access to fitness clubs
  - Meal or clothing subsidies
  - Price reductions on company products or services.

## Financing Benefits Plans: Alternatives



## Factors Influencing Choice of Benefits Package



## Administering the Benefits Program

- Communicating the benefits program
- Claims processing
- Cost containment

## **Chapter 12: Occupational Health and Safety**

**March 16, 2021**

### **Safety and Health: It's the Law**

The fundamental duty of every employer is to take every reasonable precaution to ensure employee safety. Occupational Health and Safety is regulated by federal, provincial and territorial governments

- **Occupational Injury:** Any cut fractured or sprained or amputation resulting from our workplace accident or from the exposure involving an accident in the work environment.
- **Occupational Illness:** Any abnormal condition or disorder other than one resulting from an occupational injury caused by exposure to environmental factors associated with employment.

### **Acts and Regulations**

All HR managers should become familiar with the occupational health and safety laws that apply to their organization.

### **Duties and Responsibilities**

- **Duties of Employers:** Besides providing a hazard free workplace and complying with the applicable statutes and regulations, employers must inform their employees about safety and health requirements. employers are also required to keep certain records, compile an annual summary of work related injuries and illnesses, and hazards.
- **Duties of Workers:** Employees are required to comply with all applicable Act and regular, to the defeat defect, and to follow all employer safety and health rules and regulations, including those prescribing the use of protective equipment.
- **Duties of Supervisors:** A supervisor is generally defined as a person who has charge of your workplace in authority over a worker. Occupational health and safety act requires supervisors to do the following: advise employees of potential workplace hazards, ensure that workers use or we're safe to put, device, or clothing, provide written instructions where applicable, and take every reasonable precaution to guarantee the safety of workers.
- **Duties of Joint Health and Safety Committees:** Most jurisdictions require that health and safety committees be set up, with both Union and management representatives. The main purpose of these joint committees is to establish a non adversarial climate for creating safe and healthy workplaces.

### **Employer-Sponsored Health and Safety Programs**

- **Identifying & Communicating Job Hazards:**
  - Job Hazard analysis technique
  - Technique of operations movie
- **Reinforcing Safe Practices:**
  - Safety incentive program
  - Focus on specific jobs/injuries
- **Promoting Safety Internationally:**
  - Ensure safety
  - Cultural differences

## Promoting a Safe Work Environment

- **Creating a Culture of Safety:** The most important rule of a safety awareness program is motivating managers, supervisors, and subordinates to be champions of safety consideration. Firms today try to create a culture of safety within their organizations that goes beyond managing operational processes and reducing accidents.
  - **Interviewing for Safety:** Encourage supervisors to incorporate safety into their interviews with job candidates.
  - **The Key Role of the Supervisor:** Supervisors major responsibilities is to communicate to an employee the need to work safely. Beginning with new employee orientation, safety continually.
  - **Proactive Safety Training Program:** Safety training is not only good business, in certain occupational areas, safety and health is legally required. When training is mandated Employers must keep accurate records of all employee education. Violations can incur criminal penalties.
- **Enforcing Safety Rules:**
  - Using proper safety devices
  - Using proper work procedures
  - Following good housekeeping practices
  - Complying with accident and injury reporting procedures
  - Wearing required safety clothing and equipment
  - Avoiding carelessness and horseplay
- **Investigating and Recording Accidents**

## What Causes Accidents

### Three Basic Causes:

- Chance Occurrences(Beyond control)
- Unsafe Conditions
- Unsafe Acts (by employees)

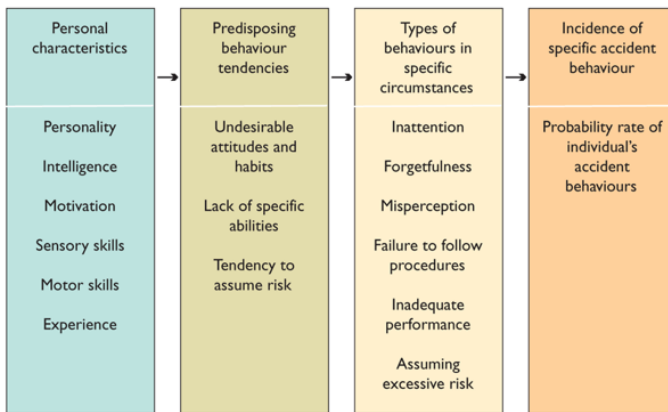
## Controlling & Eliminating Health Hazards

- **Safety Hazards and Issues:**
  - Fatigue
  - Distracted Driving
  - Workplace Violence
  - Workplace Bullying
  - Workplace Emergencies:
    - Floods
    - Hurricanes
    - Fires
    - Chemical spill
    - Explosions
  - Crisis Management Teams

