Title: Human Resource Management
Speaker: Nathan Neale
Chapter 10

• What are the purpose and legal context of human resource management?
• What are the essential human resource management practices?
• What are some of the current issues in human resource management?
10.1

HRM Purpose and Legal Context

• Human resource management attracts, develops, and maintains a talented workforce
• Strategic human resource management aligns human capital with organizational strategies
• Government legislation is supposed to protect workers against employment discrimination
• Laws can’t guarantee that employment discrimination will never happen
HRM PURPOSE AND LEGAL CONTEXT

Maintaining a Talented Workforce

<table>
<thead>
<tr>
<th>Major responsibilities of Human Resource Management (HRM) include:</th>
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<tbody>
<tr>
<td>Attracting a quality workforce</td>
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</table>
Strategic HR

- Strategic human resource management
  - aligns human capital with organizational strategies.

- Human capital
  - skills, knowledge, innovation, creativity, energy and commitment to offer to the organization.
Discrimination Laws

• Job discrimination
  – Employment decisions made for reasons that are not relevant to the job
  – Equal employment opportunity (EEO)
    • The right to employment without regard to race, religion, color, national origin, gender
    • Title VII of the Civil Rights Act of 1964 is an important law that guarantees equal employment opportunity
HRM PURPOSE AND LEGAL CONTEXT

Discrimination Laws

• Affirmative Action
  – Effort to give employment preference to women and minority group members

• Affirmative Action plans
  – Attempt to ensure that percentage of minorities within the organization are a similar proportion to the labor market availability

• Reverse discrimination
  – Claims of discrimination by majority populations
HRM PURPOSE AND LEGAL CONTEXT

Discrimination Laws

• Bona fide occupational qualifications
  – Criteria for employment is justified for ability to perform a job
  – May seem discriminatory
    • Example – female locker room attendant
The Equal Pay Act of 1963 requires equal pay for women and men doing equal work. It describes equal work in terms of skills, responsibilities, and working conditions.

The Age Discrimination in Employment Act of 1967 as amended in 1978 and 1986 protects workers against mandatory retirement ages. Age discrimination occurs when a qualified individual is adversely affected by a job action that replaces him or her with a younger worker.

The Pregnancy Discrimination Act of 1978 protects female workers from discrimination because of pregnancy. A pregnant employee is protected against termination or adverse job action because of the pregnancy and is entitled to reasonable time off work.

The Americans with Disabilities Act of 1990 as amended in 2008 prevents discrimination against people with disabilities. The law requires employment decisions be based on a person’s abilities and what he or she can do.

The Family and Medical Leave Act of 1993 protects workers who take unpaid leaves for family matters from losing their jobs or employment status. Workers are allowed up to 12 weeks of leave for childbirth, adoption, personal illness, or illness of a family member.
Employee Rights

• Workplace privacy
  – Right to privacy on the job
  • Technology creates issues with employer and employee rights: social media, e-mail, internet use
HRM PURPOSE AND LEGAL CONTEXT

Employee Rights

• Pay discrimination and comparable worth
  – People with similar jobs should receive comparable pay
  – Lillie Ledbetter Fair Pay Act
    • Lengthened the time frame to file claims of pay discrimination
HRM PURPOSE AND LEGAL CONTEXT

Employee Rights

• Pregnancy discrimination
  – Penalizes women as applicants or employees for being pregnant
    • Hiring
    • Promotions
    • Leaves
    • Job assignments
HRM PURPOSE AND LEGAL CONTEXT

Employee Rights

• Age discrimination
  – Penalizes employees 40 and over as applicants or employees
  • Average age in the workforce is increasing and so are claims of discrimination
10.2

HRM Practices

• Recruitment attracts qualified job applicants
• Selection makes decisions to hire qualified job applicants
• Socialization and orientation integrate new employees into the organization
• Training continually develops employees skills and capabilities
• Performance management appraises and rewards accomplishments
• Retention and career development provide career paths
HRM PRACTICES

Recruiting

• **Person-job fit**
  – Match of an individual’s skills, interests and abilities with the requirements of the job

• **Person-organization fit**
  – Match of an individual’s values, interests and behavior with organization’s culture
HRM PRACTICES

Recruiting

• Recruitment
  – Attracting a pool of qualified applicants to the organization
HRM PRACTICES

Recruiting

• Realistic job preview
  – Gives the candidate both the good and bad points of the job and organization
  – Often highlight rewards and challenges of the position
HRM PRACTICES

Selection

- Choosing applicants with the greatest potential from the pool
HRM PRACTICES

Selecting

• Reliability
  – Employment test or selection device provides consistent measurement of applicant skills, time after time.

