

## **MHR 523 Midterm Notes:**

### **Lecture 1: The Strategic Role of HRM**

**Psychological contract:** Refers to the unwritten set of expectations of the employment relationship as distinct from the formal, codified employment contract. Taken together, the psychological contract and the employment contract define the employer-employee relationship.

### **Common Misconceptions about HR**

- HR is a useless department
- HR does not understand business
- People go into the field of HR simply because they like “working with people.”

**Human Resource Management (HRM):** The management of people in organizations to drive successful organizational performance and achievement of the organization’s strategic goal.

**Human Capital:** The knowledge, training, skills, and expertise of an organization’s workforce.

### **Functional Areas of HR:**

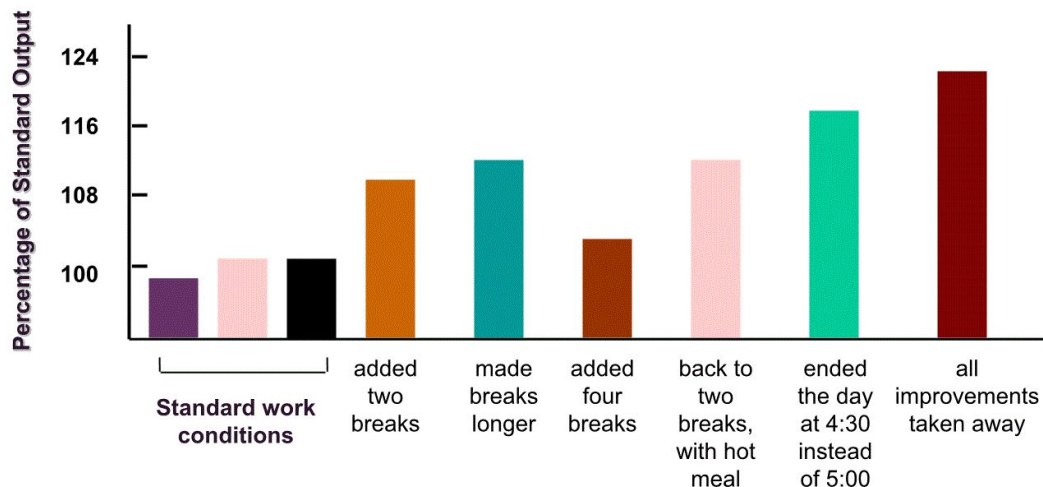
- Job analysis and Job design
- Compensation
- Recruitment and selection
- Talent management and succession planning
- Employee engagement, motivation and wellness
- Performance appraisals
- Discipline and Discharge
- Labour Relations

## Changing Attitudes at Work: Hawthorne Studies:

- Studies conducted at the Hawthorne Plant of Western Electric that were concerned with the impact of fatigue, rest pauses, and lighting on employee productivity.
- The studies illustrated how psychological and social processes affect productivity and work adjustment.



## Results of the Hawthorne Studies



Shantz, 2009

## Human Resources Movement: Evolutionary Phases

### Phase 1: Early 1900s

- Personnel Administration (HRM of that time)
  - In charge of Hiring and firing
  - Payroll department
  - Administering benefits

## Phase 2: 1930s-1950s

- Personnel Managers were gaining more responsibility
  - In charge of communicating with union representatives
  - Complying with new laws
  
- As the Human Resources Movement continued, more areas had to be overseen by personnel managers. Such as:
  - Orientation
  - Performance appraisals
  - Employee relations

## Phase 3: 1960s - 1980s

- Government passed a legislation which affected employees drastically. Resulting in increased responsibility for Personnel managers.
  - Outsourcing HR responsibilities occurred frequently during this time
  - Later, HRM was born, and it enabled HR managers to oversee many new areas.
  - HR went from being mainly about maintenance and administration, to corporate contribution and proactive management. It also initiated change.