## WHMIS Legislation

1. Labeling of hazardous materials
2. Material safety data sheets
3. Employee training

**FIGURE 14.4** How Personal Factors May Influence Employee Accident Behaviour



### How to Prevent Accidents -Creating a Healthy Work Environment

- **Ergonomics:** Focuses on ensuring that jobs are designed for safe and efficient work while improving the safety comfort and performance of users. it can be as simple as rearranging a workstation so that fewer steps are needed to gather items for organizing items so that they are within easier reach.
- Building better physical and emotional health among employees
  - Depression
  - Alcoholism
  - Abuse of Illegal Drugs
- Reduce unsafe conditions
- Reduce unsafe acts
  - Selection and placement
  - Training and education (awareness programs)
  - Positive reinforcement
  - Top-management commitment
  - Monitoring work overload and stress

### Controlling Workers Compensation Costs

#### Before the accident:

- Accident prevention measures

#### After the accident:

- Ensure medical attention
- Be supportive, keep in touch
- Facilitate return to work

### Occupational Health Issues and Challenges

- Repetitive strain injuries
- Workplace toxins
- Workplace smoking
- Violence at work
- Substance abuse
- Job stress

**FIGURE 14.9** Job Characteristics That Increase the Risk of Workplace Violence

1. Being responsible for the physical/emotional care of others.
2. Making decisions that influence other people's lives/denying a service or request.
3. Working alone during the day/night/evening.
4. Handling valuables, guns, weapons, or dispensing drugs.
5. Exercising security functions of physical control of others.
6. Supervising/disciplining others.
7. Interacting with frustrated individuals.
8. Working evenings or nights.
9. Working in clients' homes.
10. Having contact with individuals under the influence of alcohol, illegal drugs, or medication.

### Substance Abuse and the Law

- Alcohol/drug abuse considered a disability (human rights law) vs. employers' due diligence requirement (occupational health and safety law)
- Substance abuse testing only legal if:
  1. Test is rationally connected to performance of the job
  2. Test is adopted in honest and good-faith belief that it is necessary for fulfillment of work-related purpose
  3. Test is reasonably necessary to the accomplishment of the work-related purpose

### Job Stress and Burnout

- **Job Related Stress:**
  - Sources of Job-Related Stress
    - High demand
    - High effort
    - Low control
    - Low reward
  - **Burnout:** The most severe stage of distress, manifesting itself in depression, frustration, and loss of productivity.

### Job Stress Causes

**TABLE 14.1** Top Ten Sources of Workplace Stress

1. Feeling of not contributing and having a lack of control.
2. Lack of two-way communication up and down the chain of command.
3. Being unappreciated.
4. Inconsistent performance management. Raises but no reviews. Positive feedback and then laid off with no understanding of why.
5. Career/job ambiguity. Things happen without employees knowing why.
6. Unclear company direction and policies.
7. Mistrust. Vicious office politics disrupts positive behaviour.
8. Doubt. Employees are uncertain about what is happening and where things are headed in their position, department or organization.
9. Random interruptions.
10. Treadmill syndrome. Too much to do at once, requires 24-hour workday.

## Chapter 13: Employee Rights and Discipline

March 23, 2021

### System Fairness

- Outcome Fairness
- Procedural Justice
- Interactional Justice

### The Three Regimes of Employment Law

- **The Common Law of Employment:** The body of case law in which courts interpret employment contracts and legal principles taken from those cases that guide the interpretation of employment contracts.
  - **Contract Terms:** Terms judges, read into employment contracts when the written contract does not expressly deal with the matter.
- **Statutory Employment Regulation:** Unhappy with the outcomes of the common law model of employment governments in Canada have over the past Century intervened by passing a large variety of legislation aimed at influencing the employment relationship. Human rights legislation prohibits discrimination in employment on certain designated grounds, including sex, age, religion, and skin colour.
- **Collective Bargaining Legislation & Labour Arbitration:** The Ontario Labor Relations Act, seeks to improve conditions of work by empowering workers to join together and bargain for a better contract for themselves than is usually possible when an individual employee bargains with his or her employer.
  - **Collective Agreement:** Employment contract between an employer and a union that sets out the terms of employment of a group of the employer's employees represented by the Union.
  - **Labour Arbitrator:** The person assigned to interpret and decide disputes (grievances) about the meaning interpretation and application of a Collective Agreement governing employees in an unionized workplace.
  - **Constructive Dismissal:** Employee commits a fundamental breach of the contract such as by unilaterally changing a key term of the contract the employee can treat the breach as a termination.

### The Rules Governing Dismissal

- **Dismissal of a Nonunion Employee - Wrongful Dismissal:** Under the common law of employment, either the employer or the employee can terminate the employment contract by providing the other side with the amount of notice specified in the contract, or if the contract does not include a notice term or includes a term requiring less notice than required by employment standards legislation with reasonable notice.
  - **Summary Dismissal:** When a non-union employee or terminate an employee without notice because the employee has committed a serious breach of the contract.
  - **Wrongful Dismissal:** A lawsuit filed in a court by an employee alleging that he or she was dismissed without proper contractual or reasonable notice.
  - **Statutory Regulations of Dismissal:** Common-law entitlement of employers to dismiss any non-union employee for any reason by giving proper notice has been restricted in a number of ways by government intervention. Statutes prohibit employers from dismissing employees for certain reasons. For instance human rights legislation prohibits an employer from dismissing an employee based on discriminatory reasons

- **Dismissal of a Unionized Employee - Just Cause:** Most Collective agreements in unionized workplaces confer a right on employers to lay off workers, although they regulate the selection of the employees to be laid off and the Order of recalls. Therefore a unionized employer usually has the option of laying off workers for economic reasons.