• Validity
  – Employment test or selection device is a good predictor of future job performance.
HRM PRACTICES

Selecting

• Assessment centers
  – Evaluates applicant abilities by observing performance in simulated work activities

• Work sampling
  – Actual work is graded by observers
HRM PRACTICES

Socialization and Orientation

• Socialization
  – Process of influencing the expectations, behavior and attitudes of new employees in a positive way

• Orientation
  – Activities that familiarize new employees with the new job and the organization
HRM PRACTICES

Training

• Training
  – Improves employee skills and capabilities

• Coaching
  – Experienced employees provide advice and motivation
HRM PRACTICES

Training

• Mentoring
  – Experienced employees share expertise with newer employees

• Reverse mentoring
  – Newer employees share expertise with experienced employees
    • Technology
    • Social media
HRM PRACTICES

Performance Management

• Performance Appraisal
  – Process of assessing and providing feedback on employee work accomplishment
    • Document performance
    • Communicate performance
    • Identify how to improve performance
HRM PRACTICES

Performance Management

• Graphic rating scale
  – Checklist or score card for rating employee traits or performance characteristics
    • Quality of work
    • Quantity of work
    • Attendance
    • Punctuality
Behaviorally Anchored Rating Scale (BARS)

- Describes actual behaviors that indicate various levels of performance

<table>
<thead>
<tr>
<th>Outstanding performance</th>
<th>Behavior</th>
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<tbody>
<tr>
<td>5</td>
<td>If a customer has defective merchandise that is not the responsibility of the store, you can expect this representative to help the customer arrange for the needed repairs elsewhere.</td>
</tr>
<tr>
<td>4</td>
<td>You can expect this representative to help a customer by sharing complete information on the store's policies on returns.</td>
</tr>
<tr>
<td>3</td>
<td>After finishing with a request, you can expect this representative pleasantly to encourage a customer to &quot;shop again&quot; in the store.</td>
</tr>
<tr>
<td>2</td>
<td>You can expect this representative to delay a customer without explanation while working on other things.</td>
</tr>
<tr>
<td>1</td>
<td>You can expect this representative to treat a customer rudely and with disrespect.</td>
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</table>

Unsatisfactory performance
HRM PRACTICES

Performance Management

• Critical incident technique
  – Keeps an actual record of employee behavior in certain circumstances

• Multi-person comparison
  – Employees are rated relative to other employees
Performance Management

- 360 degree feedback
  - Input from those who work with the employee
    - Direct report employees
    - Direct supervisor
    - Peers
HRM PRACTICES

Retention and Career Development

• Career Development
  – Process of career growth and progress

• Career Planning
  – Matching career goals and individual abilities with opportunities
Current Issues in HRM

- Today’s lifestyles increase demands for flexibility and work-life balance
- Organizations are using more independent contractors and part-time workers
- Compensation plans influence employee recruitment and retention
- Fringe benefits are an important part of employee compensation packages
- Labor relations and collective bargaining are closely governed by law
CURRENT ISSUES

Work-life balance

- Balancing career demands with personal and family needs
CURRENT ISSUES

Employment Trends

• Independent contractors
  – Hired with temporary contracts
  – Not permanent employees

• Contingency workers
  – Sometimes called *permatemps*
  – Work regular or part-time hours on long term basis
  – Not permanent employees
CURRENT ISSUES

Compensation

• Merit pay
  – Pay increase for good job performance

• Bonus pay
  – One-time payment for performance or accomplishments
CURRENT ISSUES

Compensation

• Profit sharing
  – Distributes portion of profits to employees

• Gain sharing
  – Distributes portion of cost savings to employees

• Stock options
  – Right to purchase stock at a fixed price in the future
CURRENT ISSUES

Benefits

• Fringe benefits
  – Non-monetary compensation
    • Health insurance, retirement plans, paid time off
  – Family friendly benefits
    • Help employees balance work, personal and family life
  – Flexible benefits
    • Employees personalize benefits within a set allowance or dollar amount
  – Employee assistance programs
    • Help employees cope with personal stress and problems
CURRENT ISSUES

Labor

- Labor unions
  - Deal with employers on worker’s behalf
- Labor contracts
  - Agreement between employees and employer
    - Wages
    - Hours
    - Benefits
    - Working conditions
    - Seniority
CURRENT ISSUES

Labor

• Collective bargaining
  – Process that brings management and union representatives together for negotiating, administering and interpreting labor contracts