## Phase 4: 1990s to Present

- Current HR functions
  - A study of HR professionals identified that there are basic HR skills and principles that should be known by all line managers to be successful in their work.
  - HR representatives help corporations and companies achieve strategic objectives.
  - New roles were created during this phase:
    - Activist
    - Change Steward
    - Talent manager/organizational designer
    - Operational Executor
    - Business Ally

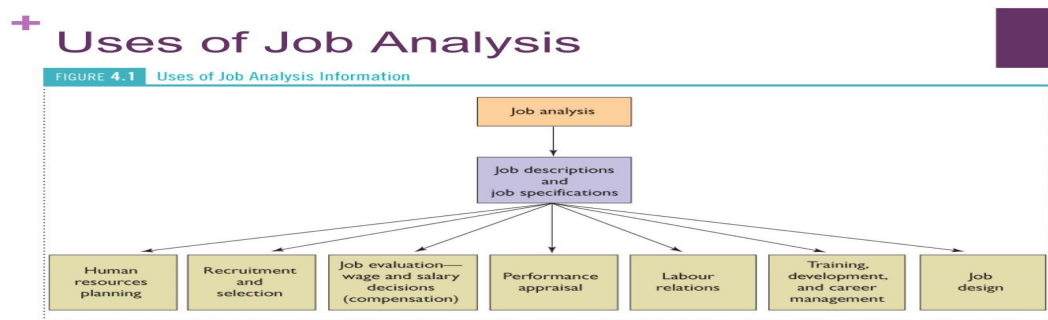
## Environmental Influences on HRM:

- Internal Influences:
  - Organizational Culture
  - Organizational Climate
  - Management Practices
- External Influences:
  - Increasing Workforce Diversity
  - Economic Conditions
  - Labour Market Issues
  - Technology
  - Government
  - Globalization
  - Environmental concerns
  - Generational differences
- External Influences
  - Technology
  - Government laws and regulations
  - Labour Market Issues
  - Global Trends
  - Environmental Concerns

## Lecture 2: Designing and Analyzing Jobs

### Job Analysis:

- A process by which information about jobs is systematically gathered and organized.
- The procedure for determining the tasks, duties, and responsibilities of each job, and the human attributes (knowledge, skills and ability) required to perform it.
  - Relates to HR, because carrying out job analysis allows for HR managers to see the organization's staffing needs.
  - Furthermore, when applying the job analysis results with their current info about employee skills, knowledge and abilities, HR managers can determine which positions can be filled internally and externally



## Steps in Job Analysis:

1. Review relevant background information
2. Select jobs to be analyzed
3. Collect data on job activities
4. Verify/modify data if required
5. Write job descriptions and job specifications
6. Communicate and update information as needed.

## Job Analysis Step by Step:

### Step 1: Background Information

What do we mean by *relevant* background information?

- The function, goals and objectives of the organization
- The **Organizational Structure**
- How **information** is obtained
- How **authority** is distributed

### Step 2: Select Jobs to be Analyzed

- How do we determine which jobs are to be analyzed?

### Job Design

- The process of systematically organizing work into tasks that are required to perform a specific job.

### Step 3: Collect Job Analysis Information

- Interviews (individual, group, supervisory)
- Questionnaires
- Observations
- Participant diary/log
- National Occupation Classification (NOC)

**Note:** *When conducting job analysis, the objective is to gain better understanding of the job itself, not to evaluate the qualifications of the current incumbent. Job analysis is not a performance review.*

#### **Step 4: Verifying Information**

- **Verify with**
  - Workers currently performing the job
  - Supervisors
- **Increases Validity and Reliability**
  - Inconsistencies/concerns can be addressed
  - Participants will be more honest

#### **Step 5: Job Descriptions and Job Specifications**

- **Job Description**
  - Statement of duties, responsibilities, reporting relationships, and working conditions of the job.
  - Focus on the task
- **Job Specifications**
  - Statement of requisite knowledge, skills, and abilities needed to perform the job.
  - Focus on the person performing the task.

#### **Step 6: Communication and Preparedness for Revisions**

- Communicate to all relevant stakeholders
- Anticipate Modifications
  - Restructuring
  - New product development
  - Technological Changes
  - Competitors

#### **Competency-Based Job Analysis**

- Job analysis focuses on competencies *rather than a list of duties---why???*
- Competencies: Demonstrable characteristics that enable performance of a job.
- Examples of competencies
  - General (reading, writing, mathematics)
  - Leadership (Strategic Thinking, Motivating)
  - Technical competencies for specific jobs.

## **Problems Associated with Job Analysis**

- Job analysis that is neither updated nor reviewed
- Job description or specification that is too vague
- Contamination of Deficiency
- Time and Costs of Job Analysis

## **Job Descriptions and Job Specifications**

### **Some Legal Considerations**

#### **Human Rights Legislation**

- Not Legally required but highly advisable
- Essential job duties should be clearly identified
- The only criteria examined should be knowledge, skills, and abilities required for the essential duties of the job.