### Discharging Employees

- Just cause dismissal
- Constructive dismissal
- Termination pay
- Severance pay

### Managing Dismissals

- Step 1: Plan the interview carefully
- Step 2: To the point
- Step 3: Describe the situation
- Step 4: Listen
- Step 5: Review severance package
- Step 6: Identify next step for employee

### Managing Separations: Alternatives to Layoffs

Employment Policies	Changes in Job Design	Pay and Benefits Policies	Training
◆ Reduction through attrition	◆ Transfers	◆ Pay freeze	◆ Retraining
◆ Hiring freeze	◆ Relocations	◆ Cut overtime pay	
◆ Cut part-time employees	◆ Reduced work hours	◆ Use vacation and leave days	
◆ Cut internships or co-ops	◆ Job sharing	◆ Pay cuts	
◆ Give subcontracted work to in-house employees	◆ Demotions	◆ Profit sharing or variable pay	
◆ Voluntary time off			
◆ Leaves of absence			
◆ Reduced work hours			

**Manager's Memo**

**The Dos and Don'ts of Terminating/Laying Off Employees**

---

Consulting firms offer the following advice for telling employees that they will be terminated or laid off.

**DOs**

- Give as much warning as possible for mass layoffs.
- Sit down one-on-one with the individual, in a private office.
- Complete a firing session within 15 minutes.
- Provide written explanations of severance benefits.
- Provide outplacement services away from company headquarters.
- Be sure the employee hears about his or her termination from a manager, not a colleague.
- Express appreciation for what the employee has contributed, if appropriate.

**DON'Ts**

- Don't leave any room for confusion. Tell the individual in the first sentence he or she is terminated.
- Don't allow time for debate.
- Don't make personal comments; keep the conversation professional.
- Don't rush the employee off-site unless security is really an issue.
- Don't fire or lay people off on significant dates, like the twenty-fifth anniversary of their employment or the day their mother died.
- Don't fire employees when they are on vacation or have just returned.

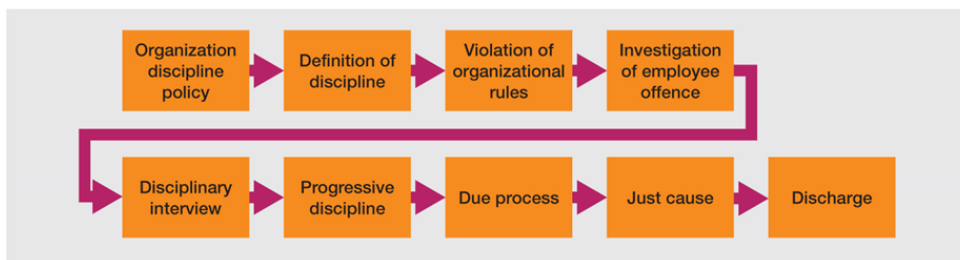
## Employee Privacy Rights

- **Privacy Issues at the Workplace:** Employers have a legitimate interest in ensuring that their employees work efficiently and avoid improper conduct at work such as theft, harassment for misuse of company computers and a right of privacy at work has been recognized in various degrees under all three regimes of employment law. The surveillance can read legal concern nevertheless surveillance of employees in various forms is quite common.
  - monitoring internet connections
  - storage and review of emails
  - telephone use
  - video surveillance for security purposes
  - storage and review of computer files
  - computer use
  - video recording of employee job performance
  - according interview of telephone conversations
  - storage and review of voice mail messages
- **Employee Conduct Outside the Workplace:** When the employer can establish that the employees off-duty conduct and firstly impact the economic interests of the employer, such as business reputation, or the employee's ability to perform his or her job, the employer may be justified in taking action in response to that conduct.

## Disciplinary Policies and Procedures

FIGURE 13.5

A DISCIPLINARY MODEL



## Investigating the Disciplinary Problem

- **Documenting Misconduct:** The maintenance of accurate and complete work records is an essential part of an effective disciplinary system.
  - a. Date, time and location of incident
  - b. Behavior exhibited by employee
  - c. Consequences of that action or behaviour on the employees overall War performance and or the operation of the employees work unit
  - d. Prior discussions with the employee about the problem.
  - e. Disciplinary action to be taken and specific Improvement expected
  - f. Consequences if Improvement is not made any follow-up date
  - g. Employees reaction to the supervisor attempt to change the behaviour
  - h. Names of witnesses to the incident
- **The Investigative Interview:** Before any disciplinary action is initiated, an investigative interview should be conducted to make sure employees are fully aware of the offense. This interview is necessary because the supervisors perception of the employee's Behavior may not be entirely accurate.

## Disciplining Employees in a Unionized Organization (Approaches to Disciplinary Action)

- **Progressive Discipline:** Application of corrective measures by increasing degrees.
  - Verbal Warning
  - Written Warning
  - Suspension
  - Dismissal
- **Positive Discipline:** A system of discipline that focuses on early correction of employee misconduct with the employee taking total responsibility for correcting the problem.
  - Counselling Session
  - Written Warning
  - Final Warning
  - Dismissal

## Administering and Managing Discipline

### The Just Cause of Standard Discipline:

1. Notification
2. Reasonable Rule
3. Investigation Prior to Discipline
4. Fair Investigation
5. Proof of Guilt
6. Absence of Discrimination
7. Reasonable Penalty

## Alternative Dispute Resolution Procedures

A term applied to different types of employee complaint or dispute resolution procedure.

- **Step-Review Systems:** A system for reviewing employee complaints and disputes by success assembly higher levels of management.

FIGURE 13.8

CONVENTIONAL STEP-REVIEW APPEAL PROCEDURE



- **Peer-Review Systems:** A system for reviewing employee complaints that utilizes a group composed of equal numbers of employee representatives and management appointees which functions as a jury because its members may evidence consider arguments and after deliberation vote independently to render a final decision.
- **Open-Door Policy:** A policy of settling grievances that identifies various levels of management above the immediate supervisor for employee contact.
- **Ombudsperson System:** A designated individual from whom employees may seek counsel for resolution of their complaints.
- **Mediation:** The use of an impartial third party neutral to reach a compromise decision in employment disputes.
  - **Mediator:** A third party in an employment dispute who meets with one party and then the other suggests a compromise solution or to recommend concessions for each tier that will lead to an agreement.
- **Arbitration:** The employee and the employer present their cases or argument to an arbitrator who is typically a retired judge; he or she makes a decision that the parties have agreed to be bound by.

### **Managerial Ethics in Employee Relations**

- **Ethics:** A set of standards of conduct and moral judgment that help to determine right and wrong behaviour.
- **Code of Ethics:** A set of written standards of conduct ethical values governing relations with employees in the public.

### **Alternative Dispute Resolution (ADR)**

A term applied to different types of employee complaint or dispute resolution procedures used by employers to meet employees expectations for fair treatment in the workplace while guaranteeing the due process.

## Chapter 14: The Dynamics of Labour Relations

March 23, 2021

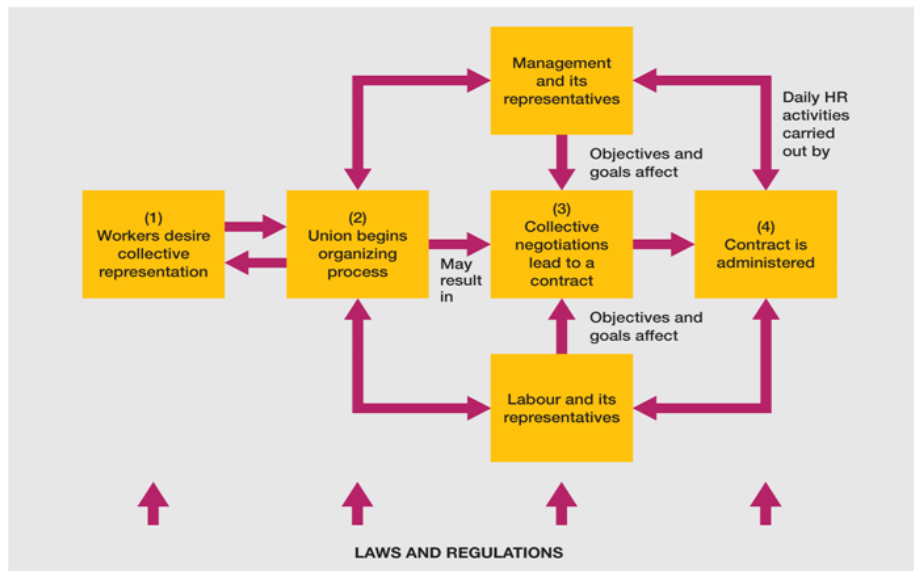
### The Labour Relations Process

A logical sequence of four events:

1. Workers desire collective representation
2. The union it begins its organization campaign, which may lead to certification and recognition
3. Collective negotiation leads to a contract
4. The contract is administered

**FIGURE 14.1**

THE LABOUR RELATIONS PROCESS



### Why Employees Unionize

Studies generally conclude that employees unionize as a result of economic need, end because of a general dissatisfaction with managerial practices, and thereby speak to have a voice in the setting of working conditions and or to fulfill social and status needs.

- Economic Needs
- Dissatisfaction with Management
- Social and Leadership Concerns

### Organizing Campaign

- **Organizing Steps:**
  1. Employee/union contact
  2. Initial organizational meeting
  3. Formation of in house organizing committee
  4. Application to labour relations board and receipts of certificate
  5. Election of bargaining committee and contract negotiations
- **Employer Tactics:** Employers must not interfere with the Labor Relations process of a certificate. They are prohibited by law from dismissing, disciplining, or threatening employees for exercising their rights to form a union. Employers cannot promise better conditions, such as increased vacation days, if the employees vote for no Union or choose one Union over another.