### **Employee Standards and Health and Safety**

- For entry-level (or very physical jobs), identify actual physical and mental demands.

#### **Help Wanted:**

- As we saw in step 5 of the Job Analysis process, the information gained from thorough and effective Job Analysis informs the writing of job descriptions and job specifications
- Job descriptions and job specifications influence who will apply to your organization -> who will be hired -> support/detract from org's strategy -> promote/hinder org success.

## **The Evolution of Jobs and Job Design**

- **Job Specialization**
  - Work simplification
  - Industrial Engineering
- **Behavioural Aspects**
  - Job engagement, job rotation, job enrichment, team based job design.
- **Ergonomic Aspects**
  - Physical Needs of workers

## **Job Characteristics Model:**

### **· Components of a Job**

- Skill variety (The use of different skills)
- Task Identity (Completing an entire piece of work)
- Task Significance (work contributes to a greater good)
- Autonomy (Decision making authority over oneself)
- Feedback

## **Lecture 3: Human Resource Planning (HRP)**

**Human Resource Planning (HRP):** The process of forecasting future human resources requirements to ensure that the organization will have the required number of employees with the necessary skills to meet the strategic objectives.

### **Strategic Importance of HRP (Human Resource Planning):**

- Helps Organizations:
  - Meet strategic goals and objectives
  - Achieve economies in hiring new workers
  - Make major market labour demands successfully
  - Anticipate and avoid shortages and surpluses of human resources
  - Control or reduce labour costs

### **Steps in the HRP Process:**

1. Forecasting the availability of candidates (HR Supply)
2. Forecasting future HR needs (HR Demand)
3. Programs to balance supply and demand

- HR Supply: Current staff, employees already working for the company.

### **Pros of Promoting and internal Candidate:**

- Knows company's culture, less training
- Company knows the individual
- Saves recruitment and selection costs for that employee
- Motivation for other employees, rewards employee loyalty

### **Cons of Promoting an internal Candidate:**

- New expertise, new way of thinking needed from an external
- May be costly in terms of increased compensation
- Creates a vacancy elsewhere in the organization
- Internal may not have the KSA (Knowledge, skills and Ability) to fill the role, may cost more in terms of training
- May be difficult to find qualified person willing to relocate (e.g. Amazon)

### **Pros of Hiring an External Candidate:**

- Expand the KSAs of your workforce
- Create more diverse workforce
- No relocation, local employee
- Gain competitive advantage from new experience
- Motivation to prove themselves

### **Cons of Hiring an External Candidate:**

- Takes more time to train
- Fit with current employees may be poor
- Recruitment and selection costs
- Can damage employee morale when internal candidates have KSAs but are not promoted
- Unsure of employee loyalty
- Possibility of employee demanding higher salary

### **Forecasting Supply of External Candidates:**

- **Market conditions assessed:**
  - General economic conditions
    - Interest rates, wage rates, inflation, unemployment rates,
  - Labour Market Conditions
    - Demographics: Education levels, age, gender, marital status
  - Occupational market conditions
    - Relevant occupations (As applicable), e.g. engineers, skilled labour, accountants, etc.

### **Postsecondary Education Attainment and HR Planning:**

- Think about how the number and kind of postsecondary education (PSE) graduates affects HR planning considerations.
- Who is responsible for training?
  - Organizational resource constraints
  - Firm specific human capital vs. General Human Capital

### **Skills Inventory:**

- Manual or computerized records summarizing employees' education, experience, interests, skills, and so on, which are used to identify internal candidates eligible for transfer or promotion
- An individualized personnel record held on each employee except those currently in management or professional positions.

### **Management Inventory:**

- Records summarizing the qualifications, interests, and skills of management employees, along with the number and types of employees supervised, duties of such employees, total budget managed, previous managerial duties and responsibilities, and managerial training received.
- An individualized personnel record for managerial, professional, or technical personnel that includes all elements in the skills inventory with the addition of information on specialized duties, responsibilities, and accountabilities.