- **Union Tactics:** Unions also have a duty to act in accordance with labour legislation. Unions are prohibited from interfering with the formation of an employer's organization. They cannot intimidate or coerce employees to become or remain members of the Union.
  - **Bargaining Unit:** Group of two or more employees who share common employment interests and conditions and may be reasonably B groups together for the purpose of collective bargaining.
  - **Unfair Labour Practices:** Specific employer and Union illegal practices that deny employees at the right and benefits under Federal and provincial labour law.

### Goals of Each Group

- **Management:**
  - Continue to emphasize restraining costs and improving output
  - Flexibility
- **Labour Unions:**
  - Obtaining pay and working conditions that satisfy members
  - Give members a voice in decisions
- **Society:**
  - Ensuring neutral rules to provide balance of power between unions and employers

### Types of Unions

- **Local Unions:** Basic unit where most day-to-day interaction between labour and management occurs.
  - **Union (shop) Steward:** Employee who has a non-paying union official represents the interests of members in their relations with management.
  - **Business Agent:** Normally a paid labour official responsible for negotiating and administering the Collective Agreement and working to resolve union members problems.
- **Craft Unions:** Members all have a particular skill or occupation.
  - example electricians
- **Industrial Unions:** Members are linked by their work in a particular industry.
- **National/International Unions:** Associations that seek to advance the shared interests of members
  - Ex: CLC, AFL-CIO

### Main Features of Labour Legislation

- Methods to certify
- Accept the Union
- Bargain in good faith
- Deduct union dues
- Length of agreement
- Strikes and lockouts
- LRB's
- Unfair labour practices

### Unfair Labour Practices

- **Management:**
  - Interfering in the formation of union or contributing financially
  - Discriminating based on Union membership or because employee exercises rights
  - Intimidating or coercing an employee to join / not join.
  - Cannot threaten to close the business

- Must bargain in good faith
- **Unions:**
  - Trying to bargain when the union is not certified agent
  - Persuading employees during working hours, or at the workplace
  - Cannot intimidate or coerce employees to become members of a union
  - Illegal strikes
  - Failing to represent employees fairly

**Strikes in the Public Sector**

- **Compulsory Binding Arbitration:** Binding method of resolving collective bargaining in deadlocks by a neutral third-party.
- **Final Offer Arbitration:** Method of resolving collective bargaining Deadlocks whereby the arbitrator has no power to compromise but must select one or another of the final offers submitted by the two parties.

**Union Acceptance vs. Avoidance**

- The union acceptance strategy
- Union avoidance strategy
- Labor Management cooperation

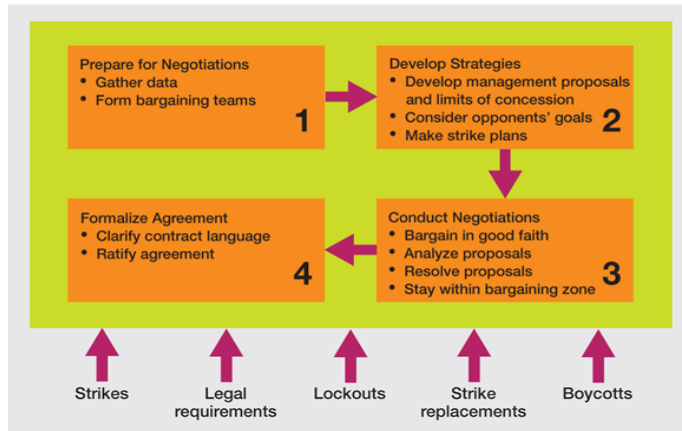
**Obligation of Parties**

- 1) Negotiate with due diligence and in good faith
- 2) What does negotiation with due diligence in good faith mean?
  - a) Demonstrate a true effort to reach an agreement
- 3) What to do if a party does not negotiate with due diligence and in good faith
  - a) File a complaint with the Canadian industrial Relations Board who can emit an order

Compensation	Hours	Employment Conditions
Base pay rates	Overtime	Layoffs
Overtime pay rates	Holidays	Promotions
Retirement benefits	Vacation	Seniority provisions
Health benefits	Shifts	Safety rules
Travel pay		Work rules
Pay incentives		Grievance procedures
		Union shop
		Job descriptions

## The Collective Bargaining Process

Process of negotiating a Collective Agreement, including the use of economic pressures by both parties

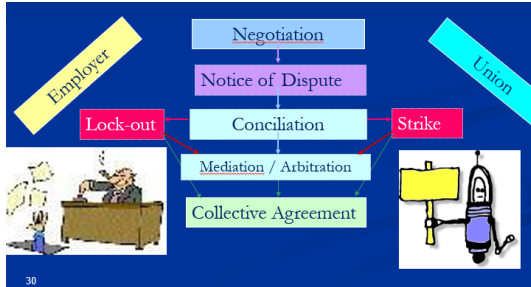


- **Preparing for Negotiations:**
  - Gathering Bargaining Data
  - Bargaining Teams
- **Developing Bargaining Strategies and Tactics:**
  - Negotiating the Collective Agreement
    - **Bargaining Zone:** Area within which the union and the employer are willing to concede when bargaining.
  - **Interest-Based Bargaining:** Problem solving bargaining based on a win-win philosophy and the development of a positive long-term relationship.
- **Management and Union Power in Collective Bargaining:**
  - **Bargaining Power:** The power of the labour and management to achieve their goals through economic, social, or political influence.
  - Management Bargaining Power:
- **Resolving Bargaining Deadlocks:**
  - **Interest Arbitrator:** Third-party neutral resolve dispute by issuing a final decision in the disagreement.