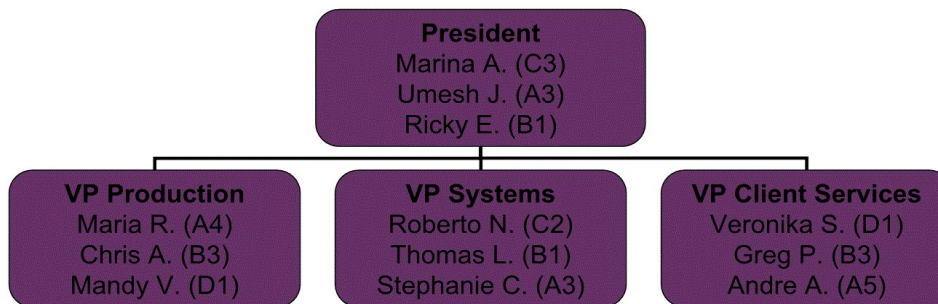
**Succession Planning:** The process of ensuring a suitable supply of successors for current and future senior or key jobs so that the careers of individuals can be effectively planned and managed.

### **Succession/Replacement Analysis:**

- *Succession Planning* - Critical to effective organizational functioning
- Helps the organization in being more effective in filling vacant roles.

## Sample Success Replacement Chart:

# Sample Success Replacement Chart



### Readiness Codes:

A – ready now  
B – ready a year from now  
C – ready 2 years from now  
D – readiness not determined

### Performance Codes:

1 – outstanding  
3 - mediocre  
5 – unacceptable

## Forecasting HR Demand:

- HR demand numbers must include not only the numbers of staff required to achieve objectives but also replacements for all types of losses:
  - Retirements - Regular and early
  - Quits - Voluntary and Involuntary
  - Long-Term Leave: E.g. LTD, Sabbatical, maternity leave, paternity leave
  - Promotion out / transfers in
  - Change in organizational structure
  - Adding or closing parts of the operation

## Techniques for Forecasting HR Demand:

- Quantitative Techniques:
  - Index/trend analysis
  - Regression analysis
  - Envelope/scenario forecasting

- Qualitative Techniques:
  - Nominal group technique
  - Delphi Technique

**It is important to know the difference between qualitative and quantitative!!!**

### **Quantitative Forecasting Techniques:**

- Trend Analysis: “the study of a firm’s past employment levels over a period of years to predict future needs ”
- Ratio Analysis: “a forecasting technique for determining future staff needs by using ratios between some causal factor (i.e. sales volume) and the number of employees needed”
- Regression Analysis: “a statistical technique involving the use of a mathematical formula to project future demands based on an established relationship between an organization’s employment level (dependent variable) and some measurable factor of output (independent variable)”

### **Regression Analysis**

$$Y = A + BX$$

Where:

Y= the dependent variable

A = constant (intercept)

B = slope of the linear relationship between X & Y

X = the independent/ causal variable

### **Qualitative Approaches:**

#### ***Nominal group technique***

- involves a group of experts meeting face to face
- steps include independent idea generation, clarification and open discussion, and private assessment

## **Qualitative Approaches:**

### ***Delphi Technique***

A carefully designed program of sequential, individual interrogations (usually conducted through questionnaires) interspersed with information feedback on the opinions expressed by the other participants in previous rounds

**Important: Using the Delphi Technique, experts do not meet face-to-face.**

## **Summarizing Human Resources Requirements**

- A Staffing table is a pictorial representation of all jobs within the organization, along with the number of current incumbents and future employment requirements (monthly or yearly) for each
- A Staffing table is the result of your forecasting efforts (both qualitative/quantitative)

## **HR Deficit or Surplus**

- Deficit:  $HR\ Supply < HR\ Demand$
- Surplus:  $HR\ Supply > HR\ Demand$

## **Responding to a Labour Shortage (Deficit)**

Internal solutions:

- transfer
- promotion
- employee retention

External solutions:

- Recruiting

## **Responding to a Labour Surplus**

- hiring freeze/attrition
- early retirement buyout programs
- job sharing
- work sharing
- reduced workweek
- layoff

- termination
- leave of absence

### **Responding to a Labour Surplus**

- Considerations:
  - survivor syndrome
  - supplemental unemployment benefits
  - severance package
    - pay
    - benefits
    - golden parachute
    - outplacement assistance

### **Lecture 4: Changing the legal Emphasis: From Compliance to Valuing Diversity**

#### **Jurisdiction:**

- Federal Laws
  - Federally regulated employers (Federal civil service, crown corporations and agencies, transportation, banking and communications)
- Provincial Employment Laws
  - All other employers (90% of Canadian workers)