## The Negotiation Process in the Federal Regulated Sector



## The Dispute Resolution in the Federal Regulated Sector



## Resolving Conflicts

- **Mediation:**
  - Least formal
  - Facilitate the negotiation
  - No formal Authority for resolution
- **Conciliation:**
  - Report views of both sides
  - May we recommend settlement but parties made decline
- **Arbitration:**
  - Determines a binding settlement

## Employee-Initiated Grievance

### Step 1

- Employee (and union steward) discusses problem with supervisor.
- Union steward and employee decide whether problem was resolved.
- Union steward and employee decide whether contract was violated.

### Step 2

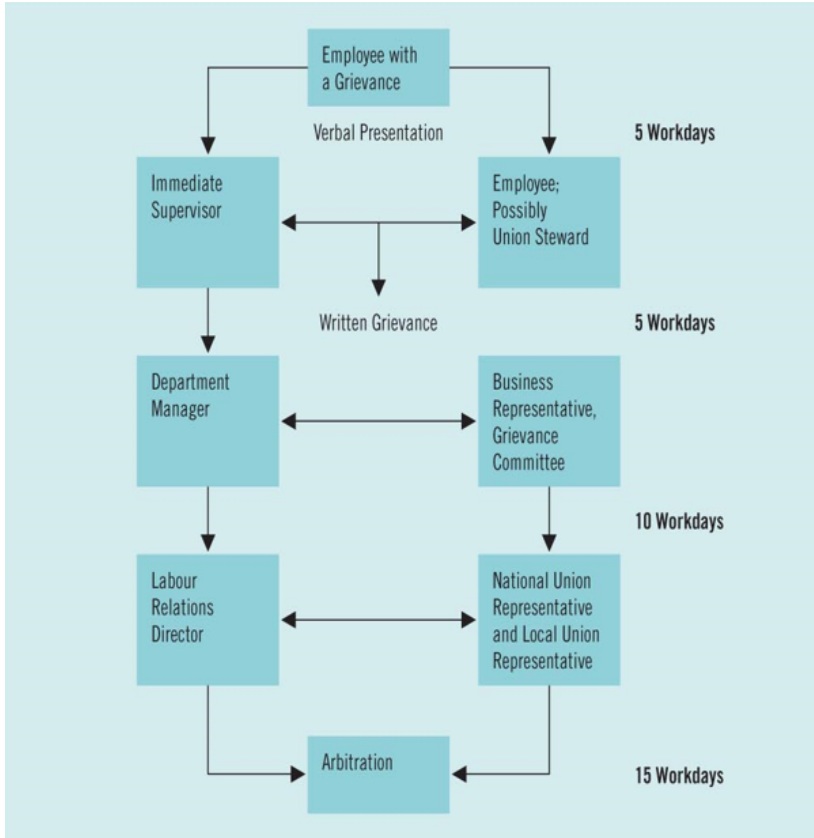
- Written grievance is submitted to production superintendent, another line manager, or industrial relations representative.
- Steward and manager discuss grievance.
- Management puts response in writing.

### Step 3

- Union appeals grievance to top line management and senior industrial relations staff.
- Additional local or national union officers may be involved.
- Decision resulting from appeal is put into writing.

### Step 4

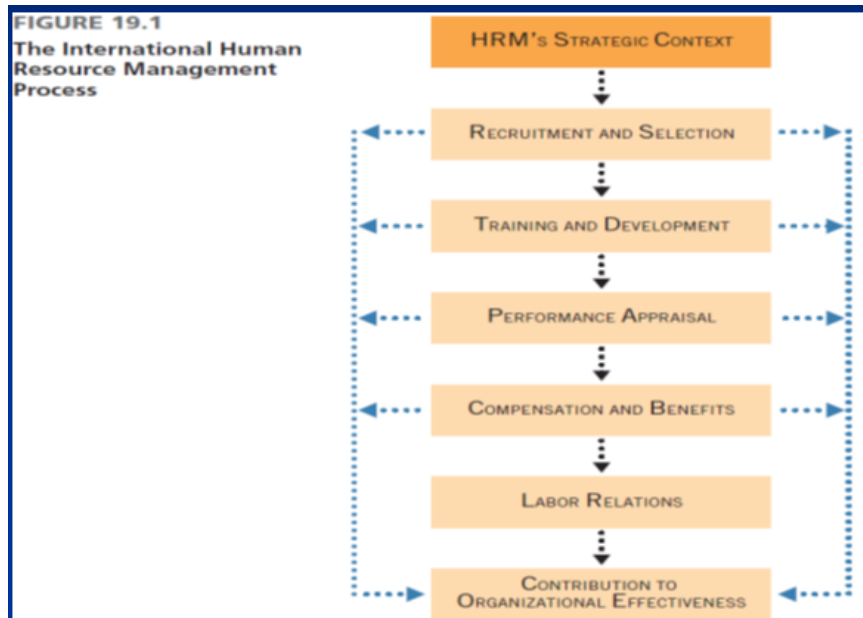
- Union decides whether to refer unresolved grievance to arbitration.
- Union appeals grievance to arbitration for binding decision.