#### **The Canadian Charter of Rights and Freedoms**

- **Freedoms**
  - freedom of conscience and religion
  - freedom of thought, belief, expression and opinion
  - freedom of peaceful assembly
  - freedom of association
- Section 15 – Equality Rights
  - right to equal protection and benefit of the law without discrimination

#### **Ontario Human Rights Code:**

“Every person has a right to equal treatment with respect to services, goods and facilities, without discrimination because of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed [incl. religion], sex, sexual orientation, gender identity, gender

expression, age, marital status, family status or disability. R.S.O. 1990, c. H.19, s. 1; 1999, c. 6, s. 28 (1); 2001, c. 32, s. 27 (1); 2005, c. 5, s. 32 (1); 2012, c. 7, s. 1.”

### **Bona Fide Occupational Requirement (BFOR)**

- In order to legally establish a “discriminatory standard” as a BFOR, an employer must show that:
  1. The standard is necessary for job performance.
  2. The standard was adopted in good faith (i.e. because it was believed to be necessary for job performance)
  3. Any accommodations to change the standard would be either impossible or constitute undue hardship.

### **Requirement for Reasonable Accommodation**

- adjustment of employment policies/practices so that no individual is denied benefits or is disadvantaged
- based on prohibited grounds in human rights legislation
- e.g. work station redesign for wheelchair

### **Undue Hardship**

- financial costs make accommodation impossible

### **Employment Equity Act:**

- based on Charter of Rights and Freedoms
- applies to federally regulated employers only
- promotes equality, removes employment barriers
- Four designated groups: women, visible minorities, persons with disabilities, Aboriginal peoples

### **Workplace Harassment:**

- **Harassment:** *“Unwelcome behaviour that demeans, humiliates or embarrasses a person that a reasonable person should have known would be unwelcome.”*
- Sexual Harassment:
  - Sexual Coercion (aka quid pro quo)
  - Sexual Annoyance (aka hostile work environment)

## Employment Standards Act:

- federal and provincial/territorial versions
- establish minimum terms for:
  - wages, overtime pay
  - paid holidays and vacations
  - maternity/paternity leave
  - bereavement/compassionate care leave
  - termination notice
- employment contracts may exceed minimums
- principle of greater benefit applies

## Enforcement of Employment Standards Act:

- complaints filed with ministry of labour or counterpart
- filed complaint is settled through the ministry, not civil court
- limitation periods for filing
- maximum claim limit for unpaid wages

## Respecting Employee Privacy:

### Challenges

- Employer has right to prevent liability to the company
  - eliminate time wasted on personal matters
  - prevent abuse of company resources
- Employees have right to:
  - control over information about themselves
  - freedom from interference in their personal life

## Employee Privacy

### Internet and Email Usage

- electronic surveillance is permitted
- employer should create written policy
- policy should be updated regularly to stay current with technology

### Video Surveillance

- used to prevent employee theft and vandalism
- employees must be made aware
- not advised if reasonable alternatives exist

## **Lecture 5: Recruitment and Selection**

### **Recruiter:**

- A specialist in recruitment, whose job it is to find and attract capable candidates.

### **The Recruitment Process:**

1. Identify Jobs Openings
2. Specify job requirements
3. Select methods of recruitment
4. Generate pool of qualified candidates

### **Employer Branding:**

- The image of an organization based on the benefits of being employed by that organization
- Includes experiences a candidate goes through during the recruitment process including:
  - Experience when they go to the company's website

### **Applicant Tracking System: (ATS)**

- Applicant tracking Systems
- Nearly all major corporations use some form of ATS
- Web-based recruiting costs about one-third the cost of traditional recruiting methods
- The most common keywords: position titles, education and position descriptors

### **Recruiting From Within: Advantages**

- rewarding competence enhances commitment, morale and performance
- insiders may be more committed to goals and less likely to leave
- managers have longer-term perspective when making business decisions
- more accurate assessment of candidate's skills and performance level
- require less orientation

### **Recruiting From Within: Disadvantages**

- discontent of unsuccessful candidates
- time consuming to post and interview all candidates if one is already preferred
- employee dissatisfaction with insider as new boss
- possibility of "inbreeding"

## Internal Recruitment Methods

Job Posting:

- notifying current employees about vacant positions

Human Resources Records

- review of information on existing employees to identify candidates for openings

Skills Inventories

- review of qualification, interest skills of existing employees

## Recruiting from Outside: Advantages

- a larger pool of qualified candidates
- availability of a more diverse applicant pool
- acquisition of new skills, knowledge, and ideas
- elimination of employee rivalry and competition for transfers and promotions
- hiring individuals who already have necessary skills reduces training costs

## Planning External Recruitment

Considerations:

- type of job affects recruitment method chosen
- yield ratios - percentage of applicants that proceed to next stage of selection
- time lapse data - time from start of recruitment to new employee starting work

## Social Media & Recruitment

- **DO** employers check job candidate's Facebook pages before making an interview/hiring decision?
- **SHOULD** employers check job candidate's Facebook pages before making an interview/hiring decision?
- For a legal discussion, see: <http://lawofwork.ca/?p=4995> and <http://lawofwork.ca/?p=5026>
- 60% of Employers use SM to research job Candidates

## **Recruiting Non-Permanent Staff:**

### Temporary Help Agencies:

- provide relief for employees who are ill, on vacation, taking a leave of absence, etc.
- Benefits:
  - cost less than permanent employees
  - immediate replacement of an unsuitable temporary worker
  - workers are often highly motivated

## **Recruiting Non-Permanent Staff**

### Contract Workers:

- work directly for the employer
- specific type of work or period of time
- Benefits:
  - coverage for seasonal or unplanned peaks in business
  - specialized work or projects
  - reduced layoffs during downturns

## **Selection, Diversity and Human Rights:**

- use selection criteria based on the job
- assess applicant's ability to meet expectations
- scrutinize applicant-provided information
- obtain authorization for reference checking
- save all records and information
- reject applicants who make false statements

## **Steps in the Selection Process:**

1. Preliminary Applicant Screening
2. Selection Testing
3. Preliminary Interview
4. Background Investigation/Reference Check
5. Supervisory Interview and RJP
6. Hiring Decision and Candidate Notification

## Acquiring Employees and the Law

Considerations:

- do not ask questions that would violate human rights legislation
- treat all candidates in the same manner
- do not cut short an interview based on preconceived notions about the gender or race of the “ideal” candidate
- focus on the job description and job specification when gathering information from applicants

## Selection Testing:

- screening device used by approximately two thirds of Canadian organizations
- assesses specific job-related skills, general intelligence, personality characteristics, mental abilities, interests, and preferences
- efficient, standardized methods for screening large numbers of applicants
- must be reliable and valid

## Reliability and Validity:

Reliability:

- the degree to which selection procedures yield comparable data over time
- in other words, the degree of dependability, consistency, or stability of the measures used

Validity:

- the accuracy with which a predictor measures what it is intended to measure.  
**Four types of validity outlined in the text.**

## Types of Tests Used in Selection:

- Cognitive Abilities
  - intelligence tests
  - emotional intelligence tests
  - specific cognitive abilities
- Motor/Physical Abilities
- Personality and Interests
- Achievement Test

- Work Sampling
- Management Assessment Centres
- Situational Testing
- Micro-assessments
- Physical Examination, Substance Abuse Testing, Polygraphs

### **Types of Interviews:**

Degree of Structure:

- unstructured, structured, or mixed/semi-structured

Content:

- situational, behavioural

Administering the Interview:

- one-on-one or panel
- sequentially or all at once
- face-to-face or technology enabled

### **Common Interviewer Mistakes:**

- poor planning
- snap judgments
- negative emphasis
- halo effect
- poor job knowledge
- contrast error

### **Background Investigation:**

- verify accuracy of information provided
- includes
  - criminal record check
  - verification of educational qualifications
  - verification of previous employment
  - performance-related references from past supervisors
  - credit check may also be included

## **Reference Checking:**

Considerations:

- obtain written permission
- possible public sources (e.g. LinkedIn)
- **qualified privilege\***
- **negligent misrepresentation\***

## **Hiring Decision and Candidate Notification:**

- compile information from all techniques used
- evaluate information about each candidate
- immediate supervisor usually makes final hiring decision
- make offer that specifies terms and conditions of employment
- give candidates time to think about the offer
- notify all finalists who were not selected

## **Supervisory Interview and Realistic Job Preview (RJP):**

The supervisor:

- is best qualified to assess job knowledge/ skills
- can answer job-specific questions
- must feel comfortable with new hire
- can assess fit with current team members

Realistic Job Preview (RJP):

- provides applicants with realistic information, both positive and negative, about the job