## Chapter 15: Managing HR in a Global Business

March 30, 2021

Why have human resource considerations become so important in international business management?



### Stages of International Involvement

**Stage 1 - Domestic Operations:** The firm market is exclusively domestic

**Stage 2 - Export Operations:** The Firm expands its Market to include other countries but retains production facilities within domestic borders.

**Stage 3 - Subsidiaries or Joint Venture:** Physically moves some of its operation out of the country.

**Stage 4 - Multinational Operations:** The Firm becomes a full pledge multinational corporation with assembly and production facilities in several countries and regions of the world. Some decentralization of decision-making is common but many personnel decisions are still made at corporate headquarters.

**Stage 5 - Transnational Operations:** Firms that reached the stage Are often called transnational because they owe little allegiance to their country of origin. operations are highly decentralized with each business unit free to make HR decisions with very loose control from corporate headquarters.

### Inter-Country Differences Affect HRM

- Cultural Factors
- Economic systems
- Labour cost factors
- Industrial relations factors
- The European Union

### 3 Broad Global HR Challenges

- Deployment of skills were needed
- Knowledge and innovation dissemination
- Identifying and developing talent on a global basis

### Staffing Philosophy

- **Hiring International Managers:**
  - Parent country nationals
  - Host country nationals
  - Third country nationals
- **Staffing Models:**
  - Ethnocentric
  - Polycentric
  - Geocentric

### Recruitment of Managers

- **Recruitment of Experienced Managers:**
  - Among current employees
  - Retired executives
  - Prospective managers
    - Headhunters
  - Globalized market for executive talent
- Recruitment of Younger Managers

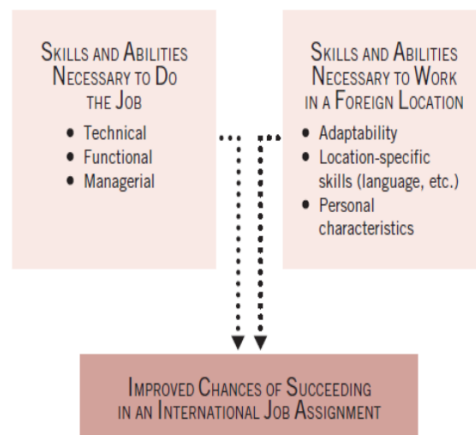
### Selection of Managers

- **Promising Candidates:**
  - Managerial Competence
  - Appropriate Training
  - Adaptability to new situations
- **Expatriate Failure:**
  - Cultural Adaptability
  - Motivation and Interest

### Recruitment and Selection

FIGURE 19.2

Necessary Skills and Abilities for International Managers



## Selecting Employees in a Global Labour Market

- **Basic principles for selection of employees for international assignments:**
  - Competency in the employee's area of expertise
  - Ability to communicate
  - Flexibility and tolerance for ambiguity
  - Sensitivity to cultural differences
  - Motivation to succeed
  - Enjoyment of challenges
  - Willingness to learn
  - Support from family members

## Five Dimensions of Culture



## Expatriate Assignments

- **Why They Fail:**
  - Career Blockage
  - **Culture Shock:** Patrol stress experienced by people who settle overseas.
  - Lack of Training
  - Technical Emphasis
  - Poor Selection
  - Family Problems
- **Difficulties Upon Return:**
  - Downplaying Skills
  - Loss of Status
  - Poor PLanning
  - Reverse Culture Shock

## Training and Management Development

- **Training for Expatriate Managers:**
  - Cultural training
  - Language training
  - Practical training
  - Assessing and tracking career development
  - Managing personal and family life
  - Repatriation of Expatriates

Length of Stay	Length and Level of Training	Cross-Cultural Training Approach
1-3 years	1-2 months+ High	<b>Impression Approach</b> Assessment centre Field experiences Simulations Sensitivity training Extensive language training
2-12 months	1-4 weeks Moderate	<b>Affective Approach</b> Language training Role-playing Critical incidents Cases Stress-reduction training Moderate language training
1 month or less	Less than a week Low	<b>Information-Giving Approach</b> Area briefings Cultural briefings Films/books Use of interpreters "Survival-level" language training

**Figure 16-3 Three Approaches to Cross-Cultural Training**

Source: Adapted from Mendenhall, M., & Oddou, G. (1986). Acculturation profiles of expatriate managers: Implications for cross-cultural training. *Columbia Journal of World Business*, 78. Copyright 1986. Columbia Journal of World Business. Reprinted with permission.

## Compensation

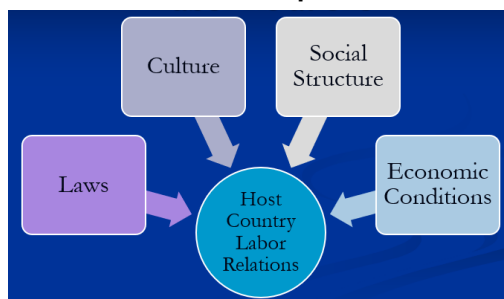
- Determining Compensation in International Business
- Labor Market Forces
- Occupational Status
- Licensing Requirements
- Standards of Living
- Government Regulations
- Tax Codes

COUNTRY	HR EXECUTIVE TOTAL COMPENSATION (\$)
Argentina	\$212 879
Australia	293 782
Belgium	446 624
Brazil	356 733
Canada	307 053
China (Hong Kong)	268 158
China (Shanghai)	85 393
France	384 904
Germany	456 665
India	146 384
Italy	432 569
Japan	278 697
Malaysia	140 587
Mexico	382 334
Netherlands	287 247
Poland	120 410
Singapore	230 281
South Africa	371 781
South Korea	182 716
Spain	305 519
Sweden	302 473
Switzerland	447 563
Taiwan	158 146
United Kingdom	494 519
United States	525 923
Venezuela	225 317

### Performance Appraisal

- Who Should Appraise Performance?
- Home-versus Host-Country Evaluations
- Performance Criteria
- Providing Feedback

### Labour Relations: Comparative Labour Relations



**FIGURE 17.2** Ten Best Practices for Foreign Assignments

- Recruit people with competencies for international assignments.
- Make assignments part of career development and succession planning.
- Pre-screening of individuals is key.
- Look beyond technical skills; people skills and progressive leadership styles are critical to a successful assignment.
- Screen for international readiness using behavioural testing methods.
- Provide cultural training for all family members.
- Outline a repatriation plan up front.
- Maintain a pool of pre-qualified individuals to draw from in responses to changes in business conditions.
- Communicate and involve expatriates in home company news and affairs on a regular basis.
- Be flexible and have contingency plans in place.

Source: Adapted from S. Cryne, "Foreign Assignments Increasing, Along with Employee Resistance," *Canadian HR Reporter*, September 27, 2004, p. 9. Reproduced by permission of *Canadian HR Reporter*, Carswell, One Corporate Plaza, 2075 Kennedy Road, Scarborough, ON M1T 3V4.

Copyright © 2008 Pearson Education Canada

**TABLE 17.2** Summary of Best Global HR Practices

Do ...	Don't ...
<ul style="list-style-type: none"> <li>• Work within existing local systems—integrate global tools into local systems</li> </ul>	<ul style="list-style-type: none"> <li>• Try to do everything the same way everywhere</li> </ul>
<ul style="list-style-type: none"> <li>• Create a strong corporate culture</li> </ul>	<ul style="list-style-type: none"> <li>• Yield to every claim that “we’re different”—make them prove it</li> </ul>
<ul style="list-style-type: none"> <li>• Create a global network for system development—global input is critical</li> </ul>	<ul style="list-style-type: none"> <li>• Force a global system on local people</li> </ul>
<ul style="list-style-type: none"> <li>• Treat local people as equal partners in system development</li> </ul>	<ul style="list-style-type: none"> <li>• Use local people for implementation</li> </ul>
<ul style="list-style-type: none"> <li>• Assess common elements across geographies</li> </ul>	<ul style="list-style-type: none"> <li>• Use the same tools globally, unless you can show that they really work and are culturally appropriate</li> </ul>
<ul style="list-style-type: none"> <li>• Focus on what to measure and allow flexibility in how to measure</li> </ul>	<ul style="list-style-type: none"> <li>• Ignore cultural differences</li> </ul>
<ul style="list-style-type: none"> <li>• Allow for local additions beyond core elements</li> </ul>	<ul style="list-style-type: none"> <li>• Let technology drive your system design—you can’t assume every location has the same level of technology investment and access</li> </ul>
<ul style="list-style-type: none"> <li>• Differentiate when necessary</li> </ul>	<ul style="list-style-type: none"> <li>• Assume that “if we build it they will come”—you need to market your tools or system and put change management strategies in place</li> </ul>
<ul style="list-style-type: none"> <li>• Train local people to make good decisions about which tools to use and how to do so</li> </ul>	
<ul style="list-style-type: none"> <li>• Communicate, communicate, communicate!</li> </ul>	
<ul style="list-style-type: none"> <li>• Dedicate resources for global HR efforts</li> </ul>	
<ul style="list-style-type: none"> <li>• Know, or have access to someone who knows, the legal requirements in each country</li> </ul>	

Source: Ann Marie Ryan et al., “Designing and Implementing Global Staffing Systems: Part 2—Best Practices,” *Human Resource Management*, Spring 2003, Vol. 42, No. 1, p. 93. Copyright © 2003 John Wiley & Sons. Reprinted with permission of John Wiley & Sons, Inc.

Copyright © 2008 Pearson Education Canada